



Reporting Standard LRS 112.3

Related Party Exposures

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA in relation to a life company's related party exposures.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard LRS 001 Reporting Requirements* (LRS 001), the Life Insurance General Instruction Guide and *Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital* (LPS 112).

Authority

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

Purpose

2. The information reported to APRA under this Reporting Standard is used by APRA for the purpose of prudential supervision including assessing compliance with capital adequacy standards.

Application and commencement

3. This Reporting Standard applies to all life insurance companies including friendly societies (together referred to as 'life companies') registered under the *Life Insurance Act 1995* (Life Act). This Reporting Standard applies for reporting periods ending on or after 31 December 2026.

Information required

4. A life company must provide APRA with the information required by this Reporting Standard for each reporting period.

5. The information reported to APRA under this Reporting Standard is not required to be given to policy owners pursuant to section 124 of the Life Act. It does not constitute a reporting document for the purposes of section 124.

Method of submission

6. The information required by this Reporting Standard must be given to APRA:
 - (a) in electronic format using an electronic method available on APRA's website; or
 - (b) by a method notified by APRA prior to submission.

Reporting periods and due dates

7. Subject to paragraph 8, a life company must provide the information required by this Reporting Standard:
 - (a) in respect of each quarter based on the financial year of the life company on an unaudited basis; and
 - (b) in respect of each financial year of the life company on an audited basis.

Note 1: This means that information provided under this Reporting Standard will be submitted five times for a full financial year.

Note 2: The annual audited information provided under this Reporting Standard must be submitted in conjunction with the annual auditor's report, as required under *Prudential Standard LPS 310 Audit and Related Matters* (LPS 310).

8. If, having regard to the particular circumstances of a life company, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 7(a) or 7(b), APRA may, by notice in writing, change the reporting periods, or specify reporting periods, for the particular life company.
9. The information required by this Reporting Standard in respect of a life company must be provided to APRA:
 - (a) in the case of quarterly information, within 20 business days after the end of the reporting period to which the information relates;
 - (b) in the case of annual information, within three months after the end of the reporting period to which the information relates; or
 - (c) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
10. APRA may, in writing, grant a life company an extension of a due date, in which case the new due date will be the date on the notice of extension.

Note: For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, a life company is nonetheless required to submit the information required no later than the due date.

Quality control

11. The information provided by a life company under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Auditor of the life company. This will require the Auditor to review and test the life company's systems, processes and controls supporting the reporting of the information to enable the life company to provide reliable financial information to APRA. This review and testing must be done on:
 - (a) an annual basis or more frequently if necessary to enable the Auditor to form an opinion on the reliability and accuracy of data; and
 - (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of LPS 310.
12. All information provided by a life company under this Reporting Standard must be subject to systems, processes and controls developed by the life company for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the life company to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.
13. Actuarial valuations and calculations included in or used in the preparation of the information provided to APRA must be in accordance with the prudential standards in force for the reporting period. However, life companies may use reasonable estimates when preparing information that will not be audited (i.e. for the first four submissions of information for a full financial year).

Authorisation

14. When an officer of a life company provides the information required by this Reporting Standard using an electronic format, the officer or agent must digitally sign the relevant information using a digital certificate acceptable to APRA.
15. An officer of a life company submitting information under this Reporting Standard must be authorised by either:
 - (a) the Principal Executive Officer of the life company; or
 - (b) the Chief Financial Officer of the life company.

Variations

16. APRA may, by written notice to the life company, vary the reporting requirements of this Reporting Standard in relation to that life company.

Transition

17. A life company must report under the old reporting standard in respect of a transitional reporting period. For these purposes:

old reporting standard means the reporting standard revoked in the determination making this Reporting Standard; and

transitional reporting period means a reporting period under the old reporting standard:

- (a) which ended before 31 December 2026; and
- (b) in relation to which the life company was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

Note: For the avoidance of doubt, if a life company was required to report under an old reporting standard, and the reporting documents were due before the date of revocation of the old reporting standard, the life company is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

18. In this Reporting Standard:

- (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard CPS 001 Defined Terms* (CPS 001); and
- (b) the following definitions are applicable:

Auditor means an auditor appointed under section 83 of the Life Act.

capital adequacy standards means the prudential standards which relate to capital adequacy as defined in CPS 001.

Chief Financial Officer means the chief financial officer of the life company, by whatever name called.

financial year has the meaning in the *Corporations Act 2001*.

general instruction guide refers to the general instruction guide set out in Attachment A of LRS 001.

