



RESERVE BANK OF AUSTRALIA



APRA

RESPONSE TO SUBMISSIONS

Economic and financial statistics

23 August 2017

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Preamble

On 18 January 2017, APRA, and the ABS and the RBA (the agencies) released a package for consultation on proposed changes to the Economic and Financial Statistics (EFS) collection (previously informally known as the 'domestic books' collection). APRA received 29 submissions in response. This paper sets out the main themes of these submissions, and details both the agencies' responses to the feedback and the considerations involved in reaching these responses. The main themes raised related to implementation, data quality and data concepts. Some respondents also provided feedback on specific forms.

In addition, APRA and the agencies are consulting on a revised version of the data quality framework for the EFS collection. Written submissions should be forwarded to APRA by 18 October 2017, preferably by email, to:

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Chapter 1 – Executive summary

The *Financial Sector (Collection of Data) Act 2001* (FSCODA) provides the Australian Prudential Regulation Authority (APRA) with the authority to collect information from financial sector entities, allowing it to fulfil its role as national statistical agency for the financial sector. In this role, APRA collects data on the domestic operations of authorised deposit-taking institutions (ADIs) and registered financial corporations (RFCs) (collectively, reporting institutions) on behalf of the Australian Bureau of Statistics (ABS) and the Reserve Bank of Australia (RBA) (collectively, the agencies). These data are used extensively for publication, analysis and policy purposes.

On 18 January 2017, APRA, the ABS and the RBA released a proposal for a modernised data collection renamed the Economic and Financial Statistics (EFS) collection. The proposal included implementation of updated and new forms in three phases. Submissions from industry were invited with a due date of 18 April 2017. An extension was given to 16 May 2017 for responses regarding the phases 2 and 3 forms. Twenty-nine submissions were received; of which 12 were confidential.

In response to this feedback, a number of key changes have been made to the reporting requirements:

- The initial implementation date has been postponed from the reporting period beginning 1 July 2018 to the reporting period ending 31 March 2019 (for phase 1 forms). The parallel run requirements have also been reduced.
- Due dates calculated on a calendar-day basis after the end of the reporting period have been replaced with due dates calculated on a business-day basis for monthly forms.
- Some of the reporting thresholds have been revised upwards, including the requirement to report on cost/value of funds and margin data on the interest rate forms.
- The data quality elements of the proposed data quality standard and guidance have been combined into a revised reporting practice guide, which is being released for further consultation. The assurance elements of the proposed data quality standard have been transferred to a separate reporting standard for RFCs that is also being released for consultation, while *Prudential Standard APS 310 Audit and Related Matters* (APS 310) will cover the assurance requirements for ADIs (as is currently the case).
- To report on the industry classifications, reporting institutions currently using Australian and New Zealand Standard Industrial Classification (ANZSIC) 1996 may also use the previously proposed treatment for the back book to categorise counterparties when extending new finance.
- To maintain business size categorisations over time, reporting institutions will not need to maintain turnover data from counterparties on an ongoing basis but will instead be able to classify according to turnover at origination. Exposure size will still need to be maintained on an ongoing basis.
- The location of the property the funds are being used for remains the data of interest to the agencies when considering residential property location, however an allowance has been made for reporting institutions to use the location of the collateral as a proxy if required.

Further information on these changes and other alterations made to the EFS collection in response to feedback are detailed elsewhere in this paper.

Chapter 2 responds to feedback received in submissions on implementation including timelines and parallel runs.

Chapter 3 responds to feedback received in submissions on data quality requirements.

Chapter 4 responds to feedback received in submissions on data concepts, including industry and sectoral classifications.

Chapter 5 responds to form-specific feedback received in submissions.

Chapter 6 explains next steps in modernising the EFS data collection.

Appendix 1 lists the reporting frequencies and due dates for EFS forms.

Appendix 2 lists reporting thresholds for each form.

Appendix 3 lists the implementation and parallel run dates.

As noted in *Chapter 5*, some of the feedback requested clarifications of aspects of the proposed reporting requirements. Where these requests are minor in nature and have not been raised by multiple parties, any changes made to reflect these requests can be found in the guidance and marked up in the standards released with this response paper.

Chapter 2 – Implementation

Timeline, phasing and parallel run periods

The proposed implementation timeline allowed for three phases, each six months apart, with the first phase of reporting commencing for the period beginning 1 July 2018. The discussion paper proposed a hybrid backward-looking and forward-looking approach to parallel runs which, at its longest, was six months backward-looking and six months forward-looking for data reported in the first phase.

Comments received

One of the most consistent messages in feedback was that the proposed implementation timeline was too short. In particular, a number of respondents noted that the six month backward-looking parallel run period for the data delivered in the first phase moved the effective implementation date from mid-2018 to the start of 2018.

Twenty-four respondents requested a longer implementation timeline. Of these, one requested a minimum of 12 months from the release of final forms and instructions until effective implementation, seven requested a minimum of 18 months and 13 requested a longer timeframe. Reasons for a longer implementation timeline included: logistical concerns around putting forward a business case for internal funding for IT systems changes; allowing sufficient time to implement a comprehensive solution for the modernised EFS forms rather than a tactical solution which could be implemented more quickly but would involve ongoing manual effort in regular business-as-usual reporting to APRA and concomitant risk; time required to embed changes and controls to meet the new data quality requirements; and that the effective implementation date for phase one was six months earlier than the first submission date. Various submissions also noted that certain aspects of the proposed collection may take longer to implement.

Five submissions suggested some change to the phasing, with three suggesting that *Reporting Standard ARS 721.0 ABS/RBA Repurchase Agreements and Securities Lending* (ARS 721.0) be moved to the final phase and one suggesting that the number of phases be reduced to two.

Seventeen submissions discussed the proposed parallel run requirements; of these, one expressed a preference for backward-looking data while seven preferred a forward-looking parallel run only. Two of the submissions from, or on behalf of, small- to mid-sized institutions requested that these institutions be exempt from the parallel run reporting requirement. Two submissions suggested there was not much value in trial runs, or that they would not be practical in the current implementation timeframe.

The remaining five submissions either did not comment on the implementation timeline or parallel run, or indicated they would be capable of meeting the proposed timeline.

Response

In response to this feedback, significant changes have been made to the proposed EFS timeline – refer to Appendix 3 for the detailed implementation timeline. The main changes to the timeline are:

- The proposed backward-looking parallel runs are not being adopted. For the balance sheet forms and ARS 721.0, the forward-looking parallel run has been shortened from six months to four months for monthly forms; however, quarterly forms will still need to be submitted for two quarters in the forward parallel run period.
- The first reporting period will be that ending 31 March 2019 (phase 1). This is nine months later than the first forward-looking parallel run submission under the consultation proposal, and 15 months later than the effective date under the consultation proposal (with the six months of backwards-looking parallel run submissions included). This provides 19 months from the release of the final forms and instructions until the first reporting period.
- More time is also allowed from the release of the final forms and instructions until the first reporting period for phase 2 (23 months) and phase 3 (25 months), but these will now follow phase 1 more closely on account of the later start date for phase 1; and
- ARS 721.0 has been moved from phase 1 to phase 3.

These changes allow reporting institutions significantly more time to seek resources, implement required changes to systems, and establish the necessary controls over data quality. Changes to the data quality requirements (covered in *Chapter 3*) and other changes in response to feedback will further reduce the implementation burden compared with the proposal contained in the discussion paper by removing some of the requirements that ADIs and RFCs regarded as more challenging to implement.

Regular reporting under the proposed collection

The proposed EFS collection provided for regular reporting on calendar days, rather than on business days as is current practice for the domestic books forms. The proposed due dates were: 15 or 20 calendar days for monthly forms; 28 calendar days for quarterly forms; and 80 calendar days for annual forms.

Comments received

The proposed move to a calendar day submission basis presented difficulties for monthly reporting. Nine institutions requested to retain the existing business day submissions basis. Arguments in favour of business day submissions included: alignment with existing business processes; difficulties hiring and retaining staff who are willing to work on weekends and/or public holidays; inability to contact subject matter experts to verify or explain data on weekends and/or public holidays; reduced time to complete submissions; and/or negative impacts on data quality in months with public holidays as reporting teams come under time pressure.

