



16 November 2021

OBPR ID: 22642

Mr Jason Lange
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 Lange,

I am writing to provide an update on the planned post-implementation review of the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), which was scheduled to be completed by 31 December 2021. Due to the circumstances outlined below this work is now intended to be completed by 30 June 2022.

As you are aware, APRA suspended the majority of its planned policy initiatives during 2020, in response to the impact of COVID-19.¹ This included all substantive public consultations and actions to finalise revisions to the prudential framework that were underway or upcoming, including consultations on prudential and reporting standards.

The suspension of planned policy initiatives supported regulated entities in dedicating time and resources to maintaining their operations and supporting customers. It also enabled APRA to intensify its focus on monitoring and responding to the impact of a rapidly changing environment on entities' financial and operational capacity. APRA introduced several measures which supported regulated entities in managing through stress, such as providing regulatory support for loans impacted by COVID-19.²

The suspension of policy initiatives during 2020 has had flow on impacts for the timing of APRA's policy pipeline, including the planned post-implementation review of the Basel III LCR and NSFR. As previously discussed with OBPR officials, APRA will complete this post-implementation review by 30 June 2022.

We would be happy to discuss the above in further detail.

Yours sincerely,

Renée Roberts
Executive Director
Policy and Advice Division

¹ See Media Release, 23 March 2021, [APRA adapts 2020 agenda to prioritise COVID-19 response | APRA](#)

² See Media Release, 19 July 2021, [APRA announces further regulatory support for loans impacted by COVID-19 | APRA](#); and Media Release, 23 March 2021, [APRA advises regulatory approach to COVID-19 support | APRA](#).