



# Discussion Paper

## Banks' international exposures reporting requirements

28 July 2016

## **Disclaimer and Copyright**

While APRA endeavours to ensure the quality of this publication, it does not accept any responsibility for the accuracy, completeness or currency of the material included in this publication and will not be liable for any loss or damage arising out of any use of, or reliance on, this publication.

© Australian Prudential Regulation Authority (APRA)

This work is licensed under the Creative Commons Attribution 3.0 Australia Licence (CCBY 3.0). This licence allows you to copy, distribute and adapt this work, provided you attribute the work and do not suggest that APRA endorses you or your work. To view a full copy of the terms of this licence, visit <http://creativecommons.org/licenses/by/3.0/au/>.

## Preamble

The Australian Prudential Regulation Authority (APRA) is the prudential regulator of, and also a national statistical agency for, the Australian financial services industry. APRA collects a broad range of financial and risk data from regulated institutions as inputs to its supervisory assessments. Data collected from regulated and unregulated institutions also assist the Reserve Bank of Australia (RBA), the Australian Bureau of Statistics (ABS) and other financial sector agencies to perform their roles. Much of the data collected by APRA are used for multiple purposes to reduce duplicative reporting.

The Bank for International Settlements (BIS) compiles quarterly aggregate statistics on international banking activity in the *International Banking Statistics* (IBS), including data supplied by APRA. In 2012 the BIS approved enhancements to the IBS to fill some of the data gaps identified in IBS.

APRA is reviewing banks' reporting of international exposures data to meet the needs of the BIS. APRA proposes to determine this additional international exposures data non-confidential.

APRA seeks feedback on the proposed changes from banks and other interested parties. Written submissions should be forwarded by 28 October 2016, preferably by email to:

Manager, Banking Statistics  
Australian Prudential Regulation Authority  
GPO Box 9836  
Sydney NSW 2001  
Email: [statistics@apra.gov.au](mailto:statistics@apra.gov.au)

If, after considering the feedback received in response to the discussion paper, APRA makes the proposed changes to the ADI reporting standards and forms, APRA intends to issue a response paper and finalise the content and format of the reporting standards and forms in the second half of 2016. The new reporting requirements are proposed to commence for the quarter ending 30 June 2017.

### Important disclosure notice - publication of submissions

All information in submissions will be made available to the public on the APRA website unless you indicate that you would like all or part of your submission to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the *Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA.

Information in the submission about any APRA regulated entity that is not in the public domain or falls within the definition of 'Protected Information' or 'Protected Document' in section 56 of the *Australian Prudential Regulation Authority Act 1998* (APRA Act), will be protected by this section.

## Glossary

Term	Definition
ABA	Australian Bankers' Association
ABS	Australian Bureau of Statistics
ADI	Authorised deposit-taking institution
APRA	Australian Prudential Regulation Authority
APRA Act	<i>Australian Prudential Regulation Authority Act 1998</i>
APS	ADI prudential standard
APS 310	Prudential Standard APS 310 Audit and Related Matters
ARF	ADI reporting form
ARS	ADI reporting standard
AUD	Australian dollar
BIS	Bank for International Settlements
CGFS	Committee on the Global Financial System
Consolidated group	The global operations of the ADI and all its controlled entities (where relevant), consolidated in accordance with Australian accounting standards <i>AASB 127 Separate Financial Statements</i> (AASB 127) and <i>AASB 3 Business Combinations</i> (AASB 3).
Consolidated statistics	One of the two sets of statistics in the IBS, these detail banks' country risk exposures according to the nationality of banking groups.
Domestic books	The domestic books of a bank is defined in the attached proposed reporting instructions.
D2A	Direct-to-APRA – APRA's reporting software
FOIA	<i>Freedom of Information Act 1982</i>
Form 90	<i>ABS Form 90 Survey of International Investment</i>
FSB	Financial Stability Board
FSCOD Act	<i>Financial Sector (Collection of Data) Act 2001</i>

