



Financial Sector (Collection of Data) (reporting standard) determination No. 6 of 2020

Reporting Standard ARS 331.0 Selected Revenues and Expenses

Financial Sector (Collection of Data) Act 2001

I, Sean Carmody, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) DETERMINE *Reporting Standard ARS 331.0 Selected Revenues and Expenses*, in the form set out in the Schedule, which applies to the 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 shall begin to apply to those financial sector entities on 6 May 2020.

This instrument commences on 6 May 2020.

Dated: 6 May 2020

[Signed]

Sean Carmody
Executive Director
Cross-industry Insights and Data Division

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 ARS 331.0 Selected Revenues and Expenses comprises the document commencing on the following page.



Reporting Standard ARS 331.0

Selected Revenues and Expenses

Objective of this Reporting Standard

This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001* and outlines the overall requirements for the provision of information to APRA relating to an authorised deposit-taking institution's selected revenue and expenses. It should be read in conjunction with the versions of *Reporting Form ARF 331.0 Selected Revenues and Expenses* designated for 'Domestic Books' and 'Licensed ADI' and the associated instructions (all of which are attached and form part of this Reporting Standard).

Authority

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

Purpose

2. Data collected in *Reporting Form ARF 331.0 Selected Revenues and Expenses* (ARF 331.0) is used by the Australian Bureau of Statistics (ABS) statistical purposes. It may also be used by APRA for the purpose of prudential supervision, and by the Reserve Bank of Australia (RBA).

Application and commencement

3. This Reporting Standard applies to all authorised deposit-taking institutions (ADIs).
4. This Reporting Standard commences on 6 May 2020.

Information required

5. An ADI that is:
 - (a) an Australian-owned bank or foreign subsidiary bank;
 - (b) a locally-incorporated other ADI; or
 - (c) a branch of a foreign bank

must provide APRA with the information required by the version of ARF 331.0 designated for 'Domestic Books' for each reporting period.

6. An ADI that is:
 - (a) a credit union;
 - (b) a building society; or
 - (c) Cairns Penny Savings & Loans Limited

must provide APRA with the information required by the version of ARF 331.0 designated for a 'Licensed ADI' for each reporting period.

Form and method of submission

7. The information required by this Reporting Standard must be given to APRA in electronic format, using the 'Direct to APRA' application or 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

8. Subject to paragraph 9, an ADI to which this Reporting Standard applies must provide the information required by this Reporting Standard for each quarter ending 31 March 2020 and 30 June 2020.
9. APRA may, by notice in writing, change the reporting periods, or specified reporting periods, for a particular ADI, to require it to provide the information required by this Reporting Standard more frequently, or less frequently, having regard to:
 - (a) the particular circumstances of the ADI;
 - (b) the extent to which the information is required for the purposes of the prudential supervision of the ADI; and
 - (c) the requirements of the RBA or the ABS.
10. The information required by this Reporting Standard must be provided to APRA within 40 calendar days after the end of the reporting period to which the information relates.
11. APRA may grant an ADI an extension of a due date in writing, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

12. All information provided by an ADI under this Reporting Standard must be subject to processes and controls developed by the ADI for the internal review and authorisation of that information. These systems, processes and controls are to assure the completeness and reliability of the information provided.

Authorisation

13. When an officer of an ADI submits information under this Reporting Standard using the D2A application, or other method notified by APRA, it will be necessary for the officer to digitally sign the relevant information using a digital certificate acceptable to APRA.

Minor alterations to forms and instructions

14. APRA may make minor variations to:
 - (a) a form that is part of this Reporting Standard, and the instructions to such a form, to correct technical, programming or logical errors, inconsistencies or anomalies; or
 - (b) the instructions to a form, to clarify their application to the form
 without changing any substantive requirement in the form or instructions.
15. If APRA makes such a variation it must notify in writing each ADI that is required to report under this Reporting Standard.

Interpretation

16. In this Reporting Standard:

AASB has the meaning in section 9 of the *Corporations Act 2001*.

ADI means an authorised deposit-taking institution within the meaning of the *Banking Act 1959*.