Three submissions noted the shortening of the proposed submission date for *Reporting Form ARF 730.1 ABS/RBA Fees Charged* (ARF 730.1) in comparison to the current RBA Bank Fee Survey. Institutions noted that the form was complex to complete within the proposed time

frame given that it is reported on a basis that differs from accounting standards and that the requirement to produce the form on a standardised financial year basis would add to the computations required.

Some of the submissions also requested changes to the frequency of reporting under the proposed EFS collection. For example, four institutions suggested that the frequency of reporting on *Reporting Form ARF 721.0 ABS/RBA Repurchase Agreements and Securities Lending* (ARF 721.0) be reduced from monthly to quarterly and one institution suggested that reporting of interest rate data be reduced to quarterly.

Response

On the basis of the feedback received, APRA and the agencies have amended monthly reporting from a calendar day basis to a business day basis. Those forms due to be reported on calendar day 15 will instead be due on business day 10, while those forms due to be reported on calendar day 20 will instead be due on business day 15. Reporting at frequencies longer than monthly will remain on a calendar day basis as proposed during the consultation, consistent with reporting to APRA on other recently revised forms. In addition, the submission date for the ARF 730.1 annual form will be extended from 80 calendar days to four calendar months.

The agencies are not changing the frequency of submission of forms. The Financial Stability Board (FSB) reporting standard that the repurchase agreement and securities lending data are designed to meet has a minimum requirement of monthly reporting. Likewise, the monthly reporting of interest rates data reflects its usefulness for informing the monthly monetary policy decision at the RBA.

Reporting thresholds

A new feature of the proposed EFS collection was greater targeting of proposed reporting requirements to the larger players in a given market; this was achieved by setting reporting thresholds based on the value of a particular asset or liability on the reporting institution's domestic books balance sheet.

Comments received

There was some support for this approach, with an industry body submission and a reporting institution submission favourably referencing this principle. However, there were a number of requests for further reductions in the number of institutions required to submit detailed data. Five submissions requested that the reporting thresholds for *ARS 721.0, Reporting Standard ARS 722.0 ABS/RBA Derivatives* (ARS 722.0) and/or *Reporting Standard ARS 723.0 ABS/RBA Margin Lending* (ARS 723.0) be increased, seven requested that particular classes of institutions (such as foreign-owned banks) be exempt from reporting data on cost or value of funds and margins, one submission requested higher reporting thresholds for *Reporting Standard ARS 743.0 ABS/RBA Housing Finance* (ARS 743.0), *Reporting Standard ARS 744.0 ABS/RBA Housing Credit Stocks, Flows and Interest Rates* (ARS 744.0) and *Reporting Standard ARS 747.0 ABS/RBA Deposit Stocks, Flows and Interest Rates* (ARS 747.0), and another requested that the reporting thresholds for *Reporting Standard ARS 741.0 ABS/RBA Business*

Finance (ARS 741.0), ARS 743.0 and *Reporting Standard ARS 745.0 ABS/RBA Personal Finance* (ARS 745.0) be subject to flow as well as stock thresholds.

Response

The agencies have reviewed the reporting thresholds and made the following changes to those proposed in the consultation:

- *Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position* (ARS 720.0), *Reporting Standard ARS 720.1 ABS/RBA Loans and Finance Leases* (ARS 720.1) and *Reporting Standard ARS 720.2 ABS/RBA Deposits* (ARS 720.2) have been raised from \$200 million to \$400 million of domestic books assets for monthly reporting by RFCs;
- ARS 721.0 has been raised from \$100 million to \$1 billion of repos and reverse repos as reported on the domestic books balance sheet;
- ARS 723.0 has been raised from \$100 million to \$150 million of domestic books margin lending;
- ARS 743.0 and ARS 744.0 have been raised from \$2 billion to \$6 billion of domestic books housing credit;
- ARS 747.0 and *Reporting Standard ARS 748.0 ABS/RBA Wholesale Funding Stocks, Flows and Interest Rates* (ARS 748.0) have been raised from \$2 billion to \$4 billion of domestic books deposits.

While some reporting institutions may consider the thresholds low in comparison with their much larger global operations, those amounts are significant to particular markets in which those entities operate and thus are required as information for policy purposes.

In addition, the agencies have made changes to the requirements for reporting on cost/value of funds and margins. Specifically, a separate – reduced – form has been created for each of *Reporting Standard ARS 742.0 ABS/RBA Business Credit Stocks, Flows and Interest Rates* (ARS 742.0), ARS 744.0, *Reporting Standard ARS 746.0 ABS/RBA Personal Credit Stocks, Flows and Interest Rates* (ARS 746.0), ARS 747.0 and ARS 748.0. These reduced forms exclude detail on cost/value of funds, margins, benchmark rates and hedging derivatives.

- ADIs and RFCs with less than \$25 billion in deposits will report on the reduced form version of any of the above forms for which they otherwise meet the base reporting threshold.
- ADIs and RFCs with \$25 billion or more in deposits will be required to fill out the full version of the form (provided, in the case of ARS 742.0, ARS 744.0 and ARS 746.0, that they also meet the base reporting threshold).

The changes to reporting thresholds and the introduction of a reduced-form version for information reported under ARS 742.0, ARS 744.0, ARS 746.0, ARS 747.0 and ARS 748.0 will reduce the reporting burden for a considerable number of institutions.

While acknowledging concerns that a small number of reporting institutions that are no longer making new loans may be captured by the stock thresholds for reporting on finance commitments, this situation is infrequent and so can be dealt with on a case-by-case basis in consultation with APRA and the agencies.

Chapter 3 – Data quality and presentation of information

Data quality standard and guidance

The proposed data quality standard *Reporting Standard ARS 702.0 Data Quality for the EFS Collection* (ARS 702.0) set out a series of accuracy thresholds that reporting institutions were expected to meet; the accuracy required varied according to the size of the reporting institution and whether the data in question was regarded as 'very high' or 'standard' priority by the agencies. The proposed standard also contained assurance requirements for the EFS collection. This data quality standard was accompanied by a further data quality guidance document.

Comments received

Feedback predominantly related to three areas: the relationship between the assurance requirements of the reporting standard and those in APS 310, the level and prescriptiveness of accuracy thresholds in the data quality standard, and the 99 per cent confidence level noted in the data quality guidance document.

The inclusion of a set of assurance requirements for the EFS collection in the data quality standard generated a number of requests for clarification as to the roles and responsibilities of internal and external audit in providing assurance over data quality for the EFS collection. Seven institutions indicated a preference that the assurance requirements be split out and contained in APS 310, rather than in the EFS data quality and assurance standard.

Thirteen institutions expressed concerns that these accuracy thresholds were more stringent than those applied to existing statutory financial reporting. In particular, respondents expressed concerns that the percentage accuracy thresholds would apply at a more detailed level than is required for statutory financial reporting. Six of these institutions suggested that the data quality standard draw more closely on the principles-based approach of *Prudential Practice Guide CPG 235 Managing Data Risk* (CPG 235), rather than using quantitative metrics for data accuracy thresholds.

While five of the submissions acknowledged the benefits of prioritising of data items according to the needs of the agencies, the same number of institutions expressed a preference that any data items not sourced from accounting records should be accorded a 'standard' priority because of the greater costs associated with verifying the accuracy of non-accounting data through audit processes.

There was broad and consistent feedback that the guidance around the confidence level ('99 per cent') applying to the data quality was too high. Fifteen of the institutions requested further instructions on how such a confidence level should be achieved and/or indicated that the costs of achieving this level of confidence would be prohibitive. In particular, some respondents noted that the extent of sample testing would need to increase significantly in

order to deliver this level of confidence and the time, effort and cost involved in internal or external audit carrying out these activities would increase commensurately.

Some institutions also sought further information on operational aspects of the data quality framework, such as engagement with APRA and the agencies on reporting errors once identified.

