



Notice imposing additional condition on NOHC registration 2021 – Challenger Limited

Life Insurance Act 1995

To: Challenger Limited ABN 85 106 842 371 (the NOHC)

Since:

- A. the NOHC is registered as a NOHC (the NOHC registration) under the *Life Insurance Act 1995* (the Act); and
- B. the NOHC registration is subject to the conditions specified in the schedule (existing conditions),

I, Brandon Kong Leong Khoo, a delegate of APRA, under paragraph 28B(1)(a) of the Act, impose an additional condition on the NOHC registration, as specified in the schedule.

The conditions which apply to the NOHC registration when this instrument commences (the consolidated conditions) are specified in the schedule.

This instrument commences on 31 July 2021.



Brandon Kong Leong Khoo
Executive Director
Insurance Division

Interpretation

In this instrument:

APRA means the Australian Prudential Regulation Authority.

NOHC has the meaning given in the Dictionary in the Schedule of the Act.

NOHC registration has the meaning given in the Dictionary in the Schedule of the Act.

Notes

APRA is required to publish this instrument in the *Gazette*.

A decision to impose conditions or additional conditions, or vary the conditions, on a NOHC registration is a reviewable decision under the Act. You may request APRA reconsider the decision in accordance with section 236 of the Act. The request for reconsideration must be made in writing, must state the reasons for the request, and must be given to APRA within 21 days after the day on which you first received notice of this decision, or within such further period as APRA allows. If you are dissatisfied with the outcome of APRA's reconsideration of the decision, you may, subject to the *Administrative Appeals Tribunal 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 12, 1 Martin Place, Sydney NSW 2000.

Schedule – existing conditions

The existing conditions are:

Level 3 Head Conditions

1. The NOHC must confine itself to the following activities:
 - (a) hold investments in subsidiaries;
 - (b) raise funds to invest in, or to provide support to, subsidiaries;
 - (c) hold properties used by other Level 3 institutions in the Level 3 group;
 - (d) raise funds to conduct its own limited activities;
 - (e) invest funds (all capital held within the NOHC other than investments in other Level 3 institutions in the Level 3 group) on behalf of the Level 3 group;
 - (f) provide executive leadership across the group; and
 - (g) any activities that must be undertaken by a Level 3 Head to meet its obligations under APRA's Prudential Standards.
2. The NOHC must seek APRA's agreement prior to undertaking activities that relate to undertaking a 'corporate centre' role, such as group treasury activities, risk management, reinsurance management, settlements, information technology, human resources, financial reporting and other group services such as company secretarial services.
3. The NOHC must not undertake any activities other than those outlined in conditions 1 and 2 unless agreed to by APRA.

Interpretation

In this schedule:

Level 3 group has the meaning given in *Prudential Standard 3PS 001 Definitions*.

Level 3 Head has the meaning given in *Prudential Standard 3PS 001 Definitions*.

Level 3 institution has the meaning given in *Prudential Standard 3PS 001 Definitions*.

Schedule – additional condition imposed

The following additional condition is imposed:

4. The NOHC must ensure that:
 - (a) the funds and other assets of the Challenger banking subsidiaries are not used to directly or indirectly fund, or provide security for, the purchase of financial products issued or underwritten by a member of the Challenger group that is not also a Challenger banking subsidiary; and
 - (b) the funds and other assets of the Challenger group and its subsidiaries are not used to directly or indirectly fund, or provide security for, the purchase of financial products issued or underwritten by the Challenger banking subsidiaries other than as common equity injections into the Challenger banking subsidiaries (either directly or indirectly via a wholly owned holding structure),

except with the written agreement of APRA.

Interpretation

In this schedule:

Challenger banking subsidiaries means MyLifeMyFinance Limited ABN 54 087 651 750 and its subsidiaries from time to time.

Challenger group means the NOHC and its subsidiaries (within the meaning of section 50 of the *Corporations Act 2001*).

Schedule – consolidated conditions

The existing conditions are:

Level 3 Head Conditions

1. The NOHC must confine itself to the following activities:
 - (a) hold investments in subsidiaries;
 - (b) raise funds to invest in, or to provide support to, subsidiaries;
 - (c) hold properties used by other Level 3 institutions in the Level 3 group;
 - (d) raise funds to conduct its own limited activities;
 - (e) invest funds (all capital held within the NOHC other than investments in other Level 3 institutions in the Level 3 group) on behalf of the Level 3 group;
 - (f) provide executive leadership across the group; and
 - (g) any activities that must be undertaken by a Level 3 Head to meet its obligations under APRA's Prudential Standards.
2. The NOHC must seek APRA's agreement prior to undertaking activities that relate to undertaking a 'corporate centre' role, such as group treasury activities, risk management, reinsurance management, settlements, information technology, human resources, financial reporting and other group services such as company secretarial services.
3. The NOHC must not undertake any activities other than those outlined in conditions 1 and 2 unless agreed to by APRA.
4. The NOHC must ensure that:
 - (a) the funds and other assets of the Challenger banking subsidiaries are not used to directly or indirectly fund, or provide security for, the purchase of financial products issued or underwritten by a member of the Challenger group that is not also a Challenger banking subsidiary; and
 - (b) the funds and other assets of the Challenger group and its subsidiaries are not used to directly or indirectly fund, or provide security for, the purchase of financial products issued or underwritten by the Challenger banking subsidiaries other than as common equity injections into the Challenger banking subsidiaries (either directly or indirectly via a wholly owned holding structure),except with the written agreement of APRA.

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