



Reporting Standard SRS 721.0

ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to securities subject to repurchase and resale and stock lending and borrowing of a registrable superannuation entity for the purposes of the Australian Bureau of Statistics.

It includes *Form SRF 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing* and associated specific instructions.

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. Information collected in *Form SRF 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing* (SRF 721.0) is used by the Australian Bureau of Statistics (ABS) for compilation of the Australian National Accounts and other publications. It may also be used by APRA for the purposes of prudential supervision and publication.

Application and commencement

3. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) in respect of each relevant RSE within its business operations.¹

¹ For the purposes of this Reporting Standard, an 'RSE licensee's business operations' includes all activities as an RSE licensee (including the activities of each RSE of which it is the licensee), and all other activities of the RSE licensee to the extent that they are relevant to, or may impact on, its activities as an RSE licensee. For the avoidance of doubt, if the RSE licensee is trustee of more than one relevant RSE, the RSE licensee must separately provide the information required by the form for each relevant RSE within its business operations.

4. For the purposes of this Reporting Standard, a ‘relevant RSE’ is an RSE, defined benefit RSE, pooled superannuation trust (PST) or eligible rollover fund (ERF) that had total assets equal to or greater than \$200 million at the end of the most recent complete year of income at the time of reporting.
5. This Reporting Standard applies for reporting periods ending on or after 1 January 2016.

Information required

6. An RSE licensee to which this Reporting Standard applies must provide APRA with the information required by SRF 721.0 in respect of each reporting period.

Forms and method of submission

7. The information required by this Reporting Standard must be given to APRA in electronic format using the ‘Direct to APRA’ application or, where ‘Direct to APRA’ is not available, by a method notified by APRA, in writing, prior to submission.

Note: the ‘Direct to APRA’ application software (also known as ‘D2A’) may be obtained from APRA.

Reporting periods and due dates

8. Subject to paragraph 9, an RSE licensee to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each relevant RSE within its business operations for each calendar quarter (i.e. the periods ending 30 September, 31 December, 31 March and 30 June).
9. If, having regard to the particular circumstances of a relevant RSE, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 8, APRA may, by notice in writing, change the reporting periods for the particular relevant RSE.
10. The information required by this Reporting Standard must be provided to APRA:
 - (a) in the case of quarterly information – within 28 calendar days after the end of the quarter to which the information relates²; and
 - (b) in the case of information provided in accordance with paragraph 9, within the time specified by notice in writing.
11. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to one or more relevant RSEs within its business operations, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

12. All information provided by an RSE licensee under this Reporting Standard must be subject to systems, processes and controls developed by the RSE licensee for the

² For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an RSE licensee is nonetheless required to submit the information required no later than the due date.

internal review and authorisation of that information. It is the responsibility of the Board and senior management of the RSE licensee to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

13. The information provided by an RSE licensee under this Reporting Standard is not required to be audited or tested by the RSE auditor of the relevant RSE to which the information relates.

Authorisation

14. When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using the 'Direct to APRA' software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.
15. If the information required by this Reporting Standard is provided by an agent who submits using the 'Direct to APRA' software on the RSE licensee's behalf, the RSE licensee must:
 - (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
 - (b) retain the completed copy.
16. An officer or agent of an RSE licensee who submits the information under this Reporting Standard for, on behalf of, the RSE licensee must be authorised by either:
 - (a) the Chief Executive Officer of the RSE licensee; or
 - (b) the Chief Financial Officer of the RSE licensee.

Variations

17. APRA may, by written notice to an RSE licensee, vary the reporting requirements of SRF 721.0 in relation to that RSE licensee or one or more relevant RSEs within that RSE licensee's business operations.

Interpretation

18. In this Reporting Standard:

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

Chief Executive Officer means the chief executive officer of the RSE licensee, by whatever name called, and whether or not he or she is a member of the Board of the RSE licensee³;

Chief Financial Officer means the chief financial officer of the RSE licensee, by whatever name called;

³ Refer to *Prudential Standard SPS 510 Governance*.

defined benefit RSE means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*;

due date means the relevant date under paragraph 10 or, if applicable, paragraph 11;

eligible rollover fund (ERF) has the meaning given in section 10(1) of the SIS Act;

pooled superannuation trust (PST) has the meaning given in section 10(1) of the SIS Act;

reporting period means a period mentioned in paragraph 8 or, if applicable, paragraph 9;

RSE means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, PST, ERF, small APRA fund or single member approved deposit fund⁴;

RSE auditor means an auditor appointed by the RSE licensee to perform functions under this Reporting Standard;

RSE licensee has the meaning given in section 10(1) of the SIS Act;

SIS Act means *Superannuation Industry (Supervision) Act 1993*; and

year of income has the meaning given in section 10(1) of the SIS Act.

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For the purposes of this Reporting Standard, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member.

SRF_721_0: ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Australian Business Number	Institution Name
	RSE
Reporting Period	Scale Factor
Calendar quarter	Thousands
Reporting Consolidation	
Solo books	

Part A: Non-resident counterparty to the transactions

- 1. Short-term debt securities**
 - 1.1. Australia domicile
 - 1.2. International domicile
- 2. Long-term debt securities**
 - 2.1. Australia domicile
 - 2.2. International domicile
- 3. Shares and units in trusts**

Reverse repos and securities borrowed (1)	Repos and securities lent (2)

