International Regulatory Initiatives:
Is there a case for more regulation in Australia?

Ian Laughlin
5 March 2013
Australian Prudential Regulation Authority
Can a Prudential Regulator ever be satisfied?
Can a Prudential Regulator ever be satisfied?

I can’t get no satisfaction

…..Rolling Stones
Can a Prudential Regulator ever be satisfied?

I can’t get no satisfaction

.....Rolling Stones

Show me a thoroughly satisfied man, and I will show you a failure

.....Thomas Edison
APRA Mission

Our core mission is to establish and enforce prudential standards and practices designed to ensure that under all reasonable circumstances, financial promises made by institutions we supervise are met within a stable, efficient and competitive financial system.
APRA Strategy

- Active supervision + assertive intervention
- Heed to the past; focus on future
- Intensity reflects size and risk
- PSs comprehensive; appropriate depth
- Principles-based; not rules and punishment
- APRA strong understanding of industry; thorough working knowledge of insurer
- APRA people
International influences

• IAIS - ICPs, ComFrame, G-SIIs
• FSB
• FSAP and the IMF/World Bank
• Basel Committee(?)
To be considered:

- FSAP issues
- D-SIIs, recovery plans
- Reinsurance management
  - Cat models
  - Reinsurance arrangements data collection?
  - ART
- Risk Appetite
- Governance
- Level 3
- Strengthening APRA’s powers