



MEMORANDUM OF UNDERSTANDING BETWEEN THE RBA AND APRA

Purpose

1. This Memorandum of Understanding (MOU) sets out a framework for cooperation and coordination between the Reserve Bank of Australia (RBA) and the Australian Prudential Regulation Authority (APRA).
2. Both the RBA and APRA have responsibilities in relation to financial stability in Australia, and there are several other areas where the roles of the two agencies connect. It is therefore important that there is strong cooperation and coordination where possible.
3. The agencies commit to engage proactively with each other, to:
 - cooperate through regular consultation, liaison and the sharing of information; and
 - closely coordinate on the use of specific financial stability tools.
4. The agencies will maintain a proactive, open and collaborative relationship at all levels, with the aim of supporting trust, constructive challenge and transparency. This will help to facilitate early detection of financial stability issues, promote timely and effective responses, as well as leverage the comparative advantage of teams and minimise the duplication of effort.
5. The RBA and APRA will also cooperate and coordinate with each other and with other regulatory agencies on a multi-lateral basis through the Council of Financial Regulators (CFR). This MOU should therefore also be read in conjunction with the CFR Charter, which sets out arrangements for multi-lateral cooperation.¹

Roles and responsibilities

6. The RBA and APRA have complementary responsibilities for contributing to financial stability:
 - The RBA is the central bank, responsible for contributing to the stability of Australia's financial system, regulating the payments system, supervising clearing and settlement facilities and acting as resolution authority for ASIC-licensed clearing and settlement facilities. It is the ultimate provider of liquidity to the financial system and a key participant in financial crisis management.
 - APRA is the prudential regulator, responsible for supervising banks, insurers and superannuation funds and promoting financial system stability in Australia. APRA is also responsible for macroprudential policy and the resolution of APRA-regulated entities and administers the Financial Claims Scheme (FCS).
7. Given the breadth of its system-wide responsibilities, the RBA is well-positioned to take a top-down view in its assessment of overall financial system stability. In parallel, APRA brings key insights through its close engagement with individual financial institutions and a system wide perspective through its macroprudential responsibilities.

¹ See Council of Financial Regulators (2025), '[Charter](#)', July.

General cooperation

8. The Governor of the RBA and the Chair of APRA will regularly discuss financial stability issues.
9. The agencies will also maintain a joint RBA-APRA Coordination Committee, consisting of senior officials of both agencies. The RBA-APRA Coordination Committee will be a forum for consultation, information sharing, and coordination on financial stability issues and tools at a senior level. The Coordination Committee will be supported by sub-groups and other liaison as relevant, as well as ongoing cooperation at all levels of the RBA and APRA.

Consultation and liaison

10. The RBA and APRA will regularly update each other and share assessments of financial stability risks and vulnerabilities, and otherwise generally inform each other in a timely manner of matters relevant to the responsibilities of the other agency.
11. This consultation and liaison will include:
 - APRA will regularly update the RBA about its supervisory and enforcement activities, as relevant to financial stability.
 - APRA and the RBA will consult each other, as appropriate, on policies related to the financial system (including on the specific areas of coordination outlined below).
 - The RBA will share with APRA its semi-annual Financial Stability Review prior to publication, and regularly update APRA about its activities, as relevant to financial stability.
12. To assist in keeping up to date on financial developments, the RBA may participate from time-to-time in APRA's onsite supervisory activities with the prior consent of both APRA and the relevant supervised institutions.
13. The agencies will cooperate to ensure that Australia has appropriate representation in, and a coordinated approach to, regional and international supervisory and standard-setting forums, including the Financial Stability Board and the Basel Committee on Banking Supervision.

Information sharing

14. The timely exchange of relevant information is essential to effective cooperation and coordination. Exchange of information will take place at many levels across the organisations, and includes the sharing of data, analysis and insights (as appropriate).
15. Information sharing is subject to, without limitation, applicable law (including statutory secrecy provisions), any applicable duty of confidence and any conditions imposed by the other agency. Within these bounds, information will be shared on a proactive basis, where one agency identifies that it would assist the other agency to perform its functions or exercise its powers, and as quickly as possible where requested. If an agency is required to disclose any non-public information that it has received from the other, it will notify the other agency as soon as practicable (and preferably in advance) if and to the extent possible.

Specific areas of coordination

16. The RBA and APRA agree to coordinate in the specific areas outlined in this section, which are core to financial stability at a system-wide level: macroprudential policy, liquidity support, payments policy and crisis management.

