



23 May 2018

TO: ALL EFS REPORTING ENTITIES

EFS implementation roundtable

APRA, the RBA and ABS held an Economic Financial Statistics (EFS) data collection roundtable on 22 March 2018. This letter summarises the discussion and actions arising from the roundtable for the benefit of entities not present.

Updates since the Implementation Workshop can be found in the Action Item Updates document attached to this email.

Summary of actions

Item	Action	Owner	Date
1	Notify reporting entities when revised reporting standards are published on APRA's website. Both a marked-up version and clean version are to be published.	APRA	Ongoing
2	Add links to EFS taxonomies to the EFS webpage as they are released.	APRA	27/04/2018
3	Advise concepts or definitions that require further clarification.	Reporting entities	Ongoing
4	Suggest themes for webinars.	Reporting Entities	27/04/2018
5	Organise webinars on EFS implementation, including one on the parallel run.	APRA	31/05/2018
6	APRA to consult on changes to publications arising from new EFS collection.	APRA	Ongoing
7	Investigate how EFS data and submissions can be tested ahead of parallel run.	APRA	27/04/2018
8	Notify APRA of potential cross from reconciliation inconsistencies that may arise as a result of existing forms being superseded by the EFS collection (including Form 90).	Reporting Entities	27/04/2018
9	Investigate potential cross from reconciliation inconsistencies that may arise as a result of existing forms being superseded by the EFS collection	APRA	27/04/2018

	(including Form 90).		
10	Update threshold tables in RPG 702.0 to clarify that absolute dollar thresholds do not apply when the application of judgement is provided for.	APRA	27/04/2018
11	Arrange meeting with reporting entities and auditors to discuss data quality expectations.	APRA	27/04/2018
12	APRA to update specified forms in APS 310 to be consistent with new EFS collection.	APRA	TBD
13	Notify APRA of inconsistencies between taxonomy and reporting instructions.	Reporting Entities	27/04/2018
14	Advise when standards to be determined.	APRA	13/04/2018

Summary of discussion

Communication

- APRA agreed to periodically publish revised reporting standards on APRA website in a marked-up version and clean version as clarifications were incorporated. ADI and RFC contacts would receive notifications of these updates. (Action 1)
- APRA agreed to publish all EFS-related information, including new taxonomies, in one place on the APRA website. (Action 2)
- In response to a question on when reporting entities should send through any requests for clarification on aspects of the new reporting requirements, the agencies encouraged these to be sent through to DataAnalytics@apra.gov.au as they arise. (Action 3)
- APRA will organise themed webinars with reporting entities in the future. One webinar will focus on the parallel run period. Other themes are yet to be determined; entities were encouraged to send their suggestions on concepts or definitions requiring further clarification to APRA. APRA confirmed that all entities and industry associations would be invited to attend. (Action 4, Action 5)
- In response to questions about the publication of EFS data, APRA confirmed that it will consult on changes to its existing and proposed new publications later this year. (Action 6)

Implementation timeline

- APRA confirmed that the EFS taxonomy will be released progressively. The phase 2 taxonomy is planned to be released on 17 May, followed by the phase 3 taxonomy on 21 June.
- The reporting entities requested a test environment to submit EFS forms in Direct2APRA (D2A). APRA confirmed that D2A does not have a test environment for reporting entities, but it will investigate other options for entities to test the submission of EFS data and forms to APRA. (Action 7)

Derivatives

- The ABS confirmed that the derivatives form was delayed due to the incorporation of Form 90 requirements. The derivatives component of Form 90 will be ceased upon commencement of the new derivatives form.
- The ABS will continue to explore whether ASIC data can be used as a source of information about derivatives to minimise unnecessary reporting burden on entities, although it appears that the data does not meet all ABS requirements.
- The agencies will release a derivatives reporting discussion package in the near future, with a consultation period of three months.
- Entities requested that reconciliation points be identified between the forms that are being superseded by the new EFS collection and other APRA forms (such as ARF 731) and that these reconciliation points be updated to refer to the new EFS forms. APRA encouraged entities to notify APRA of any inconsistencies, and in the meantime, APRA will investigate any potential issues with Form 90 and ARF 731. (Action 8, Action 9)

Data Quality Framework

- The agencies gave a high-level summary of the feedback and responses to the recent consultation contained in <http://www.apra.gov.au/adi/PrudentialFramework/Pages/EFS-data-quality-response-Mar18.aspx>.
- The agencies reiterated that, while data quality will likely continue to improve from the first reporting period, it is important that reporting entities apply their best efforts to meet the data quality guidance expectations in the first parallel run period.
- In response to a question received following the release of the revised RPG 702.0, the agencies clarified that the benchmark tables will be updated to reflect that the absolute values in these tables are not directly applicable to items where the application of judgement is to be used (Action 10). However, the agencies noted that, as the data items to which judgement applies are generally subtotals, in most cases it would be surprising if errors exceeding these values were not considered reporting errors by the reporting entity.
- In response to a further question, the agencies clarified that the decision of whether or not to qualify an audit report rests with the auditor. As the response paper notes, the agencies strongly encourage appointed auditors to consider the use of a 'general and specific observations index' to highlight concerns over data quality that do not warrant a qualification in the current year, or to advise on progress in addressing previously raised qualifications and/or observations.
- APRA will arrange a meeting with interested reporting entities and audit firms to discuss expectations about the audit of EFS data. (Action 11)
- APRA will update the specified forms in APS 310 to be consistent with new EFS collection. (Action 12)

Implementation

- Agencies summarised lessons from previous implementation collections that would benefit them when implementing the EFS data collection

- Agencies and participants discussed the status of implementation, and questions relating to implementation, such as consistency of definitions, mapping, and the parallel run period.
- The agencies expect that the reporting standards, which are much more detailed than the existing domestic books forms, will ensure consistency in reporting across entities. As noted in EFS FAQ 9, where reporting entities are unable to meet these standards in time for the commencement of EFS reporting, they should contact APRA with details of the expected timetable on which this information will be able to be provided and a proposal for an interim solution. The agencies expect that the use of proxies that are not specified in RPG 701 should be phased out over time to drive consistency in reporting across institutions.
- The agencies confirmed that they will not publish a mapping of the domestic books data collection to the EFS collection.
- APRA will organise a webinar to provide more guidance on the operation of the parallel run, particularly the data items likely to be queried and the query process. (Action 5)
- The agencies will use the parallel run to compare data items that appear in the domestic books data collection and EFS collection.
- The agencies confirmed that where reporting entities discover inconsistencies between the reporting taxonomy and instructions for the existing or new collections, entities should contact APRA and follow the reporting instructions while awaiting a response. (Action 13)
- The agencies confirmed that any significant changes to the final reporting standards would require consultation with industry, however the agencies can clarify the intent of the reporting standards and inform entities about the clarification (as per Action 1). APRA will advise when the final reporting standards are expected to be gazetted. (Action 14)

D2A replacement

- APRA provided a summary of engagement, development and implementation plans for the D2A replacement (DCS). More information on these plans can be found on the APRA website at <http://www.apra.gov.au/CrossIndustry/Pages/Data-collection-solution.aspx>.