

Australia **Jurisdiction:**

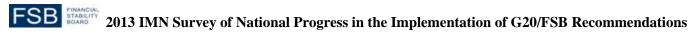
2013 IMN Survey of **National Progress in** the Implementation of **G20/FSB** Recommendations

- I. Refining the regulatory perimeter
- II. Hedge funds
- **III. Securitisation**
- IV. Enhancing supervision
- V. Building and implementing macroprudential frameworks and tools
- VI. Improving oversight of credit rating agencies (CRAs)
- VII. Enhancing and aligning accounting standards
- VIII. Enhancing risk management
- IX. Strengthening deposit insurance
- X. Safeguarding the integrity and efficiency of financial markets
- XI. Enhancing financial consumer protection
- XII. Reference to source of recommendations
- **XIII. List of Abbreviations**



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I.	Refining the regulator	y perimeter			
1	Review of the boundaries of the	We will each review and adapt the boundaries of the regulatory framework	Jurisdictions should indicate the steps taken to expand the domestic regulatory	Implementation ongoing or completed	Planned actions (if any):
(2)	regulatory framework including strengthening of oversight of shadow banking	to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☑ Primary / Secondary legislation	Money Market Funds: ASIC's analysis to date does not support further regulatory intervention for money market funds. The current regulation and market practice in Australia is aligned with
				☑ Regulation /Guidelines	IOSCO recommendations. However, ASIC has liaised with the Financial
(1)		We agree to strengthen the regulation	Jurisdictions should indicate policy	☐ Other actions (such as supervisory actions), please specify:	Services Council (FSC) to encourage the development of standardisation in
		and oversight of the shadow banking	measures to strengthen the regulation and	Status of progress :	product branding to better distinguish
		system. (Cannes)	oversight of the shadow banking system. See, for reference, the recommendations	Reform effective (completed) as of:	funds that are known as 'enhanced'
			discussed in section 2 of the October 2011 FSB report: Shadow Banking:	Short description of the content of the legislation/ regulation/guideline:	money market funds from other money market funds. We consider it would be
			Strengthening Oversight and Regulation.	Australia has a framework in place to continually review and make	preferable if the term "money market fund" or similar terms such as 'cash',
				recommendations on the regulatory	were used only by funds that have a low
				perimeter via the Council of Financial	weighted average life and dollar
				Regulators (CFR). The CFR comprises	weighted average maturity.
				the Reserve Bank of Australia (Chair); the Australian Prudential Regulation Authority; the Australian Securities and	Expected commencement date:
				Investments Commission; and The	
				Treasury. The CFR's role is to contribute	Web-links to relevant documents:
				to the efficiency and effectiveness of financial regulation and the regulatory	
				perimeter and to promote stability of the	
				Australian financial system. Its members	

¹ This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

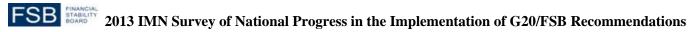




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				share information, discuss regulatory	
				issues and, if the need arises, coordinate	
				responses to potential threats to financial	
				stability through the powers of its	
				individual member agencies. The CFR	
				also provides advice to Government on	
				the adequacy of Australia's financial	
				regulatory arrangements.	
				Australia's regulatory framework was	
				reviewed in 2012 as part of the FSAP	
				update. Final documents were published	
				in November 2012.	
				Joint Forum work	
				APRA in its role as Chair and the	
				Australian Securities and Investments	
				Commission (ASIC) have contributed to	
				work on revisions to the Principles for	
				the Supervision of Financial	
				Conglomerates. The final report was	
				released in September 2012.	
				Shadow Banking	
				The shadow banking system in Australia	
				accounts for a small and declining share	
				of the financial system. While shadow	
				banking entities are not prudentially	
				regulated, many are required to meet	
				disclosure, licensing and conduct	
				requirements set by the ASIC.	
				The Corporations Act has been extended	

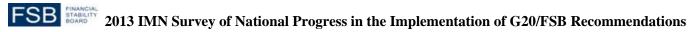


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				to regulate margin lending, ASIC now licences providers of consumer credit services, and the regulatory coverage of credit products under the National Consumer Credit Code has been expanded to include investor-housing mortgages.	
				We do not see the shadow banking sector posing a significant systemic risk to the Australian financial system. However, the failure of an Australian retail debenture issuer and property lender in late 2012, prompted a review of the regulatory framework for these types of finance companies, which are one of the main types of intermediaries considered to be shadow banking entities in Australia.	
				Given that retail debenture issuers are a very small segment of the Australian financial system, they are mainly relevant from an investor protection, rather than financial stability, standpoint.	
				The Australian Government asked ASIC and the Australian Prudential Regulation Authority (APRA) to consult on proposals to strengthen the regulation of finance companies that issue debentures to retail investors and on-lend the invested funds.	





