CBA action on Royal Commission recommendations

October 2019

Commonwealth Bank is committed to becoming a simpler, better bank. We made this commitment to our customers, our shareholders and the community, and we expect to be judged by the outcomes.

Implementing the recommendations of the Royal Commission in a timely and effective manner is crucial to delivering on our objectives. The work underway is significant and this submission provides an update on our progress.

Our work related to the Royal Commission recommendations forms part of a much wider program of reform and transformation at CBA. This work began in 2017 at our initiative in the face of a range of issues uncovered by CBA and reported to regulators, and was expanded in 2018 to include implementation of recommendations arising from APRA's review of our governance, risk management and accountability frameworks.

We know that the specific recommendations of the Royal Commission are the minimum required of us to restore trust and meet community expectations. Participation in the Royal Commission also forced us to again confront fundamental questions about the focus of our business, our governance and our treatment of customers.

Our current reforms span a wide set of actions that are both strategic and fundamental. They include divesting businesses to allow us to focus on our core banking business; investing nearly $900 million in risk and compliance enhancements; and implementing the new Banking Code of Practice. At the same time, we continue to make changes to improve the products and services we offer our customers by removing fees, simplifying terms and doing more to support our customers when they need it.

Progress of Royal Commission Recommendations

Delivering on the Royal Commission recommendations involves financial services institutions, industry bodies and government acting co-operatively to progress reforms. Appendix A provides further detail on our progress against specific recommendations.

Where we can implement recommendations unilaterally we are taking action and provide some examples below.

We have further improved our support for customers experiencing vulnerability. This year, we have rolled out new staff training on how to identify customers in need. This training is mandatory for our retail bank frontline staff and to date over 11,000 staff have completed the training. We have also established a new Community and Customer Vulnerability team bringing together a number of critical areas to better support customers and ensure banking with CBA is accessible and inclusive.

We are making changes to better support our remote customers. For example, since the Royal Commission we have put in place new measures to make it easier for our Indigenous customers to switch to our low fee everyday basic bank accounts (which are not subject to dishonour fees or informal overdrafts). Customers of our Indigenous Customer Assistance Line (ICAL) now have automatic access to these accounts without further application requirements.

In light of the Royal Commission's recommendations and mindful in particular of the impacts of the ongoing drought, we are supporting families in regional and rural Australia to stay on their properties, giving them direct financial assistance in times of need. This has included announcing that we would no longer charge default interest on agricultural business term loans in the event of a drought or other natural disasters. We continue to offer and support farm debt mediation processes where available and look forward to being part of the new national scheme.

In our wealth businesses, we are rebating all grandfathered commissions from Colonial First State products to Commonwealth Financial Planning customers. This will benefit around 50,000 customer accounts by approximately $20 million annually. Our insurance business no longer offers Credit Card Plus or Personal Loan Protection insurance and our ongoing advice businesses have now updated our financial services guides to include disclosures around independent advice.

In other cases, we are working with government and industry to progress reforms.

The Government's Implementation Roadmap, released in August, has provided us with a clear outline of the reforms government and regulators will be making in the coming months and years. We will engage actively in processes for legislating these important policy reforms. At the same time, in each case, we will take steps to prepare our business so that once the regulatory framework is in place we are able to implement changes quickly.

Reforming Culture, Governance and Accountability

In 2018, we established a Better Risk Outcomes Program (BROP) to oversee the implementation of our APRA Remedial Action Plan (RAP). A centralised team, reporting directly to the CEO, oversees the 35 recommendations of last year's APRA Prudential Inquiry into CBA. Under the plan, significant work is being undertaken throughout the bank to strengthen governance, culture and accountability, and to improve the identification, oversight and management of non-financial risk.

Our focus is currently on the governance of non-financial risk, including operational risk and compliance. We have increased the reporting of non-financial risk to the Board as part of a stronger oversight role that the Board now has of how we are managing and mitigating risk.

The CEO has established a Non-Financial Risk Committee (NFRC) at Executive level, which reports to the Board Risk Committee, to improve the identification, prioritisation and management of non-financial risks. We are also considering the ASIC Corporate Governance

Taskforce's recent *Director and officer oversight of non-financial risk report*, to identify further measures we can take to strengthen our approach to the management of non-financial risk.

We are investing in our operational risk and compliance capabilities. This year, almost two thirds ($900 million) of CBA's investment spend was dedicated to risk and compliance enhancements.

