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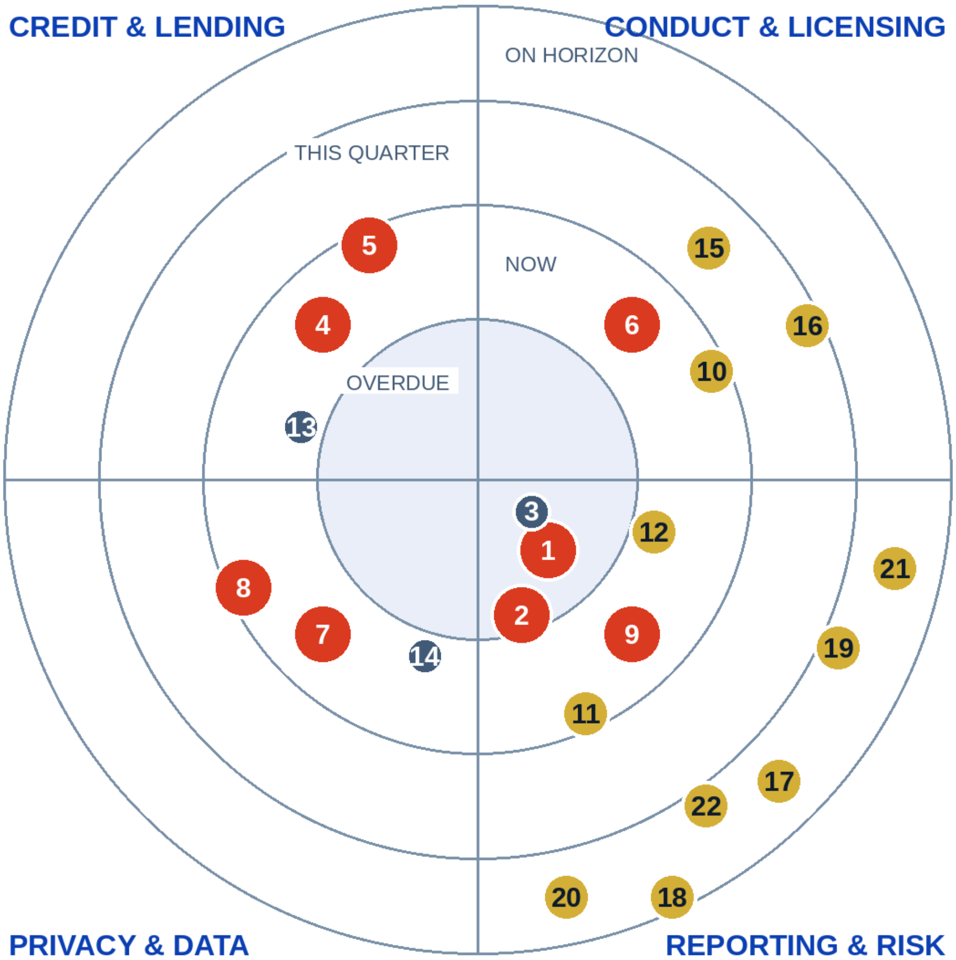
EVENT HORIZON

REGULATORY RADAR
AUSTRALIAN BANKS & DEPOSIT TAKERS
JULY-AUGUST 2026

What's moving on the horizon for these firms and what it quietly breaks.

LEAD SIGNALS

Two penalties, $55m of offset remediation and two live standards lead a long list. HSBC's $35m and the offset findings were systems failures before they were compliance failures, CPS 230 makes that kind of weakness enforceable now, APRA's old lodgement route closes on 30 September, and seven capital, exposure and disclosure standards commence 1 January 2027. Privacy determinations, breach reporting and DDO precedents round out the list.



ANGLE = CATEGORY · DISTANCE FROM CENTRE = WHEN IT BITES · SIZE & COLOUR = SEVERITY

1 **REPORTING & RISK** · OVERDUE **HIGH**

The old reporting route is closing

WHO: banks, deposit takers and registered financial corporations lodging APRA returns
WHAT: reporting workflows and third-party lodgement tooling still built for the alternate path
WHEN: liquidity returns cut over 31 July. EFS from 31 August. Everything else by 30 September
SOURCE: apra.gov.au

2 **REPORTING & RISK** · OVERDUE **HIGH**

Operational risk rules now bind

WHO: every APRA regulated bank and deposit taker, and the service providers running their critical operations
WHAT: operational risk registers, continuity plans and service provider monitoring still living in spreadsheets
WHEN: commenced 1 July 2026. Binding and enforceable now, across every APRA regulated industry.
SOURCE: apra.gov.au

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3 REPORTING & RISK · OVERDUE LOW

Every defined term just moved

WHO: banks and insurers whose systems embed prudential definitions in calculations and reports

WHAT: capital calculations, classifications and reporting logic keyed to superseded definitions

WHEN: commenced 1 July 2026. One standard now governs interpretation across the frameworks.

SOURCE: apra.gov.au

4 CREDIT & LENDING · NOW HIGH

$55m for unlinked accounts

WHO: banks and lenders offering offset accounts on home loans

WHAT: origination and linking processes with nothing downstream watching whether the link held

WHEN: review of eight banks published 29 July. ASIC says all banks should check. Further compensation expected

SOURCE: asic.gov.au

5 CREDIT & LENDING · NOW HIGH

350,000 car loans, one warning

WHO: banks writing car loans directly or through dealer and broker channels

WHAT: distributor oversight, hardship workflows and fee disclosure that cannot show consumer outcomes

WHEN: REP 832 published across eight lenders. Enforcement flagged where obligations are not met.