Part B: Resident counterparty to the transactions

4. Short-term debt securities

Type of resident counterparty (1)	Type of short-term debt securities (2)	Type of issuer of commercial paper (3)	Reverse repos and securities borrowed (4)	Repos and securities lent (5)
Reserve Bank of Australia (RBA)	Bills of exchange: bank accepted and/or endorsed	Banks		
Banks	Bills of exchange: other bills	Trading enterprises owned by the Australian Commonwealth government		
Non-bank authorised deposit-taking institutions	Treasury notes	Trading enterprises owned by state, territory and local government		
Registered financial corporations	Negotiable certificates of deposit (NCDs)	Central borrowing authorities		
Life insurance and friendly societies	Commercial paper	Listed or unlisted private trading enterprises		
Superannuation funds		Property trusts		
General insurance corporations		Infrastructure trusts		
Health insurance corporations		Non-bank authorised deposit-taking institutions		
Central borrowing authorities		Registered financial corporations		
Financial auxiliaries		Securitisers		
Other financial institutions		Life insurance and friendly societies		
Securitisers		General insurance corporations		
Other corporations		Health insurance corporations		
		Other financial institutions		
		Not applicable		

5. Long-term debt securities

Type of resident counterparty (1)	Type of issuer of long-term debt securities (2)	Type of bonds and instruments (3)	Reverse repos and securities borrowed (4)	Repos and securities lent (5)
Reserve Bank of Australia (RBA)	Australian Commonwealth government	Treasury bonds		
Banks	Trading enterprises owned by the Australian Commonwealth government	Greenhouse gas emissions reductions scheme instruments		
Non-bank authorised deposit-taking institutions	Trading enterprises owned by state, territory and local government	Covered bonds		
Registered financial corporations	Central borrowing authorities	Other		
Life insurance and friendly societies	State, territory and local government			
Superannuation funds	Property trusts			
General insurance corporations	Infrastructure trusts			
Health insurance corporations	Listed and unlisted private trading enterprises			
Central borrowing authorities	Banks			
Financial auxiliaries	Non-bank authorised deposit-taking institutions			
Other financial institutions	Registered financial corporations			
Securitisers	Life insurance and friendly societies			
Other corporations	General insurance corporations			
	Health insurance corporations			
	Securitisers			
	Other financial institutions			

6. Shares

Type of resident counterparty (1)	Type of shares (2)	Type of issuer of shares (3)	Reverse repos and securities borrowed (4)	Repos and securities lent (5)
Reserve Bank of Australia (RBA)	Listed shares	Trading enterprises owned by the Australian Commonwealth government		
Banks	Unlisted shares	Other listed trading enterprises		
Non-bank authorised deposit-taking institutions		Other unlisted trading enterprises		
Registered financial corporations		Listed investment companies		
Life insurance and friendly societies		Unlisted investment companies		
Superannuation funds		Banks		
General insurance corporations		Non-bank authorised deposit-taking institutions		
Health insurance corporations		Registered financial corporations		
Central borrowing authorities		Life insurance and friendly societies		
Financial auxiliaries		General insurance corporations		
Other financial institutions		Health insurance corporations		
Securitisers		Other financial institutions		
Other corporations		Other		

Reporting Form SRF 721.0

ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Instructions

These instructions assist completion of *Reporting Form SRF 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing* (SRF 721.0). SRF 721.0 collects detailed information about the types of securities subject to repurchase agreements ('repos') and stock lending and borrowing and the counterparty to the transactions of a registrable superannuation entity (RSE). Information reported in SRF 721.0 is required primarily for the purposes of the Australian Bureau of Statistics and may be used by APRA for prudential and publication purposes.

Reporting level

SRF 721.0 must be completed for each relevant RSE.¹

Reporting basis and unit of measurement

Report all items on SRF 721.0 in accordance with the Australian Accounting Standards unless otherwise specified.

Items on SRF 721.0 must be reported as at the end of the reporting period (i.e. the last day of each calendar quarter).

Items on SRF 721.0 are to be reported as thousands of dollars. Values are to be rounded up or down to the nearest thousand dollars.

Items on SRF 721.0 are to be reported as careful estimates where exact values are not available to the RSE licensee. Report items on SRF 721.0 as blank where the item is nil.

Items on SRF 721.0 are to be reported on a gross basis except where otherwise indicated.

Items on SRF 720.0 are to be reported on a non-look-through basis, except in respect of exclusively-held internal trusts or wholly-owned investment (non-trading) subsidiaries. For the purposes of these instructions, 'look-through basis' means the reporting of information about the underlying investments in an investment vehicle.

¹ For the purposes of these instructions, a 'relevant RSE' is an RSE, defined benefit RSE, pooled superannuation trust (PST) or eligible rollover fund (ERF) that had total assets equal to or greater than \$200 million at the end of the most recent complete year of income at the time of reporting.

Items on SRF 721.0 are to be reported on an unconsolidated basis except where otherwise indicated. Only assets held in internal trusts or wholly-owned investment (non-trading) subsidiaries are to be consolidated into the appropriate asset class.

In national accounting, consolidation refers to the elimination of transactions which occur between two transactors belonging to the same institutional sector or subsector. In a commercial accounting sense, this process is applied to entities where a parent/subsidiary relationship exists.

Report derivatives distinct from the corresponding contract that is being hedged. Do not use hedge accounting on SRF 721.0.

Where repurchase or resale agreements involve different types of security, i.e. various types of securities as collaterals, report the repurchase or resale agreements separately and do not net against each other, even when contracted with the same counterparty.

For the purposes of SRF 721.0, securities purchased under agreements to resell and securities borrowed are abbreviated as *reverse repos and securities borrowed*, and securities sold under agreements to repurchase and securities lent are abbreviated as *repos and securities lent*.

Specific instructions

Terms highlighted in ***bold italics*** indicate that the definition is provided in these instructions. Additional definitions are provided at the end of these instructions.

Examples listed under ‘Include’ and ‘Exclude’ are not to be taken as an exhaustive list of items to be included or excluded.

Part A: Non-resident counterparty to the transactions

Item 1 to item 3 inclusive collect information about all securities purchased and sold under agreements to resale and repurchase, and all securities borrowed and lent, where counterparty to the transactions are non-residents.