To advance the cultural change we are pursuing we have introduced a new Code of Conduct. The Code sets out what we expect of our people and how we must apply the 'Should We?' test that we have adopted, to ensure all staff do the right thing by our customers and the community.

Our remuneration framework has also further evolved to support changes in behaviour and reinforce greater accountability. Changes have been made to better align our remuneration framework with prudent risk management. We have also continued to strengthen the Board's oversight and challenge of remuneration across the Group and there were remuneration consequences this year for all Group Executives as a result of unsatisfactory outcomes for customers and shareholders. This was in addition to the reduction of more than $100 million in remuneration for directors, executives, senior leaders and employees across the 2017 and 2018 financial years.

We have also reformed our risk, governance and remuneration practices in conjunction with implementing the Royal Commission recommendations. Banking Executive Accountability Regime (BEAR) accountability statements have been developed for our extended leadership team, we have adopted Financial Systems Board principles in our remuneration framework and from 2020 we will conduct annual reviews of front-line remuneration.

Remediating Customers

We are taking steps to ensure that customers impacted by past issues are efficiently and appropriately remediated. This includes issues that have arisen not only through the Royal Commission, but also issues we have identified ourselves and notified to regulators.

We have paid over $1.2 billion in compensation over the last five years to over half a million customers. This includes compensation paid or to be paid of $374 million to customers of aligned advisors; refunds for wealth customers of $459 million relating to fees where no service was provided in the Commonwealth Financial Planning Business, as well as Credit Card Plus, CommInsure Life Insurance and Loan Protection Insurance products; and $375 million in refunds for banking customers.

Simplifying our Business

We are making changes so we can concentrate on our core banking businesses and on meeting the needs of customers in those businesses.

In July 2018, we sold our New Zealand life insurance business, Sovereign, and we are making progress on the divestment of our Australian life insurance business, CommInsure Life. On 2 August 2019, we completed the sale of our global asset management business, Colonial First

State Global Asset Management. We have also announced the exit of our aligned financial advice businesses, namely the sale of Count Financial, the cessation of CFP-Pathways and the assisted closure of Financial Wisdom.

We remain committed to the orderly exit of our remaining wealth management businesses including Colonial First State, and our mortgage broking businesses.

Improved Customer Service and Experience

Last year we wrote to our customers and sought their feedback on what we were doing well and what we could do better. We have made changes flowing from their responses, including removing a number of banking fees for our business customers, providing smart alerts and notifications to help customers avoid fees and better manage their finances, and introducing measures to support farmers and regional communities.

Simplifying our product offering makes it easier for customers to choose the product that best suits their needs, including reducing our home loan product range from 10 core products to five. We have also removed and reduce fees, and have introduced alerts to help customers avoid fees. These changes are expected to save our customers over $400 million this year.

We are continuing our ongoing commitment to small business, rolling out same day decisions on simple business lending, removing more business banking fees and establishing a business financial assistance team.

We are also taking steps to be there for customers and members of the community who are experiencing vulnerability – whether it be as victims of financial abuse, domestic and family violence or other forms of hardship. Our support for victims of domestic and family violence now exceeds $30 million.

There is more work to do, but we feel we are making strong progress in becoming a simpler and better bank for our customers, shareholders and the community.

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Supporting our customers

For consumer lending customers

Mortgage broker duties - best interests duty; and transition to the same regulation as financial advisers. *Recommendations 1.2, 1.5*	CBA is supportive of the Government's draft legislation that proposes to create an obligation on mortgage brokers to act in the best interests of a potential borrower. We have already taken steps over the past year to increase accreditation standards, training requirements and reporting on customer outcomes to ensure our brokers' metrics are customer focussed. As a result of Round 1 of the Royal Commission hearings, and consistent with this recommendation, in April 2018, we amended our broker conduct requirements to increase transparency around broker-originated loans, by providing greater disclosure of the commissions paid to brokers. We are also supportive of the Commissioner's recommendation that, after a sufficient time, mortgage brokers should be subject to similar regulation to that which applies to financial advisers.
The borrower should pay the fee associated with broking services. The transition should commence with the banning of trail commissions on new loans. **Treasury working group to review broker remuneration.** *Recommendations 1.3, 1.4*	CBA has changed how we remunerate our mortgage brokers by paying upfront commissions based on the funds drawn down and utilised by a customer. We have also banned volume / campaign based commissions, and set clear guidelines on soft dollar benefits. We will work constructively with the broking industry, the Government and regulators as changes to remuneration are designed and implemented.
Misconduct by mortgage brokers *Recommendation 1.6*	We are well-progressed in developing processes for reporting and information sharing in this area. We are working with industry to establish how this information can be shared sector-wide, including a portable unique identifier/registry system for brokers, and we are well positioned to meet the 2020 delivery timeframe set by the Combined Industry Forum. We have also commenced sharing our data with aggregators. Consistent with the Commissioner's recommendation, we are currently investigating broker misconduct, including how we communicate with and remediate customers affected by mortgage broker misconduct on a case-by-case basis. We aim to establish a more standardised approach across our broker and adviser networks. In addition, we have made a number of enhancements in relation to our accredited mortgage brokers. These include bolstering broker accreditation standards by requiring the attainment of a Diploma of Finance and Mortgage Broking Management, membership of an industry body, sufficient relevant industry experience and holding a specific credit licence. We also implemented new quality metrics to recognise brokers who consistently deliver great customer outcomes. E-learning modules are provided to brokers who may not be meeting these standards.

