

# BEAR FAQ's

## What is BEAR?

The Banking Executive Accountability Regime (BEAR) set out in Part IIAA of the [Banking Act 1959](#), was introduced in February 2018 and commenced on 1 July 2018 for large authorised deposit-taking institutions (ADIs) and is due to commence on 1 July 2019 for medium and small ADIs. The regime establishes accountability obligations for ADIs and their senior executives and directors. It also establishes deferred remuneration, key personnel and notification obligations for ADIs.

## Am I an accountable person?

Under the Act, an accountable person holds a position in the ADI or subsidiary of an ADI, and because of that position has actual or effective senior executive responsibility for the management or control of the ADI **OR** for the management or control of a significant or substantial part or aspect of the operations of the ADI.

Examples of roles which may be included are:

- Board Members
- Chief Executive Officer
- Chief Risk Officer
- Chief Operating Officer
- Chief Technology Officer
- Head of Internal Audit
- Head of Human Resources
- Money Laundering Reporting Officer

## What are my obligations as an accountable person?

As an accountable person, you must

- Act with honesty and integrity, and with due skill, care and diligence;
- Deal with APRA in an open, constructive and cooperative way; and
- Take reasonable steps in conducting your responsibilities as an accountable person to prevent matters from arising that would adversely affect the ADI's prudential standing or prudential reputation.

Each accountable person must be registered with APRA and sign an individual accountability statement. The statement is to clearly and explicitly describe your area(s) of accountability within the ADI.

It is important that you understand and have been fully informed of your accountabilities before you sign the statement.

## What happens when I change roles or leave my job?

It is the ADI's obligation to notify APRA within 14 days if your accountabilities change or you cease to be an accountable person of the ADI.

If you are moving roles or leaving the ADI ensure you confirm that this has been actioned.

## How does BEAR affect my remuneration?

Where an accountable person's remuneration includes a variable component, the Act prescribes a proportion of that variable remuneration to be deferred for a minimum of four years.

The amount to be deferred depends on the size of the entity and the sum of the variable component. Full details are outlined within the Act and can be provided by the key contact for BEAR within your entity.

## What happens if I fail to comply or there is a breach?

APRA has the power to disqualify individuals and impose civil penalties if individuals have failed to meet their accountability obligations.

Variable remuneration may be reduced by the ADI if an accountable person fails to comply with their accountability obligations.

## Key questions to ask:

- Do you fully understand your accountabilities and what actions are expected of you in terms of those accountabilities?
- Does your Accountability Statement accurately reflect your responsibilities for activities and operations within the ADI or ADI Group?
- Do you feel fully informed regarding your obligations as an Accountable Person?
- Are you aware of the impact BEAR may have on your variable remuneration?
- Are you aware of who to speak to within your organisation about BEAR?

## To find out more, contact:



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## For more information:

<https://www.apra.gov.au/banking-executive-accountability-regime>