Item 1	Report <i>securities purchased under agreements to resell and securities borrowed</i> in column 1. Report <i>securities sold under agreements to repurchase and securities lent</i> in column 2. Item 1 is a derived item. Report <i>short-term debt securities</i> in item 1 as the sum of <i>short-term debt securities</i> which is domicile type <i>Australia domicile</i> in item 1.1 and <i>short-term debt securities</i> which is domicile type <i>international domicile</i> in item 1.2.
<i>Securities sold under agreements to repurchase and securities lent</i>	Represent securities or other assets that were sold with a commitment to repurchase (repo) the equivalent assets at a specified price and specified future date, and securities lent.

<i>Securities purchased under agreements to resell and securities borrowed</i>	<p>Represents a receivable recognised in respect of cash collateral that has been paid to a third party for securities, bought or borrowed by the RSE, with an agreement to return the securities to the third party in the future in exchange for the return of the cash (plus interest).</p> <p>Includes: reverse repurchase agreements. Reference: Australian Accounting Standards.</p>
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Item 2	<p>Report <i>securities purchased under agreements to resell and securities borrowed</i> in column 1. Report <i>securities sold under agreements to repurchase and securities lent</i> in column 2.</p> <p>Item 2 is a derived item. Report <i>long-term debt securities</i> in item 2 as the sum of <i>long-term debt securities</i> which is domicile type <i>Australia domicile</i> in item 2.1, and <i>long-term debt securities</i> which is domicile type <i>international domicile</i> in item 2.2.</p>
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Item 3	<p>Report <i>securities purchased under agreements to resell and securities borrowed</i> in column 1. Report <i>securities sold under agreements to repurchase and securities lent</i> in column 2.</p> <p>Report <i>shares</i> and <i>units in trust</i> in item 3.</p>
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Part B: Resident counterparty to the transactions

Item 4 to item 6 inclusive collect information about all securities purchased and sold under agreements to resale and repurchase, and all securities borrowed and lent, where counterparty to the transactions are residents.

Item 4	<p>Report, for each type of resident counterparty: the type of resident counterparty in column 1, the type of <i>short-term debt securities</i> in column 2, the type of issuer of <i>commercial paper</i> in column 3, the value of <i>securities purchased under agreements to resell and securities borrowed</i> in column 4 and the value of <i>securities sold under agreements to repurchase and securities lent</i> in column 5.</p> <p>The types of resident counterparty are:</p> <ul style="list-style-type: none"> • the <i>Reserve Bank of Australia (RBA)</i>; • <i>banks</i>; • <i>non-bank authorised deposit-taking institutions</i>; • <i>registered financial corporations</i>; • <i>life insurance and friendly societies</i>; • <i>superannuation funds</i>; • <i>general insurance corporations</i>;
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	<ul style="list-style-type: none"> • <i>health insurance corporations;</i> • <i>central borrowing authorities;</i> • <i>financial auxiliaries;</i> • <i>other financial institutions;</i> • <i>securitisers;</i> and • <i>other corporations.</i> <p>The types of <i>short-term debt securities</i> are:</p> <ul style="list-style-type: none"> • <i>bills of exchange:</i> bank accepted and/or endorsed; • <i>bills of exchange:</i> other bills; • <i>treasury notes;</i> • <i>negotiable certificates of deposit (NCDs);</i> and • <i>commercial paper.</i> <p>The types of issuer of commercial paper are:</p> <ul style="list-style-type: none"> • <i>banks;</i> • <i>trading enterprises owned by the Australian Commonwealth government;</i> • <i>trading enterprises owned by state, territory and local government;</i> • <i>central borrowing authorities;</i> • <i>listed or unlisted private trading enterprises;</i> • <i>property trusts;</i> • <i>infrastructure trusts;</i> • <i>non-bank authorised deposit-taking institutions;</i> • <i>registered financial corporations;</i> • <i>securitisers;</i> • <i>life insurance and friendly societies;</i> • <i>general insurance corporations;</i> • <i>health insurance corporations;</i> • <i>other financial institutions;</i> and • <i>not applicable.</i>
<i>Bills of exchange</i>	<p>Represents unconditional orders in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand. They usually have an original term to maturity of 180 days or less.</p> <p>Includes: bank accepted bills, bank endorsed bills and non-bank bills.</p>

Treasury notes	Represents <i>short-term debt securities</i> issued by the <i>Australian Commonwealth government</i> .
Negotiable certificates of deposit (NCDs)	<p>Represent short-term securities issued by resident banks, repayable at a fixed date. The bank writes a certificate stating that a fixed amount has been deposited for a fixed period of time and predetermined interest rate. The NCD trades at a discount from face value.</p> <p>Excludes: transferable certificates of deposit (included as <i>long-term debt securities</i>); certificates of deposit issued by merchant banks (included as <i>commercial paper</i>); <i>commercial paper</i> issued by resident banks (included as <i>commercial paper</i>).</p>
Commercial paper	<p>Represents a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a discount to the face value. Also called promissory notes or one name paper and is a type of short-term debt security.</p> <p>Includes: promissory notes, one name paper, certificates of deposit issued by merchant banks, and asset backed commercial paper.</p> <p>Excludes: floating rate notes and similar long-term debt securities with a short-term interest rate (included as <i>long-term debt securities</i>).</p>

