



**4 April 2025**

Senator Andrew Bragg  
Chair, Senate Economics References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**John Lonsdale, Chair**

**Sydney**  
1 Martin Place (Level 12), NSW 2000  
GPO Box 9836, Sydney NSW 2001  
Australian Prudential Regulation Authority  
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Dear Senator,

Thank you for your letter dated 26 March 2025.

In your letter, you asked whether we considered that an individual at a regulated entity had a conflict of interest.

In our response to your Question on Notice of 20 February 2025, we outlined what the requirements of superannuation funds were with respect to conflicts of interest. The two main standards they are required to comply with are: Prudential Standard *SPS 521 Conflicts of Interest* which requires trustees to identify and avoid or prudently manage both actual and potential conflicts of interest on an ongoing basis; and *Prudential Standard SPS 520 Fit and Proper* which sets out minimum requirements for Registrable Superannuation Entity Licensees (RSEs) in determining the fitness and propriety of individuals to hold positions of responsibility.

The prudential standards and legislation require the management of conflicts. In particular, RSEs are required to have sufficiently strong policies, processes and frameworks regarding the management of conflicts and that these are operationalised well to ensure that conflicts are identified and managed appropriately.

The ultimate responsibility for ensuring effective conflicts management rests with the RSEL Board. Where we identify potential concerns with conflicts management processes with entities we will use our supervisory and enforcement tools in line with the prudential and legislative framework as appropriate.

I trust this information is of assistance.

Yours sincerely,

