



24 November 2020

TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS AND REGISTERED FINANCIAL CORPORATIONS

RESPONSE TO SUBMISSIONS: PROPOSED CHANGES TO MODERNISED ECONOMIC AND FINANCIAL STATISTICS (EFS) DATA COLLECTION REPORTING STANDARDS AND GUIDANCE

The Australian Prudential Regulatory Authority (APRA) has today released a response to submissions on proposed changes to the EFS reporting standards and guidance.

Background

APRA, with the Reserve Bank of Australia (RBA) and the Australian Bureau of Statistics (ABS) (collectively, 'the agencies') started consultation on the EFS data collection in January 2017. The collection replaced the domestic books collection submitted by authorised deposit-taking institutions (ADIs) and registered financial corporations (RFCs)¹. APRA and the agencies released final versions of the EFS reporting standards in January 2019.

In August 2020, APRA and the agencies released draft EFS reporting standards and guidance that incorporated guidance from previously issued frequently asked questions (FAQs) for consultation.

Submissions received

APRA received seven submissions – three from industry bodies, and four from reporting entities. Submissions discussed the implementation date of the updated EFS collection and its alignment with other data collections, the proposed addition of interest rate bands to *Reporting Standard ARS 747.0 ABS/RBA Deposit Stocks, Flows and Interest Rates* (ARS 747.0), and posed questions on specific aspects of reporting standards and guidance.

Timing and alignment of implementation dates with other standards

Six submissions discussed the implementation date of the changes. Five submissions requested more lead time to implement the proposed changes. Three requested clarity on the first reporting period the changes will apply. Submissions also queried whether the changes would apply retrospectively.

Given the concerns raised by industry, APRA and the agencies have moved the implementation date of the changes for most of the standards from the reporting period ending 30 June 2021, to 30 September 2021, to provide entities with additional lead time. The exceptions are *Reporting Standard ARS 722.0 ABS/RBA Derivatives*, *Reporting Standard ARS 730.1 ABS/RBA Fees Charged* (ARS 730.1) and *Reporting Standard RRS 710.0 ABS/RBA Audit Requirements for Registered Financial Corporations – EFS Collection* (RRS 710.0). The implementation date for ARS 722.0 and ARS 730.1 will remain as the reporting period ending on or after 31 March 2021. The information required by ARS 730.1 must be

¹ [Modernised economic and financial statistics](#)

provided in respect of each year ended 30 June. The first reporting period for ARS 730.1 will therefore be 1 July 2020 to 30 June 2021. The revisions to RRS 710.0 will commence from 1 July 2021, until this time the extension provided on 11 October 2019² will continue to apply.

The revisions to the EFS standards and guidance will not apply retrospectively to reporting periods that occur prior to the reporting period ending on 30 September 2021.

ARS 747.0 - proposed interest rate bands

Five submissions discussed the proposal to collect additional data on deposit interest rates in *Reporting Standard ARS 747.0 ABS/RBA Deposit Stocks, Flows, and Interest Rates* (ARS 747.0). Feedback from industry was that collecting this additional data would impose significant additional burden, in the form of initial project costs and ongoing reporting and compliance costs. In light of this feedback, the agencies will not proceed with this change.

ARS 742.0 and application to ARS 741.0

One question raised whether *Reporting Standard ARS 742.0 ABS/RBA Business Credit Stocks, Flows, and Interest Rates* (ARS 742.0) should be updated to exclude external and internal refinancing, similar to the changes to parts of *Reporting Standard ARS 741.0 ABS/RBA Business Finance* (ARS 741.0). No change is required in reporting for ARS 742.0. The changes to ARS 741.0 are designed to provide the agencies with better visibility of refinancing activity separately from new business loan commitments. These changes bring ARS 741.0 more into line with the reporting of refinancing activity on *Reporting Standard ARS 743.0 ABS/RBA Housing Finance* and *Reporting Standard ABS/RBA ARS 745.0 Personal Finance*.

Overlap of EFS and prudential reporting

One submission noted the overlap between the information required for *Prudential Standard APS 220 Credit Risk Management* and *Reporting Standard ARS 720.1 ABS/RBA Loans and Finance Leases* and proposed that the EFS data for impaired assets could be collected as a subset of the data collected for the prudential standard. APRA is designing the future collection for the prudential standard to be able to be used multiple purposes and will consider the removal of overlapping data requirements at a future date.

Due dates of quarterly returns

Following careful consideration, the ABS has determined that the change of due dates for EFS quarterly returns to calendar day 35 would seriously impede the timely production of Australian Gross Domestic Product estimates. As such the ABS has requested that the returns continue to be due on the 28th calendar day. The agencies will not proceed with the change of due dates for monthly reporting, and returns will continue to be due within 28 calendar days after the end of the reporting period. The only changes proposed for *Reporting Standard ARS 720.7 ABS/RBA Bill Acceptances and Endorsements* (ARS 720.7) and *Reporting Standard ARS 723.0 ABS/RBA Margin Lending* (ARS 723.0) was this change in due date. As APRA is not proceeding with this change, there will be no changes to ARS 720.7 and ARS 723.0.

Specific queries on reporting standards and guidance

A number of submissions also raised specific queries on the updated reporting standards and guidance. Where appropriate, APRA and the agencies have updated the relevant reporting standard or guidance, or will respond bilaterally to the organisation requesting clarification.

² [Modernised Economic and Financial Statistics \(EFS\) Data Collection - Annual reporting extension](#)

Finalised reporting standards and guidance

Copies of the finalised reporting standards and guidance are available at:
<https://www.apra.gov.au/modernised-economic-and-financial-statistics>.

Yours sincerely,

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