Item 5	<p>Report in item 5, for each type of resident counterparty: the type of resident counterparty in column 1, the type of issuer of <i>long-term debt securities</i> in column 2, the type of bonds and instruments in column 3, the value of <i>securities purchased under agreements to resell and securities borrowed</i> in column 4 and the value of <i>securities sold under agreements to repurchase and securities lent</i> in column 5.</p> <p>The types of resident counterparty are:</p> <ul style="list-style-type: none"> • the <i>RBA</i>; • <i>banks</i>; • <i>non-bank authorised deposit-taking institutions</i>; • <i>registered financial corporations</i>; • <i>life insurance and friendly societies</i>; • <i>superannuation funds</i>; • <i>general insurance corporations</i>; • <i>health insurance corporations</i>; • <i>central borrowing authorities</i>; • <i>financial auxiliaries</i>; • <i>other financial institutions</i>;
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	<ul style="list-style-type: none"> • <i>securitisers</i>; and • <i>other corporations</i>. <p>The types of issuer of long-term debt securities are:</p> <ul style="list-style-type: none"> • <i>Australian Commonwealth government</i>; • <i>trading enterprises owned by the Australian Commonwealth government</i>; • <i>trading enterprises owned by state, territory and local government</i>; • <i>central borrowing authorities</i>; • <i>state, territory and local government</i>; • <i>property trusts</i>; • <i>infrastructure trusts</i>; • <i>listed and unlisted private trading enterprises</i>; • <i>banks</i>; • <i>non-bank authorised deposit-taking institutions</i>; • <i>registered financial corporations</i>; • <i>life insurance and friendly societies</i>; • <i>general insurance corporations</i>; • <i>health insurance corporations</i>; • <i>securitisers</i>; and • <i>other financial institutions</i>. <p>The types of bonds and instruments are:</p> <ul style="list-style-type: none"> • <i>treasury bonds</i>; • <i>greenhouse gas emissions reductions scheme instruments</i>; • <i>covered bonds</i>; and • <i>other</i>.
Treasury bonds	Represents <i>long-term debt securities</i> issued by the <i>Australian Commonwealth government</i> .
Covered bonds	Represents <i>debt securities</i> secured by assets beneficially owned by a bankruptcy remote special purpose vehicle.
Item 6	Report, for each type of resident counterparty: the type of resident counterparty in column 1, the type of <i>shares</i> in column 2, the type of issuer of <i>shares</i> in column 3, the value of <i>securities purchased under agreements to resell and securities borrowed</i> in column 4 and the value of <i>securities</i>

<p><i>sold under agreements to repurchase and securities lent</i> in column 5.</p> <p>The types of resident counterparty are:</p> <ul style="list-style-type: none">• the <i>RBA</i>;• <i>banks</i>;• <i>non-bank authorised deposit-taking institutions</i>;• <i>registered financial corporations</i>;• <i>life insurance and friendly societies</i>;• <i>superannuation funds</i>;• <i>general insurance corporations</i>;• <i>health insurance corporations</i>;• <i>central borrowing authorities</i>;• <i>financial auxiliaries</i>;• <i>other financial institutions</i>;• <i>securitisers</i>; and• <i>other corporations</i>. <p>The types of shares are:</p> <ul style="list-style-type: none">• <i>listed shares</i>; and• <i>unlisted shares</i>. <p>The types of issuer of shares are:</p> <ul style="list-style-type: none">• <i>trading enterprises owned by the Australian Commonwealth government</i>;• <i>other listed trading enterprises</i>;• <i>other unlisted trading enterprises</i>;• <i>listed investment companies</i>;• <i>unlisted investment companies</i>;• <i>banks</i>;• <i>non-bank authorised deposit-taking institutions</i>;• <i>registered financial corporations</i>;• <i>life insurance and friendly societies</i>;• <i>general insurance corporations</i>;• <i>health insurance corporations</i>;• <i>other financial institutions</i>; and• <i>other</i>.
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Listed shares	<p>Represents shares that are quoted on domestic or foreign stock exchanges.</p> <p>Includes: listed ordinary shares; listed participating preference shares (a special type where the holder has an entitlement to a share in the residual value on dissolution of the issuing company).</p> <p>Excludes: equity derivatives, such as exchange traded options (included as <i>derivatives</i>); units in listed trusts (included as <i>units in trusts</i>); shares in non-resident companies even if quoted on domestic stock exchanges (included as <i>non-resident shares</i>). A list of the foreign companies quoted on the ASX is available from the ASX website www.asx.com.au.</p>
Unlisted shares	<p>Represents shares not available for purchase or sale through either domestic or foreign stock exchanges.</p>

Glossary of additional terms

Core principles

The macroeconomic statistics produced by the ABS centre around the internationally accepted key standard, the System of National Accounts (SNA) 2008. SNA provides an overarching national accounting framework that is integrated, coherent and maximises international comparability.

Under the SNA, financial statistics are presented in a flow of funds or so-called from-whom-to-whom format to measure the “stocks” and “flows” of financial assets and liabilities throughout the Australian economy and with the rest of the world. A flow of funds concept is designed to delineate both parties to a transaction, as well as the nature of the financial instrument transacted. This concept also underpins the classification schema used in this form.

Residency

An institutional unit is resident in one and only one economic territory. In general, the residence of an institutional unit is determined by the unit's centre of predominant economic interest.

Individual members of households who leave the economic territory of a country and return after a limited period (less than one year) continue to be regarded as residents of that country.

For example, a member of a resident Australian household who travels abroad for recreation, business, health or other purposes and returns within one year is treated while abroad as a resident of Australia. An exception to the one year rule is made in the case of students, who are treated as residents of the country where they had been prior to studying. If a student develops the intention to remain in the country after completion of studies, they are counted as a resident of that country.

The residence of a financial instrument is determined by the residence of the issuer rather than the *domicile* of the financial instrument itself. For example, holdings of bonds issued by a *non-resident* into the Australian Market would be recorded as *non-resident asset*.

Conversely holdings of bonds issued internationally by an Australian resident would be recorded as a *resident asset* by an Australian registrable superannuation entity.