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

Australian-owned bank means a locally incorporated ADI that assumes or uses the word ‘bank’ in relation to its banking business and is not a foreign subsidiary bank.

branch of a foreign bank means a ‘foreign ADI’ as defined in section 5 of the *Banking Act 1959*.

building society means a locally incorporated ADI that assumes or uses the expression ‘building society’ in relation to its banking business.

class of ADI means each of the following:

- (i) Australian-owned bank;
- (ii) foreign subsidiary bank;
- (iii) branch of a foreign bank;
- (iv) building society;
- (v) credit union; and

(vi) other ADI.

consolidated ADI group means a group comprising:

- (a) an ADI that is a highest parent entity; and
- (b) each subsidiary (within the meaning of Accounting Standard AASB 127) of that ADI, whether the subsidiary is locally-incorporated or not, other than a subsidiary that is excluded by the instructions attached to this standard.

credit union means a locally incorporated ADI that assumes or uses the expression 'credit union' in relation to its banking business and includes Cairns Penny Savings & Loans Limited.

due date means the relevant due date under paragraph 10 or, if applicable, paragraph 11.

foreign ADI has the meaning in section 5 of the *Banking Act 1959*.

foreign subsidiary bank means a locally incorporated ADI in which a bank that is not locally incorporated has a stake of more than 15 per cent.

highest parent entity means an ADI that satisfies all of the following conditions:

- (a) it is locally-incorporated;
- (b) it has at least one subsidiary (within the meaning of Accounting Standard AASB 127); and
- (c) it is not itself a subsidiary (within the meaning of Accounting Standard AASB 127) of an ADI that is locally-incorporated.

locally incorporated means incorporated in Australia or in a State or Territory of Australia, by or under a Commonwealth, State or territory law.

other ADI means an ADI that is not an Australian-owned bank, a branch of a foreign bank, a building society, a credit union or a foreign subsidiary bank but does not include Cairns Penny Savings & Loans Limited.

reporting period means a period mentioned in paragraph 8 or, if applicable, paragraph 9.

stake means a stake determined under the *Financial Sector (Shareholdings) Act 1998*, as if the only associates that were taken into account under paragraph (b) of subclause 10(1) of the Schedule to that Act were those set out in paragraphs (h), (j) and (l) of subclause 4(1).

17. 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.

ARF 331.0 Selected Revenues and Expenses

Australian Business Number

Institution Name

Reporting Period

Scale Factor

Millions to one decimal place for banks Whole dollars no decimal place for other ADIs
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Reporting Consolidation

Domestic Books

Interest Income

Interest income derived from securities held	
Other interest income	
<i>of which: Received from:</i>	
Non-residents	
Financial corporations	
RBA	
Banks	
Other ADIs	
Registered financial corporations	
Life insurance corporations	
Superannuation funds	
Other insurance corporations	
CBAs	
Other financial institutions	
Non-financial corporations	
Private	
Government	
Unincorporated businesses	
Other residents	
General government	
Community service organisations	
Households	
Total interest income	
<i>of which: Interest on housing loans</i>	

Interest expense

Interest expense derived from securities on issue	
Other interest expense	
<i>of which: Paid/accrued to:</i>	
Non-residents	
Financial corporations	
RBA	
Banks	
Other ADIs	
Registered financial corporations	
Life insurance corporations	
Superannuation funds	
Other insurance corporations	
CBAs	
Other financial institutions	
Non-financial corporations	
Private	
Government	
Unincorporated businesses	
Other residents	
General government	
Community service organisations	
Households	
Total interest expense	

Other operating/non-interest income

Fee and commission	
<i>of which: Received from households</i>	

Operating/non-interest expense

Personnel costs

Wages and salaries including provisions for employee entitlements paid in each state/territory:

New South Wales	
Victoria	
Queensland	
South Australia	
Western Australia	
Tasmania	
Northern Territory	
Australian Capital Territory	
Total wages and salaries including provisions for employee entitlements	
Employer contributions to superannuation including salary sacrifice	
Workers' compensation premiums/costs	
Payments to associates providing labour services	
Payments to other employment agencies for staff	
Fringe benefits tax	
Payroll tax	
Other	
Total personnel costs	

