

Friday 6 June 2025

General Manager
Policy Development
Policy and Advice Division
Australian Prudential Regulation Authority

Dear Sir / Madam,

RE: Governance Review Discussion Paper

This document sets out MUFG Bank, Ltd.'s (MUFG) response to APRA's consultation on proposed changes to its governance and fit and proper requirements published on 6 March 2025.

MUFG welcomes the opportunity to comment on APRA's proposed amendments to its governance and fit and proper requirements. At an industry level, MUFG is supportive of APRA's eight proposals to update its core requirements as it will set firm governance expectations whilst addressing existing weaknesses.

After our review and analysis of the Discussion Paper, we have set out the below comments which we wish to highlight rather than responding directly to the consultation questions posed within the Discussion Paper:

- MUFG is registered as a foreign ADI, therefore clarification on how these eight proposals impact foreign ADIs would be beneficial. Specifically, clarification on the following components:
 - whether all of the proposals that are applicable to ADIs, are also applicable to foreign ADIs;
 - the fourth proposal, Independence, notes in point a) *Regulated entity boards require that at least two of their independent directors (including the chair are not members of any other board within the entity's group.* Clarification on whether this requirement will also extend to foreign ADIs Group directors and/or also the Senior Officer Outside Australia; and
 - for any references to the "Board" within these proposals, whether foreign ADIs are to assume the same definition as noted in APRA CPS 520 footnote [7] *A reference to the Board in the case of a foreign ADI is a reference to the Senior Officer Outside Australia.*
- It would be beneficial to gain further clarification from APRA as to whether entities are expected to impose the proposed governance requirements upon their outsourced service providers. This includes if ADIs are expected to assess the governance arrangements undertaken by their service providers and ascertain whether they are fit-for-purpose.

We note the proposed timeline set out in the Discussion Paper and will ensure that any additional iterations of the proposed changes that APRA releases are reviewed and we will continue to consult where appropriate.



Please let us know if you have any questions in regards to our response.

Kind Regards,

[Redacted]

Managing Director

Chief Compliance Officer & Head of Regulatory Relations (Oceania)

MUFG Bank

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