Term	Definition
G20	Group of Twenty
IBS	International Banking Statistics
IMF	International Monetary Fund
Level 1	A prudential consolidation of either the ADI itself or the extended licensed entity. Refer to <i>Prudential Standard APS 001 Definitions</i> for further detail.
Level 2	A prudential consolidation that covers the global operations of an ADI (or its authorised non-operating holding company), and subsidiary entities as defined in <i>Prudential Standard APS 001 Definitions</i> .
Locational statistics	One of the two sets of statistics in the IBS, these detail the currency and geographical composition of banks' balance sheets according to the location of banks' offices.
NPISH	Non-profit institutions serving households
RBA	Reserve Bank of Australia
SBR	Standard Business Reporting, a standard approach to online or digital record-keeping that was introduced by government to simplify business reporting obligations.
XBRL	eXtensible Business Reporting Language, a language for the electronic communication of business information.

# Chapter 1 - Introduction

This paper outlines proposed changes banks' international exposures reporting requirements. These changes will enable better monitoring of banks' credit exposures, supply of bank credit and funding risk, to particular countries and counterparty sectors, ultimately promoting a more stable financial system.

Chapter 1 outlines Australia's contribution to the IBS, and banks' current reporting requirements. Chapter 2 describes the proposed to reporting requirements to fulfil the enhancements to the IBS, including collecting additional data. Chapter 3 outlines APRA's proposal to determine the proposed additional data to be non-confidential and hence publishable in the IBS. Chapter 4 invites information to assist APRA conduct a cost-benefit analysis on the impact of the proposals.

## 1.1 Australia's contribution to the International Banking Statistics

The BIS compiles quarterly aggregate statistics on international banking activity in the IBS. The IBS allow the BIS, other policy makers and other users to analyse cross border international banking positions. These data are seen as critical for monitoring the credit exposures of national banking systems, trends in the supply of bank credit, and bank funding patterns and funding risk. The BIS publishes the IBS on the BIS website<sup>1</sup>.

APRA provides data on the international assets, liabilities and claims of Australian-resident banks to the BIS each quarter. These data cover the global operations of Australian-owned banks, and the Australian operations of foreign banks. Australia has provided data for the IBS since 1997, and is currently one of 44 countries to contribute to these statistics.

There are two data sets in the IBS: the 'locational statistics' and the 'consolidated statistics'.

The locational statistics allow for analysis of banks' credit and funding risks, using information on the currency and geographical composition of banks' balance sheets. The locational statistics are based on the residence of the reporting bank: foreign branches

and subsidiaries are recorded as resident of their host country.

The consolidated statistics allow analysis of banks' credit risk, using information on banks' risk exposures. The consolidated statistics are based on banks' worldwide consolidated groups: foreign branches and subsidiaries are included as part of their parent institution.

## 1.2 Banks' current international exposures reporting requirements

APRA currently provides data to the IBS, using data reported by all banks on five forms (the international exposures forms):

- *Reporting Form ARF 231.1a Locational (Assets) Part 1a* (ARF 231.1a);
- *Reporting Form ARF 231.1b Locational (Liabilities) Part 1b* (ARF 231.1b);
- *Reporting Form ARF 231.2 Locational Part 2* (ARF 231.2);
- *Reporting Form ARF 231.3a Immediate and Ultimate Risk Exposures (Domestic Entity)* (ARF 231.3a); and
- *Reporting Form ARF 231.3b Immediate and Ultimate Risk Exposures (Foreign Entity)* (ARF 231.3b).

Banks submit information on ARF 231.1a and ARF 231.1b about the international assets and liabilities of domestic operations on a domestic books basis. These are split by: asset type; currency; counterparty country; and vis-à-vis banks and non-banks. Banks submit more granular data about bank counterparties on ARF 231.2. Together, these forms are the source of the IBS locational statistics.

