



Notice varying conditions on Authority to carry on banking business

Banking Act 1959

SINCE

- A. GE Capital Finance Australia ABN 42 008 583 588 (the ADI) holds an authority to carry on banking business in Australia (the Authority) under section 9 of the *Banking Act 1959* (the Act); and
 - B. the Authority is subject to conditions imposed under paragraph 9(4)(a) of the Act,
- I, Robyn McMahon, a delegate of APRA:
- (i) under paragraph 9(4)(b) of the Act, REVOKE the conditions specified in the attached Schedule
 - (ii) under paragraph 9(4)(a) of the Act, IMPOSE the conditions specified in the attached Schedule.

When this Notice takes effect, the conditions which apply to the Authorisation are set out in the attached Schedule of consolidated conditions.

Dated: 2 October 2013

[Signed]

Robyn McMahon
General Manager
Diversified Institutions Division

Interpretation

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In this Notice

APRA means the Australian Prudential Regulation Authority.

ADI is short for authorised deposit-taking institution and has the meaning given in subsection 5(1) of the Act.

banking business has the meaning given in subsection 5(1) of the Act.

Note 1 Under subsection 9(4) of the Act, APRA may at any time, by notice in writing served on an ADI, impose conditions or additional conditions or vary or revoke conditions imposed on its Authority to conduct banking business. The conditions must relate to prudential matters.

Note 2 Under subsection 9(6) of the Act, an ADI is guilty of an offence if it does or fails to do an act and doing or failing to do that act results in a contravention of a condition of its Authority, and there is no order in force under section 11 of the Act determining that subsection 9(6) does not apply to the ADI. The penalty is 200 penalty units or, by virtue of subsection 4B(3) of the *Crimes Act 1914*, in the case of a body corporate, a penalty of up to 1,000 penalty units. By virtue of subsection 9(6A) of the Act, an offence against subsection 9(6) is an indictable offence. Under subsection 9(6B) of the Act, if an ADI commits an offence against subsection 9(6), the ADI is guilty of an offence against that subsection in respect of the first day on which the offence is committed and each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue (including the day of conviction for any such offence or any later day).

Note 3 Under subsection 9(9) of the Act, decisions to impose conditions, or additional conditions, or to vary the conditions on the Authorisation are reviewable decisions to which Part VI of the Act applies. If a person whose interests are affected is dissatisfied with that decision, the person may seek reconsideration of the decision by APRA in accordance with section 51B(1) of the Act. The request for reconsideration must be in writing, must state the reasons for the request, and must be given to APRA within 21 days after the decision first comes to the person's notice or within such further period as APRA allows. If dissatisfied with APRA's reconsidered decision confirming or varying the first decision, the person may, subject to the *Administrative Appeals Act 1975*, apply to the Administrative Appeals Tribunal for review of the reconsidered decision. The address where written notice may be given to APRA is Level 26, 400 George Street, Sydney NSW 2000.

Note 4 The circumstances in which APRA may revoke an ADI's Authority are set out in section 9A of the Act.

Note 5 Under subsection 9(7) of the Act, APRA must publish a copy of this Notice in the *Gazette* and may cause notice of the action taken to vary the conditions imposed on the Authority to be published in any other way it considers appropriate.

Schedule - the conditions which are being revoked

1. The ADI must not carry on any business other than the activities of credit card acquiring and credit card issuing.
2. The banking business that the ADI is authorised to carry on is confined to the activities of credit card acquiring and credit card issuing in any credit card scheme that was designated as a payment system under section 11 of the Payment System (Regulation) Act 1998 on 11 April 2001.
3. The ADI must comply with Prudential Standard APS 510 (APS 510) made under section 11AF of the Act as if:
 - (a) paragraph 11 of APS 510 provided:

“11. For the purposes of this Prudential Standard, an independent director is a non-executive director.”
 - (b) paragraph 27 of APS 510 provided:

“27. For a regulated institution that is a subsidiary of another APRA-regulated institution or an overseas equivalent, the Board of the regulated institution must have a majority of non-executive directors.”;
 - (c) paragraphs 19, and 28 of APS 510 were omitted; and
 - (d) paragraph 34 of APS 510 provided:

“34. The Board Audit Committee must have at least three members. All members of the Committee must be non-executive directors of the regulated institution.”.
4. Condition 3 has effect despite anything in APS 510.

Schedule - the conditions which are being imposed

1. The ADI must not carry on any business other than the activities of credit card acquiring and credit card issuing.
2. The banking business that the ADI is authorised to carry on is confined to the activities of credit card acquiring and credit card issuing in any credit card scheme that was designated as a payment system under section 11 of the Payment System (Regulation) Act 1998 on 11 April 2001. For avoidance of doubt:
 - (a) the ADI may acquire debit card transactions; and
 - (b) the ADI must not take money on deposit.
3. The ADI must comply with *Prudential Standard CPS 510 Governance* (CPS 510) made under section 11AF of the Act as if:
 - (a) paragraph 15 of CPS 510 provided:

“15. For the purposes of this Prudential Standard, an independent director is a non-executive director.”
 - (b) paragraph 29 of CPS 510 provided:

“29. For a regulated institution that is a subsidiary of another APRA-regulated institution or an overseas equivalent, the Board of the regulated institution must have a majority of non-executive directors.”;
 - (c) paragraphs 22 and 30 of CPS 510 were omitted; and
 - (d) paragraph 66 of CPS 510 provided:

“66. The Board Audit Committee must have at least three members. All members of the Committee must be non-executive directors of the regulated institution.”.
4. Condition 3 has effect despite anything in CPS 510.

Schedule of consolidated conditions

The consolidated conditions are as per the conditions which are being imposed