

Financial Sector (Collection of Data) (reporting standard) determination No. 14 of 2025

EXPLANATORY STATEMENT

Prepared by the Australian Prudential Regulation Authority (APRA)

Financial Sector (Collection of Data) Act 2001, sections 13 and 15

Acts Interpretation Act 1901, section 33

Under subsection 13(1) of the *Financial Sector (Collection of Data) Act 2001* (the Act), APRA has the power to determine reporting standards, in writing, with which financial sector entities must comply. Such standards relate to reporting financial or accounting data and other information regarding the business or activities of the entities. Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to issue an instrument the power shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to revoke any such instrument.

Subsection 15(1) of the Act provides that APRA may declare a day on and after which the reporting standards are to apply.

On 27 May 2025, APRA made:

- (1) Financial Sector (Collection of Data) (reporting standard) determination No. 14 of 2025 which:
 - (i) revokes *Reporting Standard ARS 110.0 Capital Adequacy* (ARS 110.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 11 of 2024; and
 - (ii) determines a new version of ARS 110.0.

The instrument commences at the start of the day after the day it is registered on the Federal Register of Legislation.

1. Background

APRA is the prudential regulator for banking, insurance and superannuation entities, and collects financial sector data for its own uses and on behalf of the Reserve Bank of Australia and the Australian Bureau of Statistics.

ARS 110.0 sets out the requirements for authorised deposit-taking institutions (ADIs) to report information to APRA relating to their capital adequacy. It states the specific data items ADIs need to submit, provides definitions and instructions on how to measure and report these items, and states timelines and quality requirements for providing the data to APRA.

In December 2024, APRA commenced consultation on consequential changes to ARS 110.0 resulting from targeted liquidity changes and updates to Interest Rate Risk in the Banking Book (IRRBB) reporting. The proposed changes were to:

- collect data on unrealised losses for securities in the liquid asset portfolio that are not measured at fair value; and

- automatically calculate the risk-weighted assets equivalent amount of the IRRBB capital requirement in ARS 110.0 against the IRRBB Capital Charge value submitted in *Reporting Standard ARS 117.1 Interest Rate Risk in the Banking Book* for reporting periods ending on or after 31 March 2026.

APRA did not receive any submissions on the consultation. As such, in May 2025, APRA redetermined ARS 110.0 to capture the changes which were originally proposed in December 2024.

2. Purpose and operation of the instrument

The purpose of the instrument is to revoke ARS 110.0 and replace it with a new version of ARS 110.0. The reporting standard sets out the requirements for the provision of information to APRA relating to an ADI's capital adequacy.

The new version of ARS 110.0 will ensure that APRA's reporting framework aligns with its updated prudential framework following targeted liquidity changes and updates to IRRBB reporting. This will allow APRA to supervise ADIs' compliance against the updated requirements.

The new version of ARS 110.0 applies to reporting periods ending on or after 30 September 2025. While the new version of ARS 110.0 requires reporting for reporting periods that commenced prior to its commencement, it is not retrospective in operation as the obligation to report on these reporting periods commences from, and not prior to, its commencement.

Explanation of each provision in the instrument

Authority – paragraph 1

This paragraph outlines APRA's power to determine reporting standards that are required to be complied with by relevant financial sector entities under paragraph 13(1)(a) of the Act.

Purpose – paragraph 2

This paragraph explains the purpose of APRA's collection of information under the reporting standard. Information collected under the reporting standard will be used by APRA for the purpose of prudential supervision, including assessing compliance with capital standards. It may also be used by the Reserve Bank of Australia and the Australian Bureau of Statistics.

Application and commencement – paragraphs 3 and 4

These paragraphs state which financial sector entities must comply with the reporting standard as permitted by section 13 of the Act, and when the reporting standard begins to apply.

Information required – paragraphs 5 and 6

These paragraphs state what information relevant financial sector entities must provide to APRA for each reporting period as permitted by paragraphs 13(2)(a) and (b) of the Act.

Method of submission – paragraph 7

This paragraph specifies how information required by the reporting standard must be given to APRA as permitted by paragraph 13(2)(e) of the Act.