Banks submit information on ARF 231.3a and ARF 231.3b about consolidated international claims on a consolidated group basis, split by country, remaining maturity and counterparty sector. Together, these forms are the source for the IBS consolidated statistics.

---

<sup>1</sup> [http://www.bis.org/statistics/about\\_banking\\_stats.htm](http://www.bis.org/statistics/about_banking_stats.htm)

All banks submit these data each calendar quarter via the Direct-to-APRA (D2A) reporting software. The forms are due 20 business days after the end of the quarter.

These data have been determined to be non-confidential under section 57 of the APRA Act. Further discussion on the confidentiality of these data is in chapter 3.

In addition to use by the BIS, APRA also uses these data for prudential supervision, including assessing banks' credit exposures to specific countries (or regions) and counterparty sector, and measuring banks' funding risk.

The RBA relies on these data to assess banks' credit exposures, measure banks' funding risk and assess the role of banks and financial centres in the intermediation of international capital flows. The RBA publishes detailed IBS data from an Australian perspective on the RBA website<sup>2</sup>.

### 1.3 Enhancements to the IBS

The BIS has made enhancements to the IBS to improve understanding of banks' credit exposures, supply of bank credit and banks' funding risk<sup>3</sup>. Of the 44 reporting countries that contribute to the IBS, most have committed to implementing all of the enhancements. These enhancements require an expansion of banks' international exposures reporting requirements.

The enhancements to the IBS stemmed from a set of twenty recommendations in the International Monetary Fund (IMF) and Financial Stability Board (FSB) report *The Financial Crisis and Global Information Gaps*<sup>4</sup>. The G20 endorsed the report in 2009. The recommendations aimed to close the data gaps identified in the global financial crisis, and were seen by the IMF and FSB as:

*... essential in fostering datasets to better understand emerging vulnerabilities of economies to shocks, enhance financial*

*surveillance, and more generally support policymaking.*

In 2012 the BIS approved enhancements to the IBS to fill some of the data gaps identified in the report.<sup>5</sup> APRA met all of the first stage of enhancements from the March 2013 reporting period, and met about half of the second stage of enhancements from the June 2015 reporting period, using data already reported by banks to APRA. The remainder of the enhancements require an expansion of banks' reporting requirements.

---

2 <http://www.rba.gov.au/statistics/tables/>

3 The Guidelines for reporting the BIS IBS includes full data requirements and submission templates.  
<http://www.bis.org/statistics/bankstatsguide.htm>

4 <https://www.imf.org/external/np/g20/pdf/102909.pdf>

5 CGFS (2012) *CGFS Paper No. 47: Improving the BIS international banking Statistics*, Bank for International Settlements [www.bis.org/publ/cgfs47.pdf](http://www.bis.org/publ/cgfs47.pdf).

## Chapter 2 - Changes to international exposures reporting requirements

To meet the BIS's requirements, APRA proposes to change the international exposures forms, as illustrated in Table 1. This chapter describes the most significant changes to the data to be reported on these forms. Drafts of the proposed reporting standards, forms and instructions are provided on APRA's website<sup>6</sup>.

A new form, *Reporting Form ARF 731.1 International Banking Statistics - Locational Data* (ARF 731.1), will combine the three existing locational forms and the new locational data.

Two new forms, one each for domestic and foreign banks, will replace the existing consolidated forms and include the new consolidated data:

- *Reporting Form ARF 731.3a International Banking Statistics - Immediate and Ultimate Risk Exposures - Domestic Entity* (ARF 731.3a); and
- *Reporting Form ARF 731.3b International Banking Statistics - Immediate Risk Exposures - Foreign Entity* (ARF 731.3b).

One additional new form will be introduced for domestic banks: *Reporting Form ARF 731.4 International Exposures: Balance Sheet Items* (ARF 731.4).