Life Act means the *Life Insurance Act 1995*.

Principal Executive Officer means the principal executive officer of the life company, by whatever name called, and whether or not he or she is a member of the governing board of the entity.

reporting period means a reporting period under subparagraph 7(a) or 7(b) or, if applicable, paragraph 8.

19. Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard is a reference to the instrument as in force from time to time.

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Related Party Exposures

General instructions

Reporting tables

Tables described in this reporting standard list each of the data fields required to be reported. The data fields are listed sequentially in the column order that they will appear in the reported data set. Constraints on the data that can be reported for each field have also been provided.

Any specific combination of values in a table must not appear on more than one row in that table when reported.

Definitions

Terms highlighted in ***bold italics*** indicate that the definition is provided in these instructions.

A

<i>Adjustment for goodwill / other intangibles - related party's own balance sheet</i>	Means the amount of regulatory adjustments applied in respect of the <i>goodwill</i> and other intangible assets (net of impairment) in relation to the investment in the <i>subsidiary, joint venture</i> or <i>associate</i>. This is calculated automatically as: <i>ownership percentage of related party</i>, multiplied by: (the sum of: ○ <i>goodwill - related party's own balance sheet</i>; and ○ <i>other intangibles - related party's own balance sheet</i> less: ○ <i>total accumulated amortisation and impairment of intangible assets and goodwill - related party's own balance sheet</i>)
<i>Adjustment for regulatory capital requirement - related party</i>	Means the adjustment for investment in <i>subsidiaries, joint ventures</i> and <i>associates</i> that are subject to regulatory capital requirements. As per Attachment B of <i>Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital</i>, this adjustment is calculated as the lesser of the life company's share of the regulatory capital requirements and the value of the investment that is recorded on the reporting party's balance sheet after adjustment for any intangible component as reported in <i>adjustment for goodwill / other intangibles - related party's own balance sheet</i>.
<i>Associate</i>	Means an <i>associate</i> as defined under Australian Accounting Standard <i>AASB 128 Investments in Associates and Joint Ventures</i> .

B

<i>Benefit fund</i>	Means an approved benefit fund as defined in CPS 001.
<i>Borrowing</i>	The amount of outstanding funds that the entity is obligated to repay. Report this item in accordance with AASB 101.55 Common practice.

C

<i>Cash and cash equivalents</i>	This is the value of notes and coins, deposits withdrawable or redeemable within 24 hours and securities purchased under agreements to resell.
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Comparable regulatory capital requirement	Means a comparable regulatory capital requirement as agreed with APRA.
Country code	Means the two-letter country code as assigned by the ISO 3166 Maintenance Agency to a country defined under the International Organization for Standardization's <i>International Standard ISO 3166</i> . The ISO 3166 Maintenance agency maintains a free online database of country codes, available at https://www.iso.org/iso-3166-country-codes.html .
Country of incorporation	Means the country in which the company is incorporated. The International Organization for Standardization's <i>International Standard ISO-3166 Country list</i> contains a list of applicable countries.
Creditors and accruals	Means creditors and accruals (including goods and services tax payable but not income tax payable).

D

Derivatives (assets)	This is the value of all open derivative positions reported as assets.
Derivatives (liabilities)	This is the value of all open derivatives positions reported as liabilities.

E

Equities (direct)	This is the value, as at the relevant date, of equity. Equity securities are, as defined by the Australian Accounting Standards, contracts that evidence a residual interest in the assets of an entity after deducting all its liabilities. This includes equity securities lent or sold by the entity under repurchase agreements, where the transaction does not result in the transfer of the rights of ownership of the securities away from the entity to another party.
Equity method	The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The investor's profit or loss includes its share of the profit or loss of the investee. The investor's other comprehensive income includes its share of the other comprehensive income of the investee.
Exposure type	The exposure types are: • cash and cash equivalents; • interest rate investments (direct); • equities (direct); • property (direct);

	• <i>loans (direct);</i> • <i>indirect investments;</i> • <i>derivatives (assets);</i> • <i>other investments (direct);</i> • receivables; • reinsurance assets; • <i>other assets;</i> • <i>creditors and accruals;</i> • <i>borrowing;</i> • <i>derivatives (liabilities);</i> • <i>other liabilities;</i> • off-balance sheet assets; and • off-balance sheet liabilities.
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F

<i>Fair value amount of exposure</i>	Means value of the exposure, where the measurement base is fair value in accordance with the Australian Accounting Standards.
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G

<i>Goodwill</i>	An asset representing the future economic benefits arising from <i>other assets</i> acquired in a business combination that are not individually identified and separately recognised.
<i>Goodwill - related party's own balance sheet</i>	This is the value of <i>goodwill</i> reported on the balance sheet of the related party (<i>subsidiary, joint venture</i> or <i>associate</i>).

