

ASIC and APRA readjust 2020 activities to prioritise responding to COVID-19 challenges

Date: 24 March 2020

Source: www.apra.gov.au and www.asic.gov.au

Abstract:

The Australian Securities and Investments Commission (ASIC) and the Australian Prudential Regulation Authority (APRA) have both announced that they are readjusting their activities in 2020 until at least 30 September. They will prioritise directing their regulatory and supervisory activities towards challenges created by the COVID-19 pandemic. This includes suspending consultation, regulatory reports and reviews which are not time-critical or non-essential until at least 30 September.

ASIC's announcement

ASIC has expressed its commitment to working constructively and pragmatically with regulated entities. ASIC is mindful that they may encounter difficulties in complying with their regulatory obligations due to the impact of COVID-19.

ASIC's readjustment of its activities includes:

- suspending its enhanced on-site supervisory work, such as its Close and Continuous Monitoring Program; and
- providing new guidance to staff in issuing information-gathering notices, mindful of the significant disruption faced by notice recipients;
- providing relief or waivers from regulatory requirements where warranted, including requirements on listed companies associated with secondary capital raisings and audits (ASIC has already [indicated](#) a 'no action' stance in relation to the timing of AGMs until 31 July and the conduct of AGMs by electronic means); and
- working with financial institutions to accelerate paying outstanding remediation to customers.

ASIC will maintain:

- its enforcement activities and will continue to investigate and take action where the public interest warrants that it does so against any person or entity that breaks the law, but will focus on action to prevent immediate consumer harm, egregious illegal conduct and other time critical matters; and
- its key "business as usual functions" (e.g. registry operations and services, receipt of whistleblower, breach and misconduct reports, and general contact points for industry).

APRA's announcement

APRA has announced that:

- its primary supervision focus will be on monitoring the impact of COVID-19 on the financial and operational capacity of regulated institutions;

- the suspension of consultation, regulatory reports and review includes APRA's [policy and supervision agenda for 2020](#);
- its 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 necessary, and will continue as long as necessary;
- it 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; and
- it is reconsidering the implementation dates and transition timeframes for prudential and reporting standards that have been recently finalised but not yet implemented. It will provide further details on any adjustments provided shortly.

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.

Key takeaways

- Consider the nature and timeframes of your legislative and regulatory requirements and whether you can meet those requirements in light of disruptions to your business activities caused by COVID-19.
- Engage with ASIC and APRA as soon as possible if you believe you cannot meet those requirements, and seek relief or waivers if necessary. Continue to ensure that you otherwise comply with your legal obligations as ASIC has indicated that it will continue to investigate and prosecute breaches of the law. Even if ASIC does not take action immediately, it may do so once the effects of COVID-19 abate.

You can access ASIC's announcement [here](#) and APRA's announcement [here](#) .