



22 May 2019

**TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS**

**COUNTERPARTY CREDIT RISK REPORTING – *BANKING ACT 1959* CONSEQUENTIAL CHANGES**

APRA has today released minor changes to the three reporting standards for the standardised approach for measuring counterparty credit risk exposures (SA-CCR). The reporting standards have been updated in response to amendments to the *Banking Act 1959* (Banking Act) which ease restrictions on the use of the term 'bank'.<sup>1</sup>

These reporting standards were released in April 2018 as part of APRA's *Response to Submissions – Counterparty Credit Risk for ADIs*<sup>2</sup>. In July 2017, the Department of Treasury consulted on amendments to section 66 of the Banking Act designed to reduce regulatory barriers to entry for new and innovative entrants to the banking system.<sup>3</sup> These amendments were later introduced by the *Treasury Laws Amendment (Banking Measures No. 1) Bill 2017*, which received Royal Assent and commenced on 5 March 2018. These amendments allow any ADI to use the term 'bank' in relation to the ADI's financial business unless APRA makes a determination under subsection 66AA(3) of the Banking Act.

Two of the reporting standards currently use the term 'bank' to specify units of measurement used on forms. The amendments to the Banking Act mean that, to ensure that data collected remains fit for purpose, a new method of categorising entities is needed. The standard wording in each of the three reporting standards has been updated to align it with current practice. The operation of each reporting standard outside these areas remains unchanged. The data items required, their definition, the applicable entities and the due dates have not changed.

Amendments to the reporting standards are marked up in documents available on the APRA website at <https://www.apra.gov.au/counterparty-credit-risk-adis>. Entities are encouraged to contact [DataAnalytics@apra.gov.au](mailto:DataAnalytics@apra.gov.au) with any questions on the changes to the reporting standards.

Yours sincerely,

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<sup>1</sup> [Treasury Laws Amendment \(Banking Measures No. 1\) Act 2018](#)

<sup>2</sup> <https://www.apra.gov.au/counterparty-credit-risk-adis>

<sup>3</sup> [Reducing barriers to new entrants to the banking sector – removing restrictions on the use of the term 'bank'](#)