Response

The quality framework for the EFS collection has been restructured as a reporting practice guide rather than a standard and guidance. On the basis of the feedback received, APRA and the agencies are today releasing a revised data quality guide, *Reporting Practice Guide RPG 702.0 ABS/RBA Data Quality for the EFS collection* (RPG 702.0), replacing the data quality elements of the previously proposed data quality standard and guide. See *Chapter 6 – Next steps* for further information on this additional consultation.

APRA and the agencies acknowledge that the drafting of the previous data quality standard and guide, which included the incorporation of assurance requirements within the standard, resulted in a lack of clarity of intended roles, responsibilities and activities relating to data quality for the EFS collection. In particular, the feedback received suggested that the accuracy thresholds (in the data quality standard), and the 99 per cent confidence level expectation (noted in the data quality guidance) had both been interpreted as being partly or completely targeted at the external audit of EFS data. This interpretation appears to have led to at least some of the concerns being raised about the operation of the data quality standard, including the likely cost of audit being undertaken to that level of detail and certainty.

The audit requirements for the EFS collection have been removed from the revised data quality guide to more clearly delineate the expectations of RPG 702.0. Instead, audit requirements for the EFS collection for ADIs will be based solely on the existing audit requirements in APS 310, which will be amended to include *Reporting Form ARF 720.0 ABS/RBA Statement of Financial Position* (ARF 720.0), *Reporting Form ARF 720.1 ABS/RBA Loans and Finance Leases* (ARF 720.1) and *Reporting Form ARF 720.2 ABS/RBA Deposits* (ARF 720.2) in Attachment A (Data Collections subject to reasonable and/or limited assurance). As APS 310 does not apply to RFCs, a new *Reporting Standard RRS 710 Registered Financial Corporations Audit for the EFS Collection* (RRS 710.0) is also being released for consultation today.

The accuracy thresholds and listing of priority data items have been moved from the previously proposed data quality standard and individual reporting standards to RPG 702.0 and there have been some minor changes to the list of 'very high' priority items. The accuracy thresholds have been renamed as 'data quality benchmarks' to more clearly reflect the intent of communicating the level of data quality expectations to meet the needs of the agencies in their use of the EFS collection. The list of 'very high' priority items reflects the importance of data items to the agencies; accordingly, this list will continue to include items that some reporting institutions may consider to be derived from non-accounting records.

Feedback received as part of consultation noted the work being undertaken by ADIs in implementing the principles set out in CPG 235 as part of their data risk management practices. RPG 702.0 sets out ways in which the data quality benchmarks can be considered

in the design and operation of data risk management practices in line with principles described in CPG 235. Although CPG 235 does not apply to RFCs, the sound practices set out in CPG 235 are nonetheless relevant for RFCs to consider in meeting the data quality needs of the EFS collection.

APRA and the agencies consider that RPG 702.0 reflects feedback from industry that flexibility is needed in how controls around the quality of data are implemented in a timely and practical manner. It is expected, however, that a review of the effectiveness of RPG 702.0 will be undertaken after it has been in operation for an appropriate amount of time to determine whether it is achieving the intended outcome and whether it needs to be amended or replaced with a requirements-based standard in order to achieve the quality of data necessary for the agencies.

RPG 702.0 has not been amended to include further information on processes to be followed once reporting errors have been identified by a reporting institution. RPG 702.0 is intended to be guidance relating to forward-looking practices around the management of data risk relating to EFS data and to communicate the agencies' data quality needs, rather than to describe operational practices. It is expected however that a reporting institution would engage with APRA and the agencies about errors to discuss options and processes for remediation. It is also expected that the reporting institution would, within their data risk management framework, consider the cause of the error and whether adjustments or additions to controls were required.

Presentation of information

The proposed EFS collection contained significantly more detailed instructions than are provided for the forms being replaced, a definitions standard for terms common to several forms, and related reporting guidance.

Comments received

While favourably noting the efforts of the agencies to improve the quality of the instructions and guidance, five of the submissions made further suggestions to improve the clarity of these documents. In particular, some respondents suggested that all definitions (not just the cross-form definitions) be included in the central glossary *Reporting Standard ARS 701.0 ABS/RBA Definitions for the EFS Collection* (ARS 701.0), and that the cross-referencing between the reporting standards and guidance be improved for ease of reading. One respondent suggested that the simplest way to achieve this may be to include all of the reporting forms in the one reporting standard. Three submissions requested further clarification of the agencies' intentions for, or made suggestions regarding the provision of, any further guidance required and how this would be incorporated into the guidance document, or otherwise socialised among reporting institutions over time to drive consistency.

Response

The agencies have reviewed this feedback, and while the proposal to include all reporting forms in the same standard is viewed as introducing further complexity, changes have been

made to the reporting standards and instructions to improve usability. All of the definitions are now contained in the central glossary. While the reporting standards are free of references to the supporting guidance given the legally binding nature of the reporting standards, the reporting concepts guidance document *Reporting Practice Guide RPG 701.0 ABS/RBA Reporting Concepts for the EFS Collection* has been reviewed and further internal cross-referencing and section numbering added.

Going forward, APRA and the agencies may issue additional guidance, for example in the form of frequently asked questions on APRA's website, to respond to requests for clarification from reporting institutions. APRA and the agencies will also monitor ongoing feedback and consult on further changes to RPG 701.0 to improve usability as and when needed.

Chapter 4 – Data concepts

Loan purpose

The classification of finance according to the main purpose for which the funds borrowed are to be used – business, housing or personal – is a fundamental organising principle of the existing domestic books collection and the proposed EFS collection. For housing, the further determination of whether the finance is provided for a home that will be the principal place of residence of the borrower (an owner-occupier borrower) or not (an investor) is also of central importance. The proposed EFS collection provided further clarifications around the agencies' expectations for reporting of these concepts, both at origination and over time.

Comments received

Several submissions commented on the classification of finance by purpose. One of the submissions contended that product remained a more accurate classification methodology than purpose. Other submissions noted that their approaches to determining purpose classifications either were or would be consistent with this classification approach on new finance.

The classification of housing loans into owner-occupier and investor received particular attention. Several submissions noted the changed definitions for these terms, and noted the difference with the classification in APRA's new *Reporting Standard ARS 223.0 Residential Mortgage Lending* (ARS 223.0). There were also a number of comments highlighting concerns about the operational implications of seeking up-to-date customer information to support ongoing verification.

Response

As stated in the consultation paper, the classification of finance by purpose is fundamental to the use of the domestic books data. While these classifications contain similarities with some of the business unit and/or product breakdowns used by ADIs and RFCs, they are not necessarily synonymous, as the initial classification to a particular product may or may not align on a one-for-one basis with a given purpose and, further, may or may not continue to be consistent with this purpose over the term of the finance. While product type may be an input into the determination of purpose type, in order to ensure finance is appropriately classified by purpose, other information or classification methodologies may be required at times.

The purpose classification basis in ARS 223.0 is now aligned to definitions used in the EFS collection.

More generally, the discussion paper noted that the use of the initial product type as an ongoing classification of a housing loan as investor or owner-occupier has led to large-scale revisions to reclassify the stock of housing loans to their appropriate current purpose. In order to address this problem, the instructions and reporting guidance in the new collection make clear that the classifications reported in the stock are expected to remain accurate over time and that, in the case of investor and owner-occupier housing loans, the reporting

institution is likely to need supplementary methods of ensuring that these data remain reasonably accurate over time. The agencies understand that this additional verification will not be without costs; however, the policy importance of these data is such that these costs are considered warranted. The agencies have not been prescriptive about how this verification is achieved, but have provided some possible options in the reporting concepts guidance document.

Industry and sectoral classifications

The proposed EFS collection updates the industry and sectoral classifications to reflect developments in international and Australian classification standards.

Comments received

Of the submissions received, seven noted the updated industry classifications required in the proposed EFS collection. Three respondents noted that to implement data collection on an ANZSIC 2006 basis in their source systems would be very expensive. Respondents preferred a less costly approach to reporting the industry and sectoral classifications, such as extending the interim tactical approach proposed for back-book reporting to an option for reporting on the front book as well. One respondent requested further geographical detail on industry reporting on the basis that this would be of assistance to their analysis.