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				In February 2013, ASIC released its	
				specific proposals in a consultation paper	
				(Consultation Paper 199 Debentures:	
				reform to strength regulation), which	
				include mandatory minimum capital and	
				liquidity requirements for issuers,	
				improved ongoing disclosure to investors	
				and measures to enhance the ability of	
				trustees to monitor the financial	
				performance of issuers and compliance	
				with their legal obligations. ASIC's	
				proposals do not involve prudential	
				supervision of debenture issuers, thus	
				maintaining a clear distinction between	
				the regulatory framework applicable to	
				these entities and the more intensive	
				prudential regime which APRA applies	
				to authorised deposit-taking institutions	
				(ADIs).	
				APRA currently exempts Registered	
				Financial Corporations (RFCs) and	
				Religious Charitable Development Funds	
				(RCDFs) - whose activities fall within	
				the definition of banking business - from	
				being authorised as deposit-taking	
				institutions by APRA.	
				On 19 April 2013, APRA released a	
				consultation package of proposals for	
				RFCs and RCDFs. The proposals relate	
				to the long-standing exemption which	

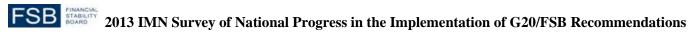




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				allows these entities to operate in the	
				non-prudentially regulated financial	
				sector ('shadow banking' system). In	
				particular, APRA proposes to restrict the	
				use of certain terms by RFCs, including	
				the words 'deposit' and 'at-call', and to	
				require all debenture offerings to have a	
				minimum maturity of 31 days. APRA is	
				still finalising its position on the	
				proposals in relation to RFCs. A final	
				decision is expected later this year	
				(2013).	
				Web-links to relevant documents:	
				http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/cp199-published-13-February-2013.pdf/\$file/cp199-published-13-February-2013.pdf	
				http://www.apra.gov.au/MediaReleases/Pages/13_09.aspx	
				http://www.apra.gov.au/adi/PrudentialFra mework/Pages/April-2013-Consultation- Section66-Guidelines-and-Banking-Act- Exemptions.aspx	
				http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/MIRs-Broader-Market-Structure-ASX-Chi-X-	
				Competition-published-%2020-October-2011.pdf/\$file/MIRs-Broader-Market-	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Structure-ASX-Chi-X-Competition-	
				published-%2020-October-2011.pdf	





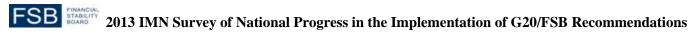
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II.	Hedge funds				
2 (3)	Registration, appropriate disclosures and oversight of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds(Seoul) Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)	Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's Report on Hedge Fund Oversight (Jun 2009) that inter-alia included mandatory registration and on-going regulatory requirements such as disclosure to investors.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: Primary / Secondary legislation Regulation /Guidelines Other actions (such as supervisory actions), please specify: Surveillance activities across both the wholesale and retail hedge fund sectors Status of progress: Reform effective (completed) as of: June 2012 Short description of the content of the legislation/ regulation/guideline: In terms registration of retail MIS hedge funds, and collection of information by regulators from wholesale and retail MIS. Deliberations on requiring registration of wholesale MIS and requiring managers of wholesale MIS to disclose specified information to their investors are at an early stage. Hedge fund managers of wholesale hedge funds are already required to be registered (licensed) Hedge fund managers are	Planned actions (if any): ASIC is a member of the TFUFE working group with responsibility for reviewing the systemic risk survey questionnaire. This is an ongoing role. ASIC has regulatory responsibility for hedge fund managers, and regularly conducts pro-active surveillance activities across both the wholesale and retail hedge fund sectors. ASIC is currently conducting a review into what level of disclosure and conduct regulation might be appropriate in the wholesale MIS sector and how such regulation might be best effected. This review will also consider the level and type of data available on wholesale MIS. Currently, ASIC surveillance activity in the wholesale hedge fund sector relies on data collected by commercial agencies and information gathered through the exercise of ASIC's compulsory notice powers on licensee managers. Expected commencement date: Web-links to relevant documents:



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				subject to oversight to ensure they have	
				adequate risk management systems. In	
				late 2012, ASIC participated in a	
				coordinated survey by all members of the	
				IOSCO Task Force on Unregulated	
				Financial Entities (TFUFE) to determine	
				the systemic risk posed by their	
				respective hedge fund sectors. ASIC first	
				participated in this survey at the end of	
				2010. In the most recent survey, ASIC	
				surveyed its 16 largest hedge fund	
				managers, soliciting detailed asset level	
				exposure information from the 12 largest	
				hedge funds. These 12 funds control	
				approximately 42 per cent of sector	
				assets. Aggregated local data has been	
				supplied to the TFUFE members	
				designated to compile regional and then	
				global aggregated data and to conduct	
				initial analysis of the information, with a	
				view to reporting the results and findings	
				to the FSB later this year. ASIC issued a	
				report on the lack of systemic risk posed	
				by local hedge funds to the Australian	
				markets to Treasury, APRA and the	
				RBA in May 2013. An abbreviated	
				version of this report will be published	
				on 10 September 2013.	
				A gap was identified in relation to	
				investor disclosure (wholesale and retail)	
				between the disclosures contemplated in	



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				IOSCO's Hedge Fund Oversight (June	
				2009) and disclosures required of	
				registered managed investment schemes	
				(MIS) (ie retail funds) and wholesale	
				schemes. In particular, registered MIS	
				hedge funds are generally required to	
				uses a short (i.e. 8 page) investor product	
				disclosure format that could not readily	
				accommodate the disclosures	
				contemplated by IOSCO and otherwise	
				considered appropriate by ASIC. In	
				June 2012 ASIC issued Class Order	
				12/749 exempting hedge funds from the	
				shorter PDS regime and in September	
				issued RG 240: Hedge Funds: Improving	
				Disclosure. The Class Order and RG 240	
				are currently scheduled to come into	
				effect in February 2014.	
				Web-links to relevant documents:	
				http://www.asic.gov.au/asic/pdflib.nsf	
				/LookupByFileName/ES-co12-	
				749.pdf/\$file/ES-co12-749.pdf	
				http://www.asic.gov.au/asic/pdflib.nsf/Lo	
				okupByFileName/rg240-published-18-	
				September-2012.pdf/\$file/rg240-	
				published-18-September-2012.pdf	





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3 (4)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: Primary / Secondary legislation Regulation /Guidelines Other actions (such as supervisory actions), please specify: MOUs and other ongoing work. Status of progress: Reform effective (completed) as of: Short description of the content of the legislation/ regulation/guideline: ASIC is a member of the IOSCO Task Force on Supervisory Cooperation, which has developed Principles Regarding Cross- Border Supervisory Cooperation (May 2010). The Principles are supported by an Annotated Sample MOU, to guide cooperation in a number of areas, including hedge funds. Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf /IOSCOPD322.pdf	Planned actions (if any): Some legislative changes will be required to facilitate ASIC sharing information and otherwise cooperating with other regulators in an international context. Expected commencement date: Web-links to relevant documents:



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4	Enhancing counterparty	Supervisors should require that	Jurisdictions should indicate specific	Implementation ongoing or completed	Planned actions (if any):
(5)	risk management	institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits	policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
		for single counterparty exposures.	counterparties.	Issue is being addressed through:	
		(London)	See, for reference, the following BCBS	☐ Primary / Secondary legislation	Web-links to relevant documents:
			documents:	☑ Regulation /Guidelines	
(6)		Supervisors will strengthen their existing	• Sound Practices for Banks'	☐ Other actions (such as supervisory actions), please specify:	
		guidance on the management of	Interactions with Highly Leveraged	Status of progress :	
		exposures to leveraged counterparties.	Institutions (Jan 1999)	Reform effective (completed) as of:	
		(Rec. II.17,FSF 2008)	Banks' Interactions with Highly	2007 and November 2011	
			Leveraged Institutions (Jan 1999)	Short description of the content of the legislation/regulation/guideline:	
			Basel III (June 2011) – relevant references to counterparty credit risk	ASIC's regulatory guide relating to risk	
			standards	management and other general licensing	
			2.00.000	obligations was published in 2007. In	
				November 2011 ASIC introduced new	
				financial requirements for responsible entities (REs) of managed investment	
				schemes (MISs) including retail hedge	
				funds. REs must prepare 12-month cash-	
				flow projections which must be approved	
				at least quarterly by directors. To meet	
				the new net tangible asset (NTA) capital	
				requirements, REs must hold the greater of:	
				*\$150,000	
				* 0.5% of the average value of scheme	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				property (capped at \$5 million), or	
				* 10% of the average RE revenue (uncapped).	
				A liquidity requirement has also been introduced where an RE must hold at least 50% of its NTA requirement in cash or cash equivalents, and an amount equal to the NTA requirement in liquid assets. APRA requires ADIs to meet prudential requirements governing counterparty credit risk and large exposures. APRA implemented the Basel III counterparty credit risk measures from 1 January 2013.	
				Web-links to relevant documents:	
				http://www.asic.gov.au/asic/pdflib.nsf/Lo okupByFileName/rg104.pdf/\$file/rg104. pdf http://www.asic.gov.au/asic/pdflib.nsf/Lo okupByFileName/co11- 1140.pdf/\$file/co11-1140.pdf http://www.apra.gov.au/adi/PrudentialFra mework/Documents/Basel-III- Prudential-Standard-APS-112-(January- 2013).pdf http://www.apra.gov.au/adi/PrudentialFra mework/Documents/Basel-III- Prudential-Standard-APS-113-(January-	
				2013).pdf http://www.apra.gov.au/adi/PrudentialFra	