Macroprudential policy

17. APRA is the macroprudential policy authority and is the decision-maker on macroprudential policy with accountability for policy tools and settings. APRA will consult the RBA and the CFR prior to making any changes to its macroprudential policy settings or framework.
18. APRA will provide an update to the CFR on macroprudential policy on at least an annual basis. To accompany this update, the RBA will provide advice on the outlook for financial system risks and vulnerabilities and, as relevant, the impact of macroprudential policy measures on these.² The RBA advice will also include, where material, any actual or potential impacts of monetary policy on financial stability (or vice versa), and may describe scenarios in which a change in macroprudential policy or other actions could be warranted.
19. APRA and the RBA recognise that macroprudential policy, as a financial stability tool, is better placed in most circumstances to address the build-up of certain systemic vulnerabilities than monetary policy. This principle is important to ensure that, as far as possible, the RBA is not unduly constrained by financial stability considerations in setting monetary policy.
20. Most of the time, financial stability and monetary policy objectives are complementary. However, there may be circumstances where financial stability concerns can lead to a trade-off between the RBA's ability to achieve its inflation and employment objectives in the short and long term, which could have implications for monetary policy. Coordination across the RBA and APRA is particularly important in such circumstances.

Liquidity support

21. The RBA and APRA will regularly discuss liquidity support arrangements, including to inform APRA's liquidity contingency planning and resolution planning.
22. The RBA is responsible for determining whether, and how, it will provide liquidity support to the financial system. The RBA may make changes to its liquidity operations during periods of stress and may also intervene to support financial markets for financial stability purposes.
23. The RBA's mandate to contribute to financial stability does not guarantee solvency for financial institutions, and the RBA's balance sheet is not available to support insolvent institutions. In rare circumstances, the RBA may provide exceptional liquidity assistance (ELA) to an eligible counterparty that is experiencing acute liquidity difficulties so long as it is solvent. The RBA and APRA will work closely together to assess requests for ELA from APRA-regulated institutions and consider any terms and conditions for its provision.
24. The RBA and APRA agree that the use of the RBA's overnight standing facility (OSF) by banks is consistent with routine liquidity management activities. Both agencies are comfortable with banks using the OSF as needed.³

Payments policy

25. The RBA and APRA will continue to coordinate on areas of mutual interest in the regulation of payments. These areas include the regulation and supervision of purchased payment facilities and

² The RBA may provide advice more frequently as needed, such as if systemic risks are building quickly.

³ See APRA and RBA (2025), '[APRA and the RBA Release Joint Statement on the Use of the RBA's Overnight Standing Facility](#)', Media release, 2 April.

stored value facilities, and operational risk in the payments system. The RBA's Payments System Board includes an APRA representative, which further supports coordination on payments issues.

Crisis management

26. The RBA and APRA, together with other CFR agencies as relevant, will work closely together on crisis preparedness and crisis management responses: informing each other of emerging issues and, as appropriate, consulting on proposed actions in response.
27. The objectives, principles and processes for dealing with stresses in the financial system are set out in the CFR Memorandum of Understanding on Crisis Management, including the RBA and APRA's respective roles and responsibilities in such circumstances.⁴
28. APRA is responsible for the planning and implementation of resolution actions relating to APRA-regulated institutions. In doing so, APRA will engage with the RBA as relevant, particularly where resolution planning and actions may contemplate RBA liquidity support. APRA will notify the RBA of any specific cases that are likely to result in the commencement of resolution. APRA and the RBA will work together on the administration of payments under the FCS as necessary.
29. The RBA and APRA will cooperate as necessary where stresses may require the resolution of an ASIC-licensed clearing and settlement facility, considering the broader potential impact on financial stability in such cases and the impact on APRA-regulated institutions.

Maintaining the MOU

30. Each agency has appointed a senior official responsible for the cooperation and coordination set out in this MOU. For APRA, this will be the Executive Director for Cross-industry Risk. For the RBA, this will be the Head of the Financial Stability Department. These officials will jointly chair the RBA-APRA Coordination Committee. These officials will also review whether the MOU is working effectively in practice on an annual basis.
31. This MOU came into effect on 25 July 2025 and replaces the previous MOU of 12 October 1998. It may be amended at any time with the mutual agreement of both agencies in writing. It is intended to be facilitative and is not intended to create legally enforceable rights or obligations, or to affect the discretion or responsibilities of the agencies. The MOU will be formally reviewed on a three-year basis, with the next review to be completed by 25 July 2028.

Approved by

Michele Bullock
Governor
Reserve Bank of Australia

John Lonsdale
Chairman
Australian Prudential Regulation Authority

⁴ See Council of Financial Regulators (2025), '[Memorandum of Understanding on Crisis Management](#)', July.