

Australian Prudential Regulation Authority Amendment Regulations 2001 (No. 1) 2001 No. 227

EXPLANATORY STATEMENT

STATUTORY RULES 2001 No. 227

Issued by the Authority of the Minister for Financial Services and Regulation

Australian Prudential Regulation Authority Act 1998

Australian Prudential Regulation Authority Amendment Regulations 2001 (No. 1)

Section 60 of the *Australian Prudential Regulation Authority Act 1998* (the Act) provides that the GovernorGeneral may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed by regulations for carrying out or giving effect to the Act.

The Prime Minister recently announced the establishment of a Royal Commission to inquire into the failure of the HIH Insurance Group. The terms of reference of the Royal Commission require the Commissioner to inquire into the reasons for and the circumstances surrounding the failure of HIH Insurance Group, including the regulatory and prudential supervision environment relating to general insurance. This is very likely to mean that the Royal Commission will require relevant information on these issues from the Australian Prudential Regulation Authority (APRA), which is the agency primarily responsible for prudential regulation.

These regulations allow APRA to disclose confidential information in its possession to Commonwealth Royal Commissions. Prior to these regulations being made, APRA was not able, due to secrecy provisions in section 56 of the Act, to voluntarily disclose information to Royal Commissions.

APRA is authorised to disclose information if the disclosure is for the purposes of the Act or for the purposes of other Acts referred to in subsection 56(1) of the Act. Paragraph 56(1)(k) of the Act allows other Acts to be prescribed for the purposes of subsection 56(1).

Accordingly, the regulations prescribe the *Royal Commissions Act 1902* for the purpose of subsection 56(1) for of the Act. This allows APRA to disclose information to Royal Commissions and should greatly assist the Royal Commission into the HIH Insurance Group in effectively addressing its terms of reference.

Details of the Regulations are in the Attachment.

The Regulations commence on gazettal. Gazettal is planned to occur on 30 August 2001.

Authority: Section 60 of the *Australian Prudential Regulation Authority Act 1998*

ATTACHMENT

Australian Prudential Regulation Authority Amendment Regulations 2001 (No. 1)

Regulation 1 - Name of regulations

Regulation 1 provides for the name of the regulations.

Regulation 2 - Commencement

Regulation 2 provides that the regulations commence on gazettal.

Regulation 3 Amendment of Australian Prudential Regulation Authority Regulations 1998

Regulation 3 provides that Schedule 1 amends the *Australian Prudential Regulation Authority Regulations, 1998*

Schedule 1

Item 1 in Schedule 1 inserts the following after regulation 4:

4A Prescription of an Act for subsection 56(1)

For paragraph (k) of the definition of Act *covered by this section* in subsection 56(1) of the Act, the *Royal Commissions Act 1902* is prescribed.