



OBPR ID: 20657

12 April 2018

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: COUNTERPARTY CREDIT RISK

I am writing to certify that APRA's development of its prudential framework for counterparty credit risk 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 and cost estimates provided by industry, it has been estimated that the measure may reduce compliance costs, relative to implementation of the Basel Committee on Banking Supervision's framework without explicit recognition of Australian conditions, by approximately \$4.77 million per year, as set out in Table 1. These costs have been agreed with your office.

Table 1 Estimate of regulatory burden

Annual regulatory costs, averaged over 10 years \$m				
Change in costs	Business	Community organisations	Individuals	Total change in costs
Total, by sector	-4.77	0	0	-4.77

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 'L. Ryan', is positioned below the closing text.

Attachment

Regulation impact analysis: *Counterparty Credit Risk*