For vulnerable customers facing accessibility challenges

Improving access for culturally and linguistically diverse (CALD) customers and customers in remote communities

Recommendation 1.8

CBA complies with this recommendation, including operating our long-standing Indigenous Customer Assistance Line (ICAL) and offering a low fee everyday basic bank account (which is not subject to dishonour fees or informal overdrafts). We are also working cooperatively with the ABA as it amends the Banking Code of Practice to codify these principles.

Following the Royal Commission, CBA has also put in place new measures to make it easier for our remote Indigenous customers to obtain or switch to basic accounts. ICAL customers now have automatic access to these accounts without further application requirements.

Our Multicultural Community Banking team is involved in community engagement activities to increase our support for CALD customers. This has included conducting a series of Women's Financial Wellbeing workshops across Australia and developing financial abuse awareness resources specifically for CALD communities which have been translated into 16 languages.

In May 2019, CBA rolled out new staff training on how to identify customers in need and how to provide extra care to customers who appear to be experiencing vulnerability. From September 2019, this training became mandatory for our retail bank frontline staff and to date over 11,000 staff have completed the training. In August 2019, we also established a new Community and Customer Vulnerability team bringing together a number of critical areas to better support customers and ensure banking with CBA is accessible and inclusive.

For small and medium business customers

Small business definition

Recommendation 1.10

We are committed to supporting this vitally important market segment by increasing lending and proactively assisting small and medium businesses reach their goals.

We announced a number of changes earlier this year to better serve our business customers, including same-day lending decisions supported by experienced business bankers in a 24/7 Australian-based business banking contact centre and committed to removing business inhibiting banking fees.

The Council of Financial Regulators has recently endorsed the ABA's proposal to review the definition of small business as part of its broader review of the operation of the small business provisions in the Banking Code of Practice next year. We support this approach.

For our farmers

Farm debt mediation

Recommendation 1.11

CBA supports the establishment of a national farm debt mediation scheme. In the last financial year, we participated in six farm debt mediations across the country and we will continue to offer farm debt mediation in line with State schemes in advance of the establishment of a national scheme.

Land appraisal rules

Recommendation 1.12

In our Rural and Agribusiness Bank, we have established a national external panel of valuation firms to undertake valuations on rural properties. We will discontinue internal valuations from 1 November 2019.

Bankwest does not undertake internal valuations on rural properties.

No default interest during drought/natural disaster

Recommendation 1.13

In February 2019, we announced that we would no longer charge default interest on agricultural business term loans in the event of a drought or other natural disaster.

We support the work of the ABA to introduce an industry-wide approach to default interest in the Banking Code of Practice.

Management of distressed agricultural loans

Recommendation 1.14

Many of the recommendations made by the Commissioner in respect of the management of distressed agricultural loans are current business practice for CBA. Consistent with this recommendation, CBA already provides support for farmers in financial difficulty by bringing regional and agribusiness relationship staff with local regional knowledge together with specialised restructuring teams to manage the debt of farmers in distress. The specialised restructuring team is experienced in mediation and helping customers in financial difficulty.

When working with farmers experiencing financial difficulty we strive to reach a solution to ensure farmers keep their family properties. Our number one priority when they are experiencing financial difficulty is to work with them, on a case-by-case basis, to help them get back on track and we recognise that the appointment of receivers or other forms of external administration are remedies of last resort. In any instance where we can't reach a solution, we continue to offer farm debt mediation where available, and we look forward to the Government establishing a new national farm debt mediation scheme.