I

<i>Indirect investments</i>	This is the value of the net assets of unit trusts or managed investment schemes invested in by the fund, or mandates individually managed on behalf of the fund.
<i>Interest rate investments (direct)</i>	This is the value of debt securities held by the fund as at the relevant date. A debt security is a transferable instrument evidencing a relationship of indebtedness. It is characterised by having a definable return that is not based on the economic performance of the issuing entity.
<i>Investment not subject to regulatory adjustments for goodwill, intangibles and</i>	An investment in a <i>subsidiary, associate</i> or <i>joint venture</i> not subject to the regulatory adjustments relating to <i>goodwill</i>, intangibles and prudential capital requirement is an equity investment that: • is operationally independent; • represents a genuine arm's length investment;

<i>prudential capital requirement</i>	• is not subject to prudential capital requirements; and • does not undertake ‘life insurance business’ or business related to insurance business.
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J

<i>Joint venture</i>	A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. For the purposes of this form, a joint operation as defined under <i>Australian Accounting Standard AASB 11 Joint Arrangements</i> is to be treated as a <i>joint venture</i>.
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L

<i>Life company fund</i>	This means the type of <i>life company fund</i>. Possible types are: • statutory fund; • <i>benefit fund</i>; • shareholder fund; and • management fund.
<i>Loans (direct)</i>	This is the value of <i>loans (direct)</i>. <i>Loans (direct)</i> includes financial leases and mortgages, and are typically non-negotiable on the secondary market.

N

<i>Nature of business description</i>	This means a brief description of the main business types conducted.
<i>Nature of regulatory capital requirement for related party</i>	This means the appropriate category of the regulatory capital requirement for the related party (if any). This can be: • <i>prescribed capital amount</i>; • <i>prescribed capital amount equivalent</i>; • <i>comparable regulatory capital requirement</i>; • no regulatory capital requirement; or • not applicable.

O

<i>Other assets</i>	This is the value of any asset that has not been captured elsewhere.
<i>Other investments (direct)</i>	This is the value of investments (direct) that have not been captured elsewhere.
<i>Other intangibles - related party's</i>	This is the value of intangible assets, other than <i>goodwill</i>, reported on the own balance sheet of the <i>subsidiary</i>, <i>joint venture</i> or <i>associate</i>.

<i>own balance sheet</i>	
<i>Other liabilities</i>	This is the value of the liabilities that have not been captured elsewhere.
<i>Other related parties</i>	Means any counterparty that is deemed a related party in accordance with <i>AASB 124 Related Party Disclosures</i> , which is not separately reported as a <i>related party type</i> .
<i>Ownership percentage of related party</i>	Means the percentage of the reporting party's ownership of shares or units of the related party.

P

<i>Parent</i>	This means an entity that controls one or more entities.
<i>Prescribed capital amount</i>	Means the <i>prescribed capital amount</i> if the investment is in an insurer as defined under the relevant Insurance Act.
<i>Prescribed capital amount equivalent</i>	The equivalent amount to the <i>prescribed capital amount</i> if the investment is an entity carrying on insurance business in a foreign jurisdiction.
<i>Property (direct)</i>	This is the value of property held by the fund, in accordance with the classification and measurement basis under the relevant Australian Accounting Standards.

R

<i>Registered business name</i>	<i>Registered business name</i> is the name under which the business operates.
<i>Regulatory capital requirement for related party</i>	The amount of regulatory capital requirement where applicable, associated with the appropriate category selected from the <i>nature of regulatory capital requirement for related party</i> .
<i>Related party type</i>	The <i>related party types</i> are: • <i>parent</i>; • <i>subsidiary</i>; • <i>associate</i>; • <i>joint venture</i>; and • <i>other related party</i>.

