Reporting Standard SRS 722.0

ABS Derivatives Schedule

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to the derivatives schedule of a registrable superannuation entity for the purposes of the Australian Bureau of Statistics.

It includes *Form SRF 722.0 ABS Derivatives Schedule* 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 722.0 ABS Derivatives Schedule* (SRF 722.0) 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]

4. For the purpose 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.

[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.

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 722.0 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 relates[2]; 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 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.

---

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.

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 722.0 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 licensee[3];

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

    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;

[3] Refer to *Prudential Standard SPS 510 Governance*.

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 fund[4];

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.

4 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 722.0: ABS Derivatives Schedule

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

Derivatives in a net asset / net liability position

1. Non-resident counterparty

	Net asset position		Net liability position	
Type of derivative contract (1)	**Principal amount (2)**	**Fair value (3)**	**Principal amount (4)**	**Fair value (5)**
Interest rate contract				
Foreign exchange contract				
Equity contract				
Other derivative contract				
1.1. Total derivative contracts				

2. Resident counterparty

Type of resident counterparty (1)	Type of derivative contract (2)	Net asset position: Principal amount (3)	Net asset position: Fair value (4)	Net liability position: Principal amount (5)	Net liability position: Fair value (6)

Type of resident counterparty	Type of derivative contract
Reserve Bank of Australia (RBA)	Interest rate contract
Banks	Foreign exchange contract
Non-bank authorised deposit-taking institutions	Equity contract
Registered financial corporations	Other derivative contract
Life insurance and friendly societies	
Superannuation funds	
General insurance corporations	
Health insurance corporations	
Central borrowing authorities	
Financial auxiliaries	
Securitisers	
Listed investment companies	
Unlisted investment companies	
Other financial institutions	
Trading enterprises owned by the Australian Commonwealth government	
Other listed trading enterprises	
Other unlisted trading enterprises	

2.1. Total derivative contracts				

Reporting Form SRF 722.0

ABS Derivatives Schedule

Instructions

These instructions assist completion of *Reporting Form SRF 722.0 ABS Derivatives Schedule* (SRF 722.0). SRF 722.0 collects detailed information about derivatives held by a registrable superannuation entity (RSE). Information reported in SRF 722.0 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 722.0 must be completed for each relevant RSE.[1]

Reporting basis and unit of measurement

Report all items on SRF 722.0 in accordance with the Australian Accounting Standards unless otherwise specified.

Items on SRF 722.0 must be reported as at the end of the reporting period (i.e. the last day of each calendar quarter).

Items on SRF 722.0 are to be reported as thousands of dollars. Values are to be rounded up or down to the nearest thousand dollars.

Items on SRF 722.0 are to be reported as careful estimates where exact values are not available to the RSE licensee. Report items on SRF 722.0 as blank where the item is nil.

Items on SRF 722.0 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.

Items on SRF 722.0 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

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.

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 722.0.

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.

Derivatives in a net asset / net liability position

Item 1	Report ***derivative*** contracts with ***non-resident*** counterparties in item 1. Derivative contracts with ***resident*** counterparties must be reported in item 2. Report, for each type of derivative contract: the type of derivative contract in column 1, the ***principal amount*** of derivative contracts in a ***net asset position*** in column 2, the ***fair value*** of derivative contracts in a ***net asset position*** in column 3, the ***principal amount*** of derivative contracts in a ***net liability position*** in column 4 and the ***fair value*** of derivative contracts in a ***net liability position*** in column 5. The types of derivative contracts are: • ***interest rate contracts***; • ***foreign exchange contracts***; • ***equity contracts***; and • other derivative contracts. Item 1.1 is a derived item. Report total derivative contracts in item 1.1 as the sum of values reported in item 1 column 2, column 3, column 4 and column 5 respectively. The total ***fair value*** of derivative contracts in a ***net asset position*** to ***non-residents*** reported in column 3 of item 1.1 must equal column 1 of item 1.6 on *Reporting Form SRF 720.0 ABS Statement of Financial Position* (SRF 720.0). The total ***fair value*** of derivative contracts in a ***net liability position*** to ***non-residents*** reported in column 5 of item 1.1 must equal column 1 of item 18.3 on SRF 720.0. Do not offset against other derivative contracts that have a negative market value at the reporting date. Derivative contracts that have a negative market value at the reporting date must be reported as ***derivatives*** in a ***net liability position*** against the appropriate sector.