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For financial advice customers

Annual renewal of ongoing advice *Recommendation 2.1*	From 1 September 2019, CBA customers who receive advice from planners in our salaried advice channel within Commonwealth Financial Planning will only be charged for advice services after services has been delivered. As well as ensuring transparency, this new system will give these customers greater flexibility and the power to choose how often they want their plans reviewed, rather than the annual reviews that are part of the ongoing service fee model. We have also taken steps to ensure fees are no longer being charged inappropriately. Advisers that we authorise to provide advice to their customers through our self-employed channels, CFP Pathways and Financial Wisdom, will implement required changes in line with the legislative timeframe. We are continuing to review advice fees charged to customers in relation to ongoing service fee arrangements and to deceased estates dating back to 2008 and will refund all amounts identified as being wrongly charged, with interest.
Disclosure of lack of independence *Recommendation 2.2*	Our ongoing advice businesses have now updated our financial services guides to include a statement around why the advice received cannot be considered independent, impartial or unbiased.
Government review of measures to improve quality of advice and consider remaining exemptions on conflicted remuneration *Recommendations 2.3, 2.6*	From July 2013, through to the implementation of the Future of Financial Advice (FOFA) reforms, we ceased providing financial advisers with any payments or gifts that could be defined as conflicted remuneration awards (excluding benefits that were allowed under a permissible exemption). We also introduced a conflicted commission tool in our systems to ensure we detect any instance where advisers may receive a conflicted commission. We look forward to participating in the upcoming reviews on these recommendations.
End grandfathered commissions *Recommendation 2.4*	We support an industry-wide transition away from grandfathered commissions and welcome the legislation that has recently been passed. Ahead of the legislation coming into effect, we are rebating all grandfathered commissions from Colonial First State (CFS) products to Commonwealth Financial Planning (CFP) customers who receive advice from CFP planners in our salaried advice channel. This will benefit around 50,000 customer accounts by approximately $20 million annually.

ASIC to review life insurance commissions *Recommendation 2.5*	CBA welcomes the review and looks forward to working with ASIC during the process.
Reference checking and information sharing *Recommendation 2.7*	CBA is a subscriber to the ABA reference checking protocol and we welcome the extension of this initiative to the remainder of the financial advice sector.
Reporting compliance concerns *Recommendation 2.8*	CBA already reports serious compliance concerns to ASIC regarding individual financial advisers. We will make any necessary changes to our processes as soon as ASIC provides any new guidance around changes to the reporting criteria.
Misconduct by financial advisers *Recommendation 2.9*	CBA does not tolerate any unethical behaviour and we are committed to addressing and reporting suspected misconduct. CBA supports the Commissioner's recommendation to require licensees to take certain steps when they detect that a financial adviser has engaged in misconduct.
Disciplinary system for advisers *Recommendation 2.10*	CBA supports the Government's plan to introduce legislation to implement this recommendation next year and will participate in any upcoming consultations on the reforms.

For superannuation customers

No other role or office for trustee *Recommendation 3.1*	CBA's superannuation business, CFS, is working to implement this structure, including engaging with APRA and will participate in industry consultations ahead of legislation being introduced in 2020. A superannuation trustee board Transformation Committee was established in July 2019 to guide this process and other changes. CFS's superannuation trustee boards are already comprised of a majority of independent directors, including independent chairs. The review of our conflicts management policies and associated guidelines is complete and we are in the process of finalising the action items from this review.

No deduction of advice fees from MySuper accounts *Recommendation 3.2*	CFS is taking steps to prepare for the introduction of this legislative change in 2020, including an analysis of our impacted members. We will participate in consultations on the legislative reforms when they are released.
Limitations on deducting advice fees from choice accounts *Recommendation 3.3*	Over the next 12 months, CFS will write to members who pay ongoing advice service fees requiring them to provide the trustee with an updated written consent to continue doing so. This initiative, in preparation for the legislation due to be introduced before 30 June 2020, will support members by providing a convenient and transparent way of authorising advice service fees while also allowing CFS to capture and track authorisation dates. CFS is also working to update the advice fee disclosure in our product disclosure statement and upgrade systems to support these changes.
No hawking of superannuation products *Recommendation 3.4*	CFS will participate in industry consultations ahead of legislation being introduced in 2020. Consistent with this recommendation, CFS does not proactively sell new superannuation products through branches or engage in cold calling.
One default account *Recommendation 3.5*	CFS notes that the Government is currently considering the implementation of this recommendation in the context of the findings and recommendations of the Productivity Commission's report *Superannuation: Assessing Efficiency and Competitiveness*. CFS supports this recommendation and believes it is important that an implementation model is adopted that reduces the impact on members during transition. CFS has commenced work to prepare for future changes in this area including options for duplicate account consolidation.
No treating of employers *Recommendation 3.6*	CFS acknowledges the passing of legislation to enact this recommendation and we comply with this reform.
Civil penalties for breach of covenants and adjustment of APRA and ASIC responsibilities *Recommendations 3.7, 3.8*	CFS acknowledges the passing of legislation to enact this recommendation.