<i>Non-resident</i>	<p>Represents any individual, enterprise or other organisation ordinarily domiciled in a country other than Australia.</p> <p>Includes: foreign branches and foreign subsidiaries of Australian enterprises.</p> <p>Excludes: Australian-based branches and subsidiaries of foreign businesses.</p>
<i>Australian resident</i>	<p>Represents any individual, enterprise or other organisation ordinarily domiciled in Australia's economic territory.</p> <p>Includes: Australian registered branches and incorporated subsidiaries of foreign enterprises.</p>

Domicile type

Represents the jurisdiction in which a financial instrument is constituted. For ABS purposes, debt liabilities are classified as either Australian domicile or international domicile. For debt securities, this refers to whether a debt security is issued in Australia or abroad. For deposits, it refers to the residence of the institution accepting the deposit. For loans it refers to the residence of the institution providing the loan.

Therefore, deposits taken by Australian institutions are classified as debt - Australia domicile, and loan liabilities to the rest of the world as debt - international domicile.

The domicile of a financial instrument does not determine residency. Kangaroo bonds are domiciled in Australia but the issuer is a non-resident. Therefore, holdings of Kangaroo bonds are considered a claim against a non-resident.

<i>Australian domicile</i>	Represents investments issued in Australia.
<i>International domicile</i>	Represents investments issued outside Australia.

Ownership

Two types of ownership are distinguished in national accounting, legal ownership and economic ownership. The legal owner of assets and liabilities is the institutional unit entitled in law and sustainable under the law to claim the benefits embodied in the value of the assets and liabilities. The economic owner of products is the institutional unit entitled to claim the benefits associated with the use of assets or liabilities in question in the course of an economic activity by virtue of accepting the associated risks.

Every product has both a legal owner and an economic owner, though in many cases they are the same. Where they are not, the legal owner has handed responsibility for the risk involved in using the assets or liabilities in an economic activity to the economic owner along with

associated benefits. In return the legal owner accepts another package of risks and benefits from the economic owner. In general within the SNA, when the expression “ownership” or “owner” is used and the legal and economic owners are different, the reference should be understood to be to the economic owner.

In the case of unitised investments investors acquiring units in a trust spread their exposure across all the instruments in that trust. However, the unit holders cannot claim that they directly hold those underlying instruments as they do not directly claim the benefits (incomes and realised or unrealised gains on the trust assets) associated with the holdings of the trust. Instead they must await distributions, or sell their units to claim any benefits. Unit holders hence are not the economic owners of underlying assets but the economic owners of the trust while trustee of the trust remains the legal owner. Unit holders hold an equity position (units) in the trust and would report units in trusts as the primary financial instrument.

Financial instruments

Financial assets and liabilities, as published in ABS macroeconomic statistics, are classified to financial instruments as follows:

- Monetary gold and Special Drawing Rights (SDRs)
- Currency
- Deposits
 - Transferable deposits
 - Other deposits
- Debt securities
 - Short-term debt securities
 - Bills of exchange
 - One name paper
 - Long-term debt securities
- Loans and placements
 - Short-term loans
 - Long-term loans
- Derivatives
- Shares and other equity
 - Listed shares and other equities
 - Unlisted shares and other equities
- Net equity in reserves
- Trade credits and advances and other accounts receivable and payable

While some of the categories above are not directly applicable to RSEs, detailed definitions for these financial instruments where appropriate are below. Definitions for financial instruments apply to non-resident and resident institutional units.

<i>Notes and coins</i>	<p>Represents holdings of physical currency.</p> <p>Includes: foreign currencies (included as <i>notes and coins</i> denominated in a foreign currency) and Australian notes and coins (included as <i>notes and coins</i> denominated in Australian dollars).</p> <p>Excludes: <i>bills of exchange</i> (included as <i>short-term debt securities</i>); units in</p>
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	<i>cash management trusts.</i>
<i>Deposits</i>	<p>Represents customers' account balances with institutions regarded as deposit-taking institutions.</p> <p>Includes: account balances with resident banks; account balances with resident other deposit-taking institutions such as credit unions, building societies, merchant banks and <i>registered financial corporations</i>; deposits with non-resident banks (included as <i>non-resident deposits</i>).</p> <p>Excludes: holdings of physical currency (included as holdings of <i>notes and coins</i>); certificates of deposit (included as <i>debt securities</i>).</p>
<i>Transferable deposits</i>	Represents all deposits that are exchangeable for bank notes and coins on demand at par and without penalty or restriction; and are directly usable for making payment by cheque, draft, giro order, direct debit/credit, or other direct payment facility.
<i>Other deposits</i>	<p>Represents all customers' deposits, other than transferable deposits.</p> <p>Includes: savings deposits, fixed-term deposits, non-negotiable certificates of deposit, shares or similar evidence of deposit issued by savings and loan associations, building societies, credit unions etc.</p>
<i>Debt securities</i>	<p>Represents financial instruments that evidence the issuer's promise to repay the principal at face value upon maturity.</p> <p>Includes: <i>bills of exchange, commercial paper</i> and <i>bonds</i>.</p>
<i>Short-term debt securities</i>	<p>Represents debt securities which have an original term to maturity of one year or less.</p> <p>Includes: all short-term securities issued by <i>non-resident</i>; all short-term securities issued by residents such as treasury notes, bills of exchange, inscribed stock, <i>commercial paper</i> and promissory notes issued by an institution (e.g. <i>trading enterprises, central borrowing authorities, securitisers, negotiable certificates of deposit (NCDs)</i>).</p> <p>Excludes: debt securities which have an original term to maturity of more than one year, but have a remaining term to maturity of less than or equal to a year (included as <i>long-term debt securities</i>).</p>
<i>Long-term debt securities</i>	<p>Represents debt securities which have an original term to maturity of more than one year.</p> <p>Includes: all long-term securities issued by non-resident regardless of the market of issuance such as Euro bonds and Kangaroo bonds; all long-term securities issued by residents such as <i>treasury bonds</i>, treasury Adjustable Rate Bonds, inscribed stock, asset-backed bonds, debentures, transferable certificates of deposit, unsecured notes, mortgage-backed bonds, convertible notes, semi-government bonds, corporate bonds; fixed-interest securities; inflation-indexed bonds, medium-term notes; floating-rate notes, other floating-rate debt securities, Euro bonds issued by Australian residents, non-participating</p>