FSB FINANCIAL STABILITY 2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				mework/Documents/Basel-III-	
			Prudential-Standard-APS-221-(January-		
				2013).pdf	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
III.	Securitisation				
5 (7) (8)	Improving the risk management of securitisation	During 2010, supervisors and regulators will: • implement IOSCO's proposals to strengthen practices in securitisation markets. (FSB 2009) The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London) Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)	Jurisdictions should indicate the progress made in implementing the recommendations contained in: • IOSCO's Report on Global Developments in Securitisation Regulation (Nov 2012) including justification for any exemptions to IOSCO requirements; and • BCBS's Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation ☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: (a) Industry Standards (b) Repo Eligibility Status of progress: Draft in preparation, expected publication in 2013: A consultation paper setting out APRA's proposed reforms to its prudential standard on securitisation. Short description of the content of the legislation/ regulation/guideline: IOSCO (Transparency and Standardisation) (a) Industry Standards The Australian Securitisation Forum (ASF) has implemented industry disclosure standards for RMBS on:	Planned actions (if any): IOSCO work (Incentive Alignment and Risk Retention) APRA is currently reviewing its prudential standard on securitisation Prudential Standard APS 120 Securitisation (APS120). A consultation paper setting out APRA's proposed reforms to APS 120 is planned for 2013. As part of this review, it is expected that proposals will include an explicit framework within which ADIs may engage in securitisation for funding purposes, without any capital benefits, or with capital benefits subject to appropriate risk retention requirements. Expected commencement date: Consultation to occur during 2013. Web-links to relevant documents:

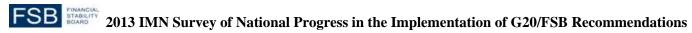


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	_			* Pre-issuance Disclosure;	
				* Securities Information;	
				* Pool Information;	
				* Loan Level Data;	
				* Arrears Calculation & Reporting; and	
				* Representations & Warranties.	
				(b) Repo Eligibility	
				In October 2012, the Reserve Bank announced that it would be introducing new criteria for the eligibility of residential mortgage backed securities (RMBS) in its repurchase agreements (repo) operations. Under the new RBA requirements (effective from on 31 December 2014) reporting templates and a cash flow waterfall template must be lodged with the Bank, validated and made publicly available. (c) APRA has incorporated the Basel II and Basel 2.5 provisions on exposures to securitisations through Prudential Standard APS 120 Securitisation	
				(APS120); and the related Pillar 3 disclosures through Prudential Standard APS 330 Capital Adequacy: Public Disclosure of Prudential Information (APS 330).	