For insurance customers

No hawking of insurance products *Recommendation 4.1*	CBA supports this recommendation. Consistent with this recommendation, CBA does not proactively sell insurance products through cold calling.
Deferred sales model for add-on insurance *Recommendation 4.3*	CBA has engaged in the July 2019 ASIC consultation in relation to this recommendation and contributed to industry submissions. CBA no longer offers Credit Card Plus or Personal Loan Protection insurance to new customers and will implement the new legislative requirements due to be finalised in late 2020.
Other regulation changes *Recommendations 4.7, 4.8, 4.9, 4.10*	These recommendations require legislative amendment to be implemented.
Development of universal definitions for all life policies attached to MySuper accounts. *Recommendation 4.13*	CFS has contributed to industry submissions in response to Treasury's March 2019 consultation paper on these reforms.
APRA requirements on RSE Licensees regarding Group life policies *Recommendations 4.14, 4.15*	In March 2019, APRA wrote to all RSE Licensees indicating that it would be good practice for trustees to commission an independent review as soon as possible. Our superannuation business, CFS, has appointed an independent consultant to go to market and tender for group life insurance.

For customers with complaints or disputes

Co-operation with AFCA

Recommendation 4.11

CBA notes that the Government has now made regulations to give effect to this recommendation. CBA is committed to working cooperatively with AFCA in the resolution of disputes, as reflected in the set of engagement principles we agreed with AFCA in late 2018.

Compensation scheme of last resort

Compensation Scheme of Last Resort

Recommendation 7.1

CBA supports this recommendation to ensure that consumers receive compensation that they deserve. We will work closely with industry bodies to contribute to any consultations on the scheme ahead of the Government's proposed legislation being introduced in 2020.

Strengthening our culture and governance

To lift executive accountability

BEAR accountability for products *Recommendation 1.17*	CBA responded to APRA's consultation in relation to this recommendation in August 2019. We look forward to contributing to further consultations on this reform later this year.
Extension of BEAR *Recommendations 3.9, 4.12, 6.8*	CBA supports the extension of a consistent accountability regime across the industry. Consistent with this view, we have already developed accountability statements for our extended leadership team. These statements have been developed based on the principles established by BEAR and will assist CBA to embed a strong accountability culture.

To further strengthen our remuneration practices

FSB remuneration principles *Recommendation 5.1*	As part of our response to the APRA Prudential Inquiry, CBA has reviewed and updated its remuneration framework and practices and will continue to do so to ensure that they continue to meet both the spirit and requirements of the revised regulatory standards and reflect evolving community standards. The design of the enhancements implemented and future updates include the adoption or refinement of the FSB supplementary guidance on sound compensation practices.
Remuneration standards and non-financial risk *Recommendations 5.2, 5.3*	In response to the APRA Prudential Inquiry, CBA has a program of work underway to improve our remuneration framework and management of non-financial risk. We have established a Non-Financial Risk Committee (NFRC) to strengthen governance and oversight of non-financial risk across CBA and NFRCs in each line of business will create a robust escalation pathway. We have also expanded our risk assessment processes, strengthened oversight to support more effective management of non-financial risk and conduct risk, while ensuring appropriate remuneration consequences when these risks are not appropriately managed. This process is being supported by enhanced reporting on risk outcomes and risk reductions which is also being developed.

Remuneration of frontline staff *Recommendation 5.4*	As part of our response to the APRA Prudential Inquiry, CBA will conduct an annual effectiveness review of our Group Remuneration Policy, including for our frontline staff. The first review will take place in 2020. We have made enhancements to remuneration of our retail frontline staff to place greater emphasis on not only the balance of outcomes to be achieved by our people, but also the manner in which they are achieved. For example we have increased the weighting of customer measures in the balanced scorecards for retail frontline roles to a minimum of 30 per cent, and to up to 100 per cent for tellers. We are continuing to evolve and enhance our remuneration frameworks.
Implement Sedgwick review *Recommendation 5.5*	CBA has already fully implemented the Sedgwick recommendations for frontline teams and leaders in the branch network in relation to variable remuneration recommendations, with exception of variable remuneration potential for some lenders. The industry and CBA are awaiting guidance in relation to mortgage broker remuneration. We are supportive of measures that will improve customer outcomes while ensuring a strong and viable broker network. We are on track to address the remaining recommendations in the Sedgwick Report by 1 July 2020, with the exception of lenders. Beyond customer satisfaction and advocacy, we are continuing to explore further measures of better customer outcomes. Since the report was first released, the findings of the APRA Prudential Inquiry into CBA have also driven a strong focus on remuneration structures, governance and culture at CBA.