	<p>preference shares (a special type where the holder has no entitlement to a share in the residual value on dissolution of the issuing company).</p> <p>Excludes: derivatives; debt securities which have an original term to maturity of one year or less (included as <i>short-term debt securities</i>).</p>
<i>Loans and placements</i>	<p>Represents borrowings which are not evidenced by the issue of debt securities (loans) and customers' account balances with institutions not regarded as deposit-taking institutions (placements).</p> <p>Includes: overdrafts; secured and unsecured borrowings; financial lease agreements; account balances with institutions which do not qualify as deposit-taking institutions; 11 am money placed with corporate treasuries.</p> <p>Excludes: <i>bills of exchange</i>; <i>commercial paper</i> and promissory notes (included as <i>short-term debt securities</i>); <i>bonds</i>, debentures, medium term notes, transferable certificates of deposit, floating-rate notes (included as <i>long-term debt securities</i>); account balances with financial intermediaries deemed to be deposit-taking institutions, such as <i>banks</i> (included as <i>deposits</i>).</p>
<i>Derivatives</i>	<p>Represents a financial instrument which is a contract between two or more parties where the price is dependent on or derived from one or more underlying assets.</p> <p>Includes: all exchange traded and over-the-counter call and put options; interest rate, bullion, commodity and equity options; warrants and swap options; interest-rate swaps; cross currency interest rate swaps; currency swaps; futures (e.g. bank bill, bond); forward rate agreements; forward foreign-exchange contracts; and employee stock options.</p>
<i>Shares</i>	Represents securities which represent ownership of part of a company.
<i>Units in trusts</i>	Represents securities that represent beneficial interest or economic ownership in a trust.
<i>Other financial assets</i>	<p>Represents all other financial assets that are not classified elsewhere.</p> <p>Financial assets are mostly financial claims. Financial claims entitle the owner to receive a payment, or a series of payments, from an institutional unit to which the owner has provided funds. <i>Shares</i> are treated as financial assets even though the financial claim their holders have on the corporation is not a fixed or predetermined monetary amount.</p>
<i>Non-financial assets</i>	Represents assets for which no corresponding liabilities are recorded.

Institutional units and sectoral classifications

In national accounting, institutional sectors are intrinsically different from each other in that their economic objectives, functions and behaviour are different. Institutional units are allocated to a sector according to the nature of the economic activities they undertake.

Institutional sectors and associated classifications used in the ABS financial statistics are described in [Standard Economic Sector Classifications of Australia \(SESCA\) \(cat. no. 1218.0\)](#). The classifications included in SESCOA are based on international standards, adapted to suit Australian situations where appropriate.

In the structure depicted below, each sector contains a number of subsectors distinguished according to a hierarchical structure. Each institutional unit belongs to only one subsector.

- Domestic/Resident
 - Non-financial corporations
 - ♦ Private
 - Private non-financial investment funds
 - Other private non-financial corporations
 - ♦ Public
 - National
 - State and local
 - Financial corporations
 - ♦ Central Bank
 - ♦ Depository corporations
 - Banks
 - Other depository corporations
 - ♦ Pension funds and insurance corporations
 - Pension funds
 - Life insurance corporations
 - Non-life insurance corporations
 - ♦ Financial investment funds
 - Money market funds (MMF)
 - Non-MMF financial investment funds
 - ♦ Central Borrowing Authorities
 - ♦ Securitiser
 - ♦ Other financial corporations
 - General government
 - ♦ National
 - ♦ State and local
 - Households
- Rest of world/Non-resident

Information provided in this section is to be used as a general guide for all data items where sectoral classifications are required. Refer to ‘Residency’ under ‘Core principles’ for more detail about residence. ‘Residential institutional units’ are further divided into sectors and subsectors.

<i>Trading enterprises</i>	Represents enterprises whose main activity is the production of goods or non-financial services for sale at market prices. They may be listed on stock exchanges or unlisted.
<i>Private trading enterprises</i>	Represents trading enterprises that are owned and controlled by the private (non-government) sector.

	<p>Includes: intra-group financiers for groups of trading enterprises; trading enterprises which are the Australian-based branches of foreign companies; partnerships of trading companies and unincorporated joint ventures engaged in trading activities.</p> <p>Excludes: unincorporated businesses except those mentioned above; companies providing financial services to the public such as banks and insurance companies; property and infrastructure trusts.</p>
<i>Trading enterprises owned by the Australian Commonwealth government</i>	<p>Represents trading enterprises that are owned and controlled by the <i>Australian Commonwealth government</i>.</p> <p>Includes: Australia Post; Snowy Hydro Ltd etc.; NBN Co Limited; Air Services Australia.</p> <p>Excludes: government departments (included as <i>Australian Commonwealth government</i>); government-owned financial institutions (included as financial corporations).</p>
<i>Trading enterprises owned by state, territory and local government</i>	<p>Represents trading enterprises that are owned and controlled by <i>state, territory or local governments</i>.</p> <p>Includes: non-privatised power authorities; housing commissions; port authorities; water boards; gas and fuel authorities.</p> <p>Excludes: <i>central borrowing authorities</i> or treasury corporations; government-owned financial institutions (included as financial corporations); government departments (included as <i>state, territory and local government</i>); privatised enterprises (include as <i>private trading enterprises</i>).</p>

