



Level 24, Three International Towers
300 Barangaroo Ave
Sydney, NSW 2000
info@regcentric.com | 02 8091 7187
www.regcentric.com

Senior Manager, Data Strategy and Frameworks
Data Analytics and Insights
Australian Prudential Regulation Authority
Via email: Redacted

24 June 2022

Dear Sir/Madam,

Sub: Response to discussion paper Direction for Data Collections

We thank APRA for the opportunity to provide feedback on the discussion paper: The Direction for Data Collections.

RegCentric specialises in transformation in Regulatory Reporting, Finance and Risk in the Australian financial services industry. RegCentric supports a wide range of regulated entities in their regulatory change programs to deliver on their obligations under the Prudential and Reporting Standards. We provide consulting and implementation services as well as modern technology solutions to meet new compliance requirements. RegCentric supports clients across the spectrum of ADI's, from the "big four" through to mid-Tier banks, foreign subsidiaries and credit unions, and also clients from the RFC, GI, Life, PHI and Superannuation industries.

APRA's 5-year roadmap is a timely publication as it provides clarity on the roll-out of APRA Connect. RegCentric has been a long-time advocate of establishing Comprehensive Data Collections as opposed to the current form-based approach. When implemented well, it best supports the "collect once" principle and ultimately leads to reduced regulatory burden for industry. We welcome APRA's overarching strategy and direction and we look forward to contributing to the industry working groups.

Within this letter we outline some considerations for a successful execution of this program of work.

The need for machine-readable regulation.

In line with APRA's regulatory framework overhaul and move to digital regulation, APRA's reporting requirements should be published in machine-readable format. As it stands, the roll-out of APRA Connect requires further improvements to meet industry expectations in this regard.

APRA and Standard Business Reporting (SBR)

APRA Connect moves away from SBR and XBRL taxonomies (which are machine-readable) towards an APRA Connect specific taxonomy which is not aligned with other government agencies in Australia. This has been highlighted as a particular area of concern by many

industry participants who have made significant investment in adopting SBR, a whole of government initiative. We propose APRA clarifies its rationale for moving away from SBR and provides further clarification and assurance how it will align its reporting taxonomies with the other federal regulatory bodies including such as ATO, ASIC and ABS, to avoid compounding efforts and cost for industry to meet multiple regulatory taxonomies.

Roadmaps

- i) Chapter 3 of the document provides road maps for the three key industries i.e., Superannuation, Insurance, and Banking and by 2027, APRA expects to have all collections on APRA Connect and be able to decommission D2A. This document is silent on the road map for non-regulated industries such as Registered Financial Corporations (RFCs). Can APRA clarify how and when *non-regulated entities* will transition to APRA connect from existing D2A?

Banking Roadmap – Table 9

- ii) Table 9 provides five phases to complete the Comprehensive Credit Collection. There is confusion in the industry about the five phased collection approach. It appears, APRA is following existing forms as the basis for this distribution; however when granular submissions will be made, some forms may become redundant, or efforts will be duplicated. For example, when submission for credit phase 3 – ‘credit risk capital’ will be completed, submission of off-balance sheet data under phase 4 would be redundant or it will be a duplication of efforts. Same applies to credit phase 5 – EFS (assets) submissions. We propose APRA looks at the data sets more holistically and avoids the duplications in submissions, to achieve its vision to reduce duplicative and inconsistent data and streamline the reporting process.

Co-ordination among agencies

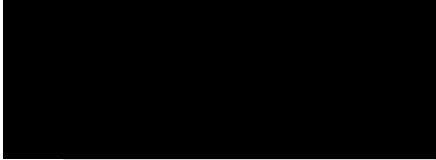
- iii) APRA states that it will continue to collaborate with other agencies so that individual agency data requests can be reduced. Can APRA advise if the respective agencies also have reviews under way of their individual data collection suites, and if they can provide expected dates when non-APRA regulatory submissions could cease?

Disproportionate impost to smaller organisations

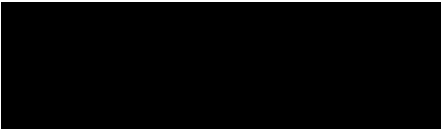
- iv) Smaller entities across industries struggle to resource ongoing regulatory reporting changes. Many organisations have a finance team of only a couple of staff and find that keeping up with regulatory change represents a disproportionately significant challenge to them in terms of cost, expertise, and implementation of the changes taking their focus away from running their respective businesses. Is APRA able to provide a mechanism to assist these organisations with managing the change under the 5-year data collection roadmap? An option similar to the Simplified Approach available within the Basel III Reform package is an example of such assistance.

We thank APRA for the opportunity to lodge this submission and would welcome further discussion on our feedback. Please do not hesitate to contact us via email on info@regcentric.com.

Yours Faithfully



Thomas Verlaet
Founder | Principal Consultant



Ian McLachlan
Principal Consultant



Farrukh Khan
Principal Consultant