To reform our culture and governance

Changing culture and governance *Recommendation 5.6*	Work is well underway to change CBA's culture and governance through our Prudential Inquiry RAP. Promontory Australasia provides independent assurance over the implementation of the RAP and has confirmed that we are on track to deliver the plan by the due dates agreed with APRA. As at 30 June 2019, CBA had submitted 75 out of 156 milestones to Promontory for assessment. This work includes elevating the importance of risk by establishing a Non-Financial Risk Committee at the executive level; clarifying what we expect of our people through our purpose, values expectations and Code of Conduct; and we have more closely linked leaders' remuneration with their management of risk, a proportion of their performance metrics tied to risk and performance, as well as the successful delivery of the RAP milestones.
APRA supervision of culture and governance *Recommendation 5.7*	CBA supports this recommendation and will fully co-operate with APRA's supervision of culture and governance.

To improve our interactions with regulators

Open, constructive and cooperative dealing *Recommendation 6.7*	CBA is committed to strengthening our engagement with regulators. We are focused on enhancing our proactivity, transparency and responsiveness with regulators with our Chief Risk Officer now holding ultimate ownership of, and accountability for, regulator relationships. On 1 June 2019, we implemented a new regulatory engagement standard. We have also completed training for the standard including workshops and appropriate tools for our staff who engage with regulators and enhanced our internal regulatory engagement modules. We are also currently working on a new Group incident management standard and procedure to improve consistency in incident identification, assessment, and decision-making. We continue to develop dashboards to better track our regulatory engagements and commitments, compliance incidents and breaches, and customer remediation.
Self-reporting contraventions *Recommendation 7.2*	CBA notes the draft legislation released by Treasury in September to give effect to certain aspects of this recommendation. We support the reforms and contributed to industry responses to the consultation. Internally, CBA is undertaking a program of work to understand and implement the changes required to address the ASIC Enforcement Review recommendations including, for example, around incident reporting, conflicts management and governance around misconduct. For instance, in July 2019, we updated our conflicts management policy; in October 2019 we introduced a revised customer remediation policy which includes ensuring customer remediation is undertaken where there is employee misconduct or fraud; and in November 2019 we will introduce a new compliance incident standard and procedure across the Group.

Regulation and regulators

Industry codes

Enforceable industry codes *Recommendations 1.15, 1.16*	CBA notes consultation paper released by Treasury in March 2019 in relation to these proposed reforms. We have worked with the ABA to provide feedback on the details of the proposal.

Regulators and the law

Recommendations in relation to regulatory responsibility and approach *Recommendations 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14*	CBA supports these recommendations and notes the progress ASIC, APRA and the Government have made to implement them.
Simplification of the law by eliminating exceptions and qualifications and identification of fundamental norms of behaviour *Recommendations 7.3, 7.4*	CBA supports these recommendations.

Other recommendations

Application of National Consumer Credit Protection Act (NCCP Act)

Do not amend the NCCP Act to alter the obligation to assess unsuitability *Recommendation 1.1*	CBA supports the conclusion reached by the Commissioner.
Do not extend NCCP Act to small business *Recommendation 1.9*	CBA supports the conclusion reached by the Commissioner.

Recommendations not relevant to CBA

Removal of point-of-sale exemption *Recommendation 1.7*	The exemption of retail dealers from the operation of the NCCP Act does not apply to CBA.
Remove the exclusion of funeral expense policies from the definition of "financial product" *Recommendation 4.2*	We note the recent consultation released by Treasury, however we note that this recommendation does not apply to CBA, as we do not operate this type of business.
Cap vehicle driver commissions *Recommendation 4.4*	CBA does not sell add-on insurance through vehicle dealers.
Duty not to misrepresent, limits on avoiding life insurance contracts. *Recommendation 4.5, 4.6*	We acknowledge the intent behind these recommendations but note they will not apply to CBA as we have agreed to sell our life insurance business to AIA.