



20 March 2013

To the CEO of all locally incorporated Authorised Deposit-taking Institutions

IMPLEMENTATION OF APS 910 FINANCIAL CLAIMS SCHEME- SINGLE CUSTOMER VIEW (SCV)

The purpose of this letter is to request information on your institution's preparedness for the financial claims scheme (FCS) in relation to implementation of the Single Customer View (SCV). Note that the FCS does not apply to Specialist Credit Card Institutions, Providers of Purchased Payment Facilities or branches of foreign-incorporated ADIs operating in Australia. Such institutions do not need to respond to this letter.

The current *Prudential Standard APS 910 Financial Claims Scheme* (APS 910) outlines requirements for creating a SCV by 1 January 2014. The key SCV requirements in the current APS 910 include that:

- an ADI must identify each unique account-holder;
- an ADI must develop and implement a SCV;
- an ADI must put in place policies, processes and controls to ensure the integrity of SCV data; and
- the systems and data required by APS 910 must be subject to both external audit and attestation by the Chief Executive Officer.

The SCV aggregates account-holder information and forms the basis to facilitate FCS payment, reporting and communications. Whilst ADIs are required to develop and maintain the capacity to generate a SCV, they are not required to transmit the SCV to APRA.

A revised draft APS 910 was released for consultation in November 2012 outlining the proposed payment, reporting and communication requirements. However the SCV requirements set out in APS 910, which commenced on 1 January 2012, remain the same and are expected to be implemented by 1 January 2014.

In order to monitor the implementation of the SCV requirements in the current APS 910, APRA is requesting all locally incorporated ADIs to provide:

- an outline of their proposed approach to implement the SCV requirements (including diagrams as appropriate); and
- their proposed timeline for implementation of the SCV.

It is the responsibility of all ADIs to ensure that they are on track for compliance with the SCV component of APS 910¹ by 1 January 2014. Please reply to your Responsible Supervisor by 15 April 2013.

If you are of the view that your institution will be unable to meet the timeframe in APS 910 and intend to seek APRA approval for an extended transition period, this should be indicated in your response to this letter, including the reasons why such an extension may be required. A separate formal application for an extended transition period and supporting rationale will need to be submitted to your Responsible Supervisor.

¹ Paragraphs 5 to 9 of APS 910, together with associated audit and attestation requirements.

APRA has also received a number of clarifying questions from institutions; responses to the two most common questions are provided in the attachment. If you have any further questions please email fcs@apra.gov.au .

Yours sincerely,

A handwritten signature in cursive script that reads "Helen Rowell".

Helen Rowell
Executive General Manager
Supervisory Support Division

Frequently Asked Questions in regard to SCV Build

Q1. Are debit products that may be in credit covered by the Scheme?

A1. A variety of products, such as credit card or loan accounts, are designed to typically be in debit however at times could have a credit balance. Treasury is considering the need for clarification of the legislation in respect of such accounts. APRA will provide clarification of the treatment of these products as soon as it is able to do so. In the meantime it is important that ADIs continue with the implementation of the SCV requirements for relevant "deposit" products.

Q2. How trusts should be treated?

A2. Each separate account-holder (unique entity) must be identified and account balances aggregated and apportioned (as necessary).

The key principle for aggregation for an SCV account-holder is that each trust must be a discrete account-holder in the SCV assigned a unique identifier. That is, although the trustee may hold other accounts in a separate capacity, the trust must be distinct from any other account-holder.

Account-holders

Extracted from section 960-100 of the Income Tax Assessment Act 1997

- (1) *Entity means any of the following:*
- (a) *an individual;*
 - (b) *a body corporate;*
 - (c) *a body politic;*
 - (d) *a partnership;*
 - (e) *any other unincorporated association or body of persons;*
 - (f) *a trust;*
 - (g) *a *superannuation fund;*
 - (h) *an *approved deposit fund.*

Note: The term entity is used in a number of different but related senses. It covers all kinds of legal person(s). It also covers groups of legal persons, and other things that in practice are treated as having a separate identity in the same way as a legal person does.