



Financial Sector (Collection of Data) (reporting standard) determination No. 84 of 2013

Reporting Standard SRS 535.0 Securities Lending

Financial Sector (Collection of Data) Act 2001

I, Steven John Davies, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) DETERMINE *Reporting Standard SRS 535.0 Securities Lending*, in the form set out in the Schedule, which applies to financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard applies to those financial sector entities on and after 1 July 2014.

This instrument commences on the date of registration on the Federal Register of Legislative Instruments.

Dated: 3 June 2013

[signed]

Steven John Davies
General Manager
Statistics

Interpretation

In this Determination:

APRA means the Australian Prudential Regulation Authority.

financial sector entity has the meaning given by section 5 of the Act.

Schedule

Reporting Standard SRS 535.0 Securities Lending comprises the 7 pages commencing on the following page.



Reporting Standard SRS 535.0

Securities Lending

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to securities lending of a registrable superannuation entity

It includes *Form SRF 535.0 Securities Lending* and associated specific instructions and must be read in conjunction with *Prudential Standard SPS 530 Investment Governance*.

Authority

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

Purpose

2. Information collected in *Form SRF 535.0 Securities Lending* (SRF 535.0) is used by APRA for the purposes of prudential supervision and publication, including assessing compliance with *Prudential Standard SPS 530 Investment Governance*. It may also be used by the Australian Bureau of Statistics.

Application and commencement

3. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) in respect of each RSE, defined benefit RSE, pooled superannuation trust (PST) and eligible rollover fund (ERF) within its business operations.¹
4. This Reporting Standard applies for reporting periods ending on or after 1 July 2014.

¹ For the purposes of this Reporting Standard, an 'RSE licensee's business operations' includes all activities as an RSE licensee (including the activities of each RSE of which it is the licensee), and all other activities of the RSE licensee to the extent that they are relevant to, or may impact on, its activities as an RSE licensee. For the avoidance of doubt, if the RSE licensee is trustee of more than one RSE, defined benefit RSE, PST or ERF, the RSE licensee must separately provide the information required by the form for each RSE, defined benefit RSE, PST or ERF within its business operations.

Information required

5. An RSE licensee to which this Reporting Standard applies must provide APRA with the information required by SRF 535.0 in respect of each reporting period.

Forms and method of submission

6. The information required by this Reporting Standard must be given to APRA in electronic format using the 'Direct to APRA' application or, where 'Direct to APRA' is not available, by a method notified by APRA, in writing, prior to submission.

Note: the 'Direct to APRA' application software (also known as 'D2A') may be obtained from APRA.

Reporting periods and due dates

7. Subject to paragraph 8, an RSE licensee to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each year of income of each RSE, defined benefit RSE, PST or ERF within its business operations.
8. If, having regard to the particular circumstances of an RSE, defined benefit RSE, PST or ERF, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 7, APRA may, by notice in writing, change the reporting periods for the particular RSE, defined benefit RSE, PST or ERF.
9. The information required by this Reporting Standard must be provided to APRA:
 - (a) for reporting periods ending on or after 1 July 2014 but before 1 July 2015 – within four months after the end of the year of income to which the information relates;
 - (b) for reporting periods ending on or after 1 July 2015 – within three months after the end of the year of income to which the information relates; and
 - (c) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
10. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to one or more RSEs, defined benefit RSEs, PSTs or ERFs within its business operations, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

11. The information provided by an RSE licensee under this Reporting Standard must be the product of systems, procedures and internal controls that have been reviewed and tested by the RSE auditor of the RSE, defined benefit RSE, PST or ERF to which the information relates.² This will require the RSE auditor to review and test the RSE licensee's systems, procedures and internal controls designed to enable the RSE licensee to report reliable information to APRA. This review and testing must be done on:

² Refer also to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310).

- (a) an annual basis or more frequently if necessary to enable the RSE auditor to form an opinion on the reliability and accuracy of information; 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 SPS 310.
12. All information provided by an RSE licensee under this Reporting Standard must be subject to systems, processes and controls developed by the RSE licensee for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the RSE licensee to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

Authorisation

13. When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using the 'Direct to APRA' software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.
14. If the information required by this Reporting Standard is provided by an agent who submits using the 'Direct to APRA' software on the RSE licensee's behalf, the RSE licensee must:
- (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
 - (b) retain the completed copy.
15. An officer or agent of an RSE licensee who submits the information under this Reporting Standard for, on behalf of, the RSE licensee must be authorised by either:
- (a) the Chief Executive Officer of the RSE licensee; or
 - (b) the Chief Financial Officer of the RSE licensee.

Variations

16. APRA may, by written notice to an RSE licensee, vary the reporting requirements of SRF 535.0 in relation to that RSE licensee or one or more RSEs, defined benefit RSEs, PSTs or ERFs within that RSE licensee's business operations.

