



## Reporting Standard ARS 731.3b

### International Banking Statistics - Immediate and Ultimate Risk Exposures – Foreign Entity

#### Objective of this Reporting Standard

This reporting standard outlines the requirements for the provision of information to APRA relating to a foreign subsidiary bank's, or a branch of a foreign bank's, international exposures.

It includes *Reporting Form ARF 731.3b International Banking Statistics – Immediate and Ultimate Risk Exposures – Foreign Entity* (ARF 731.3b) and the associated specific instructions.

#### Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

#### Purpose

2. Information collected by this Reporting Standard is used by APRA for the purposes of satisfying Australia's obligations in providing aggregate international banking statistics to the Bank for International Settlements, and may be used by APRA for prudential regulation purposes. It may also be used by the Reserve Bank of Australia.

#### Application and commencement

3. This reporting standard applies to an authorised deposit-taking institution (ADI) as set out in the table below.

Class of ADI	Applicable
Australian-owned Bank	No
Foreign Subsidiary Bank	Yes
Branch of a Foreign Bank	Yes

Building Society	No
Credit Union	No
Other ADIs	No

4. This Reporting Standard applies for reporting periods ending on or after 31 December 2017.

### Information required

5. An ADI, to which this Reporting Standard applies, must provide APRA with the information required by ARF 731.3b on a domestic books basis in respect of each reporting period.

### Forms and method of submission

6. The information required by this Reporting Standard must be given to APRA in electronic format using the 'Direct to APRA' (also known as 'D2A') application or, where 'Direct to APRA' is not available, by a method notified by APRA, in writing, prior to submission.

*Note:* the 'Direct to APRA' application software (also known as 'D2A') may be obtained from APRA.

### Reporting periods and due dates

7. Subject to paragraph 9, an ADI to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each quarter ending 30 September, 31 December, 31 March and 30 June.
8. The information required by this Reporting Standard must be provided to APRA within 28 calendar days after the end of the reporting period to which the information relates.
9. APRA may, by notice in writing, change the reporting periods, or specified reporting periods, for a particular ADI, to require it to provide the information required by this Reporting Standard more frequently, or less frequently, having regard to:
- (a) the particular circumstances of the ADI;
  - (b) the extent to which the information is required for the purposes of the prudential supervision of the ADI; and
  - (c) the requirements of the Reserve Bank of Australia or the Bank for International Settlements.
10. APRA may grant an ADI an extension of a due date, in writing, in which case the new due date for the provision of the information will be the date on the notice of extension.

*Note:* for the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an ADI is nonetheless required to submit the information required no later than the due date.

## Quality control

11. The information provided by an ADI under this Reporting Standard must be the product of processes and controls that have been reviewed and tested by the external auditor of the ADI. *Guidance Statement GS 012 Prudential Reporting Requirements for Auditors of Authorised Deposit-taking Institutions*, issued by the Auditing and Assurance Standards Board, provides guidance on the scope and nature of the review and testing required from external auditors. This review and testing must be done on an annual basis or more frequently if necessary to enable the external auditor to form an opinion on the accuracy and reliability of the information.
12. All information provided by an ADI under this Reporting Standard must be subject to processes and controls developed by the ADI for the internal review and authorisation of that information. These systems, processes and controls are to assure the completeness and reliability of the information provided.

## Authorisation

13. When an ADI submits information under this Reporting Standard using the D2A software, it will be necessary for an officer of the ADI to digitally sign, authorise and encrypt the relevant information. For this purpose, APRA's certificate authority will issue 'digital certificates', for use with the software, to officers of the ADI who have authority from the ADI to transmit the information to APRA.

## Minor alterations to forms and instructions

14. APRA may make minor variations to:
  - (a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
  - (b) the instructions to a form, to clarify their application to the formwithout changing any substantive requirement in the form or instructions.
15. If APRA makes such a variation it must notify in writing each ADI that is required to report under this reporting standard.

## Transitional

16. An ADI must report under the old reporting standard in respect of a transitional reporting period. For these purposes:

***old reporting standard*** means the reporting standard revoked in the determination making this reporting standard (being the reporting standard which this reporting standard replaces).

***transitional reporting period*** means a reporting period under the old reporting standard:

- (a) which ended before the date of revocation of the old reporting standard; and
- (b) in relation to which the ADI was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

*Note:* for the avoidance of doubt, if an ADI was required to report under an old reporting standard, and the reporting documents were due before the date of revocation of the old reporting standard, the ADI is still required to provide the overdue reporting documents in accordance with the old reporting standard.

## Interpretation

### 17. In this reporting standard:

**ADI** means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*.

**APRA** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*.

**Australian-owned bank** means a locally incorporated ADI that assumes or uses the word ‘bank’ in relation to its banking business and is not a foreign subsidiary bank.

**branch of a foreign bank** means a ‘foreign ADI’ as defined in section 5 of the *Banking Act 1959*.

**building society** means a locally incorporated ADI that assumes or uses the expression ‘building society’ in relation to its banking business.

**class of ADI** means each of the following:

- (i) Australian-owned bank;
- (ii) foreign subsidiary bank;
- (iii) branch of a foreign bank;
- (iv) building society;
- (v) credit union; and
- (vi) other ADI.

**credit union** means a locally incorporated ADI that assumes or uses the expression ‘credit union’ in relation to its banking business.

**due date** means the last day of the 28 calendar days provided for in paragraph 8 or, if applicable, paragraph 10.

**foreign subsidiary bank** means a locally incorporated ADI in which a bank that is not locally incorporated has a stake of more than 15 per cent.

***locally incorporated*** means incorporated in Australia or in a State or Territory of Australia, by or under a Commonwealth, State or Territory law.

***other ADI*** means an ADI that is not an Australian-owned bank, a branch of a foreign bank, a building society, a credit union or a foreign subsidiary bank.

***reporting period*** means a quarter of a year as provided for in paragraph 7 or, if applicable, paragraph 9.