



NAB Royal Commission Recommendations – Implementation update – April 2021

KEY**Nov 19 May 20 Aug 20 April 21**

		Nov 19	May 20	Aug 20	April 21
Complete	Actions that NAB has completed in accordance with the intent of the recommendation.	5	7	7	13
In progress – including those pending legislation, or regulatory or industry guidance	Recommendations that NAB has: <ul style="list-style-type: none"> completed to the extent possible, pending further guidance; or commenced work on and / or is involved in consultation on (noting some are in the very early stages); or commenced work on, but that do not require definitive future legislative, or regulatory or industry action. Recommendations for which implementation is well under way.	34	32	32	23 4
No action required by NAB (including awaiting future reviews)	Recommendations that apply, or may apply to or impact NAB, however no action is currently required. This is because the recommendations: <ul style="list-style-type: none"> are directed at other industry participants, including Industry Associations and Regulators, that require them to take action; or do not require or result in action to be taken by NAB; or are due to be reviewed in the future. 	29	29	29	28
Not applicable to NAB	Recommendations that do not apply to NAB.	8	8	8	8

Implementing the Royal Commission Recommendations remains a priority for NAB. We will continue to work closely with the Government as it pursues its Implementation Roadmap and consults with the industry on the legislative and regulatory requirements associated with the reforms.

We are fully committed to implementation of this reform agenda. We have completed 13 recommendations and continue to progress the implementation of a further 23 recommendations with an additional 4 well underway. Of the remainder, 8 are not applicable to NAB and 28 do not currently require action. We continue to press ahead with our own program of culture improvement.

