



JOHN LONSDALE

Deputy Chair

21 June 2022

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

Post-implementation Review – Post-implementation review of the Basel III liquidity reforms

I am writing in relation to the attached draft Post-implementation Review (PIR) prepared by APRA to evaluate whether the Basel III liquidity reforms are operating as intended.

On the basis of the feedback and analysis in the PIR, APRA's overall assessment is that the reforms have been effective in strengthening liquidity risk management and the financial resilience of the banking system, and the benefits of regulation have significantly outweighed the associated costs. There remain, however, some potential opportunities to improve the efficiency of the prudential framework, which APRA will review next year.

I am satisfied that the draft PIR meets the Government's best practice regulation requirements, in particular that:

- the problem which was addressed and the objectives of government action are well articulated;
- the evidence and analysis of the impacts is adequate and presented in a balanced way;
- the regulatory costs have been quantified as per the Commonwealth Regulatory Burden Measurement Framework;
- the findings from consultation are presented in a balanced way; and
- the conclusion is supported by the analysis in the PIR.

I submit the PIR to the Office of Best Practice Regulation for formal assessment.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'John Lonsdale'.