Equipment and occupancy expenses - operating lease rentals

Buildings	
Other	

ARF 331.0 Selected Revenues and Expenses

Australian Business Number

Institution Name

Reporting Period

Scale Factor

Millions to one decimal place for banks Whole dollars no decimal place for other ADIs
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Reporting Consolidation

Licensed ADI

Interest Income

Interest income derived from securities held	
Other interest income	
<i>of which: Received from:</i>	
Non-residents	
Financial corporations	
RBA	
Banks	
Other ADIs	
Registered financial corporations	
Life insurance corporations	
Superannuation funds	
Other insurance corporations	
CBAs	
Other financial institutions	
Non-financial corporations	
Private	
Government	
Unincorporated businesses	
Other residents	
General government	
Community service organisations	
Households	
Total interest income	
<i>of which: Interest on housing loans</i>	

Interest expense

Interest expense derived from securities on issue	
Other interest expense	
<i>of which: Paid/accrued to:</i>	
Non-residents	
Financial corporations	
RBA	
Banks	
Other ADIs	
Registered financial corporations	
Life insurance corporations	
Superannuation funds	
Other insurance corporations	
CBAs	
Other financial institutions	
Non-financial corporations	
Private	
Government	
Unincorporated businesses	
Other residents	
General government	
Community service organisations	
Households	
Total interest expense	

Other operating/non-interest income

Fee and commission	
<i>of which: Received from households</i>	

Operating/non-interest expense

Personnel costs

Wages and salaries including provisions for employee entitlements paid in each state/territory:

New South Wales	
Victoria	
Queensland	
South Australia	
Western Australia	
Tasmania	
Northern Territory	
Australian Capital Territory	
Total wages and salaries including provisions for employee entitlements	
Employer contributions to superannuation including salary sacrifice	
Workers' compensation premiums/costs	
Payments to associates providing labour services	
Payments to other employment agencies for staff	
Fringe benefits tax	
Payroll tax	
Other	
Total personnel costs	

Equipment and occupancy expenses - operating lease rentals

Buildings	
Other	

Reporting Form ARF 331.0

Selected Revenues and Expenses

Instruction Guide

General directions and notes

Reporting entity

This form is to be completed by all Australian-owned banks, foreign subsidiary banks, branches of foreign banks and other authorised deposit-taking institutions (ADIs) on a Domestic books basis.

The Domestic books of the Australian-owned banks, foreign subsidiary banks and branches of foreign banks relates to the Australian books of the Australian ADI and has the following scope:

- is an unconsolidated report of the Australian licensed ADI's operations/transactions that are booked inside Australia;
- exclude offshore branches of the Australian licensed ADI from this reporting unit;
- exclude offshore banking units based overseas from this reporting unit;
- do not consolidate Australian and offshore controlled entities or associated entities that are not ADIs;
- include Australian based offshore banking units of the licensed ADI; and
- include transactions with non-residents recorded on Australian books.

The Selected Revenues and Expenses form should be completed by Credit Unions, Cairns Penny Savings & Loans Limited and Building Societies on a Licensed ADI basis.

Licensed ADI

This refers to the operations of the reporting ADI on a stand-alone basis.

Securitisation deconsolidation principle

Except as otherwise specified in these instructions, the following applies:

1. Where an ADI (or a member of its Level 2 consolidated group) participates in a securitisation that meets APRA's operational requirements for regulatory capital relief under *Prudential Standard APS 120 Securitisation* (APS 120):
 - (a) special purpose vehicles (SPVs) holding securitised assets may be treated as non-consolidated independent third parties for regulatory reporting purposes, irrespective of whether the SPVs (or their assets) are consolidated for accounting purposes;

