

17 October 2017

The Manager
Data Collection and Design
Australian Prudential Regulation Authority
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Sydney NSW 2001

By Email: DataAnalytics@apra.gov.au

RPG 702.0 ABS/RBA Data Quality for the EFS Collection
RRS 710.0 ABS/RBA Audit requirements for Registered Financial Corporations

Toyota Finance Australia Limited (TFA) welcomes the opportunity to make a submission to APRA on the above proposals.

TFA is a wholly owned subsidiary of Toyota Financial Services, Japan, which is itself a wholly owned subsidiary of Toyota Motor Corporation, Japan (TMC). TFA was the first overseas finance company established by TMC in 1982 to support the sale of Toyota vehicles in Australia. Today, the Toyota Financial Services' business operates in 34 countries worldwide.

TFA is an integral part of the Toyota family in Australia. We partner with the local distributor of Toyota and Lexus vehicles in Australia, Toyota Motor Corporation Australia (TMCA), in the sale and financing of Toyota and Lexus dealers throughout Australia. TFA is the first choice financier for 99% of the Toyota dealer network and 100% of the Lexus dealer network. TFA is also the first choice financier for an additional 136 non-Toyota franchised dealerships where their principal franchise is Toyota or Lexus (through its' PowerTorque Finance brand).

TFA's principal activities include:

- financing the acquisition of motor vehicles by customers in the form of leasing, consumer and commercial loans;
- providing bailment facilities and commercial loans to motor dealers;
- providing operating lease and fleet management services to customers; and
- distributing retail insurance policies underwritten by third party insurers.

TFA welcomes APRA's intention to enhance and modernise data collections. However, we believe that the consultation thus far has been focused on ADIs. Our primary concern is that RFCs will be required to have the same level of collection, accuracy and assurance requirement as the ADI's despite having less than 20% of the total balance sheet.

Our initial view is that the data requirements are very detailed. This will require us to rework our processes and systems to capture the additional data. We believe that the cost of implementing these changes to be very high. In addition to the initial costs, there will be the ongoing cost to TFA in relation to the audit assurance requirement under RRS 710.0. The audit requirement combined with the high level of data accuracy is a major concern especially where data definitions are uncertain.

TFA would welcome the opportunity for further consultation between APRA and RFCs prior to any implementation. As the nature of proposed changes are significant and complex, more time is requested to assess the data sought, and understand the drivers from APRA. TFA further requests that the requirement for RRS710.0 audit assurance be reconsidered given size of RFCs to the overall finance sector in Australia and increase cost burden this will bring. We understand the role we play in ensuring the market place remains competitive and transparent to all customers. Our desire remains to ensure the customer is given the best outcome.

Yours faithfully



Pasquale Guerrera
Chief Financial Officer
Toyota Finance Australia Limited