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FSB	FINANCIAL STABILITY BOARD
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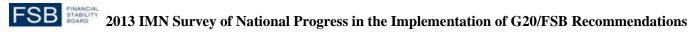
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Web-links to relevant documents: http://www.securitisation.com.au/standar ds_rmbs http://www.rba.gov.au/media- releases/2013/mr-13-08.html http://www.apra.gov.au/adi/PrudentialFra mework/Documents/Basel-III- Prudential-Standard-APS-120-(January- 2013).pdf; http://www.apra.gov.au/adi/PrudentialFra mework/Documents/Basel-III- Prudential-Standard-APS-330-(January- 2013).pdf	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
6	Strengthening of	Insurance supervisors should strengthen	Jurisdictions should indicate the policy	Implementation ongoing or completed	Planned actions (if any):
(9)	regulatory and capital framework for monolines	the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	measures taken for strengthening the regulatory and capital framework for monolines.	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
			See, for reference, the following principles issued by IAIS: • ICP 13 – Reinsurance and Other Forms of Risk Transfer • ICP 15 – Investments, and • ICP 17 - Capital Adequacy. Jurisdictions may also refer to the IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008).	Issue is being addressed through: □ Primary / Secondary legislation □ Regulation / Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: 2006; 1.01.2013 Short description of the content of the legislation/ regulation/guideline: Lenders' mortgage insurance (LMI) companies are the most significant monolines operating in Australia. From 2006, APRA significantly increased its minimum capital requirements for LMI companies. On 1 January 2013, APRA implemented a revised capital framework for all general insurers, including LMIs, after a multi-year review that was focused on alignment across the life and non-life insurance industry and on improving the	Web-links to relevant documents:
				risk-sensitivity of the capital frameworks. Web-links to relevant documents: http://www.apra.gov.au/MediaReleases/P	

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			ages/05_45.aspx				
			http://www.apra.gov.au/MediaReleases/P				
			ages/12_25.aspx				
				ages/12_23.aspx			

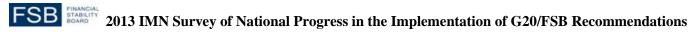




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7 (10)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	Jurisdictions should indicate the policy measures taken for strengthening best practices for investment in structured product. See, for reference, the principles contained in IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009) and Suitability Requirements for Distribution of Complex Financial Products (Jan 2013). Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation ☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: Risk based surveillance of structured products. Status of progress: Draft in preparation, expected publication by: 2013 - A consultation paper setting out APRA's proposed reforms to its prudential standard on securitisation. Short description of the content of the legislation/regulation/guideline: ASIC regulation and guidance ASIC conducts risk based surveillance of structured products including reviews of selected product disclosure statements and where appropriate field visits to the issuers. Industry initiative ASIC is aware that (and has been encouraging) Australian Financial Markets Association (AFMA) released principles on new product approval processes for its	Planned actions (if any): ASIC has commenced a project to conduct a 'health check' on the capital protected and capital guaranteed structured product market. The report is expected to be publicly released shortly. A consultation paper setting out APRA's proposed reforms to APS 120 (prudential standard on securitisation) is planned for 2013 (also see response to 5). Expected commencement date: Web-links to relevant documents:



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				members to use as a guide. (Also see	
				response to #5.) APRA is currently	
				reviewing APS 120, and as part of this	
				review it is expected that proposals will	
				include an explicit framework within	
				which ADIs may engage in securitisation	
				for funding purposes, without any capital	
				benefits, or with capital benefits subject	
				to appropriate risk retention requirements.	
				Web-links to relevant documents:	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (11)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products. See, for reference, IOSCO's Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) that complements IOSCO's Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress: Reform effective (completed) as of: January 2013 − APRA has incorporated the Basel II and Basel 2.5 provisions on securitisation disclosures. Short description of the content of the legislation/ regulation/guideline: APRA has incorporated the Basel II and Basel 2.5 provisions on exposures to securitisation through Prudential Standard APS 120 Securitisation (APS120); and related Pillar 3 disclosures throught Prudential Standards APS 330 Capital Adequacy: Public Disclosure of Prudential Information (APS 330). IOSCO's TFUMP (Task Force on Unregulated Financial. Markets and Products) has published recommendations in relation to	Planned actions (if any): ASIC is encouraging industry bodies such as the ASF to work with industry participants and relevant clearing and settlement entities to improve pre- and post-issuance information available to the industry and ultimately the public. The ASF has released industry standards on disclosure and reporting. Expected commencement date: Web-links to relevant documents:



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				disclosure. IOSCO's C1 developed and	
				published, in April 2010, disclosure	
				principles for public offerings of asset	
				backed securities. In November 2012	
				IOSCO's C1 also published principles for	
				ongoing disclosure for asset-backed	
				securities. IOSCO's C2 examined the	
				viability of post-trade transparency for	
				SFPs. In July 2010, C2 published its	
				report recommending that member	
				jurisdictions should seek to enhance post-	
				trade transparency of SFPs in their	
				respective jurisdictions taking into	
				account the benefits of, and issues related	
				to, post-trade transparency discussed in	
				the report. IOSCO, through TFUMP, is	
				also currently looking at developing a	
				regulatory toolkit in relation to retail	
				structured products. Part of the regulatory	
				toolkit will look at disclosure of these	
				products. A consultation report was	
				released on 18 April 2013.	
				Web-links to relevant documents:	
				http://www.apra.gov.au/adi/PrudentialFra	
				mework/Documents/Basel-III-Prudential-	
				Standard-APS-330-(January-2013).pdf	
				Standard-Ar S-350-(January-2013).pdf	