Each bank will be required to report these forms each calendar quarter via D2A. In line with other reporting requirements, the forms will be due within 28 calendar days after the end of the quarter.

While incorporating the new requirements for the IBS, APRA has taken the opportunity to redesign the international exposures forms to reduce the reporting burden on institutions.

### 2.1 Consolidation

Australia is amongst a small number of countries that report the consolidated statistics to the IBS using a consolidated group based on accounting standards. Australian-owned banks currently report data on ARF 231.3a on a consolidated group basis, in accordance with Australian accounting standards AASB 127 and AASB 3.

Table 1: Summary of proposed changes to international exposures forms

Existing forms	Proposed new forms
ARF 231.1a Locational Data Part 1A: Assets ARF 231.1b Locational Data Part 1B: Liabilities ARF 231.2 Locational Data Part 2	ARF 731.1 International Banking Statistics - Locational Data
ARF 231.3a Immediate and Ultimate Risk Exposures - Domestic Entity	ARF 731.3a International Banking Statistics - Immediate and Ultimate Risk Exposures - Domestic Entity
ARF 231.3b Immediate and Ultimate Risk Exposures - Foreign Entity	ARF 731.3b International Banking Statistics - Immediate and Ultimate Risk Exposures - Foreign Entity
	ARF 731.4 International Banking Statistics - Balance Sheet Items

<sup>6</sup> <http://www.apra.gov.au/adi/PrudentialFramework/Pages/Banks-International-Exposures-Reporting-Requirements-Changes-July-2016.aspx>



The BIS recommends IBS data be provided on the consolidated group based on supervisory practice, to improve the international comparability of all countries' IBS statistics.

APRA therefore proposes that Australian-owned banks report data on a Level 2 basis on the consolidated forms ARF 731.3a and ARF 731.4. Additionally, this will allow for better comparison of international exposures to other prudential data reported to APRA, improving supervision.

The locational data will continue to be reported on a domestic books basis on ARF 731.1.

## 2.2 Counterparty sector breakdowns

Banks currently report, in the locational and consolidated statistics, the economic sector in which their counterparties operate. The locational positions reported on ARF 231.1a, ARF 231.1b and ARF 231.2 are categorised by banks, banks' related offices, central banks and non-banks. The immediate risk claims on ARF 231.3a and ARF 231.3b are categorised by bank, public sector, non-bank private sector and unallocated counterparties.

The expanded IBS now contains additional breakdowns of counterparties. For example, claims on non-bank financial sector counterparties are broken down into more granular categories.

APRA therefore proposes that banks report the following counterparty sector data on ARF 731.1, ARF 731.3a and ARF 731.3b:

- banks;
- central banks;
- non-bank financial institutions;
- general government;
- non-financial corporations; and
- households and non-profit institutions serving households (NPISH).

## 2.3 Local positions

Banks currently report cross-border positions in all currencies, and local positions in foreign currencies, on each of the international exposures forms. Banks do not report local positions in local currencies, such as positions with Australian residents in Australian Dollars (AUD).

The expanded IBS now includes the local positions of all banks in both local and foreign currencies. This allows for a view of the full exposures of banks, allowing for better understanding of the scale of banks' home market exposures compared to their international exposures.

APRA therefore proposes that banks report positions vis-à-vis Australia in AUD on ARF 731.1. All domestic book financial assets and liabilities will be reported on ARF 731.1.

For consolidated statistics, APRA proposes that banks report local claims on all counterparties in all currencies on ARF 731.3a and ARF 731.3b. Claims on Australian residents in AUD will be included in claims vis-à-vis Australia. Claims of banks' offshore operations on residents of the host country in all currencies will be included in claims vis-à-vis the host country. For example, the claims of a New Zealand based subsidiary on New Zealand residents in all currencies (local exposure in New Zealand) will now be included in claims vis-à-vis New Zealand.