Alongside the industry classifications for businesses, the economic sector classifications used across many of the domestic books forms were also proposed to be updated. Submissions from five reporting institutions noted that they would face difficulty in appropriately allocating counterparties or customers to one or more of the new economic sector classifications. The sectors most frequently cited in this regard were: money-market investment funds; non-money market financial investment funds; and clearing houses. Additionally, three institutions noted that the inclusion of household trusts in the household sector if they do not hold a controlling interest in a business, and in the relevant non-financial business sector otherwise, would be complex to implement.

Response

The agencies have decided that, given the estimated cost and effort required to implement data collection on an ANZSIC 2006 basis in source systems, implementation in source systems will not be a requirement. For those reporting entities currently using ANZSIC 1993, the methodology proposed for the back book in the discussion paper will be permitted for the front book. The reporting concepts guidance document has been revised to reflect this permitted treatment. The agencies will also continue to explore options to share information on industry classifications to increase consistency, reduce the burden of collecting this information, and future-proof against further changes to Australian and/or international standard industry classifications. The agencies have also decided that the benefit of including further state breakdowns of the industry information is unlikely to outweigh the cost to reporting institutions of reporting this significant increase in the volume of data reported on an industry basis.

The agencies have excluded household trusts from the 'households' sector. This aligns with reporting under ARS 223.0. The agencies have also amended the reporting concepts guidance document to provide further information on how counterparties or customers from some of the more challenging economic sector classifications (such as money-market funds) can be identified and details of acceptable proxies that may be used in specified circumstances.

Business size

The proposed EFS collection includes data on business counterparts split by the size of the business. The small/medium/large classification is based on a combination of exposure size and turnover of the counterparty, with allowance for those institutions using the Basel Committee for Banking Supervision (BCBS) SME Retail/SME Corporate/Corporate classification (consistent with Pillar 3 reporting and *Prudential Standard APS 113 Capital adequacy: Internal ratings based approach to credit risk* (APS 113)) to use this alternative.

Comments received

A number of respondents commented on the proposed business size classifications; however, there was a diversity of opinions. Five reporting institutions noted that they either did not capture turnover data (for all or for some class of customers, such as deposit holders), did not hold these data in an easily reportable format or would find it expensive to manually update and maintain these data; three others requested amendments to the definition of turnover and/or references to sources of turnover information other than customer Business Activity Statements. Of those institutions that noted the option to use BCBS-related classifications as a proxy, two noted that the existing segregation of these pieces of information between risk reporting and statistical reporting systems would make this an expensive exercise, while one institution suggested that this be the sole method of determining business size to enhance consistency among reporting institutions. Alternative reporting options suggested included using the internal business unit and customer classifications of the individual reporting institution to create a series of business size proxies for reporting.

Response

As noted in the discussion paper, detail on businesses' finances by counterparty size is important for understanding access to finance across borrower types, particularly for small businesses. In order to ensure reasonably comparable breakdowns across reporting institutions and through time the proposed business size definitions have been retained, rather than relying on the internal business unit and customer classifications of individual ADIs and RFCs. The exception to this is for counterparties with whom the reporting institution does not have a lending relationship (i.e. for some reporting on ARF 730.1); in these cases the reporting concepts guidance allows for the reporting institution to use a consistent internally derived methodology for categorising according to business size.

In response to feedback, guidance that reporting institutions not using the BCBS classification should review both exposure size and turnover metrics annually has been revised such that turnover data need only be recorded at origination and not subsequently

reviewed. Any changes in categorisation resulting from changes in exposure size should, however, be maintained over time. In addition, the reporting guidance on appropriate measures of turnover has been expanded to include examples other than Business Activity Statements.

The allowance for reporting institutions using the BCBS classification to report business size on this basis will remain; those reporting institutions that face challenges in reporting on this basis may use the standard business size definitions instead.

Cost/value of funds

The proposed EFS collection collects information on the cost or value of funds and the margin alongside information on interest rates.

Comments received

Seven submissions requested certain classes of institutions be exempted from reporting requirements for cost/value of funds and margins and ten submissions requested that the agencies reconsider the need to collect these data from any reporting institutions. These institutions pointed to the lack of comparability across institutions in these data due to differences in internal calculation methodologies and breaks in individual institutions' data series over time due to changes in internal calculation methodologies. Some respondents also noted that the dimensions on which this information was sought differ from those used in internal pricing decisions and, as such, some degree of approximation or estimation may be required to produce some of the detail requested. In addition, two respondents noted that the procedure for querying and/or resubmitting these data would need to be managed differently from other types of data.

Response

The RBA, as the primary user of these data, acknowledges that, given that the reporting standards allow institutions to use their own internal calculation methodologies for the cost/value of funds and margins, there will be limitations to the comparability of the reported data across institutions. This has implications for how the data will be used, but does not negate the usefulness of the data.

Similarly, the RBA acknowledges that there may be series breaks in an individual institution's data over time as they make changes to their internal calculation methodologies and that the procedures governing querying and/or resubmissions of these data require different treatment. Accordingly, the discussion paper noted that the preferred method for querying these data will be to organise periodic meetings with representatives from the relevant areas of the reporting institution to discuss trends and raise questions. In addition, RPG 702.0 clarifies that changes to cost/value of funds and margin data that relate directly to a change in calculation methodology that has been approved by the reporting institution will not be classified as an 'error' from APRA's point of view, and will not require resubmission of historical data in the general case. The reporting concepts guidance document has also been amended to explicitly acknowledge that some of the detail requested may be produced on an estimated basis.

The introduction of reduced versions of the interest rates forms – covered in the ‘reporting thresholds’ section in *Chapter 2* – will also significantly reduce the number of reporting institutions required to report cost/value of funds and margin data.

Property location

The proposed EFS collection requires some housing loan data to be classified by state; the classification is determined by the location of the property for which the funds have been borrowed. In addition, some items on the ARS 741.0 relating to the location of certain property-related business finance also require the reporting institution to know the state of the property for which the funds were borrowed.

Comments received

Six respondents commented that reporting the location of the property for which funds have been borrowed would be challenging. For instance, several respondents noted that, although the location of the property may be known for a housing loan, it may not be recorded in an easily retrievable form if this property address is not the same as the address of the collateral. One respondent explicitly noted that this would also be a challenge for business loans. Several respondents suggested using the location of the collateral as a proxy measure.

One submission from a state treasury department noted the importance of state-level data and requested the reinstatement of some of the state-level detail that has been removed and some additional state-level detail.

Response

For housing finance, the agencies continue to have a strong preference that the location of property is reported based on the location of the property for which the funds are being used. However, given the feedback from some institutions on the challenge of reporting this information, the agencies have decided to allow the use of collateral location as a proxy for property location when reporting housing loans by state.

For business finance, the agencies consider that the collateral address is not a suitable proxy for the property address as this measure is expected to provide a biased estimate of business finance for construction or purchase of property by state.

These state-based measures of the provision of finance related to property are of keen interest to users of ABS data such as state and territory treasuries. The agencies are satisfied that the proposed requirements for reporting on a state-level basis best balance the needs of the data users against the cost to reporting institutions of producing these data.

Secured by residential property

The proposed EFS collection requires some information on personal and business loans secured by residential property.

Comments received

One submission proposed using business rules to determine if finance other than housing loans is secured by residential property.

Response

Business rules may be appropriate provided they are broadly consistent with the data being sought, although this was not the case for all proposals outlined in the submissions received.

Internal refinance

The proposed finance commitments forms collect data on the value of internal refinancing activity (on either a gross or a net basis, depending on feedback on the availability of data provided during informal consultation).

Comments received

Four institutions expressed concerns about the requirements to report internal refinancing for housing, personal and business loans; for some institutions this reflected a difficulty in identifying these loans or reporting on this basis, while for others this represented a concern that the differentiated treatment that had been proposed across different finance types and at different stages in the extension of finance would generate confusion and misreporting.

