

Dear Committee,

My name is Franco Bernabei and I am a concerned private citizen. This amendment should be passed for the following reasons:

- Removes uncertainty in the current law which can allow banking institutions to use deposits to resolve banks when they fail. The government, Treasury, RBA, APRA and ASIC have said the bill would not bail in deposits and that deposits are protected up to \$250,000 per person per bank through the Financial Claims Scheme (FCS). However, former APRA Principal Researcher Dr Wilson Sy pointed out that the FCS rules state it must first be “activated” for the deposit guarantee to apply, and there is no obligation on the government to activate it; then-Treasurer Scott Morrison conceded in a February 2018 letter to Ken Wyatt MP that “the government retains discretion to activate the FCS when an institution fails”—an admission that would surprise most Australians and even politicians who assume it is an iron-clad guarantee currently in force. Moreover, the FCS is intended to apply only *when* a bank fails, whereas bail-in is intended to be applied earlier to *avert* a bank failure, so it does not protect deposits against a bail-in. This amendment needs to be legislated law.
- This will provide more trust in banks. One cannot have confidence in the banking system if banks can use depositors funds to fall back on in bad economic times. Keeping ones money in the banking system now is no different in risk to investing in the share market.
- Allowing a bank to bail in it's customers deposits can trigger a financial and economic collapse as depositors will rush banks to withdraw their money in the event this is allowed to happen.

This law is abhorrent and does nothing but undermine trust and confidence in the banking system. Please pass this bill and bring back certainty and confidence to depositing money in a bank account.

Kind Regards,

Franco Bernabei