BANKING

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
1.1	Amendment of National Consumer Credit Protection Act	The NCCP Act should not be amended to alter the obligation to assess unsuitability.	In progress while legislation remains before the Parliament.	NAB supports the amendments to the NCCP Act as proposed by the Government and will await the Parliament's further consideration of the proposed amendments. If the proposed amendments become law, NAB will continue to lend responsibly and diligently, in the best interests of our customers.
1.2	Mortgage Brokers Best Interest Duty	The law should be amended to provide that, when acting in connection with home lending, mortgage brokers must act in the best interests of the intending borrower. The obligation should be a civil penalty provision.	Complete	Best Interest Duty (BID) compliance was achieved for the Plan, Choice and FAST aggregators in July 2020. Their loan lodgement platform had significant technology enhancements to provide brokers with a BID compliant experience, along with a raft of training and education sessions deployed to their brokers in the lead up to 1 January 2021. Plan, Choice and FAST (including their Licensee BLSSA) were acquired by Loan Market Group in March 2021, and they are continuing to engage with ASIC around Aggregator and Licensee expectations of how best to monitor BID compliance with brokers.
1.3	Mortgage Broker Remuneration	The borrower, not the lender, should pay the mortgage broker a fee for acting in connection with home lending. Changes in brokers' remuneration should be made over a period of two or three years, by first prohibiting lenders from paying trail commission to mortgage brokers in respect of new loans, then prohibiting lenders from paying other commissions to mortgage brokers.	Complete	Both NAB and Advantedge implemented changes to payments of upfront commission on subsequent drawdowns for loans settled 1 January 2021 and beyond to comply with the maximum drawdown cap as outlined within the changes to NCCP. NAB and Advantedge complied with all other changes to the Act in November 2018 (e.g. upfronts to be paid on net of offset and net utilisation etc.) From November 2018, NAB has paid upfront commission based on drawn down amount and net of offset, which assists to ensure that brokers are not remunerated for credit that consumers potentially may not need. From January 2019, NAB has not paid, and its aggregators have not received or accepted from NAB, volume-based payments. NAB applies standard commercial practice for clawback to be no more than two years. All other non-remuneration aspects of changes to the Act (e.g. non-monetary benefits, preferred service arrangements, caps on infrequent benefits and any broker training content) NAB and Advantedge are compliant. NAB monitors any and all spend on brokers, the NAB Premium access program does not provide preferred % rates or commission to brokers or their customers, and any broker facing training offered is compliant with standards outlined within the Act.
1.4	Treasury-led working group	A Treasury-led working group should be established to monitor and, if necessary, adjust the remuneration model referred to in Recommendation 1.3, and any fee that lenders should be required to charge to achieve a level playing field, in response to market changes.	No action required by NAB, pending the proposed review in 2022.	NAB supports the Government's plan for the Council of Financial Regulators and the Australian Competition and Consumer Commission (ACCC) to conduct a review of changes to mortgage broking remuneration and the operation of trail and upfront commissions in 2022.
1.5	Mortgage Brokers as Financial Advisers	After a sufficient period of transition, mortgage brokers should be subject to and regulated by the law that applies to entities providing financial product advice to retail clients.	No action required by NAB, pending the proposed review in 2022 (see recommendation 2.3)	NAB notes the Government's intention to progress this recommendation following the review of financial advice reforms (see Recommendation 2.3). NAB will await the outcome of that review.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
1.6	Mortgage Broker Misconduct	<p>ACL holders should:</p> <ul style="list-style-type: none"> be bound by information-sharing and reporting obligations in respect of mortgage brokers similar to those referred to in Recommendations 2.7 and 2.8 for financial advisers; and take the same steps in response to detecting misconduct of a mortgage broker as those referred to in Recommendation 2.9 for financial advisers. 	Implementation well under way	<p>NAB implemented in August 2020 “Key Risk Indicators” (KRI) reporting of accredited brokers with regard to:</p> <ul style="list-style-type: none"> % of interest only within a broker’s portfolio Loans within a broker’s portfolio that are 90 days + in arrears <p>NAB is still working through implementing the two remaining data points of:</p> <ul style="list-style-type: none"> % of refinanced loans within a broker’s portfolio (to be delivered within 2021) and: complaints about brokers lodged to lenders (context is 2019/2020 AFCA complaints 76880 of which 108 were mortgage broker related = 0.14% of overall AFCA complaints) <p>There is an industry requirement to publish HEM data to Aggregators. However, if Responsible Lending Obligations are to be repealed, as proposed in current draft legislation, HEM is unlikely to be an ongoing measure to be reported.</p> <p>In addition, NAB has created and is complying with an internal Aggregator Accreditation, Monitoring and Supervision Policy (implemented September 2019) which also leverages the above KRI monitoring of brokers.</p> <p>NAB is also commencing annual Aggregator attestations and due diligence monitoring later in 2021.</p> <p>NAB is also committed to and involved in the Industry Aggregator Assurance Program which involves relevant industry bodies to create a consistent governance framework.</p>
1.7	Removal of Point of Sale Exemption	The exemption of retail dealers from the operation of the NCCP Act should be abolished.	Not applicable to NAB	NAB does not offer the product or service.
1.8	Access to Banking Services	<p>The ABA should amend the Banking Code to provide that:</p> <ul style="list-style-type: none"> banks will work with customers: <ul style="list-style-type: none"> who live in remote areas; or who are not adept in using English, to identify a suitable way for those customers to access and undertake their banking; if a customer is having difficulty proving his or her identity, and tells the bank that he or she identifies as an Aboriginal or Torres Strait Islander person, the bank will follow AUSTRAC’s guidance about the identification and verification of persons of Aboriginal or Torres Strait Islander heritage; without prior express agreement with the customer, banks will not allow informal overdrafts on basic accounts; and banks will not charge dishonour fees on basic accounts. 	Complete	<p>NAB worked with the ABA and industry on implementation of the required changes to the Banking Code of Practice (BCoP) which were formally approved by ASIC on 17 December 2019 and implemented by 1 March 2020.</p> <p>NAB launched a dedicated Indigenous Customer Service Line and Customer Support Hub to better support Aboriginal and Torres Strait Islander customers, particularly those living in remote locations. These will assist customers to access and undertake their banking services. These initiatives will also assist in taking extra care with customers who are experiencing a range of vulnerabilities.</p> <p>Since the Customer Support Hub and Indigenous Customer Service Line were opened in June 2019, 21,408 and 4,287 calls have been received respectively (up to 23 March 2021).</p> <p>NAB continues to utilise AUSTRAC’s guidance to help Aboriginal and Torres Strait Islander people meet identification requirements, including in relation to specific community identification cards and letters of referees.</p> <p>The initiatives in NAB’s Framework for Customers Experiencing Vulnerability support a range of ways extra care is taken with customers who are experiencing vulnerability. This includes our commitment to support customers with limited English by progressing work on an easy-read document to assist customers in understanding the services of NAB’s transaction account and establishing interpreter services for customers. Both these initiatives are expected to go live in the coming months.</p> <p>New customers with Government concession cards are specifically asked as to whether they would like to prevent their account from being overdrawn.</p> <p>NAB’s basic transaction accounts continue to have no monthly account keeping fees, and no overdrawn or dishonour fees.</p>
1.9	No extension of the NCCP Act to small businesses	The NCCP Act should not be amended to extend its operation to lending to small businesses.	No action required by NAB	There is no action required by NAB.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
1.10	Definition of “Small Business”	The ABA should amend the definition of ‘small business’ in the Banking Code so that the Code applies to any business or group employing fewer than 100 full-time equivalent employees, where the loan applied for is less than \$5 million.	Complete	NAB has already extended the protections of the Code to small businesses with less than \$5 million in total business lending. At an industry level, the ABA reviewed this issue in October 2020 by way of the Pottinger Review and recommended change to the threshold amount for Total Credit Outstanding (TCE) from \$3 million to \$5 million. The ABA proposes to implement the main changes recommended by the review following completion of the Triennial Review of the Code which will commence by July 2021.
1.11	Farm Debt Mediation Scheme	A national scheme of farm debt mediation should be enacted.	Implementation well under way	As Australia’s largest agribusiness-lender, NAB has been a long-time supporter of Farm Debt Mediation (FDM) schemes and supports a national FDM scheme. NAB welcomes the Tasmanian Government’s announcement in January 2021 to establish a legislated Farm Debt Mediation Scheme. NAB contributed to the ABA’s February 2021 submission in response to the Tasmanian Government’s consultation on the proposed scheme. NAB is also offering customers a 10-day cooling off period following a farm debt mediation, including in states where this is not a legislated requirement under their scheme.
1.12	Land Valuations	APRA should amend Prudential Standard APS 220 to: <ul style="list-style-type: none"> require that internal appraisals of the value of land taken or to be taken as security should be independent of loan origination, loan processing and loan decision processes; and provide for valuation of agricultural land in a manner that will recognise, to the extent possible: <ul style="list-style-type: none"> - the likelihood of external events affecting its realisable value; and - the time that may be taken to realise the land at a reasonable price affecting its realisable value. 	Complete	NAB has implemented changes to ensure that land valuations are conducted independently from our loan origination, processing and decision processes. APRA advised that the compliance date is 1 January 2022 with a supporting Prudential Practice Guide APG 220 Credit Risk Management to be released in the first quarter of 2021. NAB supports APRA updating its standard APS220 to reflect the recommendation.
1.13	Charging default interest	The ABA should amend the Banking Code to provide that, while a declaration remains in force, banks will not charge default interest on loans secured by agricultural land in an area declared to be affected by drought or other natural disaster.	Complete	In July 2018, NAB ceased charging default interest to drought impacted farmers when they are in default. This was then extended to customers impacted by other natural disasters, beginning with the 2019 Queensland floods. From 1 March 2020, NAB has now removed default interest on all business loans and overdrafts, for Business and Private Banking customers, not just those impacted by drought or natural disaster.
1.14	Distressed Agriculture Loan Management	When dealing with distressed agricultural loans, banks should: <ul style="list-style-type: none"> ensure that those loans are managed by experienced agricultural bankers; offer farm debt mediation as soon as a loan is classified as distressed; manage every distressed loan on the footing that working out will be the best outcome for bank and borrower, and enforcement the worst; recognise that appointment of receivers or any other form of external administrator is a remedy of last resort; and cease charging default interest when there is no realistic prospect of recovering the amount charged. 	Complete	NAB has a specialist Agri-banking unit within its Strategic Business Services team. NAB only appoints receivers as a last resort. As noted in our response to recommendation 1.11, NAB offers financial support to customers attending farm debt mediations. Default interest is not charged when an assessment determines that there is no realistic prospect of recovery.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
1.15	Enforceable Code Provisions	<p>The law should be amended to provide:</p> <ul style="list-style-type: none"> that ASIC’s power to approve codes of conduct extends to codes relating to all APRA-regulated institutions and ACL holders; that industry codes of conduct approved by ASIC may include ‘enforceable code provisions’, which are provisions in respect of which a contravention will constitute a breach of the law; that ASIC may take into consideration whether particular provisions of an industry code of conduct have been designated as ‘enforceable code provisions’ in determining whether to approve a code; for remedies, modelled on those now set out in Part VI of the Competition and Consumer Act, for breach of an ‘enforceable code provision’; and for the establishment and imposition of mandatory financial services industry codes. 	No action required by NAB	<p>The Banking Code of Practice is the first substantive industry code to be approved by ASIC (in 2018) under the Corporations Act, and the Australian Banking Association (ABA) has sought and obtained approval for all subsequent changes to the Code.</p> <p>NAB has been a long-standing member of the ABA and has adopted the 2020 version of the Code and additional variations that came into effect in March 2021. The Code’s provisions form part of NAB’s agreements with NAB’s individual and small business customers.</p> <p>The implementation of the Royal Commission recommendations in relation to industry codes, including the ability to declare ‘enforceable code provisions’, enables ASIC to apply an additional layer of enforceability over and above the existing mechanisms in individual codes.</p> <p>NAB notes that in 2021, the triennial review of the Code will be conducted by an independent reviewer. The scope of the review will specifically consider the ‘enforceable code provisions’ framework. The independent reviewer will be consulting with the banking industry (including NAB), consumer and small business organisations, relevant regulatory bodies and other interested stakeholders on the review, including enforceable provisions.</p> <p>Importantly, ASIC has discretion to identify a provision of a code of conduct (such as the Banking Code of Practice) as an ‘enforceable code provision’. This is done at the time ASIC is considering an application to approve a code of conduct (including variations).</p> <p>NAB supports the introduction of the enforceable code reforms and the additional powers granted to ASIC. Under the reforms, the determination of ‘enforceable code provisions will need to consider whether the provision or provisions meet specific legislative criteria. This will be a common challenge across industry codes which are typically broad and principles or ‘expectation’ based when compared to legislative obligations. Further, where a Code goes beyond the law (e.g. in terms of scope, applicability or consequences), a more efficient outcome for the industry, regulators and customers may be to amend the law rather than declare an enforceable code provision. Importantly, to avoid duplication and unnecessary regulatory burden, code provisions should not be declared enforceable where the obligation is covered by Law.</p>
1.16	2019 Banking Code	In respect of the Banking Code that ASIC approved in 2018, the ABA and ASIC should take all necessary steps to have the provisions that govern the terms of the contract made or to be made between the bank and the customer or guarantor designated as ‘enforceable code provisions’.	No action required by NAB	ASIC will identify the provisions of the Banking Code of Practice that it deems to be enforceable. In line with the recommendations, NAB will implement any changes required.
1.17	BEAR - Product Accountabilities	After appropriate consultation, APRA should determine for the purposes of section 37BA(2)(b) of the Banking Act, a responsibility, within each ADI subject to the BEAR, for all steps in the design, delivery and maintenance of all products offered to customers by the ADI and any necessary remediation of customers in respect of any of those products.	In progress – Pending legislation or regulatory or industry guidance	<p>NAB responded to APRA’s consultation paper in August 2019, supporting the aims and objectives of this recommendation. This consultation has now been subsumed into APRA’s work on the Financial Accountability Regime (FAR).</p> <p>NAB also submitted a response to Treasury’s proposal paper on the FAR in February 2020.</p> <p>Treasury intends to consult further on the exposure draft legislation and the implementation timeframe for the FAR.</p> <p>APRA intends to release further information on product responsibility at this time.</p> <p>NAB will address this recommendation, in consultation with APRA, as part of the regulatory change management processes.</p>