Response

The agencies acknowledge this feedback and have aligned the required treatment of internal refinancing across the finance commitments forms. In particular, the requirement to report internal refinancing will now apply only to the gross value of internal refinancing commitments. The instructions and reporting concepts guidance have also been revised for clarity.

Chapter 5 – Form-specific feedback

Some of the feedback from institutions requested clarifications of aspects of the proposed reporting requirements. Where these requests are minor in nature and/or have not been raised by multiple parties, any changes made to reflect these requests can be found in the guidance documents and marked up in the standards released with this response paper (see Appendix 1 for a full list of EFS forms released as part of this response package). This chapter highlights form-specific aspects on which multiple reporting institutions provided feedback or where the response is likely to be of interest to a broader audience. As covered in *Chapter 3* and *Chapter 6*, the agencies remain open to providing further clarifications through the implementation process where required.

ARF 720.1 ABS/RBA Loans and Finance Leases

The proposed loans and finance leases form collects detail on loans and finance leases by counterparty and other characteristics including specific information on commercial property lending and lending to conduits.

Comments received

Three submissions noted that they would be unable to provide information on individual and/or collective provisions at the level of detail requested. Proposed alternatives included less detailed (portfolio level) reporting and allowance for allocation methodologies.

One submission requested that the agencies consider the use of the 'Commercial property' classification within ANZSIC 2006 reporting as a proxy for commercial property lending on ARF 720.1.

Response

At the portfolio level, the information provided by reporting institutions on collective provisions is unlikely to align with the detail required in most cases; accordingly a portfolio approach is unlikely to be appropriate for the intended uses of the data. However, the agencies are comfortable with reporting institutions using an appropriate apportionment methodology that, in the institution's view, is consistent with the detail requested. Where necessary, the same approach may be applied to individual provisions. The reporting concepts guidance document has been updated accordingly.

The agencies agree with the proposal to use specific ANZSIC codes as a proxy for commercial property reporting, and have revised the reporting concepts guidance document to reflect that the total of the 'Residential property construction' and 'Non-residential property construction' industry categories defined in ARS 701.0 may be used as a proxy for commercial property lending.

In addition, the requirement to report lending to conduits will be removed; the agencies will use information on lending to securitisers as a proxy.

Current *ad hoc* or informal collections of similar data (i.e. monthly housing credit by state and territory, conduit lending, arrears) may be discontinued by affected reporting institutions following one period of parallel reporting (i.e. one month of reporting both the *ad hoc* or informal collections and ARF 720.1).

ARF 721.0 ABS/RBA Repurchase Agreements and Securities Lending

The proposed repurchase agreements and securities lending form collects significantly more granular data on these types of transactions to meet new FSB data standards for securities financing transactions. The form has also been designed to meet ABS data requirements. In order to reduce reporting burden, two alternative options for reporting are provided; one requires trade-level data while the other provides breakdowns of aggregated data along various dimensions.

Comments received

Three submissions noted that tracking the reinvestment of cash collateral from securities lending would be challenging.

Two submissions requested further guidance as to which of the two form options was preferred and whether that choice was binding once reporting commenced; one of these institutions requested that APRA apply one method across the industry to enhance consistency of reporting.

One submission noted that the counterparty categories on this form contain some more granular sectoral detail than that used in other EFS forms and requested further work to increase alignment.

Response

Given the international policy interest in cash collateral reinvestment, the agencies are of the view that some reporting of cash collateral reinvestment data is appropriate. The template categories and allowances provided in the reporting standard are regarded as sufficient to allow the industry to report reinvestment.

The agencies have a preference for reporting institutions to submit trade-level data (Option A); however, both options will be maintained to accommodate the lowest cost adoption of the new FSB reporting requirements. Further guidance on switching between options has been added to the reporting concepts guidance.

Feedback regarding the sectors used for counterparty categories is noted. The countervailing consideration is the need to meet the counterparty categories selected by the FSB to allow internationally comparable data for global aggregation.

ARF 722.0 ABS/RBA Derivatives

The proposed derivatives form collects information on opening and closing positions, as well as net transactions and revaluations during the quarter, without netting of positions.

Comments received

Three submissions noted that the Australian Securities and Investments Commission (ASIC) framework for trade-level over-the-counter (OTC) derivatives reporting provided a very similar source of data, and that providing additional transaction-level data may be duplicative.

Six submissions requested further examples of: reporting treatment; changes to the structure of the form for reporting of exchange-traded derivatives; clarifications of net transactions and revaluations; further information on the treatment of derivatives switching between positive and negative market values (or vice versa); clarification of/adjustments to definitions; and changes to the valuation approach.

Two submissions noted similarities with the ABS Form 90 derivatives reporting.

Response

The agencies have not finalised *Reporting Form ARF 722.0 ABS/RBA Derivatives* (ARF 722.0) at this stage and based on the feedback received, the agencies will give further consideration to derivatives reporting, including the potential incorporation of the ABS Form 90 requirements.

The ABS, as the primary user of these data, will also take the opportunity to consult further with ASIC regarding its trade-level OTC derivatives data, and to explore the feasibility of receiving an aggregated derivatives data set from ASIC that reflects the data requirements specified in the proposed reporting standard.

A new consultation on the content and implementation of derivatives reporting is likely to occur later in 2017.

ARF 730.0 ABS/RBA Statement of Financial Performance

The proposed statement of financial performance form collects information on profit, loss and capital expenditure during the reporting quarter. The reporting concepts guidance document provides some information on when allocation methodologies can be used to derive some of the detail required.

Comments received

Several submissions requested clarifications and/or minor changes to definitions or allowed allocation methodologies, while some submissions suggested alternative allocation methodologies and/or proxies.

Two submissions noted duplication between the proposed form and existing reporting to the ABS (such as on capital expenditure, product pricing and business indicators).

Response

The instructions and reporting concepts guidance have been updated to reflect changes made in response to feedback, including in response to requests for alternative allocation methodologies and/or proxies.

In relation to the feedback on duplication with other ABS surveys, for entities reporting EFS data, following completion of the EFS parallel run period the ABS will discontinue the collection of Quarterly Business Indicators (QBIS) data and will only require the collection of expectations data from the Survey of New Capital Expenditure (CAPEX). These changes will take effect from the end of the parallel run period for *Reporting Form ARF 730.0 ABS/RBA Statement of Financial Performance* (ARF 730.0) (i.e. for reporting periods beyond December 2019). The ABS Loans and Deposits collection is used in the compilation of the Consumer Price Index (CPI). The ABS has commenced a body of work to determine whether or not the EFS data can replace the ABS Loans and Deposits collection, but this will take some time to complete as it would require a change in methodology.

ARF 730.1 ABS/RBA Fees Charged

The proposed fees charged form collects information on fees charged to customers in a standardised financial year.

Comments received

Four submissions noted that allocating fees charged at a granular counterparty level would be difficult and requested that allocation methodologies be allowed. One of these submissions noted that providing data for a reporting period that doesn't align with their financial year reporting would be problematic.

Response

The reporting concepts guidance document has been updated to reflect that appropriate allocation methodologies may be used to report by counterparty.

The agencies are not proposing to make any changes to the reporting period of this form as the data are required on a standardised basis for comparability.

ARF 741.0 ABS/RBA Business Finance and ARF 742.0 ABS/RBA Business Credit Stocks, Flows and Interest Rates

The business finance and interest rate forms collect information on the characteristics of and interest rates applied to lending to businesses.

Comments received

Two submissions recommended a change to the definition of commitments, while another submission questioned the usefulness of collecting data for related parties.

Response

The definition of a commitment for non-housing finance has been revised to allow the requirement for borrower acceptance to have occurred to be waived for ADIs following the existing treatment for capital allocation in *Prudential Practice Guide APG 112 Standardised Approach to Credit Risk* (APG 112).

The agencies have made some changes in relation to the treatment of related parties. Finance provided to related parties has been excluded from ARS 741.0. In contrast, the existing requirements to report related parties will be retained for ARS 742.0, with the addition of a break-out of related non-resident parties from the non-resident category.

Data on commercial paper purchases and interest rates on commercial paper has been removed from these forms.

