



WAYNE BYRES  
Chairman

OBPR ID 20968

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Mr Wayne Poels  
Executive Director  
Office of Best Practice Regulation  
Department of the Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Email: helpdesk-obpr@pmc.gov.au

Dear Mr Poels,

**CERTIFICATION OF APRA'S REVIEW: REVISIONS TO LARGE EXPOSURES**

I am writing to certify that APRA's development of its prudential framework for large exposures of authorised deposit-taking institutions (ADIs) has undertaken a process and analysis equivalent to a Regulation Impact Statement (RIS).

I certify that the review has adequately addressed all seven RIS questions. The attached document sets out how APRA has addressed these questions.

Using the regulatory burden measurement framework and cost estimates provided by industry, it has been estimated that the measure will reduce compliance costs for ADIs, relative to implementation of the Basel large exposures framework without recognition of Australian conditions by \$360,000 per year.

<b><u>Regulatory burden and cost offset estimate table</u></b>				
<b>Average annual regulatory costs (from business as usual)</b>				
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$-.36	\$0	\$0	\$-.36

A regulatory offset has not been identified. However, APRA is seeking to pursue net reductions in compliance costs and will work with affected stakeholders and across Government to identify regulatory burden reductions where appropriate.

Accordingly, I am satisfied that the attached report now meets best practice consistent with the *Australian Government Guide to Regulation*.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Byers', is positioned below the text 'Yours sincerely'.

**Attachment**

APRA's review of revisions to the large exposures framework – the seven RIS questions