## 2.4 Short and long term debt security liabilities

Banks currently report debt security claims and liabilities on ARF 231.1a and ARF 231.1b, split by counterparty country, sector and currency. This contributes to analysis of banks' worldwide funding arrangements but gives no view on maturity.

The IBS now includes a split of debt security liabilities by short term and long term in the locational statistics. This breakdown provides additional information on banks' funding risk.

APRA therefore proposes that banks report ARF 731.1 with debt securities liabilities split by residual maturity of either 'greater than one year' or 'less than or equal to one year'.

## 2.5 Balance sheet totals

Banks currently report a partial view of their total claims and liabilities on the international exposures forms, with some positions excluded.

The IBS now includes banks' total assets, some breakdowns of liabilities, and capital adequacy information. These items allow for better

measurement of banks' funding risk, for example, through the calculation of simple performance ratios. Unlike most data in the IBS, there is no further breakdown of these items by currency, country or counterparty.

Australian-owned banks already report capital adequacy information to APRA in other forms on a Level 2 basis. However, no balance sheet information is reported to APRA on a Level 2 basis.

APRA proposes that Australian-owned banks report on a new form, ARF 731.4, which contains the additional balance sheet data required for the IBS that are not already reported to APRA. ARF 731.4 will be reported at a Level 2 basis.

## 2.6 Currency breakdowns

Banks currently report the currency of denomination of positions in ARF 231.1a and ARF 231.1b. Banks report seven currencies and an 'other' category.

Given the growing importance in cross-border flows with China, the RBA has requested that banks report positions denominated in Chinese renminbi in the proposed ARF 731.1. This includes both onshore renminbi and offshore renminbi and is in addition to the existing currency breakdowns. This will improve the RBA's ability to analyse banks' funding and exposures.

## 2.7 Quality assurance

APRA is considering the appropriate level of external quality assurance for the proposed international exposures reporting requirements. Banks' current international exposures reporting requirements are subject to the audit requirements set out in *Prudential Standard APS 310 Audit and Related Matters* (APS 310).

Paragraph 32 of APS 310 requires the appointed auditor of a bank provide either reasonable assurance or limited assurance in regards to information provided to APRA<sup>7</sup>. In the case of the current international exposures forms, the

appointed auditor must provide limited assurance that the bank has controls that are designed to ensure the bank has provided reliable data to APRA.

APRA is weighing up the costs and benefits of the requirements of the appointed auditor for the international exposures forms. As outlined in chapter 4, APRA is seeking feedback on the potential risks and cost savings from exempting the international exposures forms from the audit requirements of APS 310.

## 2.8 Other reporting requirements

Banks currently report similar data to the international exposures reporting requirements on the ABS' *Form 90 Survey of International Investment* (Form 90).

An Australian Bankers' Association (ABA) working group highlighted to APRA the perceived overlaps between Form 90 and the locational data on ARF 231.1a, ARF 231.1b and ARF 231.2.

There is, however, no significant direct overlap of data items between the current international exposures forms and Form 90. Form 90 collects data split by the banks' relationship with the counterparty, while ARF 231.1a, ARF 231.1b and ARF 231.2 collect data split by the economic sector of the counterparty. There are a small number of concepts common to both data collections. To assist banks to report consistent and accurate data, APRA has provided guidance on the common concepts and how they should reconcile. This guidance is available on APRA's website.<sup>8</sup>

In line with the Government's commitment to reduce red tape and compliance costs, the ABS has committed to review the data it collects on Form 90 in 2016/17, to reduce the reporting burden placed on banks.

<sup>7</sup> Reasonable assurance and limited assurance is defined in APS 310 in accordance with the *Framework for Assurance Engagements* issued by the Auditing and Assurance Standards Board.

<sup>8</sup> <http://www.apra.gov.au/adi/PrudentialFramework/Pages/Banks-International-Exposures-Reporting-Requirements-Changes-July-2016.aspx>

## Chapter 3 - Proposed determination of international exposures data to be non-confidential

APRA proposes to determine that the additional data on the proposed international exposures forms are non-confidential.