ARF 743.0 ABS/RBA Housing Finance and ARF 744.0 ABS/RBA Housing Credit Stocks, Flows and Interest Rates

The housing finance and interest rate forms collect information on the characteristics of and interest rates applied to lending to households for the purpose of housing.

Comments received

One submission recommended a change to the definition of commitments. Two submissions noted ambiguities around the treatment of withdrawn or cancelled applications compared to declined applications, and more generally commented on difficulties reconciling the timing of application decisions with other data items.

Three submissions noted that they would not currently be able to meet the proposed requirements for reporting on first-home buyers. One submission noted the importance of first-home buyer data to their analysis, and requested further state-level detail.

Similarly, four submissions indicated that they would not currently be able to meet the proposed requirements for reporting on housing loans for which foreign-sourced income was used in the serviceability assessment. While noting that this information formed part of the serviceability assessment, these submissions noted that the information would be contained in loan documentation and would not be easily retrievable for reporting. One submission noted that information on loans serviced by foreign-sourced income would be of use to their analysis and requested further granularity by state.

One submission noted they do not currently identify facilities for retail customers.

Response

The definition of a commitment has not been revised for housing finance, as borrower-acceptance is more relevant in this market due to the greater prevalence of 'shopping around'. The requirement that a commitment is recognised after borrower-acceptance is consistent with the concessional treatment for residential mortgages outlined in APG 112.

In response to feedback, data items on approved and declined housing applications have been removed, although the number and value of applications received have been retained.

The agencies are not proposing to change the requirements for reporting on first-home buyers, balancing the challenge for those reporting entities that would not currently be able to meet the requirements against the policy importance of the data to users (and the request for more granular reporting from one respondent).

The agencies are also not proposing to change the requirements for reporting on loans for which foreign income was used in the serviceability decision. On the basis that this information is obtained by the reporting institution, and that it will only be required for new commitments, the agencies assess that the policy interest (including that noted by one respondent) outweighs the cost of reporting this information.

The definition of a facility and the associated reporting guidance have been revised to improve clarity, but the requirement to report on this basis remains. For analytical purposes, it is important that the agencies and users of published data are able to obtain data that groups together certain types of housing finance that are used to finance the same property.

ARF 747.0 ABS/RBA Deposit Stocks, Flows and Interest Rates and ARF 748.0 ABS/RBA Wholesale Funding Stocks, Flows and Interest Rates

The deposits and wholesale funding interest rate forms collect information on the characteristics of and interest rates paid to deposit customers and providers of wholesale funding.

Comments received

One submission questioned whether non-negotiable certificates of deposit should be treated as certificates of deposit rather than deposits.

Response

The agencies are not proposing to change the treatment of non-negotiable certificates of deposit and these should continue to be reported as deposits.

Chapter 6 – Next steps

Key dates

The final reporting standards, forms and guidance are available on APRA's website to enable reporting institutions to commence implementing the revised reporting requirements. The reporting forms will be available for testing in D2A progressively from early 2018.

As noted in *Chapter 5*, the agencies have not yet finalised ARF 722.0, and further consultation on derivatives reporting is likely to occur later in 2017.

For information on the final reporting periods for existing forms, see Appendix 3. Also listed in this Appendix is the final reporting period for the quarterly informal collection on lending and funding statistics submitted by the largest ADIs.

Current *ad hoc* or informal collections of similar data on the main balance sheet forms will be ceased according to the timeline laid out in the response to feedback on ARF 720.1 in *Chapter 5*.

The current reporting to the ABS on QBIS and CAPEX forms will be ceased and/or modified according to the timeline laid out in the response to feedback on ARF 730.0 in *Chapter 5*.

The discussion paper proposed that *Reporting Standard ARS 321.0 Statement of Financial Position (Offshore Operations)* be discontinued. Given the lack of objection to this proposal, the agencies will be proceeding with the cessation of this standard. In order to reduce reporting burden, this can occur prior to submission of EFS data and no further submissions of this form will be required.

Implementation working group

Some submissions from reporting institutions expressed interest in attending an implementation working group to raise questions of interpretation with APRA and the agencies, and to promote a consistent approach to reporting across the industry. APRA and the agencies agree with this suggestion to convene an implementation group and propose meetings be held approximately once every two months during the implementation phase. APRA and the agencies also are open to bilateral discussions with reporting institutions experiencing implementation issues or with clarification questions. Reporting institutions interested in pursuing either of these two options should make their preference known to APRA at the address below.

Australian Government (The Treasury) consultation on Reducing Barriers to New Entrants to the Banking Sector

On 17 July 2017, The Treasury released for consultation the draft *Treasury Laws Amendment (2017 Measures No. 8) Bill 2017: amendment to section 66 of Banking Act*. This Bill implements

the Government's 2017-18 Budget announcement that it will act to reduce regulatory barriers to entry for new and innovative entrants to the banking system, by lifting the prohibition on the use of the word 'bank' by ADIs with less than \$50 million in capital.

The EFS collection segments ADIs as 'bank' or 'non-bank' for the purposes of reporting by counterparty, and for determining reporting requirements (see Appendix 2). Subsequent to the Parliament's consideration of the proposed legislative changes, APRA and the agencies will consider any consequential amendments required to the EFS collection to ensure that reporting requirements align with the initial intent of the EFS consultation.

Upgrade of APRA's data collection system

APRA intends to replace its data collection system, D2A, over the next few years. Given the EFS collection implementation timetable, this may coincide with the first reporting periods of some of the EFS collection phases.

APRA is committed to consulting broadly with all stakeholders about the D2A replacement as it will be a significant change for all reporting entities. However, APRA also hopes that it will be a significant improvement for industry.

APRA expects to commence industry consultation on the D2A replacement before the end of 2017.

Consultation on data quality framework

As noted in *Chapter 3*, APRA and the agencies released the new data quality framework documents, RPG 702.0 and RRS 710.0, for consultation today. APRA invites comments on these documents. Written submissions should be forwarded to APRA by 18 October 2017, preferably by email, to:

Manager, Data Collection Design

DataAnalytics@apra.gov.au

Australian Prudential Regulation Authority

GP Box 9836

Sydney NSW 2001

Glossary

EFS reporting standards and forms

Standard	Form(s)	Name
ARS 701.0	n/a	<i>ABS/RBA Definitions for the EFS Collection</i>
ARS 702.0	n/a	<i>ABS/RBA Data Quality for the EFS Collection (discontinued)</i>
ARS 720.0	ARF 720.0A/B	<i>ABS/RBA Statement of Financial Position (Banks and RFCs)/(Non-bank ADIs)</i>
ARS 720.1	ARF 720.1A/B	<i>ABS/RBA Loans and Finance Leases (Banks)/(Non-bank ADIs and RFCs)</i>
ARS 720.2	ARF 720.2A/B	<i>ABS/RBA Deposits (Banks)/(Non-bank ADIs and RFCs)</i>
ARS 720.3	ARF 720.3	<i>ABS/RBA Intra-group Assets and Liabilities</i>
ARS 720.4	ARF 720.4	<i>ABS/RBA Debt Securities Held</i>
ARS 720.5	ARF 720.5	<i>ABS/RBA Equity Securities Held</i>
ARS 720.6	ARF 720.6	<i>ABS/RBA Securities on Issue</i>
ARS 720.7	ARF 720.7	<i>ABS/RBA Bill Acceptances and Endorsements</i>
ARS 721.0	ARF 721.0A/B	<i>ABS/RBA Repurchase Agreements and Securities Lending (Option A)/ (Option B)</i>
ARS 722.0	ARF 722.0	<i>ABS/RBA Derivatives (to be released at a later date for further consultation)</i>
ARS 723.0	ARF 723.0	<i>ABS/RBA Margin Lending</i>
ARS 730.0	ARF 730.0	<i>ABS/RBA Statement of Financial Performance</i>
ARS 730.1	ARF 730.1	<i>ABS/RBA Fees Charged</i>
ARS 741.0	ARF 741.0	<i>ABS/RBA Business Finance</i>
ARS 742.0	ARF 742.0A/B	<i>ABS/RBA Business Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>

