



31 March 2020

TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS (ADIs) AND REGISTERED FINANCIAL CORPORATIONS (RFCs)

CHANGES TO REPORTING OBLIGATIONS IN RESPONSE TO COVID-19

The Australian Prudential Regulation Authority (APRA), along with the Reserve Bank of Australia (RBA) and Australian Bureau of Statistics (ABS) (the agencies), is today announcing changes to the reporting obligations of ADIs and RFCs. These changes are intended to balance the need for entities to dedicate time and resources to maintaining their operations and supporting customers, against the increased need for timely, accurate data for use in the rapidly changing environment.

These changes apply to all ADIs and RFCs, and are effective immediately. In summary, the changes are:

- granting a temporary extension of the notification period for changes to accountability statements and maps under the Bank Executive Accountability Regime (BEAR);
- the introduction of a new reporting standard for ADIs and RFCs regarding lending to small and medium enterprises (SMEs), to support the Commonwealth Government's Coronavirus SME Guarantee Scheme;
- early implementation of APRA's November 2019 proposal to standardise reporting due dates for ADI quarterly forms, only where that represents an extension of due dates, and extending this to RFCs;
- deferral of the introduction of certain new reporting standards until the March 2021 reporting period;
- deferral of APRA's proposal to determine certain ADI data non-confidential until further notice; and
- a continuation of parallel reporting of *Reporting Standards ARS 331.0 Selected Revenues and Expenses (ARS 331.0)*; *RRS 331.0 Selected Revenue and Expenses (RRS 331.0)* and the ABS *Quarterly Business Indicators Survey (QBIS)* until the June 2020 quarter.

Further detail on each of these changes is below.

Extension of timelines for notifications under BEAR

APRA has exercised power under the *Banking Act 1959* to replace the 14 day period for notification of changes to accountability statements and maps with a 30 day period. The legislative instrument changing the period will take effect from Monday 6 April 2020. Where changes to statements and maps occurred in the 14 day period prior to 31 March 2020, notification will be accepted by APRA as compliant if provided within 30 days of the change occurring.

New SME lending reporting requirements

On 19 March 2020, the Treasury announced the introduction of the Coronavirus SME Guarantee Scheme. In order to support the scheme, APRA is implementing a new reporting standard with immediate effect. Details of this standard will be released later in the week.

Changes to due dates for quarterly reporting

In November 2019, APRA consulted on standardising the due dates for all quarterly reporting forms.¹ APRA today has implemented this proposal in the form of a temporary extension to reporting due dates, and expanded the proposal to cover all quarterly reporting by ADIs and RFCs. Forms that were previously due **prior to** the 35th calendar day will now be due **on** the 35th calendar day. Forms that were due after the 35th calendar day will continue to be due on the existing due date. A schedule of forms is attached.

APRA, in consultation with the ABS and RBA, has decided to not grant any further blanket extensions to reporting due dates, nor to relax the governance requirements applying to reporting to APRA. The data reported by ADIs and RFCs is essential for prudential supervision, for the monitoring of financial stability, the formulation of monetary policy, and to support Government policy. The provision of timely, accurate information is vital, especially in this period of volatility.

Deferral of certain new reporting standards

Given the current operating environment, the agencies have deferred the implementation of two new reporting standards:

- *Reporting Standard ARS 730.1 ABS/RBA Fees Charged*; and
- *Reporting Standard ARS 722.0 ABS/RBA Derivatives*.

These reporting standards will now apply to reporting periods ending on or after 31 March 2021. All ADIs and RFCs are exempt from reporting for periods prior to this date. The RBA will conduct the existing bank fees survey for one more year.

Deferral of proposal to determine certain ADI data non-confidential

In December 2019, APRA proposed to determine certain data reported by ADIs as non-confidential and to seek commentary for publication on significant movements in data.² In consideration of the current operating environment, the proposals outlined by APRA have been deferred until further notice.

Continuation of certain parallel reporting for ADIs and RFCs

As flagged in APRA's letter of 20 March 2020, APRA expects ADIs and RFCs to continue reporting the data that were required in:

- *Reporting Standards ARS 331.0 Selected Revenues and Expenses (ARS 331.0)*;
- *RRS 331.0 Selected Revenue and Expenses (RRS 331.0)*; and

¹ <https://www.apra.gov.au/consultation-on-proposed-changes-to-due-dates-of-quarterly-reporting-for-adis>

² <https://www.apra.gov.au/consultation-on-confidentiality-of-data-used-adi-quarterly-publications-and-additional-historical>

- the ABS *Quarterly Business Indicators Survey (QBIS)*.

The ABS uses these data in the compilation of Australia's National Accounts, and maintaining consistent data sources for March and June 2020 is vitally important for accurately measuring the economic impacts of COVID-19. APRA will therefore temporarily reinstate ARS 331.0 and RRS 331.0, and require ADIS and RFCs to continue to report these forms for reporting periods ending on or before 30 June 2020. The due date will be extended to the 40th calendar day after the end of the reporting period, and APRA will accept this reporting on a best endeavours basis.

Reporting of QBIS will continue via the ABS. If required, data may be reported via telephone on 1800 642 149. The due date for QBIS reporting has been extended to 28 April 2020 and 28 July 2020, for March and June quarter reporting respectively.

Bilateral engagement

APRA acknowledges the current operating environment places strain on an entity's ability to meet its reporting obligations. However, the provision of timely and accurate data is essential to enable the agencies and the Government to adequately respond to events as they rapidly unfold, and is therefore a priority. For example, the RBA's term funding facility, announced on 19 March 2020, uses reporting to APRA as its basis. Likewise, prudential supervision is dependent on reliable and timely data.

