



ASIC
Australian Securities &
Investments Commission

CEU interim compliance report by ASIC

ASIC's interim report dated **09 June 2021** on compliance with the s93AA ASIC Act court enforceable undertaking (CEU) given by **Westpac Banking Corporation (Westpac)** dated 15 March 2017.

Terms used in this report have the same meaning as in the CEU dated 15 March 2017.

Undertakings	Report on compliance
Independent Expert CEU paragraphs 3.2 and 3.3	1. Westpac agreed to the appointment by ASIC of Deloitte Touche Tohmatsu Limited (Deloitte) as the Independent Expert (IE) on the terms of engagement specified in the CEU. ASIC appointed Deloitte as the IE on 1 February 2018.
FX Program CEU paragraph 3.6	2. On 2 April 2018, Westpac submitted its FX Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU.
Assessment of FX Program CEU paragraph 3.7.1	3. The IE conducted its assessment of the effectiveness of Westpac's FX Program to prevent, detect and respond to conduct of concern outlined in the CEU, in accordance with the requirements and timeframe specified in the CEU.
Expert Report CEU paragraph 3.7.3	4. On 6 July 2018, the IE submitted its Expert Report to ASIC and Westpac in accordance with the requirements and extended timeframe as agreed upon with ASIC. 5. The Expert Report set out the IE's findings from the assessment of the FX Program under paragraph 3.7.1. In summary, the Expert Report: <ul style="list-style-type: none">a. identified deficiencies in the FX Program; andb. made recommendations for actions, that in the opinion of the IE, would be necessary for Westpac to implement to rectify deficiencies identified.

Undertakings	Report on compliance
Final FX Program CEU paragraph 3.8	6. On 6 August 2018, Westpac submitted its Final FX Program to ASIC and the IE in accordance with the requirements and timeframe specified in the CEU.
Further Expert Report CEU paragraph 3.9	7. On 20 August 2018, the IE submitted its Further Expert Report to ASIC and Westpac in accordance with the requirements and extended timeframe as agreed upon with ASIC. 8. The Further Expert Report set out the IE’s findings from the assessment of the Final FX Program including the IE’s opinion on whether the Westpac Final FX Program rectified deficiencies in the FX Program that were identified in the Expert Report. 9. The Further Expert Report also advised that the IE was unable to undertake a complete assessment of whether the proposed Final FX Program adequately addressed deficiencies that had been identified in the Expert Report, due to certain material inadequacies identified with respect to the Final FX Program.
CEU Variation 2 October 2020	10. Consequently, Westpac and ASIC agreed to a variation. The variation was executed on 2 October 2020 (CEU Variation). The CEU Variation imposes additional undertakings on Westpac. 11. Westpac is to further develop its Final FX program which will then be subject to an effectiveness assessment by the IE in accordance with the provisions of the CEU Variation.
CEU Variation Paragraph 3.9A(1)	12. On 8 December 2020, the IE requested further information in writing from Westpac which included further details of plans, designs or actions in respect of deficiencies and reasons in accordance with the requirements and timeframe specified in the CEU Variation.
CEU Variation Paragraph 3.9B	13. On 1 March 2021, Westpac provided to ASIC and the IE the Requested Information in sufficient detail so as to permit the IE to provide a further report in accordance with the requirement and timeframe specified in the CEU Variation.

Undertakings	Report on compliance
<p>CEU Variation</p> <p>Paragraph 3.9C</p>	<p>14. On 4 May 2021, the IE submitted its Addendum to the Final Expert Report to ASIC and Westpac in accordance with the requirements as specified in the CEU variation and the extended timeframe as agreed upon with ASIC.</p>
<p>Community Benefit Payment</p> <p>CEU paragraph 3.16</p>	<ol style="list-style-type: none"> 1. On 15 March 2017, Westpac made a community benefit payment of A\$3 million in total to Financial Literacy Australia within the requirements and timeframe specified in the CEU. 2. The community benefit payment will support the financial capability of vulnerable people including women experiencing family violence, the elderly and youth at risk.