



29 August 2017

TO: ALL LOCALLY INCORPORATED AUTHORISED DEPOSIT-TAKING INSTITUTIONS

CONSULTATION ON PROPOSED FINANCIAL CLAIMS SCHEME DATA COLLECTION

APRA has today released for consultation a draft *Reporting Standard ARS 910.0 Financial Claims Schemes Data Collection* (ARS 910.0). APRA proposes to collect semi-annual Financial Claims Scheme (FCS) data and information relating to total deposit liabilities from all locally incorporated authorised deposit-taking institutions (ADIs). ARS 910.0 is proposed to commence for the reporting period 31 December 2018, with the first submissions due by 13 February 2019 (i.e. within 30 business days after the reporting period end date).

This collection supports APRA's role as the resolution authority and assists with APRA's FCS assurance benchmarking. APRA also believes that regular data collection will help to ensure that ADIs are in a state of operational readiness in the event of an FCS declaration.

Background

The FCS is an Australian Government scheme under the *Banking Act 1959* that provides protection to deposits held in locally incorporated ADIs in the event that one of these ADIs fails. The FCS covers amounts up to \$250,000 per account holder per ADI. Once activated by the Treasurer, APRA is responsible for administering the FCS.

On 1 July 2013, APRA released the final version of *Prudential Standard APS 910 Financial Claims Scheme* (APS 910)¹. APS 910 sets out the minimum requirements that a locally incorporated ADI must meet to ensure that it is adequately prepared if it is declared under the FCS. APS 910 requires ADIs to be able to identify each unique account-holder in order to establish a single customer view (SCV) that would in turn facilitate FCS payments and reporting.

With the final transition period complete,² ADIs are now required to be operationally ready to meet all the payment, reporting and communication requirements of the FCS.³ As an important part of ensuring this readiness, ADIs are also required to generate the SCV semi-annually and other reports annually as part of the FCS testing schedule under APS 910.

At present, APRA provides estimated aggregate FCS contingent liability data to the government and to other international organisations as and when needed. To do this APRA collects FCS deposit data from the four major banks on a voluntary and 'best endeavours' basis and uses an estimation model for the remainder of the ADIs. However, this estimation model and limited data set is no longer sufficient to meet the increasing need for accurate FCS data.

¹ <http://www.apra.gov.au/adi/PrudentialFramework/Documents/Prudential-Standard-APS-%20910-July-2013.pdf>

² All ADIs were required to be compliant with the amended APS 910 by 1 July 2014, unless otherwise granted extended transition (up to 31 December 2015). A number of such extensions were granted, reflecting the individual circumstances of some institutions.

³ Unless a limited exemption has been granted to an ADI.

Proposed ARS 910.0

APRA has drafted ARS 910.0 to facilitate the collection of aggregate FCS deposit liability data across all locally incorporated ADIs on a semi-annual basis. Under ARS 910.0, ADIs will be required to provide deposit liability data and specific aggregate FCS data items from the SCV summary report and other reports, as well as information on the core banking system(s). The majority of the FCS data items collected under ARS 910.0 are already fields required under APS 910 that are set out in the *Information Paper: Financial Claims Scheme for authorised deposit-taking institutions (August 2013)*.

The purpose of ARS 910.0 is to collect FCS deposit data and is separate to *Reporting Standard ARS 760.0 ATO collection for the Major Bank Levy Act 2017 (ARS 760.0)*. Notwithstanding this, ARS 910.0 has been aligned with ARS 760.0 in terms of the timing (for two of the reporting periods) and the transition period provided under ARS 760.0. ARS 910.0 includes a transition period to enable the information to be provided on a best endeavours basis for reporting periods ending on or before 30 June 2019. Under ARS 910.0, APRA does not require ADIs to provide the full SCV or other FCS reports contained in the *Approved forms for payments and reports: Financial Claims Scheme for authorised deposit-taking institutions (August 2013)*.

Consultation Period

The draft reporting standard ARS 910.0 will be subject to an eight week public consultation and is available on the APRA website at:

<http://www.apra.gov.au/adi/PrudentialFramework/Pages/FCS-data-collection-consultation-Aug17.aspx>

Written submissions on the proposal should be sent to DataAnalytics@apra.gov.au by 25 October 2017 and addressed to:

Manager Data Collection Design, Data Analytics
Australian Prudential Regulation Authority

Yours sincerely,



Katrina Ellis
General Manager
Data Analytics

Important disclosure notice – publication of submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under the *Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA-regulated entity that is not in the public domain and that is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and will therefore be exempt from production under the FOIA.