

Friday 5<sup>th</sup> September 2025

Ms. Maria Hadisutanto, Senior Manager  
Regulatory Reform and Implementation  
Australian Securities and Investments Commission  
GPO Box 9827, Melbourne VIC 3001  
Email: [rri.consultation@asic.gov.au](mailto:rri.consultation@asic.gov.au)

Dear Ms Hadisutanto,

**RE: Consultation Paper 385: Proposed update to RG 181 Licensing: Managing conflicts of interest**

This document sets out MUFG Bank, Ltd.'s (MUFG, We) response to ASIC's *Consultation Paper 385: Proposed update to RG 181 Licensing: Managing conflicts of interest* published on the 30<sup>th</sup> July 2025.

In Australia, MUFG is registered as a foreign Authorised Deposit-taking institution (ADI) regulated by APRA and holds an Australian Financial Services License (AFSL) regulated by ASIC. In Australia, we provide wholesale financial services and have exclusively commercial clientele. As a foreign bank, MUFG's local Compliance Team, based in Sydney, is responsible for assisting our front office departments in the identification, prevention, management and monitoring of actual, perceived or potential conflicts, whilst the recording and clearance is managed by MUFG's APAC Compliance Control Room, based in Singapore. Conflicts management continues to be a priority for MUFG, with the local Compliance Team managing ongoing compliance with our local regulatory and legislative requirements.

MUFG welcomes the opportunity to comment on ASIC's proposed updates, as we believe they better reflect the development and progression of the overall regulatory landscape, laws and industry practices as they have evolved, in respect, since the introduction of RG 181 in 2005.

We have set out our responses to the proposals on pages 2 – 3.


We acknowledge that the revised RG 181 is intended on being released in December 2025 and will ensure that the updates made will be reflected in our conflicts management framework.

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

Kind Regards,



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## List of ASIC's proposals and MUFG's responses

Proposal	MUFG's Response
<b>B1</b> We propose to include guidance clarifying that the conflicts management obligation is broad and is intended to apply to all conflicts of interest other than those wholly outside the financial services business of a licensee or its representatives.	We support the proposal to broaden the guidance to include all conflicts of interest and also the decision to remove the definition of conflict of interest itself. By broadening the scope, it better reflects the practicalities of today's environment when dealing with front office departments and the overall nature and array of examples where actual or potential conflicts could arise. Additionally, by no longer having a set definition, it provides more flexibility as often the definition was used as an absolute in terms of compliance and had the potential for limiting consideration of things outside the definition conflict of interest.
<b>B2</b> We propose to include guidance clarifying how the conflicts management obligation operates in connection with other legal obligations of an AFS licensee (including other AFS licensing obligations). This guidance is supported by a non-exhaustive list of legal obligations and information (a 'roadmap') that may relate to the conflicts management obligation.	<p>We are supportive of the proposal to include clarifying how the conflicts management obligation operates in connection with other legal obligations of an AFS licensee.</p> <p>Whilst a non-exhaustive list has been provided, by way of a roadmap, it would also be beneficial if ASIC could also include applicable obligations under the Financial Accountability Regime (FAR) Act 2023.</p> <p>Since RG 181 was first introduced in 2005, the introduction of an accountability regime in Australia has been paramount in imposing significant responsibility and accountability on directors and senior executives. Given ASIC is a joint regulator with APRA, by including proposed mapping of accountability obligations relating to AFS licensees' conflict of interest frameworks would be beneficial.</p> <p>We note that MUFG is also consulting with APRA in respect of 'Board Delegations', which is also relevant to the management of conflicts of interest. For foreign ADI's with a Senior Officer Outside of Australia, there are potential additional complexities in respect of management of conflicts of interest.</p>
<b>B3</b> We propose to update our guidance on types of conflicts of interest that an AFS licensee should consider.	We are supportive of the proposed updates to address different types of conflicts that an AFS licensee should consider. The more types that are included in the guidance the better.
<b>B4</b> We propose to include illustrative examples of the types of conflicts of interest that an AFS licensee may need to consider.	We are supportive of ASIC including illustrative examples of the types of conflicts of interest that an AFS licensee may need to consider. Again, the more types that are included in the guidance the better.
<b>B5</b> We propose to include additional guidance on what 'adequate arrangements' involve. That is, adequate arrangements:	We are supportive of ASIC including additional guidance on what adequate arrangements involve. Providing expanded guidance on adequate arrangements at the point in time when conflicts are identified, assessed, responded to and implemented will provide

Proposal	MUFG's Response
(a) should identify, assess and respond to (i.e. effectively manage) conflicts of interest; and (b) require an AFS licensee to implement, monitor, maintain, and review these arrangements	AFS licensees with overall a more comprehensive and considered conflicts management framework.
<b>B6</b> We propose to include guidance on a proportionate and risk-based approach to having and applying adequate arrangements.	We are supportive of the guidance recognising the current landscape of AFS licensees and that a proportionate and risk-based approach to having and applying adequate arrangements when it comes to conflicts of interest. As a foreign bank, given our size, scope and product offering in Australia is exclusively to commercial clienteles, the ability to take a risk-based approach when applying adequate arrangements ensures that we'll still be able to maintain compliance whilst best managing the needs and expectations from our front office departments.
<b>B7</b> We propose to update our guidance to outline a more holistic and nuanced approach that AFS licensees can adopt to effectively manage their conflicts, consistent with existing legal principles and policy.	We are supportive of the proposed update in the guidance to outline a more holistic and nuanced approach that AFS licensees can adopt.