ARS 743.0	ARF 743.0	<i>ABS/RBA Housing Finance</i>
ARS 744.0	ARF 744.0A/B	<i>ABS/RBA Housing Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>
ARS 745.0	ARF 745.0	<i>ABS/RBA Personal Finance</i>
ARS 746.0	ARF 746.0A/B	<i>ABS/RBA Personal Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>
ARS 747.0	ARF 747.0A/B	<i>ABS/RBA Deposit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>
ARS 748.0	ARF 748.0A/B	<i>ABS/RBA Wholesale Funding Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>
RRS 710.0	n/a	<i>ABS/RBA Audit Requirements for Registered Financial Corporations (for consultation)</i>

EFS reporting guidance

Data quality guidance	<i>Reporting Guidance ABS/RBA Data Quality for the EFS Collection (discontinued)</i>
Reporting concepts guidance	<i>Reporting Practice Guide 701.0 ABS/RBA Reporting Concepts for the EFS Collection</i>
RPG 702.0	<i>Reporting Practice Guide 702.0 ABS/RBA Data Quality for the EFS Collection (for consultation)</i>

Other terms

ABS	Australian Bureau of Statistics
ADI	Authorised deposit-taking institution
Agencies	Refers to the ABS and the RBA
ANZSIC	Australian and New Zealand standard industrial classification
APRA	Australian Prudential Regulation Authority
APG 112	<i>Prudential Practice Guide APG 112 Standardised Approach to Credit Risk</i>
APS 113	<i>Prudential Standard APS 113 Capital Adequacy: Internal Ratings Based Approach to Credit Risk</i>
APS 310	<i>Prudential Standard APS 310 Audit and Related Matters</i>

ARF	ADI reporting form (RFCs will also report on ARFs in the EFS collection)
ARF 320.0	<i>Reporting Form ARF 320.0 Statement of Financial Position (Domestic Books)</i>
ARF 320.1	<i>Reporting Form ARF 320.1 Debt Securities Held</i>
ARF 320.2	<i>Reporting Form ARF 320.2 Equity Securities Held</i>
ARF 320.3	<i>Reporting Form ARF 320.3 Debt Securities on Issue</i>
ARF 320.4	<i>Reporting Form ARF 320.4 Bill Acceptances and Endorsements</i>
ARF 320.5	<i>Reporting Form ARF 320.5 Securities Subject to Repurchase and Resale and Stock Lending and Borrowing</i>
ARF 320.8	<i>Reporting Form ARF 320.8 Housing Loan Reconciliation</i>
ARF 320.9	<i>Reporting Form ARF 320.9 Intra-Group Receivables and Payables</i>
ARF 331.0	<i>Reporting Form ARF 331.0 Selected Revenue and Expenses</i>
ARF 332.0	<i>Reporting Form ARF 332.0 Statement of Economic Activity</i>
ARF 391.0.1-391.0.8	<i>Reporting Forms ARF 391.0.1 to ARF 391.0.8 Commercial Finance (by State and Territory)</i>
ARF 392.0.1-392.0.8	<i>Reporting Forms ARF 392.0.1 to ARF 392.0.8 Housing Finance (by State and Territory)</i>
ARF 393.0.1-393.0.8	<i>Reporting Forms ARF 393.0.1 to ARF 393.0.8 Lease Finance (by State and Territory)</i>
ARF 394.0.1-394.0.8	<i>Reporting Forms ARF 394.0.1 to ARF 394.0.8 Personal Finance (by State and Territory)</i>
ARF 395.0	<i>Reporting Form ARF 395.0 Business Finance Statistics</i>
ARS	ADI reporting standard (these standards will also be applicable to RFCs in the EFS collection)
ARS/F 223.0	<i>Reporting Standard/Form ARS/F 223.0 Residential Mortgage Lending</i>
ARS/F 321.0	<i>Reporting Standard/Form ARS/F 321.0 Statement of Financial Position (Offshore Operations)</i>

ASIC	Australian Securities and Investments Commission
ASNA	Australian System of National Accounts
BCBS	Basel Committee for Banking Supervision
CAPEX	ABS Survey of New Capital Expenditure
CPG 235	<i>Prudential Practice Guide CPG 235 Managing Data Risk</i>
CPI	Consumer price index
Domestic books	Unconsolidated view of the positions or transactions recorded on the Australian books of the reporting institution
D2A	Direct to APRA
EFS	Economic and financial statistics
Form 90	ABS Survey of International Investment
FSB	Financial Stability Board
FSCODA	<i>Financial Sector (Collection of Data) Act 2001</i>
GDP	Gross domestic product
IMF	International Monetary Fund
OTC	Over-the-counter
QBIS	ABS Quarterly Business Indicators Survey
RBA	Reserve Bank of Australia
Reporting institution	An ADI or RFC reporting for the EFS collection.
RFC	Registered financial corporation – the common term for ‘registered entities’ as defined in the FSCODA
RPG	Reporting practice guide
RRF 320.0	<i>Reporting Form RRF 320.0 Statement of Financial Position</i>
RRF 320.1	<i>Reporting Form RRF 320.1 Debt Securities Held</i>

RRF 320.2	<i>Reporting Form RRF 320.2 Equity Securities Held</i>
RRF 320.3	<i>Reporting Form RRF 320.3 Debt Securities on Issue</i>
RRF 320.4	<i>Reporting Form RRF 320.4 Bill Acceptances and Endorsements</i>
RRF 320.5	<i>Reporting Form RRF 320.5 Securities Subject to Repurchase and Resale and Stock Lending and Borrowing</i>
RRF 331.0	<i>Reporting Form RRF 331.0 Selected Revenue and Expenses</i>
RRF 332.0	<i>Reporting Form RRF 332.0 Statement of Economic Activity</i>
RRF 391.0.1-391.0.8	<i>Reporting Forms RRF 391.0.1 to RRF 391.0.8 Commercial Finance (by State and Territory)</i>
RRF 392.0.1-392.0.8	<i>Reporting Forms RRF 392.0.1 to RRF 392.0.8 Housing Finance (by State and Territory)</i>
RRF 393.0.1-393.0.8	<i>Reporting Forms RRF 393.0.1 to RRF 393.0.8 Lease Finance (by State and Territory)</i>
RRF 394.0.1-394.0.8	<i>Reporting Forms RRF 394.0.1 to RRF 394.0.8 Personal Finance (by State and Territory)</i>
RRS	RFC reporting standard
SESCA	Standard Economic Sector Classifications of Australia

Appendix 1 – EFS reporting frequency and submission dates

Form Code	Form Name	Reporting population ^(a)	Frequency ^(b)	Submission date
ARF 720.0A	<i>ABS/RBA Statement of Financial Position (Banks & RFCs)</i>	Banks and RFCs	Monthly	10 business days
ARF 720.0B	<i>ABS/RBA Statement of Financial Position (Non-bank ADIs)</i>	Non-bank ADIs	Monthly	10 business days
ARF 720.1A	<i>ABS/RBA Loans and Finance Leases (Banks)</i>	Banks	Monthly	10 business days
ARF 720.1B	<i>ABS/RBA Loans and Finance Leases (Non-bank ADIs and RFCs)</i>	Non-bank ADIs and RFCs	Monthly	10 business days
ARF 720.2A	<i>ABS/RBA Deposits (Banks)</i>	Banks	Monthly	10 business days
ARF 720.2B	<i>ABS/RBA Deposits (Non-bank ADIs and RFCs)</i>	Non-bank ADIs and RFCs	Monthly	10 business days
ARF 720.3	<i>ABS/RBA Intra-group Assets & Liabilities</i>	Banks and RFCs	Monthly	10 business days
ARF 720.4	<i>ABS/RBA Debt Securities Held</i>	Banks and RFCs	Monthly	10 business days
ARF 720.5	<i>ABS/RBA Equity Securities Held</i>	Banks and RFCs	Quarterly	28 calendar days
ARF 720.6	<i>ABS/RBA Securities on Issue</i>	Banks and RFCs	Monthly	10 business days
ARF 720.7	<i>ABS/RBA Bill Acceptances and Endorsements</i>	Banks and RFCs	Monthly	10 business days
ARF 721.0A/B	<i>ABS/RBA Repurchase Agreements and Securities Lending (Option A)/(Option B)</i>	ADIs and RFCs	Monthly	15 business days
ARF 723.0	<i>ABS/RBA Margin Lending</i>	ADIs and RFCs	Quarterly	28 calendar days
ARF 730.0	<i>ABS/RBA Statement of Financial Performance</i>	ADIs and RFCs	Quarterly	28 calendar days