S

<i>Subsidiary</i>	This means a subsidiary as defined in the <i>Corporations Act 2001</i> .
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T

<i>Total accumulated amortisation and impairment of intangible assets and goodwill - related party's own balance sheet</i>	Means the amount of accumulated amortisation and impairment of intangible assets and <i>goodwill</i> on the balance sheet of the <i>subsidiary, joint venture</i> or <i>associate</i> . The amounts reported must be net of any associated tax effects if the assets involved become impaired or derecognised under Australian Accounting Standards.
<i>Total assets - related party's own balance sheet</i>	Means total assets of the <i>subsidiary, joint venture</i> or <i>associate</i> as reported on its own balance sheet.

V

<i>Value of investment net of goodwill and other intangibles</i>	The <i>value of investment net of goodwill and other intangibles</i> is to be determined based on the following items on the reporting party's balance sheet in relation to the related party, being the sum of: • total investments accounted for using <i>equity method</i>; and • investments in <i>subsidiaries, joint ventures</i> and <i>associates</i> not accounted for using <i>equity method</i> less: total intangible assets and <i>goodwill</i>.
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Specific Instructions

Table 1: Related Party Exposures - Investments in subsidiaries, joint ventures and associates and contributions to regulatory adjustments

Reporting basis

This table applies to life companies including friendly societies. This table applies to statutory, shareholder, benefit and management funds.

Reported exposures

All equity investments in *subsidiaries*, *associates* and *joint ventures* reported on the reporting party's balance sheet should be reported in Table 1.

The following columns must be reported regardless of whether the investment is subject to the regulatory adjustments relating to *goodwill*, intangibles and regulatory capital requirement:

- *Life Company fund type*
- *Life Company fund name*
- *Registered business name*
- Australian Company Number (ACN)
- Australian Business Number (ABN)
- Australian Registered Body Number (ARBN)
- *Related party type*
- *Nature of business description*
- *Country of incorporation*
- *Ownership percentage of related party*
- *Value of investment net of goodwill and other intangibles*
- *Total assets - related party's own balance sheet*

However, the following columns are not to be reported for *investments not subject to regulatory adjustments for goodwill, intangibles and regulatory capital requirement*:

- *Goodwill - related party's own balance sheet*
- *Other intangibles - related party's own balance sheet*
- *Total accumulated amortisation and impairment of intangible assets and goodwill - related party's own balance sheet*
- *Nature of regulatory capital requirement for related party*
- *Regulatory capital requirement for related party*

Units of measurement

Unless otherwise stated, report the values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	• Statutory fund • Shareholder fund • <i>Benefit fund</i> • Management fund	Report <i>life company fund</i> .
2	Life Company Fund Name	Free text	Report the name of the <i>life company fund</i> .
3	Registered Business Name	Free text	Report the <i>registered business name</i> of the <i>subsidiary, associate</i> or <i>joint venture</i> of the life company.
4	Related Party ACN, ABN or ARBN	9 digit valid ACN, 11 digit valid ABN or 9 digit valid ARBN	Report the ACN, ABN or ARBN of the reported <i>subsidiary, associate</i> or <i>joint venture</i>. In cases where an entity does not have an ACN but it has an ABN or an ARBN, report the ABN or ARBN. Input the number without spaces.

	Name	Valid values	Description
5	Related Party Type	• <i>Subsidiary</i> • <i>Joint venture</i> • <i>Associate</i>	Report the appropriate <i>related party type</i> .
6	Nature Of Business Description	Free text	Report the <i>nature of business description</i> for the main business types conducted by the <i>subsidiary, joint venture</i> or <i>associate</i> .
7	Country Of Incorporation	Applicable <i>country code</i>	Report the <i>country code</i> of the <i>country of incorporation</i> of the <i>subsidiary, joint venture</i> or <i>associate</i> . Report the country in which the <i>subsidiary, joint venture</i> or <i>associate</i> is incorporated.
8	Ownership Percentage Of Related Party	Percentage	Report the <i>ownership percentage of related party</i> of the investment. Report this as a decimal, e.g. report 2% as 0.02.
9	Value Of Investment Net Of Goodwill And Other Intangibles	Whole dollars	Report the <i>value of investment net of goodwill and other intangibles</i> on the balance sheet of the reporting party related to the related party.
10	Total Assets - Related Party's Own Balance Sheet	Whole dollars	Report <i>total assets - related party's own balance sheet</i> of the <i>subsidiary, joint venture</i> or <i>associate</i> assets as reported on its own balance sheet.
11	Goodwill - Related Party's Own Balance Sheet	Whole dollars	Report the <i>goodwill - related party's own balance sheet</i> of the <i>subsidiary, joint venture</i> or <i>associate</i> assets as reported on its own balance sheet.

