

18 November 2024

Ms Kate Metz
Senior Executive Leader
Regulatory Reform and Implementation
Australian Securities and Investments Commission

By email: rri.consultation@asic.gov.au

Dear Ms Metz

Proposed updates to RG 51 and RG 108

COBA welcomes the opportunity to respond to the Australian Securities and Investments Commission (ASIC) on CS 11 Proposed updates to Regulatory Guide 51 *Applications for relief* ([RG 51](#)) and Regulatory Guide 108 *No-action letters* ([RG 108](#)) to ensure the currency of these guides.

COBA is the industry association for Australia's customer owned banks (mutual banks, credit unions and building societies). Collectively, our sector has over \$179 billion in assets and is the fifth largest holder of household deposits. Customer-owned banks (i.e. mutual banks) account for around two thirds of the total number of domestic Authorised Deposit-taking Institutions (ADIs) and deliver competition and market leading levels of customer satisfaction in the retail banking market.

As smaller banks, customer-owned banks can be subject to 'one size fits all' regulation aimed at much larger entities with more resources and who serve much broader demographics. The relief and no-action letter regimes are important as they can provide some comfort to reduce the regulatory burden on smaller entities while maintaining the spirit and policy of the relevant legislation.

Information to include in applications

When considering the guidance in RG 108, COBA is of the view that further details and clarity would be beneficial to assist applicants to navigate the information they should include in their application. Specifically, RG108.40 states what an applicant should include in their application for a No-Action Letter. Subclause (c) states this should include:

'any information required by RG 51 which deals with applications for the exercise of our discretionary powers. The considerations which may be relevant to an application for a no-action letter or class no-action position include, but are not limited to, whether there are any third parties whose interests may be affected by the contravention or by us giving a no-action letter or class no-action position'.

One of our members notes that reference to RG 51 in this sub-clause is unclear as to which specific information in RG 51 is relevant or required under subclause 108.40 (c). It would be helpful to further set out this paragraph and include the specific information required. Outlining this information in RG 108, without reference to RG 51, may also assist with making the application process easier and quicker for applicants.

Suite 403, Level 4, 151 Castlereagh Street,
Sydney NSW 2000

Suite 4C, 16 National Circuit,
Barton ACT 2600

Customerownedbanking.asn.au

Thank you for taking the time to consider our submission. If you have any queries, please contact Ilana Madjar, Policy Manager at imadjar@coba.asn.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Lawrence', with a stylized, flowing script.

MICHAEL LAWRENCE
Chief Executive Officer