FINANCIAL ADVICE

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
2.1	Annual renewal and payment	<p>The law should be amended to provide that ongoing fee arrangements (whenever made):</p> <ul style="list-style-type: none"> • must be renewed annually by the client; • must record in writing each year the services that the client will be entitled to receive and the total of the fees that are to be charged; and • may neither permit nor require payment of fees from any account held for or on behalf of the client except on the client's express written authority to the entity that conducts that account given at, or immediately after, the latest renewal of the ongoing fee arrangement. 	Implementation well under way	<p>New agreements from 1 July 21 must comply with new requirements. There is a 12-month transitional arrangement for agreements entered into before 1 July 21. MLC Advice employed advisers transitioned to annual fixed term agreements 1 April 2020 with clients on 12-month contracts that record in writing the services the client will be entitled to receive and the fees that are to be charged.</p> <p>Self-employed advisers commenced transitioning clients from 1 July 2020 and all clients are required to be transitioned to 12-month fixed term agreements that record in writing the services the client will be entitled to receive and the fees that are to be charged by 30 June 2021.</p> <p>We will make any further updates required when ASIC releases its legislative instrument and updated regulatory guide that deal with advice fee consents.</p>
2.2	Disclosure of lack of independence	<p>The law should be amended to require that a financial adviser who would contravene section 923A of the Corporations Act by assuming or using any of the restricted words or expressions identified in section 923A(5) (including 'independent', 'impartial' and 'unbiased') must, before providing personal advice to a retail client, give to the client a written statement (in or to the effect of a form to be prescribed) explaining simply and concisely why the adviser is not independent, impartial and unbiased.</p>	Implementation well under way	<p>NAB supports improved disclosure to ensure that all clients and potential clients understand whether or not the financial adviser they are dealing with is 'independent' and if not, why not.</p> <p>We have included an update to the Financial Services Guides for our MLC Advice and Advice Partnerships AFS licensees.</p> <p>When ASIC releases the final legislative instrument prescribing the wording, we will make any further updates that are required to those documents.</p>
2.3	Review of measures to improve the quality of advice	<p>In three years' time, there should be a review by Government in consultation with ASIC of the effectiveness of measures that have been implemented by the Government, regulators and financial services entities to improve the quality of financial advice. The review should preferably be completed by 30 June 2022, but no later than 31 December 2022.</p> <p>Among other things, that review should consider whether it is necessary to retain the 'safe harbour' provision in section 961B(2) of the Corporations Act. Unless there is a clear justification for retaining that provision, it should be repealed.</p>	No action required, pending the proposed review in 2022	<p>NAB supports the need for a Review.</p> <p>MLC Wealth believes the provision of quality advice plays a critical role in managing key risks and supporting improved retirement outcomes for Australians.</p> <p>The revised Advice Review process introduced by MLC Licensees in February 2020 continues to indicate a material improvement in adviser compliance rates, with the results validated by an external assurance partner in February 2021.</p>

