



APRA adapts 2020 agenda to prioritise COVID-19 response

The Australian Prudential Regulation Authority (APRA) has suspended the majority of its planned policy and supervision initiatives in response to the impact of COVID-19.

The decision is intended to allow APRA-regulated entities to dedicate time and resources to maintaining their operations and supporting customers, while also enabling APRA to intensify its focus on monitoring and responding to the impact of a rapidly changing environment on entities' financial and operational capacity.

APRA is therefore suspending all substantive public consultations and actions to finalise revisions to the prudential framework that are currently underway or upcoming, including consultations on prudential and reporting standards. It will keep the situation under review, but presently does not plan to recommence consultation on any non-essential matters before 30 September 2020.

APRA may continue to progress certain data reporting initiatives where they are critical to meeting its mandate in the current environment, including new data collections related to the impacts of COVID-19.

Over the period ahead, APRA's primary supervision focus will be on monitoring the impact of COVID-19 on the financial and operational capacity of regulated institutions. As a result,

APRA's supervision priorities outlined in January 2020 will be largely suspended until at least 30 September, particularly where they involve intensive engagement with regulated entities. APRA's refocused supervision effort will involve frequent communication with entities, monitoring key financial settings, such as capital and liquidity, and responding accordingly. These engagements will be conducted virtually, unless absolutely necessary, and will continue as long as necessary.

APRA is also reconsidering the implementation dates and transition timeframes for prudential and reporting standards that have been recently finalised but not yet implemented. Further details on any adjustments will be provided shortly.

APRA Chair Wayne Byres said it was essential that both APRA and financial institutions were able to give their fullest attention to the impact of COVID-19.

"Australia's financial system is strong and resilient, and a key reason is that APRA's current prudential framework is fundamentally sound and incorporates international best practice.

"APRA set out [an expansive policy and supervision agenda in January](#), but right now it is more important that banks, insurers and superannuation trustees – as well as APRA – devote their energy and resources to responding to the impact of COVID-19.

"We will be working with financial institutions to balance the need for timely data and information on current conditions with institutions' ability to effectively manage their own response. Given the rapidly evolving environment in which everyone is operating, we will continue to closely monitor the extent and impact of COVID-19 on APRA-regulated entities to consider if any further modifications to our supervisory and policy activities are necessary," Mr Byres said.

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