



**AUSTRALIAN BANKERS'  
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Mr Wayne Byres  
baselcommittee@bis.org  
Secretariat of the Basel Committee on Banking Supervision  
c/o the Bank for International Settlements  
Centralbahnplatz 2  
CH-4002 Basel  
Switzerland

Dear Mr Byres,

### **Core Principles for Effective Banking Supervision**

The Australian Bankers' Association (ABA), which is the peak national body representing banks in Australia, welcomes the release of the updated Core Principles for Effective Banking Supervision. The ABA notes that these revisions have incorporated developments in both financial group business models and risk practices, and regulatory enhancements pre and post the Global Financial Crisis, and appreciates this holistic approach to the review process. It is noted that the enhancement process has incorporated new principles, including those addressing Corporate Governance and Disclosure and Transparency.

The ABA supports the updated principles and offers the following comments:

- Co-operation and Collaboration - home country regulators should continue to enhance their activities to co-ordinate the orderly collection and sharing of regulatory information to reduce duplication of requests across the regulated group. This matter should be subject to formal review each year, and as part of updating of memorandum of understanding and information sharing protocols between regulatory bodies. This should form a defined agenda point when Supervisory Colleges are convened by the home country regulator;
- Permissible Activities - the ABA welcomes the reinforcement of regulatory measures to ensure that authorised banking activities can only be undertaken by appropriately licensed institutions. National regulators should make use of their co-operation and collaboration activities and powers, to ensure that non-authorised entities are not undertaking permissible banking activities in both domestic and cross-border jurisdictions;
- Corporate Governance - the application of the new principle to regulated banking groups should leverage holistic corporate, listed entity and authorised banking institution frameworks, so as to allow for the clear delineation of roles and responsibilities between executive and non-executive directors, in accordance with national regulatory jurisdictions; and
- Disclosure and Transparency - application of the disclosure principle should also take into account the holistic regulatory framework for corporate, listed entity and authorised banking institution disclosure to ensure that there is a full leveraging of existing disclosure requirements, and to avoid unnecessary duplication, which may result in less transparency of business, risk and financial profiles.

Yours sincerely,

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**Tony Burke**