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2.4	Grandfathered Commissions	Grandfathering provisions for conflicted remuneration should be repealed as soon as is reasonably practicable.	Complete	NAB has removed all grandfathered commissions on wealth superannuation and investment products.
2.5	Life risk insurance commissions	When ASIC conducts its review of conflicted remuneration relating to life risk insurance products and the operation of the ASIC Corporations (Life Insurance Commissions) Instrument 2017/510, ASIC should consider further reducing the cap on commissions in respect of life risk insurance products. Unless there is a clear justification for retaining those commissions, the cap should ultimately be reduced to zero.	No action required by NAB – Review in 2021	NAB agrees with the Life Insurance Framework (LIF) reforms and the planned review at the conclusion of the LIF transition period in 2021. There is no action currently required by NAB.
2.6	General insurance and consumer credit insurance commissions	The review referred to in Recommendation 2.3 should also consider whether each remaining exemption to the ban on conflicted remuneration remains justified, including: <ul style="list-style-type: none"> the exemptions for general insurance products and consumer credit insurance products; and the exemptions for non-monetary benefits set out in section 963C of the Corporations Act. 	No action required by NAB – Review in 2022	NAB supports the review of general insurance and consumer credit insurance commissions in 2022 and will work with Government and industry in relation to any legislative change. There is no action currently required by NAB.
2.7	Reference checking and information sharing	All AFSL holders should be required, as a condition of their licence, to give effect to reference checking and information-sharing protocols for financial advisers, to the same effect as now provided by the ABA in its 'Financial Advice – Recruitment and Termination Reference Checking and Information Sharing Protocol'.	In progress – Pending ASIC regulatory instrument	MLC Wealth is a signatory to the ABA reference checking protocol as part of ongoing operations and will continue to comply with the ABA protocol until 1 October 2021 when the new requirements come into force.
2.8	Reporting compliance concerns	All AFSL holders should be required, as a condition of their licence, to report 'serious compliance concerns' about individual financial advisers to ASIC on a quarterly basis.	In progress	NAB will align its current breach reporting methodology to the new requirements from 1 October 2021.

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2.9	Misconduct by financial advisers	<p>All AFSL holders should be required, as a condition of their licence, to take the following steps when they detect that a financial adviser has engaged in misconduct in respect of financial advice given to a retail client (whether by giving inappropriate advice or otherwise):</p> <ul style="list-style-type: none"> • make whatever inquiries are reasonably necessary to determine the nature and full extent of the adviser’s misconduct; and • where there is sufficient information to suggest that an adviser has engaged in misconduct, tell affected clients and remediate those clients promptly. 	In progress	NAB will align to the new legislated requirements by 1 October 2021.
2.10	A new disciplinary system	<p>The law should be amended to establish a new disciplinary system for financial advisers that:</p> <ul style="list-style-type: none"> • requires all financial advisers who provide personal financial advice to retail clients to be registered; • provides for a single, central, disciplinary body; • requires AFSL holders to report ‘serious compliance concerns’ to the disciplinary body; and • allows clients and other stakeholders to report information about the conduct of financial advisers to the disciplinary body. 	In progress, pending legislation or regulatory or industry guidance	<p>A comprehensive review of all standards has now occurred to ensure alignment with FASEA Code of Ethics guidance and new guidance has been rolled out to all advisers to ensure ongoing compliance with legislative requirements.</p> <p>All advisers have also completed a comprehensive training program to ensure they are familiar with the updated guidance.</p> <p>The functions of the central disciplinary body for financial advisers will be consolidated into expanded operations of the Financial Services and Credit Panel within ASIC.</p>

SUPERANNUATION

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
3.1	Trustee – “No other role or office”	The trustee of an RSE should be prohibited from assuming any obligations other than those arising from or in the course of its performance of the duties of a trustee of a superannuation fund.	Complete	NAB has taken action to comply by 1 July 2021.
3.2	No deduction of fees from MySuper accounts	Deduction of any advice fee (other than for intrafund advice) from a MySuper account should be prohibited.	In progress	NAB supports strengthened controls over the deductions of advice fees from super accounts and fees for service in general. NAB is implementing the requisite measures for its superannuation products by the 1 July 2021 commencement date.
3.3	Limitations on deducting advice fees from choice accounts	Deduction of any advice fee (other than for intrafund advice) from superannuation accounts other than MySuper accounts should be prohibited unless the requirements about annual renewal, prior written identification of service and provision of the client’s express written authority set out in Recommendation 2.1 in connection with ongoing fee arrangements are met.	In progress	NAB has enhanced superannuation product disclosure statements to provide greater transparency on how Adviser Service Fees (ASF) are charged, alternative payment options and how they can be turned off. NAB has also uplifted the controls relating to the deduction of advice fees. NAB is implementing changes to meet 1 July 2021 commencement date. MLC Licensees are also transitioning all clients to 12-month fixed term advice agreements to be completed by June 2021.
3.4	Hawking of Superannuation products	Hawking of superannuation products should be prohibited. That is, the unsolicited offer or sale of superannuation should be prohibited except to those who are not retail clients and except for offers made under an eligible employee share scheme. The law should be amended to make clear that contact with a person during which one kind of product is offered is unsolicited unless the person attended the meeting, made or received the telephone call, or initiated the contact for the express purpose of inquiring about, discussing or entering into negotiations in relation to the offer of that kind of product.	In progress – Pending final regulations and updated RG 38	NAB has been participating in Treasury consultations and looks forward to consulting with ASIC in relation to the development of the Hawking regulations which are effective from 5 October 2021. NAB does not believe there are any further actions required at this stage. NAB will monitor the Regulations and any updates to RG 38 to clarify any changes that may be required.
3.5	Single Default Superannuation Accounts	A person should have only one default account. To that end, machinery should be developed for ‘stapling’ a person to a single default account.	In progress – awaiting legislation	MLC is currently reviewing the recent Your Future Your Super Legislation which includes single default superannuation accounts to determine actions required to address any new obligations on or after 1 July 2021.

