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Dear ██████████

Consultation on proposed changes to due dates of quarterly reporting for ADIs

The Australian Banking Association (**ABA**) welcomes the opportunity to provide feedback on the Australian Prudential Regulation Authority's (**APRA**) changes to due dates of quarterly reporting for Australian Deposit-taking Institutions (**ADIs**).

The ABA supports the alignment of reporting due dates, with some refinement as outlined in the recommendations section of this submission. The submission presents the view of the majority of ABA members. One member will provide a separate submission.

With the active participation of its member banks in Australia, the ABA provides analysis, advice and advocacy for the banking industry and contributes to the development of public policy on banking and other financial services.

The ABA works with government, regulators and other stakeholders to improve public awareness and understanding of the industry's contribution to the economy and community. It strives to ensure Australia's banking customers continue to benefit from a stable, competitive and accessible banking industry.

Support for changes to due dates of quarterly reporting for ADIs

ADIs report commercially sensitive information to APRA on monthly and quarterly bases. Over time the reporting due dates have become disjointed with some returns due earlier than others, even where they are interrelated. As an example, this occurs with ARF112.1 and ARF112.2.

APRA has proposed to align the submission dates for all quarterly reporting to 35 calendar days after the end of each quarter. The ABA is generally supportive of the alignment of reporting due dates. To achieve the best success in the alignment of dates, the ABA recommends that:

1. The proposal for ADIs to submit their regulatory reporting 35 days after the end of each quarter is measured by business days rather than calendar days.
2. An annual calendar is released each year to specify which date ADIs are required to make their submission and the calendar accounts for public holidays in all states and territories when measuring the 35 business days, and
3. APRA allows individual banks to negotiate extensions where submission dates conflict with their own ASX market reporting.

An important caveat is that the ABA's support of the proposal and subsequent recommendations are based on current arrangements for ADI quarterly reporting. APRA is proposing to make quarterly data reported to them by ADIs non-confidential. Depending on the decisions APRA makes regarding that proposal additional time may be required for ADIs to review market sensitive data. This will be discussed in more detail in the ABA submission to that proposal.

Recommendations

Calendar versus business days

While the ABA supports APRA's initiative to rationalise reporting dates, we recommend the proposed dates are measured by business days rather than calendar days. Measuring submission due dates by calendar days creates some earlier reporting dates than exist under current arrangements.

Earlier submission dates will lead to less time for ADIs to create and review their submissions which can increase the possibility of errors. Examples of where ADIs would have less time to submit their returns under the proposed 35 calendar day deadline are displayed below.

Table 1: Examples of earlier regulatory reporting submission dates resulting from APRA changing quarterly reporting to 35 calendar days after quarter end

Reporting form	Subject	Balance Date	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20
		New CD35 due date	4-Feb-20	5-May-20	4-Aug-20	4-Nov-20	4-Feb-21
ARF 220.5 Movements in Provisions for Impairment	Credit risk	Current due date: 25 business days after quarter end	6-Feb-20	8-May-20	5-Aug-20	5-Nov-20	8-Feb-21
ARF 330.0.C Statement of Financial Performance (Consolidated Group)	Financial statements	Current due date: 25 business days after quarter end	6-Feb-20	8-May-20	5-Aug-20	5-Nov-20	8-Feb-21
ARF 760.0 ATO Collection for Major Bank Levy	Other requirements	Current due date: 30 business days after quarter end	13-Feb-20	15-May-20	12-Aug-20	12-Nov-20	15-Feb-21

Earlier submission dates will also cause conflicts between regulatory reporting requirements. Specifically, 35 calendar days will cause an overlap with when banks submit RBA capital returns. This will make it difficult for ADIs to meet their statutory obligations and result in some misalignment with Pillar 3 availability. Banks require the same staff to work on both submissions so these clashes will result in a peak workload, again increasing the possibility of data errors.

Finally, given that calendar days do not account for public holidays, there are likely to be significantly increased workloads for regulatory reporting staff where there are fewer business days resulting from public holidays. For example, Easter and ANZAC public holidays fall on different dates each year consuming up to three working days.

Annual calendar of reporting dates

The ABA acknowledges that a move to business over calendar days may cause some confusion due to the variation in public holidays between states and territories. APRA could overcome this by publishing an annual calendar for reporting dates.

Regulatory reporting resources are under the most constraint during periods of market disclosure, such as the lead up to publishing annual reports. Therefore, ADIs should be allowed to bilaterally approach APRA to negotiate submission dates that do not conflict with their own market reporting.

Request for further clarification on amendments to reporting dates

In addition to the ABA recommendation to change the measurement of reporting dates, the ABA would welcome further clarification on the following:

- APRA's position is that a standardized submission date will eliminate multiple rounds of data queries and align the data query process conducted by APRA, the RBA and the ABS. *Can APRA please clarify the proposed query process, with intended timelines?*
- APRA proposed to grant an immediate extension to 35 calendar days to all quarterly reporting forms that are currently due before the 35th calendar day to relevant ADIs. *Can APRA please confirm that it intends to grant the extension to all ADIs for all quarterly reporting currently due before the 35th calendar day?* In line with commentary above, the ABA would recommend the use of business days rather than calendar days.

Please contact me to discuss any questions relating to this proposal.

Yours sincerely,

[Redacted signature]

[Redacted name]

[Redacted title]

Director, Research and Data Management