APRA therefore seeks the cooperation of reporting entities in ensuring reporting obligations are met in the interest of the Australian community.

Additionally, the query process for monthly reporting will be extended. Queries will be sent on the third business day after the due date. Reporting entities will then have three business days to respond to queries. Similar extensions will be granted for quarterly reporting.

Should an ADI have difficulty in meeting its reporting obligations, it should contact its supervisor in first instance, and copy dataanalytics@apra.gov.au.

Should an RFC have difficulty in meeting its reporting obligations, it should contact dataanalytics@apra.gov.au as soon as possible.

Yours sincerely,

Sean Carmody
Executive Director
Cross-Industry Insights and Data Division

Attachment – Schedule of revised quarterly ADI and RFC reporting due dates

The reporting forms specified in the below schedule will be due on 35 calendar days after the end of the quarter.

| Reporting form | Subject | Exclusions |
|--|---|--|
| ARF 110.0.1 Capital adequacy (Level 1) ARF 110.0.2 Capital adequacy (Level 2) ARF 111.0 Fair Values | Capital adequacy | Advanced banks to remain at 30 business days |
| ARF 112.1A Standardised credit risk – On-balance sheet assets ARF 112.2A Standardised credit risk – Off-balance sheet exposures | Credit risk - standardised | |
| ARF 114.0 Standardised Approach – Operational risk | Operational risk - standardised | Advanced banks to remain at 30 business days |
| ARF 116.0 – ARF 116.0.23 Market risk table ARF 116.0.SU Market risk summary table ARF 117.0A Repricing analysis – denominated in AUD ARF 117.0B.1 – ARF 117.0B.9 Repricing Analysis – denominated in foreign currency | Market risk - standardised | Applicant/Advanced banks to remain at 30 business days |
| ARF 118.0 Off-balance sheet business | Credit risk - standardised | Applicant/Advanced banks to remain at 30 business days |
| ARF 118.1 Other Off-Balance Sheet Exposures | Credit risk - advanced | |
| ARF 120.1 Securitisation – Regulatory Capital ARF 120.2 Securitisation – Supplementary items | Securitisation | |
| ARF 180.1 Standardised – Counterparty Credit Risk and CVA Risk ARF 180.2 IRB – Counterparty Credit Risk and CVA Risk | Credit risk – standardised and advanced | |
| ARF 210.1A Liquidity Coverage Ratio – all currencies ARF 210.1B Liquidity Coverage Ratio – AUD only ARF 210.2 – Minimum Liquidity Holdings Ratio ARF 210.3.1 Contractual Maturity Mismatch – Funded Assets ARF 210.3.2 Contractual Maturity Mismatch – Funding Liabilities and Capital ARF 210.6 Net Stable Funding Ratio | Liquidity | |
| ARF 220.0.C Impaired Facilities (Consolidated) ARF 220.0.L Impaired Facilities (Licensed) ARF 220.3 Prescribed Provisioning ARF 220.5 Movements in Provisions for Impairment | Credit risk | |
| ARF 221.0 Large Exposures ARF 221.1 Large Exposures – Foreign ADI | Large exposures | |
| ARF 222.0 Exposures to Related Entities | Related entities | |

| Reporting form | Subject | Exclusions |
|---|-----------------------------------|--|
| <i>ARF 223.0 Residential Mortgage Lending</i> | Residential mortgage lending | |
| <i>ARF 226.0 Margining and risk mitigation for non-centrally cleared derivatives</i> | Credit risk | |
| <i>ARF 230.0 Commercial Property</i> | Commercial property | |
| <i>ARF 320.5 REPOS & Stock Lending/Borrowing</i> <i>ARF 322.0 Statement of Financial Position (Consolidated)</i> <i>ARF 323.0 Statement of Financial Position (Licensed)</i> <i>ARF 325.0 International Operations</i> <i>ARF 330.0.C Statement of Financial Performance (Consolidated Group)</i> <i>ARF 330.0.L Statement of Financial Performance (Licensed ADI)</i> <i>ARF 330.1.C Interest Income and Interest Expense (Consolidated Group)</i> <i>ARF 330.1.L Interest Income and Interest Expense (Licensed ADI)</i> <i>ARF 330.2.C Other Operating Income (Consolidated Group)</i> <i>ARF 330.2.L Other Operating Income (Licensed Entity)</i> <i>ARF 330.3 Other Operating Expenses</i> | Financial statements | Banks and Other ADIs to remain at 25 business days |
| <i>ARF 720.3 ABS/RBA Intra-group Assets & Liabilities</i> <i>ARF 720.4 ABS/RBA Debt Securities Held</i> <i>ARF 720.5 ABS/RBA Equity Securities Held</i> <i>ARF 720.6 ABS/RBA Securities on Issue</i> <i>ARF 720.7 ABS/RBA Bill Acceptances and Endorsements</i> <i>ARF 723.0 ABS/RBA Margin Lending</i> <i>ARF 730.0 ABS/RBA Statement of Financial Performance</i> | Economic and Financial Statistics | |
| <i>ARF 731.1 International Banking Statistics – Locational Data</i> <i>ARF 731.3A International Banking Statistics – Immediate and Ultimate Risk Exposures – Domestic Entity</i> <i>ARF 731.3B International Banking Statistics – Immediate and Ultimate Risk Exposures – Foreign Entity</i> <i>ARF 731.4 International Banking Statistics – Balance Sheet Items</i> | International banking statistics | |

| Reporting form | Subject | Exclusions |
|---|----------------|-------------------|
| <i>RRF 320.5 REPOS and Stock Lending and Borrowing (RFCs)</i> | RFC reporting | |
| <i>RRF 320.6 Financial Derivatives (RFCs)</i> | | |