- (b) the assets, liabilities, revenues and expenses of the relevant SPVs may be excluded from the ADI's reported amounts in APRA's regulatory reporting returns; and
 - (c) the underlying exposures (i.e. the pool) under such a securitisation may be excluded from the calculation of the ADI's regulatory capital (refer to APS 120). However, the ADI must still hold regulatory capital for the securitisation exposures¹ that it retains or acquires and such exposures are to be reported in *Reporting Form ARF 120.1 Securitisation – Regulatory Capital*. The risk-weighted assets (RWA) relating to such securitisation exposures must also be reported in *Reporting Form ARF 110.0.1 Capital Adequacy (Level 1)* and *Reporting Form ARF 110.0.2 Capital Adequacy (Level 2)*.
2. Where an ADI (or a member of its Level 2 consolidated group) participates in a securitisation that does not meet APRA's operational requirements for regulatory capital relief under APS 120, or the ADI undertakes a funding-only securitisation or synthetic securitisation, such exposures are to be reported as on-balance sheet assets in APRA's regulatory reporting returns. In addition, these exposures must also be reported as a part of the ADI's total securitised assets within *Reporting Form ARF 120.2 Securitisation – Supplementary Items*.

Reporting period

This form is to be completed for the three months ending the last day of the stated reporting quarter.

Unit of measurement

Amounts denominated in foreign currency are to be converted to AUD in accordance with *AASB 121 The Effects of Changes in Foreign Exchange Rates* (AASB 121).

The general requirements of AASB 121 for translation are:

1. foreign currency monetary items outstanding at the reporting date must be translated at the spot rate at the reporting date;²
2. foreign currency non-monetary items that are measured at historical cost in a foreign currency must be translated using the exchange rate at the date of the transaction;³
3. foreign currency non-monetary items that are measured at fair value will be translated at the exchange rate at the date when fair value was determined.

Transactions arising under foreign currency derivative contracts at the reporting date must be prepared in accordance with *AASB 139 Financial Instruments: Recognition and Measurement* (AASB 139). However, those foreign currency derivatives that

¹ Securitisation exposures are defined in accordance with APS 120.

² Monetary items are defined to mean units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. Spot rate means the exchange rate for immediate delivery.

³ Examples of non-monetary items include amounts prepaid for goods and services (e.g. prepaid rent); goodwill; intangible assets; physical assets; and provisions that are to be settled by the delivery of a non-monetary asset.

are not within the scope of AASB 139 (e.g. some foreign currency derivatives that are embedded in other contracts) remain within the scope of AASB 121.

For APRA purposes equity items must be translated using the foreign currency exchange rate at the date of investment or acquisition. Post-acquisition changes in equity are required to be translated on the date of the movement.

As foreign currency derivatives are measured at fair value, the currency derivative contracts are translated at the spot rate at the reporting date.

Exchange differences should be recognised in profit and loss in the period which they arise. For foreign currency derivatives, the exchange differences would be recognised immediately in profit and loss if the hedging instrument is a fair value hedge. For derivatives used in a cash flow hedge, the exchange differences should be recognised directly in equity.

The ineffective portion of the exchange differences in all hedges would be recognised in profit and loss; and

4. translation of financial reports of foreign operations.

A foreign operation is defined in AASB 121 as meaning an entity that is a subsidiary, associate, joint venture or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.

- Exchange differences relating to foreign currency monetary items that form part of the net investment of an entity in a foreign operation, must be recognised as a separate component of equity.
- Translation of financial reports should otherwise follow the requirements in AASB 121.

Specific instructions

Wages and salaries including provisions for employee entitlements

Note:

- Refers to gross earnings before taxation and other deductions.
- Report wages and salaries as recorded in this business' financial or management accounts, including provisions for employee entitlements (i.e. on an accruals basis).
- Report wages and salaries paid in each State/Territory in which this business operates.

Include:

- severances, terminations and redundancies;
- salaries and fees of directors and executives;

- retainers and commissions of persons who received a retainer;
- bonuses; and
- recreation and other types of leave.

Exclude:

- salary sacrifice (include in relevant expense items);
- payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer; and
- payroll and fringe benefits tax.

Employer contributions to superannuation including salary sacrifice

Include:

- all contributions paid or payable (gross of contributions tax) to any superannuation fund during the quarter;
- contributions made in respect of award, superannuation guarantee and enterprise bargaining agreements; and
- contributions arising from salary sacrifice agreements.