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Banking license in Australia

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Banking license in Australia



Flag

Supervisor	Australian Prudential Regulation Authority (APRA) [1]
License	Authorisation as an authorised deposit-taking institution (ADI) under section 9 of the Banking Act 1959, directly or through a Restricted ADI licence [1] [3]
Legal basis	Banking Act 1959; APRA prudential standards (APS); ADI licensing criteria and guidelines [1]
Minimum capital	Set by APRA case by case [4]
Application fee	Not confirmed
Decision time	No statutory deadline found [5]
Minimum capital ratios	Basel III (APS 110) [6]
Foreign bank branches	Yes (foreign ADI)
Deposit protection	A$250,000 (FCS) [2]
Cross-border passport	No
Public register	APRA list of authorised deposit-taking institutions

In short: Banks in Australia are licensed by the Australian Prudential Regulation Authority (APRA).[1] Minimum capital: Set by APRA case by case.[4] Deposit protection if a bank fails: A$250,000 (FCS).[2] EU passport or equivalent: no. Figures as of November 2026.

In Australia, banking business can only be carried on by an **authorised deposit-taking institution (ADI)** licensed by **APRA** under the **Banking Act 1959**. Since 2018 new entrants can start with a **Restricted ADI** licence, limited in size and time, while they build up to full compliance. On 10 November 2026 APRA finalised a new ADI licensing framework for locally incorporated ADIs.

License types

The license needed to take deposits in Australia: Authorisation as an authorised deposit-taking institution (ADI) under section 9 of the Banking Act 1959, directly or through a Restricted ADI licence.[1] [3] Legal basis: Banking Act 1959; APRA prudential standards (APS); ADI licensing criteria and guidelines.[1]

- **ADI licence** – full banking business
- **Restricted ADI licence** – a time-limited licence (up to two years) with limits on activities and deposits, for new entrants building their capabilities
- **Foreign ADI** – branch of a foreign bank

Capital and financial requirements

Minimum capital in Australia (2026): No single dollar floor confirmed from an official source; APRA sets capital requirements for new ADIs based on their business models and risk profiles.[4]

Application fee: Not confirmed. We could not find an application fee published by an official source.

The legal minimum is only the floor. Supervisors expect a new bank to hold enough capital for its business plan, its risks and its first years of losses, which is usually many times the minimum. See Bank capital requirements.

Application process

Decision time: No statutory deadline found. A Restricted ADI licence is limited to a maximum of two years, by which time the institution must meet the full prudential framework. [5] The usual steps are:

1. Early engagement with APRA's licensing team.
2. Prepare the application against APRA's licensing criteria: business plan, capital, liquidity, governance, risk management and exit plan.
3. Apply for an ADI licence directly, or for a Restricted ADI licence first.
4. APRA assesses the application.
5. Licence granted; a Restricted ADI must transition to a full ADI licence within the permitted period.

Substance and governance

A locally incorporated institution with fit and proper directors and senior managers, a credible business plan and exit plan, and systems able to support the Financial Claims Scheme. [5]

Depositor protection

The prudential rules and deposit guarantee that apply to a bank licensed in Australia, as of November 2026. See Depositor protection for the same rules in every jurisdiction.

Rule	Australia
Minimum capital ratios	Basel III-based capital adequacy standards (APS 110 and related standards), set by APRA. [6]
Liquidity	APRA liquidity standards, including minimum liquidity holdings for smaller ADIs. [4]
Deposit guarantee if the bank fails	Financial Claims Scheme: up to A$250,000 per account holder, per ADI incorporated in Australia. Accounts marketed under different brand names of the same ADI count towards one limit. [2]
Foreign bank branches	Yes. Foreign banks can operate as foreign ADIs (branches), which are generally restricted from taking small retail deposits.

Rule	Australia
Serving clients abroad	No passport.

Recent changes

APRA consulted on a new ADI licensing framework in May 2026 and finalised it on 10 November 2026, with new licensing criteria and guidelines. [1]

How to verify a bank's license

1. Find the exact legal name of the bank, as shown in its terms and conditions or the website footer. Brand names and app names often differ from the licensed entity.
2. Search for it on the supervisor's public register: APRA list of authorised deposit-taking institutions .
3. Check that the register entry lists deposit-taking, and whether the firm is a bank, a branch of a foreign bank, or only an e-money or payment institution (see Bank vs e-money institution).
4. Check which deposit guarantee scheme covers your deposits: for a branch of a foreign bank it may be the home country's scheme.

Frequently asked questions

What is a Restricted ADI?

A licence that lets a new bank operate in a limited way for up to two years while it builds up to meet APRA's full prudential framework.

How much does the Financial Claims Scheme cover?

Up to A$250,000 per account holder, per ADI incorporated in Australia.

Figures as of November 2026. Requirements, fees and capital change; confirm with the APRA or a qualified adviser before applying. Where we could not confirm a figure from an official source, this article says so.

See also

- Banking licenses compared
- Banking license in Singapore
- Banking license in Hong Kong
- Deposit guarantee schemes compared
- All jurisdictions

References

Entries marked **Official** are the supervisor, the law or another public body. Other entries are named secondary sources, used where we could not find the figure published officially.

1. Official Licensing for authorised deposit-taking institutions . APRA. Accessed November 2026.
2. Official List of authorised deposit-taking institutions covered under the Financial Claims Scheme . APRA. Accessed November 2026.
3. Official APRA finalises new Restricted ADI licensing framework (4 May 2018) . APRA. Accessed November 2026.
4. Official Discussion paper: APRA's approach to new entrant authorised deposit-taking institutions . APRA. Accessed November 2026.
5. Official Phased licence discussion paper . APRA. Accessed November 2026.
6. Official The Basel Framework . Bank for International Settlements. Accessed November 2026.

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