21 August 2026

Peter Kohlhagen
Executive Director, Policy and Advice Division
Bruce Young
Executive Director, Data, Technology and Security Division
Australian Prudential Regulation Authority

Via Email: policydevelopment@apra.gov.au

Dear Mr. Kohlhagen and Mr. Young,

Australian Custodial Services Association Submission regarding Minor updates to APRA's prudential and reporting framework

The Australian Custodial Services Association (ACSA) is the peak industry body representing members of Australia's custodial and investment administration sector. Our mission is to promote efficiency and international best practice for members, our clients, and the market. Members of ACSA include J.P. Morgan, HSBC, State Street, BNP Paribas Securities Services, BNY Mellon, Citi, Clearstream, Netwealth and The Northern Trust Company.

Collectively, the members of ACSA hold securities and investments in excess of AUD $5.0 trillion in value in custody and under administration for Australian clients comprising institutional investors such as the trustees of major industry, retail and corporate superannuation fund, life insurance companies, responsible entities and trustees of wholesale and retail investment funds, and various forms of international investors into Australia.

The Australian Custodial Services Association (ACSA) welcomes the opportunity to provide feedback on APRA's consultation on minor updates to the prudential and reporting framework. ACSA members have no substantive concerns with the technical amendments proposed in the consultation. However, as Reporting Standard SRS 553.0 Investment Exposure Concentrations and Valuations is already being updated through this process, ACSA considers this an appropriate opportunity to address an existing inconsistency between the reporting standard and APRA's published superannuation data reporting FAQs.

SRS 553.0 – Alignment with FAQs SRF 553.0g and SRF 553.0j

APRA has indicated through FAQs SRF 553.0g and SRF 553.0j that reportable exposures in SRF 553.0 should be measured using actual exposures. ACSA supports this interpretation. However, the current wording of SRS 553.0 does not expressly state that actual exposures are to be used when identifying and aggregating material listed or liquid unlisted investments.

The absence of this principle from the reporting standard creates a risk of inconsistent interpretation and application. Reporting entities and service providers should not need to rely on FAQs to determine a core measurement basis for identifying reportable exposures, particularly where that basis affects the selection of the 20 largest exposures and the 0.5 per cent materiality threshold.

ACSA therefore recommends that APRA use the current minor-amendments process to incorporate the substance of FAQs SRF 553.0g and SRF 553.0j directly into SRS 553.0. This would align the formal reporting requirements with APRA's published guidance and provide a clearer, more durable basis for implementation.

Proposed amendment

For Table 1, Internally Managed – Material Listed or Liquid Unlisted Investments, ACSA recommends that the instructions expressly state that reportable exposures, including Cash and Fixed Income exposures, are to be identified and aggregated using actual exposure to the underlying assets as opposed to strategic asset classes. The actual-exposure basis should apply both to determining the 20 largest reportable exposures and to assessing whether any other exposure is at least 0.5 per cent of total investments of the RSE, defined benefit RSE or PST.

For Table 2, Externally Managed – Material Listed or Liquid Unlisted Investments, ACSA recommends equivalent wording. Reportable exposures, including exposures held through investment vehicles, should be identified and aggregated using actual exposure to the underlying assets as opposed to strategic asset classes. The actual-exposure basis should apply both to determining the 20 largest reportable exposures and to assessing the 0.5 per cent threshold.

ACSA also requests that APRA confirm the implementation timing for this clarification. Clear confirmation in the final response and published standards would assist consistent industry planning and implementation.

ACSA appreciates APRA's continued engagement with industry participants throughout the consultation process and would welcome the opportunity to discuss any aspect of this submission further. Please contact ACSA should APRA wish to clarify any of the matters raised above.

Thank you again for the opportunity to participate in this consultation. Please contact me if you have any comments about this submission.

Yours sincerely

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[redacted]
Chief Executive office
Australian Custodial Services Association
[redacted]

About ACSA

www.acsa.com.au

Custodians provide a range of institutional services, with clients typically favouring a bundled approach to custody and investment administration. Solutions may include traditional custody and safekeeping, investment administration, foreign exchange, securities lending, tax and financial reporting, investment analytics (risk, compliance, and performance reporting), investment operations middle office outsourcing and ancillary banking services.

These services represent key investment back-office functions – often representing the client's asset book of record and essential source data in relation to the investments they hold.

The key sectors supported by ACSA members include large superannuation funds and investment managers, as well as other domestic and international institutions.

ACSA works with peer associations, regulators and other market participants on a pre-competitive basis to encourage standards, promote consistency, market reform and operating efficiency.

Note: The views expressed in this letter are prepared by ACSA for the purposes of consideration by APPR in response to Proposed updates to superannuation reporting standards and should not be relied upon for any other purpose. The comments in this letter do not comprise financial, legal or taxation advice and should not be regarded as the views of any particular member of ACSA.