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3.6	Treating of Employers	Section 68A of the SIS Act should be amended to prohibit trustees of a regulated superannuation fund, and associates of a trustee, doing any of the acts specified in section 68A(1)(a), (b) or (c) where the act may reasonably be understood by the recipient to have a substantial purpose of having the recipient nominate the fund as a default fund or having one or more employees of the recipient apply or agree to become members of the fund. The provision should be a civil penalty provision enforceable by ASIC.	Complete	NAB has reviewed and strengthened existing controls to comply with the requirements. Updates were made to relevant procedures and control documentation, and staff training provided.
3.7	Civil Penalties	Breach of the trustee's covenants set out in section 52 or obligations set out in section 29VN, or the director's covenants set out in section 52A or obligations set out in section 29VO of the SIS Act should be enforceable by action for civil penalty.	No action required by NAB	There is currently no action required by NAB.
3.8	APRA and ASIC responsibilities	The roles of APRA and ASIC with respect to superannuation should be adjusted, as referred to in Recommendation 6.3.	No action required by NAB	There is currently no action required by NAB.
3.9	Extension of BEAR regime to Superannuation	Over time, provisions modelled on the BEAR should be extended to all RSE licensees, as referred to in Recommendation 6.8.	In progress – Pending legislation or regulatory or industry guidance	In January 2020, Treasury released its proposal paper on the new Financial Accountability Regime (FAR). NAB submitted a response to Treasury's proposal in February 2020. Treasury intends to consult further when draft legislation is released. NAB will address this recommendation, in consultation with APRA and ASIC, as part of regulatory change management processes.

INSURANCE

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
4.1	No hawking of insurance	Consistently with Recommendation 3.4, which prohibits the hawking of superannuation products, hawking of insurance products should be prohibited.	In progress – Pending final regulations and updated Regulatory Guide	NAB has been participating in Treasury consultations and looks forward to forthcoming consultations with ASIC in relation to the development of the Hawking regulations which are effective as of 5 October 2021
4.2	Removing the exemptions for funeral expenses policies	The law should be amended to: <ul style="list-style-type: none"> remove the exclusion of funeral expenses policies from the definition of 'financial product'; and put beyond doubt that the consumer protection provisions of the ASIC Act apply to funeral expenses policies. 	Not applicable to NAB	NAB does not sell funeral expenses insurance.

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4.3	Deferred sales model for add-on insurance	A Treasury-led working group should develop an industry-wide deferred sales model for the sale of any add-on insurance products (except policies of comprehensive motor insurance). The model should be implemented as soon as is reasonably practicable.	In progress – Pending finalisation of regulatory guidance	NAB has been participating in Treasury consultations on the legislation and is currently participating in ASIC consultations in relation to the proposals for the related Regulatory Guide.
4.4	Cap on commissions and Add-on insurance sold by motor vehicle dealers	ASIC should impose a cap on the amount of commission that may be paid to vehicle dealers in relation to the sale of add-on insurance products.	Not applicable to NAB	NAB does not sell add-on insurance products through motor vehicle dealers
4.5	Duty to take reasonable care not to make a misrepresentation to an insurer	Part IV of the Insurance Contracts Act should be amended, for consumer insurance contracts, to replace the duty of disclosure with a duty to take reasonable care not to make a misrepresentation to an insurer (and to make any necessary consequential amendments to the remedial provisions contained in Division 3).	Not applicable to NAB	Although not an insurer, NAB agrees with the intent of proposed measures that protect customers and will achieve fairer insurance outcomes.
4.6	Avoidance of life insurance contracts	Section 29(3) of the Insurance Contracts Act should be amended so that an insurer may only avoid a contract of life insurance on the basis of non-disclosure or misrepresentation if it can show that it would not have entered into a contract on any terms.	Not applicable to NAB	Although not an insurer, NAB agrees with the intent of proposed measures that protect customers and will achieve fairer insurance outcomes.
4.7	Application of unfair contract terms provisions to insurance contracts	The unfair contract terms provisions now set out in the ASIC Act should apply to insurance contracts regulated by the Insurance Contracts Act. The provisions should be amended to provide a definition of the ‘main subject matter’ of an insurance contract as the terms of the contract that describe what is being insured. The duty of utmost good faith contained in section 13 of the Insurance Contracts Act should operate independently of the unfair contract terms provisions.	Not applicable to NAB	Although not an insurer, NAB agrees with the intent of proposed measures that protect customers and will achieve fairer insurance outcomes.
4.8	Removal of claims handling exemption	The handling and settlement of insurance claims, or potential insurance claims, should no longer be excluded from the definition of ‘financial service’.	Not applicable to NAB	Although not an insurer, NAB agrees with the intent of proposed measures that protect customers and will achieve fairer insurance outcomes.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
4.9	Enforceable code provisions	<p>As referred to in Recommendation 1.15, the law should be amended to provide for enforceable provisions of industry codes and for the establishment and imposition of mandatory industry codes.</p> <p>In respect of the Life Insurance Code of Practice, the Insurance in Superannuation Voluntary Code and the General Insurance Code of Practice, the Financial Services Council, the Insurance Council of Australia and ASIC should take all necessary steps, by 30 June 2021, to have the provisions of those codes that govern the terms of the contract made or to be made between the insurer and the policyholder designated as ‘enforceable code provisions’.</p>	In progress	MLC Wealth continues to progress with its implementation of the Code in accordance with NULIS Code Transition Plan and will consider and make any necessary adjustments as required following a review being undertaken by the code owners
4.10	Extension of Sanctions Powers	The Financial Services Council and the Insurance Council of Australia should amend section 13.10 of the Life Insurance Code of Practice and section 13.11 of the General Insurance Code of Practice to empower (as the case requires) the Life Code Compliance Committee or the Code Governance Committee to impose sanctions on a subscriber that has breached the applicable Code.	No action required by NAB	There is currently no action required by NAB.
4.11	Co-operation with AFCA	Section 912A of the Corporations Act should be amended to require that AFSL holders take reasonable steps to co-operate with AFCA in its resolution of particular disputes, including, in particular, by making available to AFCA all relevant documents and records relating to issues in dispute.	Complete	NAB continues to work constructively with AFCA. NAB will make available to AFCA all appropriate relevant documents and records relating to issues in dispute.
4.12	Accountability regime	Over time, provisions modelled on the BEAR should be extended to all APRA-regulated insurers, as referred to in Recommendation 6.8.	Not applicable to NAB	Although not an insurer, NAB agrees with the intent of proposed measures that protect customers and will achieve fairer insurance outcomes.
4.13	Universal terms review	Treasury, in consultation with industry, should determine the practicability, and likely pricing effects, of legislating universal key definitions, terms and exclusions for default MySuper group life policies.	In progress	NAB supports measures that will ensure members defaulted into MySuper have a minimum level of insurance and that “like for like” comparisons can be made between products. The industry is currently awaiting Government’s response to the consultation paper: <i>Universal Terms for Insurance within MySuper</i> .