Reporting periods and due dates – paragraphs 8-11

Paragraphs 13(2)(d)-(f) of the Act permit reporting standards determined by APRA to include matters related to the times as at which, or the periods to which, the information in reporting documents is to relate, the giving of reporting documents to APRA, and when they should be provided, and the discretion of APRA, in particular cases, to vary reporting standards, including, but not limited to, the discretion to vary when entities are to provide documents.

Paragraphs 8-11 rely on these provisions. Paragraph 8 states that ADIs are to provide the information required by the reporting standard in respect of each quarter based on the ADI's financial year (within the meaning of the *Corporations Act 2001*). Paragraph 9 permits APRA to vary the reporting periods mentioned in paragraph 8 for a particular ADI by notice in writing, if, having regard to the particular circumstances of the ADI and certain other matters, APRA considers it necessary or desirable to obtain information at a different frequency than stated in paragraph 8. Paragraph 10 specifies the due dates for the provision of information to APRA – within 35 calendar days after the end of the relevant reporting period. Paragraph 11 states that APRA may grant an extension of a due date in paragraph 10 by notice in writing.

Quality control – paragraphs 12-13

Paragraph 12 states that information provided under the reporting standard (except for the information required under paragraph 6) must be the product of systems, processes and controls that have been reviewed and tested by the ADI's external auditor. Paragraph 13 states that all information provided under the reporting standard must be subject to systems, processes and controls developed by the ADI for the internal review and authorisation of that information.

Authorisation – paragraph 14

Paragraph 14 states how information provided to APRA should be authenticated.

Transition – paragraph 15

Paragraphs 13(2)(d)-(e) of the Act permit reporting standards determined by APRA to include matters relating to the times at which, or the periods to which, the information in reporting documents is to relate, the provision of reporting documents to APRA, and the time periods for the provision of reporting documents to APRA.

Paragraph 15 clarifies that ADIs must continue to report under ARS 110.0 in respect of a transitional reporting period, being a reporting period that ended before 30 September 2025 and in relation to which the ADI would have been required, if ARS 110.0 had not been revoked, to report by a date on or after the date on which ARS 110.0 was revoked.

Interpretation – paragraphs 16-18

Paragraph 16 provides definitions of common terms used throughout the reporting standard. Paragraph 17 states that APRA may determine, in writing, that an individual ADI of one class of ADI is to be treated, for the purposes of the reporting standard, as though it were an ADI of another class of ADI. Paragraph 18 states that unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard or Australian Accounting or Auditing Standard is a reference to the instrument as in force or existing from time to time.

General directions and notes

The general directions and notes contain details on the data to be reported to APRA under the reporting standard. Information in the general directions and notes applies to all data items in the reporting standard.

Specific instructions

The specific instructions list the specific data items that must be reported to APRA and how financial sector entities should determine these items.

Documents incorporated by reference

Under paragraph 14(1)(a) of the *Legislation Act 2003*, the reporting standard incorporates by reference as in force from time to time:

- Acts of Parliament;
- Prudential Standards determined by APRA under section 11AF of the *Banking Act 1959*;
- Reporting Standards determined by APRA under subsection 13(1) of the Act; and
- Australian Accounting Standards determined by the Australian Accounting Standards Board under section 334 of the *Corporations Act 2001*.

These documents may be freely obtained at www.legislation.gov.au (all documents listed above except for Australian Accounting Standards), and <https://www.aasb.gov.au/pronouncements/accounting-standards/> (Australian Accounting Standards).