### 3.1 Background

Data reported to APRA are protected under section 56 of the APRA Act, including data reported on the international exposures forms.

The APRA Act allows the release of protected information under certain circumstances. APRA may release protected information, in statistical publications and other formats if, for example:

- the information is in the form of a summary, or collection of information, that is prepared so that information relating to any particular institution cannot be attributed to it; or
- the institution to whose affairs the information relates has agreed in writing to the disclosure or production of the information; or
- the information has been determined to be non-confidential under section 57 of the APRA Act.

Section 57 of the APRA Act provides that APRA may, by legislative instrument, determine that all or a specified part of a relevant reporting document, or reporting document of a specified kind, does or does not contain confidential information. If APRA considers that the benefit to the public from the disclosure of the data outweighs any detriment to commercial interests that the disclosure may cause, then APRA may determine the data to be non-confidential.

APRA must not make such a determination unless it has:

- given interested parties (bodies or associations representing the relevant kind of financial sector entity) a reasonable

opportunity to make representations as to whether information of the kind that is proposed to be released is confidential; and

- taken any such representations into account.

Where determined to be non-confidential, APRA can release the data under subsection 56(5C) of the APRA Act.

After consultation with the banks in 2012, APRA determined all information reported on the existing international exposures forms to be non-confidential<sup>9</sup>. Prior to this determination, the BIS and RBA applied masking to statistics to protect the confidentiality of individual entity data.

This 2012 determination allowed the BIS and RBA to publish IBS data for Australia without masking, although no entities are named. This determination will continue to apply to data that are currently non-confidential and are reported on the proposed forms.

APRA proposes to determine the additional data on the proposed forms to be non-confidential under section 57 of the APRA Act. These additional data are summarised in Table 2. This proposal would mean all data collected on ARF 731.1, ARF 731.3a, ARF 731.3b and ARF 731.4 are non-confidential.

By determining the data to be non-confidential, the BIS will be able to continue to publish complete IBS datasets, assisting Australia in fulfilling its obligations as a G20 member. The BIS and RBA will be able to continue publishing data with no masking.

Data that are determined to be non-confidential may be the subject of a request for access made under the FOIA. APRA will determine such requests, if any, in accordance with the provisions of the FOIA.

---

<sup>9</sup> <http://www.apra.gov.au/adi/PrudentialFramework/Pages/Consultation-on-confidentiality-of-international-exposures-data-July-2012.aspx>

The proposed determinations will not limit the disclosure or use of international exposures data to the statistics published by the BIS and RBA. Individual entity data (or analysis based on those data) would be publishable by APRA, although APRA has no immediate plans to publish these data.

### 3.2 Information to include in submissions

To assist APRA in making its decision about the data to be determined non-confidential, as summarised in Table 2, submissions from banks and other interested parties that seek to have data be confidential should include specific:

- details of the data items that should be confidential; and
- information on how the disclosure of that information might lead to detriment to banks' or other parties' commercial interests.

Table 2: Summary of data to be determined non-confidential

Form	Basis of positions:	Splits of positions:	Positions vis-à-vis:
ARF 731.1	Locational claims	Counterparty sector	Non-bank financial institutions
			General government
			Households and NPISH
			Unallocated sector
		Country and currency	Australia in Australian dollars
		Currency	Chinese renminbi
	Locational liabilities	Counterparty sector	Non-bank financial institutions
			General government
			Households and NPISH
			Unallocated sector
		Country and currency	Australia in Australian dollars
		Currency	Chinese renminbi
ARF 731.3a	Immediate borrower claims by maturity	Country and currency	Local residents in local currencies
	Immediate borrower claims by sector	Counterparty sector	Non-financial corporations
			Households and NPISH
		Country and currency	Local residents in local currencies
	Risk transfers	Country and currency	Local residents in local currencies
	Ultimate risk claims	Counterparty sector	Non-financial corporations
			Households and NPISH
ARF 731.3b	Immediate borrower claims by maturity	Country and currency	Local residents in local currencies
	Immediate borrower claims by sector	Counterparty sector	Non-financial corporations
			Households and NPISH
ARF 731.4		Country and currency	Local residents in local currencies