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
4.14	Additional scrutiny for related party engagements	APRA should amend Prudential Standard SPS 250 to require RSE licensees that engage a related party to provide group life insurance, or who enter into a contract, arrangement or understanding with a life insurer by which the insurer is given a priority or privilege in connection with the provision of life insurance, to obtain and provide to APRA within a fixed time, independent certification that the arrangements and policies entered into are in the best interests of members and otherwise satisfy legal and regulatory requirements.	In progress – Pending legislation or regulatory or industry guidance	As part of the Trustee Insurance Management Framework (IMF) and to meet compliance with SPS 250 an independent review of the insurance arrangements with the Trustee’s major insurance provider was completed in 2019. NAB is currently reviewing the recent amendments to Superannuation Prudential Standard (SPS) 250 to determine actions required to address any new obligations.
4.15	Status attribution to be fair and reasonable	APRA should amend Prudential Standard SPS 250 to require RSE licensees to be satisfied that the rules by which a particular status is attributed to a member in connection with insurance are fair and reasonable.	In progress – Pending legislation or regulatory or industry guidance	NAB is currently reviewing the recent amendments to Superannuation Prudential Standard (SPS) 250 to determine actions required to address any new obligations. The time frame for implementation of these is 1 January 2022.

CULTURE, GOVERNANCE AND REMUNERATION

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
5.1	Supervision of remuneration – principles, standards and guidance	In conducting prudential supervision of remuneration systems, and revising its prudential standards and guidance about remuneration, APRA should give effect to the principles, standards and guidance set out in the Financial Stability Board’s publications concerning sound compensation principles and practices. Recommendations 5.2 and 5.3 explain and amplify aspects of this Recommendation.	In progress – Pending legislation or regulatory or industry guidance	NAB has contributed to APRA’s consultation process on the draft Prudential Standard CPS 511 Remuneration directly and through the ABA. NAB looks forward to further contributing to development of the practice guide and reporting and disclosure requirements during 2021, noting compliance with the prudential standard and practice guide will be for the FY23 performance year.
5.2	Supervision of remuneration – aims	In conducting prudential supervision of the design and implementation of remuneration systems, and revising its prudential standards and guidance about remuneration, APRA should have, as one of its aims, the sound management by APRA regulated institutions of not only financial risk but also misconduct, compliance and other nonfinancial risks.	In progress – Pending legislation or regulatory or industry guidance	NAB has contributed to APRA’s consultation process on the draft Prudential Standard CPS 511 Remuneration directly and through the ABA. NAB looks forward to further contributing to development of the practice guide and reporting and disclosure requirements during 2021, noting compliance with the prudential standard and practice guide will be for the FY23 performance year. NAB has strengthened its frameworks supporting misconduct, compliance and other non-financial risks through: <ul style="list-style-type: none"> Implementation of a new Employee Conduct Management Framework for the FY21 performance year with a range of supporting tools and materials. Launch of a refreshed Code of Conduct in October 2020 setting out the standards expected for How We Work, approach problems, make decisions, and support each other to serve our customers well. Strengthened consequence management governance through establishment of an Executive Remuneration Committee responsible for providing recommendations to the Board on consequence outcomes (including malus and claw back) for senior executives and material conduct, risk or accountability matters.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
5.3	Revised prudential standards and guidance	<p>In revising its prudential standards and guidance about the design and implementation of remuneration systems, APRA should:</p> <ul style="list-style-type: none"> • require APRA-regulated institutions to design their remuneration systems to encourage sound management of non-financial risks, and to reduce the risk of misconduct; • require the board of an APRA-regulated institution (whether through its remuneration committee or otherwise) to make regular assessments of the effectiveness of the remuneration system in encouraging sound management of non-financial risks, and reducing the risk of misconduct; • set limits on the use of financial metrics in connection with long-term variable remuneration; • require APRA-regulated institutions to provide for the entity, in appropriate circumstances, to claw back remuneration that has vested; and • encourage APRA-regulated institutions to improve the quality of information being provided to boards and their committees about risk management performance and remuneration decisions. 	In progress – Pending legislation or regulatory or industry guidance	<p>NAB is awaiting the final prudential standard and further consultation on the prudential guide and reporting and disclosure requirements.</p> <p>In addition to our new consequence management framework, NAB implemented a number of changes to its performance framework for FY21 to support more regular coaching and feedback of colleagues.</p> <p>Changes to NAB’s remuneration framework are underway that aim to reduce the focus on variable remuneration. An initial pilot will be undertaken in our Business Units during FY21.</p> <p>Our remuneration framework will continue to evolve during FY21 and FY22 to ensure compliance with the new prudential standard for FY23.</p> <p>Improvements in the quality of information provided to the Board and Board Committees have also been made. Work on this will continue as the new and changed frameworks evolve.</p>
5.4	Remuneration of front-line staff	All financial services entities should review at least once each year the design and implementation of their remuneration systems for front line staff to ensure that the design and implementation of those systems focus on not only what staff do, but also how they do it.	Complete – process in place for ongoing review	<p>NAB has implemented all relevant Sedgwick Review recommendations and is participating in a final review by Mr Sedgwick to assess the impact on sales culture in the bank as a result of the implemented recommendations.</p> <p>The outcome of this review is expected to be released to the ABA soon.</p> <p>Effective 1 October 2020 NAB has implemented a change to the Group Performance Indicators (GPI) to strike a better balance between financial and non-financial measures, with financial measures down 25%. Non-financial measures focus on Customers, Colleagues and Safe Growth.</p> <p>Front line teams, with the exception of 1,200 (approx.) participants are rewarded by reference to the GPI and individual performance. All individual performance scorecards include a balanced assessment of ‘How we Work’, adherence to risk management requirements and outputs.</p> <p>The remainder of our front-line teams (1,200 colleagues) participate in specialist incentive programs that are more closely aligned to specific areas of our global business. The determination of performance includes rigorous assessment of ‘how we work’ together with risk and increased governance of performance and remuneration outcomes. The outcomes are reported to the Board People and Remuneration Committee on a quarterly basis with annual report on program effectiveness.</p> <p>NAB has evaluated its remuneration frameworks and is in the process of delivering substantial change that reduces the significance of variable reward within our total reward offering. The approach will see ~12,500 colleagues (including many in our front-line teams) cease to participate in variable reward.</p> <p>In October 2020, NAB substantively refreshed both the Code of Conduct and consequence management practices. Senior management meet regularly through Professional Standards Forums to manage the consistency of consequences for misconduct and review the themes and trends of misconduct.</p> <p>NAB continues to regularly monitor the effectiveness of our remuneration practices and provide the Board People and Remuneration Committee with an assessment of the design and delivery of remuneration arrangements for our frontline roles.</p>