	Do not offset against other derivative contracts that have a positive market value at the reporting date. Derivative contracts that have a positive market value at the reporting date should be reported as ***derivatives*** in a ***net asset position*** against the appropriate sector.
Principal amount	Represents the face value of a financial instrument.
Fair value	Represents the price of a financial instrument that a buyer would be willing to pay and a seller would be willing to accept on the open market. When the market value is not readily available in the case of the over-the-counter derivative, the estimate of fair value should take into account prices for similar assets and valuation results such as the present value of all expected future cash flows of a security.
Derivatives	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. 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.
Net asset position	Represents the total market value (***fair value***) of all derivative contracts that, if all legs of the transactions are settled on a “net basis”, have a positive market value at the reporting date.
Net liability position	Represents the total market value (***fair value***) of all derivative contracts that, if all legs of the transactions are settled on a “net basis”, have a negative market value at the reporting date.
Interest rate contract	Represents a contract that transfers the interest rate risk on an underlying asset from one party to another.
Foreign exchange contract	Represents a contract that transfers the exchange rate risk on an underlying asset from one party to another. Includes: gold contracts.
Equity contract	Represents a contract that transfers the equity risk on an underlying equity security from one party to another. Excludes: credit risk on an underlying equity security.

Item 2	Report ***derivative*** contracts with ***resident*** counterparties in item 2. Derivative contracts with ***non-resident*** counterparties must be reported in item 1. Report, for each type of resident counterparty: the type of resident

	counterparty in column 1, the type of derivative contract in column 2, the ***principal amount*** of derivative contracts in a ***net asset position*** in column 3, the ***fair value*** of derivative contracts in a ***net asset position*** in column 4, the ***principal amount*** of derivative contracts in a ***net liability position*** in column 5 and the ***fair value*** of derivative contracts in a ***net liability position*** in column 6. The types of resident counterparty are: • the ***RBA***; • ***banks***; • ***non-bank authorised deposit-taking institutions***; • ***registered financial corporations***; • ***life insurance and friendly societies***; • ***superannuation funds***; • ***general insurance corporations***; • ***health insurance corporations***; • ***central borrowing authorities***; • ***financial auxiliaries***; • ***securitisers***; • listed ***investment companies***; • unlisted ***investment companies***; • ***other financial institutions***; • ***trading enterprises owned by the Australian Commonwealth government***; • other listed ***trading enterprises***; and • other unlisted ***trading enterprises***. The types of derivative contracts are: • ***interest rate contracts***; • ***foreign exchange contracts***; • ***equity contracts***; and • other derivative contracts. Item 2.1 is a derived item. Report total derivative contracts in item 2.1 as the sum of values reported in item 2 column 3, column 4, column 5 and column 6 respectively. The total ***fair value*** of derivative contracts in a ***net asset position*** to ***residents*** reported in column 4 of item 2.1 must equal column 1 of item 9 on SRF 720.0.

	The total ***fair value*** of derivative contracts in a ***net liability position*** to residents reported in column 6 of item 2.1 must equal column 1 of item 21 on SRF 720.0.

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.

Non-resident	Represents any individual, enterprise or other organisation ordinarily domiciled in a country other than Australia. Includes: foreign branches and foreign subsidiaries of Australian enterprises. Excludes: Australian-based branches and subsidiaries of foreign businesses.

Australian resident	Represents any individual, enterprise or other organisation ordinarily domiciled in Australia’s economic territory. Includes: Australian registered branches and incorporated subsidiaries of foreign enterprises.

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.

Australian domicile	Represents investments issued in Australia.
International domicile	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.

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 SESCA 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
    - Securitisers
    - 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. 'Resident institutional units are further divided into sectors and subsectors.

Trading enterprises	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.
Private trading enterprises	Represents trading enterprises that are owned and controlled by the private (non-government) sector. 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. Excludes: unincorporated businesses except those mentioned above; companies providing financial services to the public such as banks and insurance companies; property and infrastructure trusts.
Trading enterprises owned by the Australian Commonwealth government	Represents trading enterprises that are owned and controlled by the ***Australian Commonwealth government***. Includes: Australia Post; Snowy Hydro Ltd etc.; NBN Co Limited; Air Services Australia. Excludes: government departments (included as ***Australian Commonwealth government***); and government-owned financial institutions (included as financial corporations).
Trading enterprises owned by state, territory and local government	Represents trading enterprises that are owned and controlled by ***state, territory or local governments***. Includes: non-privatised power authorities; housing commissions; port authorities; water boards; gas and fuel authorities. Excludes: ***central borrowing authorities*** or treasury corporations; government-owned financial institutions (included as financial corporations); government departments (included as ***state, territory and local government***); privatised enterprises (include as ***private trading enterprises***).

