



OBPR ID: 22516

28 November 2017

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: *Common Equity Tier 1 capital instruments for mutually owned ADIs*

I am writing to certify that APRA's development of its revised framework for mutual equity interests for authorised deposit-taking institutions (ADIs) involved a process and analysis equivalent to a final 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, it has been estimated that the measure may increase costs for ADIs that choose to issue CET1-eligible capital instruments by \$10,000 per year.

Regulatory burden estimate table

Average annual regulatory costs (from business as usual)

Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$0.01	\$0	\$0	\$0.01

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*.

If you have any questions in relation to this matter, please contact Jane Sharkey on 02 9210 3393.

Yours sincerely



Pat Brennan
Executive General Manager
Policy and Advice Division