## Chapter 4 - Cost-benefit analysis

In order to perform a cost-benefit analysis, APRA welcomes information from interested parties on the financial impact of the proposed changes outlined in this discussion paper.

### 4.1 Costs

APRA seeks feedback on the implementation and ongoing compliance costs of the requirements discussed in chapter 2, and whether these costs are expected to increase or decrease over time. APRA does not expect the proposal for new data to be reported on the international exposures forms to impose a large additional reporting burden on banks. Banks are already required to identify and report counterparty sectors, long-term and short-term splits and domestic book balance sheet totals in other APRA reporting.

The proposed data collection will utilise XBRL (eXtensible Business Reporting Language) and the Standard Business Reporting (SBR) taxonomy, to reduce reporting burden. Banks that use XBRL and the SBR taxonomy to map or tag their financial information can streamline their reporting processes and reduce the manual intervention required. There are several concepts on the international exposures forms that overlap those of other APRA reporting, allowing for the re-use of existing SBR taxonomy tagging on source data systems.

APRA seeks specific feedback on any barriers or associated costs to implement the changes within the proposed timeframes.

APRA also seeks feedback from banks on the potential cost savings arising from exempting the proposed reporting requirements from the requirements for appointed auditors set out in paragraph 32 of APS 310, as discussed in chapter 2.

Respondents may also wish to indicate whether there are any other reporting requirements relating to international exposures that could be improved or removed to reduce compliance costs.

Feedback on compliance cost savings realisable under the proposed changes can be provided to

APRA using the template for costings available on the APRA website at:

[www.apra.gov.au/adi/Documents/Template-for-cost-savings-2015.xlsx](http://www.apra.gov.au/adi/Documents/Template-for-cost-savings-2015.xlsx)

The template is designed to capture the relevant costs in a structured way, including a separate assessment of upfront costs and ongoing costs.

APRA also seeks feedback from interested parties on any costs of Australia not contributing to the full suite of enhancements to the IBS.

### 4.2 Benefits

The proposed changes to the international exposures forms will allow the BIS to release the full suite of IBS data regarding Australia. This will make the IBS more useful for analysis of national banking systems, especially exposures to and from Australia.

Users will be able to analyse the credit exposures of Australian banks to different economic sectors, both domestically and abroad. These data would be useful, for example, in monitoring Australian banks' exposures to sectors of foreign economies experiencing stress.

Users of the IBS will be better able to track trends in the supply of bank credit and banks' funding patterns. Users will be able to quantify funding and credit by country, economic sector and currency. Users of the IBS will also be able to better analyse funding sources, including monitoring currency and mismatches in the assets and liabilities of major banking systems, and tracking the broad composition of banks' liabilities and capital.

Finally, the proposed changes will allow Australia to meet G20 member country obligations. The additional reporting requirements will allow Australia to meet the recommendations of the IMF and FSB's *The Financial Crisis and Global Information Gaps* report.

### 4.3 Analysis

APRA will consider any feedback received when finalising any changes to reporting requirements.

APRA will implement the proposed changes to the international exposures forms if the benefits from the implementation of the enhancements of the IBS outweigh the ongoing marginal compliance costs of submitting data on the proposed forms.



Telephone  
1300 55 88 49

Email  
[info@apra.gov.au](mailto:info@apra.gov.au)

Website  
[www.apra.gov.au](http://www.apra.gov.au)

Mail  
GPO Box 9836  
in all capital cities  
(except Hobart and Darwin)