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
5.5	The Sedgwick Review	Banks should implement fully the recommendations of the Sedgwick Review.	Complete	NAB has implemented all relevant Sedgwick Review recommendations and is participating in a final review by Mr Sedgwick to assess the impact on sales culture in the bank as a result of the implemented recommendations. One of the recommendations (#14) is tracking to a longer time frame, however there is no current action required of NAB. The outcome of this review is expected to be released to the ABA in May 2021.
5.6	Culture and governance	All financial services entities should, as often as reasonably possible, take proper steps to: <ul style="list-style-type: none"> • assess the entity’s culture and its governance; • identify any problems with that culture and governance; • deal with those problems; and • determine whether the changes it has made have been effective. 	In progress	<p>Since the last report, NAB has focused on the embedding of our Group Business Strategy to, “serve customers well and help communities prosper”. Our refreshed Group Business Strategy focuses on the 'Twin Peaks' of our customers and colleagues. NAB has elevated “colleagues” to the same level as “customers” as a signal of the prioritisation of investment in the capability and development of NAB’s colleagues and to raise the bar on professionalism in banking. This includes through our enterprise wide program ‘Career Qualified in Banking’ which will see all 34,000 colleagues receive externally recognised accreditation in banking professionalisation and ethics. Addressing one of the core cultural issues of leadership identified in the Self-Assessment is our ‘Distinctive Leadership Program’. This is our single leadership program, ensuring we have a consistent approach to management and leadership practices driving capability across the Group.</p> <p>In support of the Group Business Strategy NAB has created a new Colleague Strategy framed by our cultural expectations of colleagues as defined by ‘How We Work’ (our values and target culture). ‘How We Work’ is embedded in NAB’s people processes and is becoming part of “NAB-speak”, with Executives highlighting these cultural attributes as part of their communications across multiple colleague channels.</p> <p>Through proactively listening to our colleagues, NAB has implemented an enterprise-wide strategy to gather insights on our culture, at regular intervals, with enhanced analytics enabling NAB leaders to identify issues more quickly and take action more effectively. These results are open to all People Leaders and are reported to the Board and Executive quarterly and form the basis of our Culture Dashboard, which is reported half-yearly. This ensures the Board has oversight of our progress, the management action to be taken at the divisional level and the enterprise-wide interventions to address concerns, ensuring that NAB takes the appropriate steps to intervene on culture and determine if changes it has made have been effective.</p> <p>The Culture Dashboard is based on colleague perceptions and is enriched by objective measures to allow a holistic and integrated view of our progress towards our desired culture, including risk culture. NAB’s Culture Dashboard is our success measure on how we are progressing to towards our desired culture, expressed in Excellence for Customers, Being Respectful, Growing Together and Owning It. It also reports on Tone from the Top and Psychological Safety which we know are reliable indicators of risk culture. To drive accountability, we ask colleagues regularly if they believe meaningful action will be taken on survey results.</p> <p>Effective risk management is inherent in NAB’s culture measurement and practices. This is inclusive of the refreshed NAB Code of Conduct founded on ‘How We Work’ and launched in October 2020. Senior management at the enterprise and divisional levels meet regularly to manage the consistency of consequences for misconduct and review the themes and trends of misconduct. A consideration is also applied as to assess their impact on customers, communities, colleagues and risk management. A complete revision to our consequence management framework was also introduced when launching the Code of Conduct. The framework provides for consistent, proportionate and equitable outcomes applied through oversight of People Leaders, Professional Standard Forums, Executive Oversight and Board approval.</p>
5.7	Supervision of culture and governance	In conducting its prudential supervision of APRA regulated institutions and in revising its prudential standards and guidance, APRA should: <ul style="list-style-type: none"> • build a supervisory program focused on building culture that will mitigate the risk of misconduct; • use a risk-based approach to its reviews; • assess the cultural drivers of misconduct in entities; and • encourage entities to give proper attention to sound management of conduct risk and improving entity governance. 	In progress- Pending legislation or regulatory or industry guidance	In February, APRA released its policy and supervision priorities for the coming year with the immediate effects of the pandemic subsiding. Effective risk management is inherent in our culture measurement and practices. This is inclusive of the refreshed NAB Code of Conduct which was launched in October 2020.