ARF 730.1	<i>ABS/RBA Fees Charged</i>	Banks	Annually	4 calendar months
ARF 741.0	<i>ABS/RBA Business Finance</i>	ADIs and RFCs	Monthly	10 business days
ARF 742.0A/B	<i>ABS/RBA Business Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>	ADIs and RFCs	Monthly	15 business days
ARF 743.0	<i>ABS/RBA Housing Finance</i>	ADIs and RFCs	Monthly	10 business days
ARF 744.0A/B	<i>ABS/RBA Housing Credit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>	ADIs and RFCs	Monthly	15 business days
ARF 745.0	<i>ABS/RBA Personal Finance</i>	ADIs and RFCs	Monthly	10 business days
ARF 746.0A/B	<i>ABS/RBA Personal Finance Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>	ADIs and RFCs	Monthly	15 business days
ARF 747.0A/B	<i>ABS/RBA Deposit Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>	ADIs and RFCs	Monthly	15 business days
ARF 748.0A/B	<i>ABS/RBA Wholesale Funding Stocks, Flows and Interest Rates (Standard)/(Reduced)</i>	ADIs and RFCs	Monthly	15 business days

(a) See Appendix 2 for reporting thresholds.

(b) In some cases the reporting frequency differs for some or all RFCs. See Appendix 2 for more detailed information on reporting frequency.

Appendix 2 – EFS reporting thresholds

New form(s)	ADI		RFC
	Bank	Non-bank ADI	
Balance sheets			
ARF 720.0A	Monthly	n/a	Monthly If total assets \geq \$400m
			Annually If \$50m \leq total assets $<$ \$400m
ARF 720.0B	n/a	Monthly If total assets \geq \$200m	n/a
ARF 720.1A	Monthly	n/a	n/a
ARF 720.1B	n/a	Monthly If total assets \geq \$200m	Monthly If total assets \geq \$400m
			Annually If \$50m \leq total assets $<$ \$400m
ARF 720.2A	Monthly	n/a	n/a
ARF 720.2B	n/a	Monthly If total assets \geq \$200m	Monthly If total assets \geq \$400m
			Annually If \$50m \leq total assets $<$ \$400m
ARF 720.3	Monthly	n/a	Quarterly If total assets \geq \$500m
ARF 720.4	Monthly	n/a	Quarterly If total assets \geq \$500m

ARF 720.5	Quarterly	n/a	Quarterly If total assets ≥ \$500m
ARF 720.6	Monthly	n/a	Quarterly If total assets ≥ \$500m
ARF 720.7	Monthly	n/a	Quarterly If total assets ≥ \$500m
ARF 721.0A or ARF 721.0B		Monthly If repos & securities lending ≥ \$1b Monthly If repos & securities lending ≥ \$1b	
ARF 723.0		Quarterly If margin lending ≥ \$150m	
Profits			
ARF 730.0		Quarterly If total assets ≥ \$5b	Quarterly If total assets ≥ \$500m
ARF 730.1	Annually If total assets ≥ \$10b	n/a	n/a
Business finance and interest rates			
ARF 741.0		Monthly If business credit ≥ \$2b	
ARF 742.0 (standard)		Monthly If business credit ≥ \$2b and deposits ≥ \$25b	
ARF 742.0 (reduced)		Monthly If business credit ≥ \$2b and deposits < \$25b	
Housing finance and interest rates			
ARF 743.0		Monthly If housing credit ≥ \$6b	
ARF 744.0 (standard)		Monthly If housing credit ≥ \$6b and deposits ≥ \$25b	
ARF 744.0 (reduced)		Monthly If housing credit ≥ \$6b and deposits < \$25b	

Personal finance and interest rates

ARF 745.0	Monthly If personal credit \geq \$500m
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ARF 746.0 (standard)	Monthly If personal credit \geq \$500m and deposits \geq \$25b
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ARF 746.0 (reduced)	Monthly If personal credit \geq \$500m and deposits $<$ \$25b
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Deposits and wholesale funding interest rates

ARF 747.0 (standard)	Monthly If deposits \geq \$25b
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ARF 747.0 (reduced)	Monthly If \$4b \leq deposits $<$ \$25b
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ARF 748.0 (standard)	Monthly If deposits \geq \$25b
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ARF 748.0 (reduced)	Monthly If \$4b \leq deposits $<$ \$25b
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Appendix 3 – EFS implementation and parallel run dates

Current form		New form(s)	
Form code	Last reporting period	Form code	First reporting period
Balance sheets			
ARF 320.0 (monthly)	June 2019	ARF 720.0A, ARF 720.1A, ARF 720.2A	March 2019
RRF 320.0 (monthly)	June 2019	ARF 720.0A, ARF 720.1B, ARF 720.2B	March 2019
ARF 323.0 (monthly)	June 2019	ARF 720.0B, ARF 720.1B, ARF 720.2B	March 2019
ARF 320.9 (quarterly)	June qtr 2019	ARF 720.3	March 2019
ARF 320.1 (monthly)	June 2019	ARF 720.4	March 2019
RRF 320.1 (quarterly)	June qtr 2019		
ARF 320.2 (quarterly)	June qtr 2019	ARF 720.5	March qtr 2019
RRF 320.2 (quarterly)	June qtr 2019		
ARF 320.3 (quarterly)	June qtr 2019	ARF 720.6	March 2019
RRF 320.3 (quarterly)	June qtr 2019		
ARF 320.4 (monthly)	June 2019	ARF 720.7	March 2019
RRF 320.4 (quarterly)	June qtr 2019		
ARF 320.5 (quarterly)	December qtr 2019	ARF 721.0A/B	September 2019
RRF 320.5 (quarterly)	December qtr 2019		
n/a	n/a	ARF 723.0	September qtr 2019
ARF 321.0 (quarterly)	June 2017		

Profits			
ARF 331.0 (quarterly)	December qtr 2019		
RRF 331.0 (quarterly)	December qtr 2019		
ARF 332.0 (annual)	2019 ^(a)	ARF 730.0	September qtr 2019
RRF 332.0 (annual)	2019 ^(b)		
n/a	n/a	ARF 730.1	June 2020
Business finance			
ARF 391.0.1-391.0.8 (monthly)	September 2019		
RRF 391.0.1-391.0.8 (monthly)	September 2019		
ARF 393.0.1-393.0.8 (monthly)	September 2019	ARF 741.0	July 2019
RRF 393.0.1-393.0.8 (monthly)	September 2019		
Business interest rates			
ARF 395.0 (quarterly)	September qtr 2019	ARF 742.0A/B	July 2019
Household finance			
ARF 392.0.1-392.0.8 (monthly)	September 2019		
RRF 392.0.1-392.0.8 (monthly)	September 2019	ARF 743.0	July 2019
ARF 320.8 (quarterly)	September qtr 2019		
ARF 394.0.1-394.0.8 (monthly)	September 2019		
RRF 394.0.1-394.0.8 (monthly)	September 2019	ARF 745.0	July 2019
Household interest rates			
Lending and funding statistics (quarterly)	September qtr 2019	ARF 744.0A/B	July 2019
		ARF 746.0A/B	July 2019

Deposits and wholesale funding

Lending and funding statistics (quarterly)	September qtr 2019	ARF 747.0A/B	July 2019
		ARF 748.0A/B	July 2019

(a) Reported either June 2019 year to date or September 2019 year to date in line with current practice agreed with APRA.

(b) Reported on a year to date basis for the reporting period agreed with APRA.



 **APRA**