Financial corporations

<i>Reserve Bank of Australia (RBA)</i>	<p>Represents Australia's central bank. Its main responsibilities include managing monetary policy and maintaining the stability of the financial system. The Bank is an active participant in financial markets, manages Australia's foreign reserves, issues Australian currency notes and serves as the banker to the Australian Government and the banking system.</p>
<i>Banks</i>	<p>Represents financial corporations and quasi corporations that are licensed by the Australian Prudential Regulation Authority (APRA) to operate as a bank and authorised to use 'Bank' or 'Banker' in their business name. They are part of the authorised deposit-taking institutions (ADIs) that are authorised under the <i>Banking Act 1959</i> to take deposits from customers. A list of resident banks can be found on the APRA website at http://www.apra.gov.au.</p> <p>Includes: banks listed on the APRA website under the categories Australian owned banks, foreign subsidiary banks and branches of foreign banks.</p> <p>Excludes: <i>Reserve Bank of Australia (RBA)</i>; credit unions and building</p>

	societies (included as <i>non-bank authorised deposit-taking institutions</i>); and non-resident banks.
<i>Non-bank authorised deposit-taking institutions</i>	<p>Represents authorised deposit-taking institutions that are not classified as banks. A list of non-bank deposit-taking institutions can be found on the APRA website at http://www.apra.gov.au.</p> <p>Includes: credit unions, building societies listed on the APRA website.</p> <p>Excludes: banks listed on the APRA website under the categories Australian owned banks, foreign subsidiary banks and branches of foreign banks.</p>
<i>Registered financial corporations</i>	<p>Represents corporations registered under the <i>Financial Sector (Collection of Data) Act 2001</i>. The <i>Financial Sector (Collection of Data) Act 2001</i> applies to any corporation whose total assets exceed \$5 million; and whose sole or principal business in Australia is borrowing money and provision of finance; or whose assets arising from the provision of finance exceed 50 per cent of its total assets in Australia. Lists of registered financial corporations can be found on the APRA website at http://www.apra.gov.au.</p>
<i>Superannuation funds</i>	<p>Represents funds established to provide benefits for their members on retirement, resignation, death or disablement. A superannuation fund usually takes the legal form of a trust fund. Self-Managed Superannuation Funds (SMSFs) are regulated by the Australian Tax Office and all other funds are regulated by the Australian Prudential Regulation Authority.</p> <p>Includes: <i>pooled superannuation trusts</i>; approved deposit funds; public sector superannuation funds (including <i>Superannuation Industry (Supervision) Act 1993</i>-exempt funds); private sector superannuation funds e.g. retail or industry super funds; SMSFs.</p> <p>Excludes: Future Fund (included as <i>Australian Commonwealth government</i>).</p>
<i>Life insurance and friendly societies</i>	<p>Represents entities registered under the <i>Life Insurance Act 1995</i> and are regulated by the Australian Prudential Regulation Authority (APRA). They offer insurance for death or disability and also offer investment and superannuation products. A list of life insurance companies and friendly societies can be found on the APRA website at http://www.apra.gov.au.</p> <p>Includes: life insurance companies, life reinsurance companies and friendly societies.</p> <p>Excludes: insurance companies offering house, car and marine insurance (included as <i>general insurance corporations</i>); non-life reinsurance companies; life insurance brokers (included as <i>financial auxiliaries</i>).</p>

<p><i>General insurance corporations</i></p>	<p>Represents insurance corporations that are registered as a general insurance company with the Australian Prudential Regulation Authority (APRA).</p> <p>Includes: the Export Finance Insurance Corporation (EFIC); private sector and government-owned <i>general insurance enterprises</i>; non-life reinsurance companies.</p> <p>Excludes: life insurance companies, life reinsurance companies and friendly societies; insurance brokers (included as <i>financial auxiliaries</i>).</p>
<p><i>Health insurance corporations</i></p>	<p>Represents corporations are regulated by the Private Health Insurance Administration Council (PHIAC).</p> <p>Includes: private sector and government-owned health insurance enterprises.</p> <p>Excludes: life insurance companies, life reinsurance companies and friendly societies; insurance brokers (included as <i>financial auxiliaries</i>).</p>
<p><i>Central borrowing authorities</i></p>	<p>Represents state and territory statutory bodies established by a state or territory government to provide debt funding, risk management and financial advisory services for a range of state and territory government and semi government entities.</p> <p>Includes: TCorp, TCV, QTC, WATC, SAFA, TasCorp, NTTC.</p> <p>Excludes: ACT Treasury (included as <i>state, territory and local government</i>).</p>
<p><i>Securitisers</i></p>	<p>Represents issuers of asset-backed debt securities that are backed by a pool of specific assets, often residential mortgages. The securities issued can be short-term or long-term.</p> <p>Excludes: issuers of covered bonds.</p>
<p><i>Financial auxiliaries</i></p>	<p>Represents corporations and quasi-corporations engaged primarily in activities closely related to financial intermediation, but which do not themselves perform an intermediation role.</p> <p>Includes: fund managers as principal; stockbrokers; insurance brokers; investment advisors and corporations providing infrastructure for financial markets.</p>
<p><i>Investment funds</i></p>	<p>Represents collective investment vehicles through which investors pool funds for investment in financial or non-financial assets. Under System of National Accounts (SNA) 2008, they are recognised as separate institutional units. Investment funds normally take the format of a trust which is governed by a trust deed.</p>