	Name	Valid values	Description
12	Other Intangibles - Related Party's Own Balance Sheet	Whole dollars	Report <i>other intangibles - related party's own balance sheet</i> of the <i>subsidiary, joint venture</i> or <i>associate</i> assets as reported on its own balance sheet.
13	Total Accumulated Amortisation And Impairment Of Intangible Assets And Goodwill - Related Party's Own Balance Sheet	Whole dollars	Report <i>total accumulated amortisation and impairment of intangible assets and goodwill - related party's own balance sheet</i> of the <i>subsidiary, joint venture</i> or <i>associate</i> assets as reported on its own balance sheet.
14	Adjustment For Goodwill / Other Intangibles - Related Party's Own Balance Sheet	Derived calculation	The <i>adjustment for goodwill / other intangibles - related party's own balance sheet</i> is calculated automatically.
15	Nature Of Regulatory Capital Requirement For Related Party	• <i>Prescribed capital amount</i> • <i>Prescribed capital amount equivalent</i> • <i>Comparable regulatory capital requirement</i> • No regulatory capital requirement • Not applicable	Report the <i>nature of regulatory capital requirement for related party</i> .
16	Regulatory Capital Requirement For Related Party	Whole dollars	Report, where applicable, the <i>regulatory capital requirement for related party</i> that is any <i>subsidiary, joint venture</i> or <i>associate</i>. Where such capital requirements do not exist, this item should be reported as zero.

	Name	Valid values	Description
17	Adjustment For Regulatory Capital Requirement - Related Party	Derived calculation	This <i>adjustment for regulatory capital requirement - related party</i> is calculated automatically for any investment in <i>subsidiaries</i> , <i>joint ventures</i> and <i>associates</i> that are subject to regulatory capital requirements.

Table 2: Other related party exposures**Reporting basis**

Report any other related party exposures (both on and off-balance sheet), which are not equity investments in *subsidiaries*, *associates* and *joint ventures* reported on the reporting party's balance sheet (reported in Table 1), related to each statutory and shareholder, or benefit and management fund of the life company.

Exposures to the same related party across multiple types of exposures should be reported on separate lines.

Units of measurement

Unless otherwise stated, report the values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Life Company Fund Type	• Statutory fund • Shareholder fund • <i>Benefit fund</i> • Management fund	Report <i>life company fund</i> .
2	Life company Fund Name	Free text	Report the name of the <i>life company fund</i> .

	Name	Valid values	Description
3	Registered Business Name	Free text	Report the <i>registered business name</i> of the <i>subsidiary, associate</i> or <i>joint venture</i> of the life company.
4	Related Party ACN, ABN or ARBN	9 digit valid ACN, 11 digit valid ABN or 9 digit valid ARBN	Report the ACN, ABN or ARBN of the reported <i>subsidiary, associate</i> or <i>joint venture</i>. In cases where an entity doesn't have an ACN but it has an ABN or an ARBN, report the ABN or ARBN and leave this column blank. Input the number without spaces.
5	Related Party Type	• <i>Parent</i> • <i>Subsidiary</i> • <i>Associate</i> • <i>Joint venture</i> • <i>Other related parties</i>	Report the appropriate <i>related party type</i> .
6	Nature Of Business Description	Free text	Report the <i>nature of business description</i> for the main business types conducted by the <i>subsidiary, joint venture</i> or <i>associate</i> .
7	Country Of Incorporation	Applicable <i>country code</i>	Report the <i>country code</i> of the <i>country of incorporation</i> of the <i>subsidiary, joint venture</i> or <i>associate</i> .
8	Exposure Type	• <i>Cash and cash equivalents</i> • <i>Interest rate investments (direct)</i> • <i>Equities (direct)</i> • <i>Property (direct)</i>	Report the appropriate <i>exposure type</i> .

	Name	Valid values	Description
		• <i>Loans (direct)</i> • <i>Indirect investments</i> • <i>Derivatives (assets)</i> • <i>Other investments (direct)</i> • <i>Receivables</i> • <i>Reinsurance assets</i> • <i>Other assets</i> • Creditors and accruals • Borrowing • Derivatives (liabilities) • Other liabilities • Off-balance sheet assets • Off-balance sheet liabilities	Report assets as positive values and liabilities as negative values.
9	Fair Value Amount Of Exposure	Whole dollars	Report the <i>fair value amount of exposure</i> .