Under paragraph 14(1)(b) of the *Legislation Act 2003*, the reporting standard incorporates the following documents as in force or existing at the commencement of the reporting standard:

- Banking Prudential Requirement (BPR) 133 - IRB Credit Risk RWAs, version 1 July 2024, determined by the Reserve Bank of New Zealand (RBNZ) under the *Banking (Prudential Supervision) Act 1989* (New Zealand). BPR 133 may be freely obtained at [https://www.rbnz.govt.nz/regulation-and-supervision/oversight-of-banks/standards-and-requirements-for-banks/capital-and-credit-risk-requirements](https://www.rbnz.govt.nz/regulation-and-supervision/oversight-of-banks/standards-and-requirements-for-banks/capital-and-credit-risk-requirements;); and
- BPR 131 – Standardised Credit Risk RWAs, version 1 July 2024, determined by the RBNZ under the *Banking (Prudential Supervision) Act 1989* (New Zealand). BPR 131 may be freely obtained at <https://www.rbnz.govt.nz/regulation-and-supervision/oversight-of-banks/standards-and-requirements-for-banks/capital-and-credit-risk-requirements>.

Exercise of discretion by APRA

There are a number of powers that may be exercised by APRA in reporting standards that involve an element of discretion and which may impact the interests of the entities to which the reporting standards apply. These decisions include APRA changing a reporting period or due date for an entity to provide required information.

The need to apply discretion is largely driven by entity specific issues and circumstances which are not adequately addressed by the generally applicable provisions of the reporting standards.

APRA will exercise the power to vary the reporting requirements in relation to a relevant entity if it is satisfied that this will achieve a better reporting or prudential outcome than if it remained in its original form. For example, a change to a reporting period or due date might be determined on APRA's initiative taking into account APRA's assessment of whether existing data will be sufficient for APRA's prudential supervision purposes, or whether APRA will have the required data by a particular date. Alternatively, a change to a reporting period or due date might be considered by APRA at the request of an entity, where the entity is able to demonstrate that it would not be appropriate or feasible to provide data for a particular reporting period or by a particular date.

APRA considers a wide range of factors when exercising its discretion under reporting standards, including limiting regulatory burden or correcting errors or inconsistencies in the reporting standards.

The exercise of APRA's powers is governed by a robust decision-making framework which is documented in APRA's internal policies. This framework supports APRA in fulfilling its mandate by limiting decision-making to APRA officers with the appropriate experience and skill to exercise prudent judgement.

Review of decisions

APRA considers that decisions made by APRA in exercising discretions under its reporting standards should not be subject to merits review as they are financial decisions with a significant public interest element.

APRA's reporting standards collect financial data from regulated entities. This data contains critical indicators of a regulated entity's financial wellbeing. APRA relies heavily on this financial data to inform its supervisory actions towards its regulated entities. Without timely and complete data, APRA may miss indicators that an entity is taking on imprudent risk or is in distress. APRA's supervisory decisions may be jeopardised if its receipt of data is unreliable due to entities seeking merits review under its reporting standards.

3. Consultation

APRA undertook consultation on minor updates to its capital framework for ADIs, including on the new version of ARS 110.0, from December 2024 to February 2025. A final round of consultation was completed on 23 April 2025, when APRA released finalised changes to the reporting framework for ADIs, including the finalised new version of ARS 110.0¹.

No submissions were received in respect of the new version of ARS 110.0. Therefore, APRA proceeded with the changes originally proposed in the December 2024 consultation.

APRA is satisfied the consultation was appropriate and reasonably practicable.

4. Regulation Impact Statement

¹ Please see: <https://www.apra.gov.au/amendments-to-liquidity-and-capital-requirements-for-authorised-deposit-taking-institutions>.

The Office of Impact Analysis confirmed that a Regulation Impact Statement was not required.

5. Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

A Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is provided at Attachment A to this Explanatory Statement.

ATTACHMENT A

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

Financial Sector (Collection of Data) (reporting standard) determination No. 14 of 2025

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* (HRPS Act).

Overview of the Legislative Instrument

The purpose of the Legislative Instrument is to revoke *Reporting Standard ARS 110.0 Capital Adequacy* (ARS 110.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 11 of 2024 and replace it with a new version of ARS 110.0.

The Legislative Instrument will enable APRA to collect certain information relating to the capital adequacy of authorised deposit-taking institutions.

Human rights implications

APRA has assessed the Legislative Instrument and is of the view that it does not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the HRPS Act. Accordingly, in APRA's assessment, the Legislative Instrument is compatible with human rights.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.