

MEMO# 31770

May 21, 2019

(Australia) Proposed Revisions to APRA's Prudential Standard SPS 515

[31770]

May 21, 2019 TO: ICI Global Members

ICI Global Pacific Chapter

ICI Global Regulated Funds Committee SUBJECTS: International/Global

Operations RE: (Australia) Proposed Revisions to APRA's Prudential Standard SPS 515

On 30 April 2019, the Australian Prudential Regulation Authority (APRA) proposed revisions to its Prudential Standard SPS 515 Strategic Planning and Member Outcomes (SPS 515).^[1] The SPS 515 was originally issued by APRA as part of its Strengthening Member Outcomes package in December 2018.^[2] It affects all Registrable Superannuation Entities (RSE) licensee.^[3] The objective of the SPS 15 is to ensure that RSE licensees (including APRA regulated superannuation funds) manage their business operations in a sound and prudent manner in order to achieve their strategic objectives, including giving due consideration to the impact of their decisions on beneficiaries. The revised SPS 515 requires a RSE licensee to conduct an annual Business Performance Review (BPR) and use the results of the review to make improvements to its business operations. The BPR reflects the same underlying objective as the requirements set out in the December 2018 version of SPS 515. The BPR requires an RSE licensee to be both reflective and forward looking in identifying improvements that can be made to enhance the sound and prudent management of its business operations.

APRA is now accepting written feedback on its proposed revisions to SPS 515 until 29 May 2019. The commencement date of SPS 515 is expected to be 1 January 2020. RSE licensees must comply with the first BPR by 31 December 2020.

ICI Global is not inclined to comment on the revised SPS 515. If you have particular concerns, please contact Jennifer Choi at jennifer.choi@ici.org or Alexa Lam at Alexa.Lam@iciglobal.org.

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endnotes

[1] The revised Prudential Standard SPS 515 Strategic Planning and Member Outcomes, issued on 30 April 2019, is available at:
https://www.apra.gov.au/sites/default/files/prudential_standard_sps_515_strategic_planning_and_member_outcomes.pdf.

[2] The Prudential Standard SPS 515 Strategic Planning and Member Outcomes, released on December 2018, is available at:
https://www.apra.gov.au/sites/default/files/spg_515_-_strategic_and_business_planning_december_2018_v3.pdf.

[3] RSEs include APRA regulated superannuation funds, small APRA funds (SAFs), approved deposit funds (ADFs), and pooled superannuation trusts (PSTs). An RSE must hold an RSE license issued by APRA if it intends to operate a registerable superannuation entity.