

## **Banking (prudential standard) determination No. 19 of 2007**

### **EXPLANATORY STATEMENT**

**Prepared by the Australian Prudential Regulation Authority (APRA)**

*Banking Act 1959*, subsection 11AF(3)

Under paragraphs 11AF(1)(a) and (b) of the *Banking Act 1959 (the Act)*, APRA has the power to determine standards (*prudential standards*), in writing, in relation to prudential matters to be complied with by authorised deposit-taking institutions (*ADIs*). Under subsection 11AF(3) of the Act, APRA may, in writing, vary or revoke a prudential standard.

Banking (prudential standard) determination No. 2 of 2006 determined *Prudential Standard APS 510 Governance (APS 510)* to take effect on 1 October 2006. Banking (prudential standard) determinations No. 16 of 2006 and No. 2 of 2007 varied APS 510. Banking (prudential standard) determination No. 19 of 2007 varies APS 510.

This variation will take effect on 1 January 2008.

#### **1. Background**

On 22 November 2007, APRA made Banking (prudential standard) determination No. 2 of 2007 which varied APS 510, effective on 1 January 2008. Subsequently, APRA identified that this variation to APS 510 contained a minor error which needed to be corrected.

#### **2. Purpose of the instrument**

The instrument varies APS 510 to ensure consistent use of the term ‘regulated institution’ in the standard.

#### **3. Consultation**

APRA did not consult with industry on the change to APS 510 because it is minor in nature and does not impact on the substantive requirements of the standard.