<i>Property trusts</i>	Represents investment trusts that provide exposures to investment in real estate where the earnings and capital value are dependent on cash flows generated by the property through sale or rental income.
<i>Infrastructure trusts</i>	Represents investment trusts that provide exposure to investments in the basic physical systems of a country, state or region including transportation, communication, utilities, and public institutions.
<i>Financial trusts</i>	<p>Represents investment trusts that primarily invest in financial assets such as mortgage, fixed interest and equity etc. They can be either <i>retail public (offer) unit trusts</i> or <i>wholesale trusts</i>.</p> <p>Includes: funds with predominantly overseas property or infrastructure holdings; listed and unlisted equity trusts; listed and unlisted mortgage trusts.</p>
<i>Cash management trusts</i>	<p>Represents a unit trust which is governed by a trust deed which generally confines its investments (as authorised by the trust deed) to financial securities available through the short-term money market. Cash management trusts issue units in the trust that are redeemable by the unit holder on demand.</p> <p>Includes: <i>retail public (offer) unit trusts</i> and <i>wholesale trusts</i>.</p> <p>Excludes: cash management accounts with <i>banks</i> or other deposit-taking institutions (included as <i>deposits</i>).</p>
<i>Retail public (offer) unit trusts</i>	<p>Represents trusts that are or have been open to the general public to buy units. It allows unit holders to redeem or dispose of their units within a reasonable period of time on a well-developed secondary market (eg ASX) or has a readily accessible redemption facilities offered by the management company(usually the trustee) associated with the trust. They must have registered a prospectus with the Australian Securities Investment Commission and are required to have a Product Disclose Statements. Some are listed on stock exchanges.</p> <p>Excludes: <i>wholesale trusts</i>; <i>internal trusts</i> (which must be looked through); agricultural trusts (included as all other trusts); film trusts (included as all other trusts).</p>
<i>Wholesale trusts</i>	<p>Represents a collective investment vehicle that provides exposure to a diversified portfolio of investments and can be accessed by wholesale clients only, at high entry levels, as defined in the <i>Corporations Act 2001</i>.</p> <p>Excludes: <i>retail public (offer) unit trusts</i>; <i>internal trusts</i> (which must be looked through); agricultural trusts (included as <i>all other trusts</i>); film trusts (included as <i>all other trusts</i>).</p>

<i>Wholesale trusts which are open only to superannuation funds</i>	Represents wholesale trusts where only superannuation funds can be the institutional investors.
<i>Pooled superannuation trusts</i>	Represents a type of collective investment trust where an investment manager invests the assets of superannuation funds, approved deposit funds and other pooled superannuation trusts. Excludes: unitised investments with life companies where the original or primary investment is an insurance or investment policy.
<i>Internal trusts</i>	Represents trusts established to facilitate ownership of investment assets. All units in internal trusts must be held by the same registrable superannuation entity and must be consolidated.
<i>Common funds</i>	Represents funds operated by Trustee Companies under relevant State Trustee Companies Acts. They permit trustee companies to combine depositors' funds and other funds held in trust in an investment pool, and invest the funds in specific types of assets. Cash and non-cash common funds have the same investment strategy and economic functions as cash management trusts and public (offer) unit trusts respectively. However they do not operate in the same manner, in that common funds do not issue units, nor do they necessarily issue prospectuses.
<i>Cash common funds</i>	Represents common funds which primarily invest in cash or short-term money market securities.
<i>Other common funds</i>	Represents common funds which primarily invest in equity, mortgages and long-term securities.
<i>Investment companies</i>	Represents incorporated corporations whose main purpose is to invest in the equities. They may be listed on stock exchanges or unlisted. Those quoted on Australian Securities Exchange (ASX) are called Listed Investment Companies (LICs).
<i>Other financial institutions</i>	Represents financial institutions that are not elsewhere classified. Includes: domestic clearing houses (e.g. ASX clear, ASX clear (Futures)); economic development corporations owned by governments; co-operative housing societies.

General Government

<i>Australian Commonwealth</i>	Represents the provider of non-market goods and services, principally financed by taxes and hence, provided free of charge or at nominal prices,
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<i>government</i>	<p>well below the cost of production. Australian Commonwealth government entities are primarily financed from taxation revenue.</p> <p>Includes: departments such as the Commonwealth Department of Finance, the Department of Defence, the ABC and the SBS, the Australian Film Commission, CSIRO, universities; sovereign funds established by Australian Commonwealth government.</p> <p>Excludes: government business enterprises (GBEs) such as the Export Finance and Insurance Corporation (included as <i>trading enterprises owned by the Australian Commonwealth government</i> or <i>financial institutions</i> as appropriate); departments of the state governments, the ACT and the Northern Territory governments (included as <i>state, territory and local government</i>).</p>
<i>State, territory and local government</i>	<p>Represents the providers of non-market goods and services principally financed by taxes and hence provided free of charge or at nominal prices well below the cost of production.</p> <p>Includes: state and territory departments such as police, sport and recreation, arts and premiers; ACT Treasury; state schools, technical and further education colleges, state-owned hospitals, and film commissions.</p> <p>Excludes: government business enterprises such as electricity and water authorities (included as <i>trading enterprises owned by state, territory and local government</i>); state, territory and local government borrowing authorities or treasury corporations (included as <i>central borrowing authorities</i>); government-owned financial institutions.</p>

Households

<i>Households</i>	<p>Represents persons (in their capacity as households) and unincorporated trading businesses operated by persons either as sole proprietors or in partnerships with other persons.</p> <p>Includes: family trusts; unincorporated cafes and restaurants; unincorporated professional practices (medical, dental, legal, accounting etc.); unincorporated businesses run by tradesmen (plumbers, electricians etc.); trading trusts established to operate an unincorporated business.</p> <p>Excludes: unincorporated businesses offering financial services; unincorporated businesses owned by governments (included as government-owned trading enterprises or financial institutions); unincorporated joint ventures and partnerships of companies (included as trading enterprises).</p>
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Interpretation

For the purposes of these instructions:

- ***defined benefit RSE*** means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*;
- ***eligible rollover fund (ERF)*** has the meaning given in section 10(1) of the SIS Act;
- ***pooled superannuation trust (PST)*** has the meaning given in section 10(1) of the SIS Act;
- ***RSE*** means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, PST, ERF, small APRA fund or single member approved deposit fund²;
- ***RSE licensee*** has the meaning given in section 10(1) of the SIS Act;
- ***SIS Act*** means *Superannuation Industry (Supervision) Act 1993*; and
- ***SIS Regulations*** means *Superannuation Industry (Supervision) Regulations 1994*.

² For the purposes of these instructions, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member.