Financial corporations

Reserve Bank of Australia (RBA)	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.
Banks	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 *Banking Act 1959* to take deposits from customers. A list of resident banks can be found on the APRA website at http://www.apra.gov.au. Includes: banks listed on the APRA website under the categories Australian owned banks, foreign subsidiary banks and branches of foreign banks. Excludes: ***Reserve Bank of Australia (RBA)***; credit unions and building societies (included as ***other authorised deposit-taking institutions***); and non-resident banks.
Non-bank authorised deposit-taking institutions	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. Includes: credit unions, building societies listed on the APRA website. Excludes: banks listed on the APRA website under the categories Australian owned banks, foreign subsidiary banks and branches of foreign banks.
Registered financial corporations	Represents corporations which are registered under the *Financial Sector (Collection of Data) Act 2001*. The *Financial Sector (Collection of Data) Act 2001* 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.
Superannuation funds	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. Includes: ***pooled superannuation trusts***; approved deposit funds; public sector superannuation funds (including *Superannuation Industry (Supervision) Act 1993*-exempt funds); private sector superannuation funds e.g. retail or industry super funds; and SMSFs. Excludes: Future Fund (included as ***Australian Commonwealth government***).
Life insurance and friendly societies	Represents entities registered under the *Life Insurance Act 1995* 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.

	Includes: life insurance companies, life reinsurance companies and friendly societies. Excludes: insurance companies offering house, car and marine insurance (included as ***general insurance corporations***); non-life reinsurance companies; life insurance brokers (included as ***financial auxiliaries***).
General insurance corporations	Represents insurance corporations registered as a general insurance company with the Australian Prudential Regulation Authority (APRA). Includes: the Export Finance Insurance Corporation (EFIC); private sector and government-owned ***general insurance enterprises***; non-life reinsurance companies. Excludes: life insurance companies, life reinsurance companies and friendly societies; insurance brokers (included as ***financial auxiliaries***).
Health insurance corporations	Represents corporations that are regulated by the Private Health Insurance Administration Council (PHIAC). Includes: private sector and government-owned health insurance enterprises. Excludes: life insurance companies, life reinsurance companies and friendly societies; insurance brokers (included as ***financial auxiliaries***).
Central borrowing authorities	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. Includes: TCorp, TCV, QTC, WATC, SAFA, TasCorp, NTTC. Excludes: ACT Treasury (included as ***state, territory and local government***).
Securitisers	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. Excludes: issuers of covered bonds.
Financial auxiliaries	Represents corporations and quasi-corporations engaged primarily in activities closely related to financial intermediation, but which do not themselves perform an intermediation role. Includes: fund managers as principal; stockbrokers; insurance brokers; investment advisors and corporations providing infrastructure for financial markets.
Investment funds	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.
Property trusts	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.
Infrastructure trusts	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.
Financial trusts	Represents investment trusts that primarily invest in financial assets such as mortgage, fixed interest and equity etc. They can be either ***retail public (offer) unit trusts*** or ***wholesale trusts***. Includes: funds with predominantly overseas property or infrastructure holdings; listed and unlisted equity trusts; listed and unlisted mortgage trusts.
Cash management trusts	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. Includes: ***retail public (offer) unit trusts*** and ***wholesale trusts***. Excludes: cash management accounts with ***banks*** or other deposit-taking institutions (included as ***deposits***).
Retail public (offer) unit trusts	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. Excludes: ***wholesale trusts***; ***internal trusts*** (which must be looked through); agricultural trusts (included as all other trusts); film trusts (included ***as all other trusts).***
Wholesale trusts	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 *Corporations Act 2001*. Excludes: ***retail public (offer) unit trusts***; ***internal trusts*** (which must be looked through); agricultural trusts (included as ***all other trusts***); film trusts (included as ***all other trusts***).

Wholesale trusts which are open only to superannuation funds	Represents wholesale trusts where only superannuation funds can be the institutional investors.
Pooled superannuation trusts	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.
Internal trusts	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.
Common funds	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.
Cash common funds	Represents common funds which primarily invest in cash or short-term money market securities.
Other common funds	Represent common funds which primarily invest in equity, mortgages and long-term securities.
Investment companies	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).
Other financial institutions	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

Australian Commonwealth	Represents the provider of non-market goods and services, principally financed by taxes and hence, provided free of charge or at nominal prices,

government	well below the cost of production. Australian Commonwealth government entities are primarily financed from taxation revenue. 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. Excludes: government business enterprises (GBEs) such as the Export Finance and Insurance Corporation (included as ***trading enterprises owned by the Australian Commonwealth government*** or ***financial institutions*** as appropriate); departments of the state governments, the ACT and the Northern Territory governments (included as ***state, territory and local government***).
State, territory and local government	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. 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. Excludes: government business enterprises such as electricity and water authorities (included as ***trading enterprises owned by state, territory and local government***); state, territory and local government borrowing authorities or treasury corporations (included as ***central borrowing authorities***); government-owned financial institutions.

Households

Households	Represents persons (in their capacity as households) and unincorporated trading businesses operated by persons either as sole proprietors or in partnerships with other persons. 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. 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).

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 fund[2];

- ***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.