SOURCE: asic.gov.au

6 CONDUCT & LICENSING · NOW HIGH

$35 million for slow scam handling

WHO: banks and deposit takers running scam detection and disputes across multiple payment rails

WHAT: case management queues, loss allocation logic and controls applied to some rails but not others

WHEN: penalty ordered on admissions, including 144 day average investigations. Timelines are licence obligations now.

SOURCE: asic.gov.au

7 PRIVACY & DATA · NOW HIGH

Insider access just got expensive

WHO: banks whose frontline and back office staff can open any customer record

WHAT: role based access controls and audit logging that cannot prove who viewed which account, and when

WHEN: determination made: compensation, apology, technical access controls and account level logging all ordered.

SOURCE: oaic.gov.au

8 PRIVACY & DATA · NOW HIGH

Tracking pixels triggered determinations

WHO: banks running third-party pixels on product, application or internet banking pages

WHAT: consent mechanisms and data flows quietly shipping sensitive signals to advertising platforms

WHEN: determinations made. The OAIC has told every APP entity to review its pixels.

SOURCE: oaic.gov.au

9 REPORTING & RISK · NOW HIGH

$10.3m for unreported investigations

WHO: banks and deposit takers under the reportable situations regime

WHAT: breach identification and escalation systems that let investigations go unreported or late

WHEN: penalty ordered by the Federal Court. Trustee accountability is a named 2026 priority.

SOURCE: asic.gov.au

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10 **CONDUCT & LICENSING** · NOW **MEDIUM**

Stop orders over target markets

WHO: banks issuing deposit, credit and investment products with target market determinations under DDO

WHAT: target market determinations that drift from what the product actually is: objectives, liquidity, holding period

WHEN: interim stop orders issued. Private credit products remain in the spotlight.

SOURCE: asic.gov.au

11 **REPORTING & RISK** · NOW **MEDIUM**

IRB model governance is binding

WHO: APRA approved IRB banks running internal credit risk models

WHAT: rating system registers, change logs and validation workflows that live in documents, not systems

WHEN: commenced 30 June 2026. Annual backtesting and audit trails expected.

SOURCE: apra.gov.au

12 **REPORTING & RISK** · NOW **MEDIUM**

260,000 misreported trades, $2m

WHO: banks and reporting entities under the ASIC derivative transaction reporting rules

WHAT: trade reporting pipelines where one mandatory field is silently wrong at scale

WHEN: infringement notice paid. One bad field across 208 business days was enough.

SOURCE: asic.gov.au

13 **CREDIT & LENDING** · NOW **LOW**

Credit reporting scope just narrowed

WHO: banks as credit providers exchanging data with credit reporting bodies

WHAT: data extraction rules and reporting configurations still submitting the newly exempt account category

WHEN: in force 9 June 2026. Relief now runs to 1 October 2031.

SOURCE: legislation.gov.au

14 **PRIVACY & DATA** · NOW **LOW**

Company search gets an API

WHO: banks doing company checks in onboarding, KYC and business lending

WHAT: brittle ASIC Connect lookups and scraped registry data, which now have a supported replacement

WHEN: public beta live, part of the RegistryConnect modernisation programme.

SOURCE: asic.gov.au

15 **CONDUCT & LICENSING** · THIS QUARTER

MEDIUM

Three forms become one in December

WHO: banks and their investment arms holding substantial positions in listed entities

WHAT: notice generation and registers built around Forms 603, 604 and 605

WHEN: commences 4 December 2026. Legacy forms accepted until 4 June 2027

SOURCE: asic.gov.au

16 **CONDUCT & LICENSING** · THIS QUARTER

MEDIUM

Economic exposure now counts as ownership

WHO: banks and their investment arms holding positions in listed entities

WHAT: disclosure workflows that only track relevant interests, not economic exposure

WHEN: new obligations commence 4 December 2026. Updated guidance is already out

SOURCE: asic.gov.au

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17 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Capital adequacy reset lands 2027

WHO: all locally incorporated banks and deposit takers
WHAT: capital ratio engines, buffer tracking and ICAAP reporting due to APRA within three months of period end
WHEN: commences 1 January 2027. About four months to be calculating correctly.
SOURCE: apra.gov.au

18 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Capital instrument rules tighten

WHO: banks issuing or holding regulatory capital instruments
WHAT: eligibility classification, transitional AT1 treatment and fair value controls in capital systems
WHEN: commences 1 January 2027, with transition rules for AT1 issued before then.
SOURCE: apra.gov.au

19 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Rate risk models need approval

WHO: banks holding banking book interest rate risk under an internal model
WHAT: model change management, data flow documentation and the three month notification clock to APRA
WHEN: commences 1 January 2027. Material model changes need APRA approval first.
SOURCE: apra.gov.au

20 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Large exposures get hard limits

WHO: banks and deposit takers with concentrated counterparty exposures
WHAT: systems that cannot identify connected counterparties or calculate exposures the prescribed way
WHEN: commences 1 January 2027 with Board approved policies expected.
SOURCE: apra.gov.au

21 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Related entities, real limits

WHO: banks with related entity structures, group funding or underwriting arrangements
WHAT: exposure monitoring, capital deductions past the 20 per cent underwriting threshold, and ELE consolidation logic
WHEN: commences 1 January 2027. Contagion and step-in risk become measurable obligations.
SOURCE: apra.gov.au

22 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Prudential numbers go public

WHO: significant locally incorporated banks
WHAT: disclosure production that cannot generate Basel aligned templates from governed data, on schedule
WHEN: commences 1 January 2027 with a Board approved disclosure policy required.
SOURCE: apra.gov.au

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