Interpretation

17. In this Reporting Standard:

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

Chief Executive Officer means the chief executive officer of the RSE licensee, by whatever name called, and whether or not he or she is a member of the Board of the RSE licensee³;

Chief Financial Officer means the chief financial officer of the RSE licensee, by whatever name called;

defined benefit RSE means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*;

due date means the relevant date under paragraph 9 or, if applicable, paragraph 10;

eligible rollover fund (ERF) has the meaning given in section 10(1) of the SIS Act and, in relation to the period between 1 July 2013 and 31 December 2013, includes an existing ERF within the meaning given in section 391 of the SIS Act;

pooled superannuation trust (PST) has the meaning given in section 10(1) of the SIS Act;

reporting period means a period mentioned in paragraph 7(a) or 7(b) or, if applicable, paragraph 8;

RSE means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, PST, ERF, small APRA fund or single member approved deposit fund⁴;

RSE auditor means an auditor appointed by the RSE licensee to perform functions under this Reporting Standard;

RSE licensee has the meaning given in section 10(1) of the SIS Act;

SIS Act means *Superannuation Industry (Supervision) Act 1993*; and

year of income has the meaning given in section 10(1) of the SIS Act.

³ Refer to *Prudential Standard SPS 510 Governance*.

⁴ For the purposes of this Reporting Standard, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member.

SRF 535.0: Securities Lending

Australian Business Number	Institution Name
Reporting Period	Scale Factor
	Reporting Consolidation

1. Details of securities lending

Name (1)	Size of securities lending program (2)	Amount currently loaned out (3)	Amount of collateral (4)	Type of collateral (5)
				Cash
				Securities
				Other
				Multiple

Reporting Form SRF 535.0

Securities Lending

Instructions

These instructions assist completion of *Reporting Form SRF 535.0 Securities Lending* (SRF 535.0). SRF 535.0 collects information on securities lending of a registrable superannuation entity (RSE). Information reported in SRF 535.0 is required primarily for prudential and publication purposes. Information reported on SRF 535.0 is also required for the purposes of the Australian Bureau of Statistics.

Reporting levels

SRF 535.0 must be completed each RSE, defined benefit RSE, pooled superannuation trust (PST) and eligible rollover fund (ERF).

Reporting basis and unit of measurement

Report all items on SRF 535.0 in accordance with the Australian Accounting Standards unless otherwise specified.

Items on SRF 535.0 must be reported as at the end of the reporting period.

Items on SRF 535.0 are to be reported as thousands of dollars.

Specific instructions

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

Details of security lending

Item 1 collects details of an RSE's securities lending program.

Item 1	<p>Report each securities lending program as a separate line in item 1.</p> <p>For each securities lending program, report the name of the intermediary used (i.e. the institution that facilitates the transfer of securities between the RSE and the borrower) in column 1.</p> <p>Report the total value of securities available for the <i>securities lending program</i> in column 2.</p> <p>Report the amount currently loaned out in the <i>securities lending program</i> in column 3.</p> <p>Report the amount of <i>collateral</i> in column 4.</p> <p>Report the type of <i>collateral</i> in column 5 used. Types of <i>collateral</i> are: <i>cash</i>, <i>security</i>, other and multiple. If more than one type of collateral is</p>
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	used, report 'multiple' in column 5. If a securities lending program is contracted with the intermediary institution but there is no current amount loaned out, report column 1, column 2 and column 5; leave column 3 and column 4 blank.
<i>Securities lending program</i>	Represents an arrangement that involves the transfer of legal ownership of securities between the original holder and 'borrower', including the right for the 'borrower' to on-sell the securities.
<i>Collateral</i>	Represents assets that are offered to secure a borrowing.
<i>Cash</i>	Represents cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Reference: Australian Accounting Standards.
<i>Security</i>	Represents a financial instrument that represents an ownership in a corporation or a creditor relationship with a borrower.

Interpretation

For the purposes of these instructions:

- ***defined benefit RSE*** means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*;
- ***eligible rollover fund (ERF)*** has the meaning given in section 10(1) of the SIS Act and, in relation to the period between 1 July 2013 and 31 December 2013, includes an existing ERF within the meaning given in section 391 of the SIS Act;
- ***pooled superannuation trust (PST)*** has the meaning given in section 10(1) of the SIS Act;
- ***RSE*** means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, PST, ERF, small APRA fund or single member approved deposit fund¹;
- ***RSE licensee*** has the meaning given in section 10(1) of the SIS Act;
- ***SIS Act*** means *Superannuation Industry (Supervision) Act 1993*; and
- ***SIS Regulations*** means *Superannuation Industry (Supervision) Regulations 1994*.

¹ For the purposes of these instructions, 'small APRA fund' means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and 'single member approved deposit fund' means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member.