REGULATORS

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
6.1	Retain twin peaks	The 'twin peaks' model of financial regulation should be retained.	No action required by NAB	No action required by NAB.
6.2	ASIC's approach to enforcement	<p>ASIC should adopt an approach to enforcement that:</p> <ul style="list-style-type: none"> • takes, as its starting point, the question of whether a court should determine the consequences of a contravention; • recognises that infringement notices should principally be used in respect of administrative failings by entities, will rarely be appropriate for provisions that require an evaluative judgment and, beyond purely administrative failings, will rarely be an appropriate enforcement tool where the infringing party is a large corporation; • recognises the relevance and importance of general and specific deterrence in deciding whether to accept an enforceable undertaking, and the utility in obtaining admissions in enforceable undertakings; and • separates, as much as possible, enforcement staff from non-enforcement related contact with regulated entities. 	No action required by NAB	No action currently required by NAB.
6.3	General principles for co-regulation	<p>The roles of APRA and ASIC in relation to superannuation should be adjusted to accord with the general principles that:</p> <ul style="list-style-type: none"> • APRA, as the prudential regulator for superannuation, is responsible for establishing and enforcing Prudential Standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by superannuation entities APRA supervises are met within a stable, efficient and competitive financial system; and • as the conduct and disclosure regulator, ASIC's role in superannuation primarily concerns the relationship between RSE licensees and individual consumers. Effect should be given to these principles by taking the steps described in Recommendations 6.4 and 6.5. 	No action required by NAB	No action currently required by NAB.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
6.4	ASIC as conduct regulator	Without limiting any powers APRA currently has under the SIS Act, ASIC should be given the power to enforce all provisions in the SIS Act that are, or will become, civil penalty provisions or otherwise give rise to a cause of action against an RSE licensee or director for conduct that may harm a consumer. There should be coregulation by APRA and ASIC of these provisions.	No action required by NAB	No action currently required by NAB.
6.5	APRA to retain functions	APRA should retain its current functions, including responsibility for the licensing and supervision of RSE licensees and the powers and functions that come with it, including any power to issue directions that APRA presently has or is to be given.	No action required by NAB	No action required by NAB.
6.6	Joint administration of the BEAR	ASIC and APRA should jointly administer the BEAR. ASIC should be charged with overseeing those parts of Divisions 1, 2 and 3 of Part IIAA of the Banking Act that concern consumer protection and market conduct matters. APRA should be charged with overseeing the prudential aspects of Part IIAA.	No action required by NAB	NAB is awaiting confirmation of statutory amendments to determine if any action is required.
6.7	Statutory amendments	The obligations in sections 37C and 37CA of the Banking Act should be amended to make clear that an ADI and accountable person must deal with APRA and ASIC (as the case may be) in an open, constructive and co-operative way. Practical amendments should be made to provisions such as section 37K and section 37G(1) so as to facilitate joint administration.	No action required by NAB	NAB always endeavours to deal with APRA, ASIC and other regulators in an open, constructive and co-operative way.
6.8	Extending the BEAR	Over time, provisions modelled on the BEAR should be extended to all APRA-regulated financial services institutions. APRA and ASIC should jointly administer those new provisions.	No action required by NAB	No action is currently required by NAB.
6.9	Statutory obligation to co-operate	The law should be amended to oblige each of APRA and ASIC to: <ul style="list-style-type: none"> • co-operate with the other; • share information to the maximum extent practicable; and • notify the other whenever it forms the belief that a breach in respect of which the other has enforcement responsibility may have occurred. 	No action required by NAB	No action required by NAB.

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
6.10	Co-operation memorandum	ASIC and APRA should prepare and maintain a joint memorandum setting out how they intend to comply with their statutory obligation to co-operate. The memorandum should be reviewed biennially and each of ASIC and APRA should report each year on the operation of and steps taken under it in its annual report.	No action required by NAB	No action required by NAB.
6.11	Formalising meeting procedure	The ASIC Act should be amended to include provisions substantially similar to those set out in sections 27–32 of the APRA Act – dealing with the times and places of Commissioner meetings, the quorum required, who is to preside, how voting is to occur and the passing of resolutions without meetings.	No action required by NAB	No action required by NAB.
6.12	Application of the BEAR to regulators	In a manner agreed with the external oversight body (the establishment of which is the subject of Recommendation 6.14 below) each of APRA and ASIC should internally formulate and apply to its own management accountability principles of the kind established by the BEAR.	No action required by NAB	No action required by NAB.
6.13	Regular capability reviews	APRA and ASIC should each be subject to at least quadrennial capability reviews. A capability review should be undertaken for APRA as soon as is reasonably practicable.	No action required by NAB	No action required by NAB.
6.14	A new oversight authority	A new oversight authority for APRA and ASIC, independent of Government, should be established by legislation to assess the effectiveness of each regulator in discharging its functions and meeting its statutory objects. The authority should be comprised of three part-time members and staffed by a permanent secretariat. It should be required to report to the Minister in respect of each regulator at least biennially.	No action required by NAB	No action required by NAB. NAB will work with relevant industry bodies and with the Government on the implementation of this recommendation, including participating in consultations on the draft legislation.

OTHER RECOMMENDATIONS

Rec	Topic	Recommendation	NAB Status	NAB Implementation Update
7.1	Compensation scheme of last resort	The three principal recommendations to establish a compensation scheme of last resort made by the panel appointed by government to review external dispute and complaints arrangements made in its supplementary final report should be carried into effect.	In progress – Pending legislation, regulatory or industry guidance	NAB worked through the ABA in February 2020 to contribute to a Treasury discussion paper establishing a compensation scheme of last resort. NAB will work with AFCA on the design of the scheme to ensure its effective implementation. The submission detailed support for a CSLR which, in line with the Government’s response to the Final report, is: <ul style="list-style-type: none"> • forward looking (covering unpaid determinations made under Australian Financial Complaints Authority (AFCA) Rules); • industry funded. • has its own independent board. • is supported by AFCA. • extends beyond personal advice failures; and • has design features consistent with the Ramsay Review recommendations.
7.2	Implementation of recommendations	The recommendations of the ASIC Enforcement Review Taskforce made in December 2017 that relate to self-reporting of contraventions by financial services and credit licensees should be carried into effect.	In progress – Pending legislation, regulatory or industry guidance	NAB’s Chief Compliance Officer is sponsoring a program to ensure compliance with the new breach reporting regime. Process, policy and system changes have been assessed and high-level solutions are being tested via a Proof of Concept. Further analysis and testing will likely be required once ASIC has delivered regulatory guidance supporting the TSY legislation. NAB is on track for delivery in line with a 1 October effective date and has implemented a number of changes to breach management practices over the past 12 months which have improved existing breach investigations and reporting at NAB. These changes have set the foundation for the processes and changes being implemented in response to the new legislation and positions NAB ideally for day 1 compliance.
7.3	Exceptions and qualifications	As far as possible, exceptions and qualifications to generally applicable norms of conduct in legislation governing financial services entities should be eliminated.	No action required by NAB	No action required by NAB.
7.4	Fundamental norms	As far as possible, legislation governing financial services entities should identify expressly what fundamental norms of behaviour are being pursued when particular and detailed rules are made about a particular subject matter.	No action required by NAB	No action required by NAB.