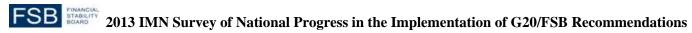
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV.	Enhancing supervision				
9 (12)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs. ² See, for reference, the following documents: Joint Forum: • Principles for the supervision of financial conglomerates (Sep 2012) BCBS: • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) IAIS: ICP 23 – Group wide supervision FSB: • Framework for addressing SIFIs (Nov 2011)	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Ongoing work Status of progress: Draft published as of: May 2013 − consultation on a new prudential framework for the supervision of conglomerate groups Short description of the content of the legislation/ regulation/guideline: ASIC conducts surveillance of securities firms. These include APRA-regulated and non-regulated institutions. For example, as the conduct and disclosure regulator ASIC undertakes: 1. Risk-based surveillance: this is a proactive, ongoing program of	Planned actions (if any): The FSB has not identified any G-SIFIs which are headquartered in Australia; hence neither the Basel Committee's G-SIB framework not the IAIS's G-SII framework are directly applicable in Australia. APRA has, however, commenced work on developing an assessment methodology for identifying D-SIBs in Australia, as required by the Basel Committee on Banking Supervision (BCBS). APRA will, as part of this exercise, be calibrating the necessary higher loss absorbency (HLA) capital requirement as required by the framework. APRA is on target to have this implemented as per the BCBS timetable, i.e. by January 2016. APRA is also working on a new prudential framework for the supervision of conglomerate groups. Expected commencement date:
					Web-links to relevant document

² The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.



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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
No	Description	G20/FSB Recommendations	Remarks	engages with securities firms based on the targeted areas. 2. Reactive surveillance: responding to complaints, breach and audit notifications concerning securities firms and conducting further surveillance as required. 3. Proactive (risk-based) and reactive PDS surveillance: includes liaising with securities firms in relation to PDS and marketing materials of complex	Next steps http://www.treasury.gov.au/Consultations andReviews/Submissions/2012/APRA http://www.apra.gov.au/MediaReleases/P ages/12_34.aspx
				marketing materials of complex structured products APRA already undertakes a vigilant approach to supervision, taking a consolidated view where appropriate. APRA also adopts a graduated approach to supervision. Larger and more systemically important firms are subject to more intensive supervision. Web-links to relevant documents:	



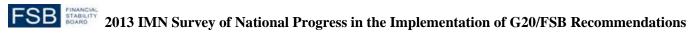


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10	Establishing	To establish the remaining supervisory	Reporting in this area should be	Not applicable	Planned actions (if any):
(13)	supervisory colleges and conducting risk assessments	colleges for significant cross-border firms by June 2009. (London)	undertaken solely by home jurisdictions of significant cross-border firms. Relevant jurisdictions should indicate the steps taken and status of establishing	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
			remaining supervisory colleges and	Australia does not have any GSIFIs	W. I. Polo A. adams A. J. amara
(14)		We agreed to conduct rigorous risk	conducting risk assessments.	Issue is being addressed through:	Web-links to relevant documents:
		assessment on these firms through	See, for reference, the following	☐ Primary / Secondary legislation	
		international supervisory colleges	documents:	☐ Regulation /Guidelines	
		(Seoul)	BCBS:	☑ Other actions (such as supervisory actions), please specify:	
			• <u>Good practice principles on</u> supervisory colleges (Oct 2010)	see additional information.	
			• Report and recommendations on cross-	Status of progress :	
			border bank resolution (Mar 2010)	[No response]	
			IOSCO:	Short description of the content of the legislation/ regulation/guideline:	
			• <u>Principles Regarding Cross-Border</u>	As at August 2013, APRA was a member	
			Supervisory Cooperation (May 2010)	of over 20 supervisory colleges, and has	
			IAIS:	hosted five colleges for significant cross-	
			• ICP 25 and Guidance 25.1.1 –	border firms where APRA is the home regulator. The then IOSCO Technical	
			25.1.6 on establishment of	Committee (now the IOSCO Board)	
			supervisory colleges	approved a mandate for C6 to prepare a	
			• Guidance 25.6.20 and 25.8.16 on	report recommending the establishment	
			risk assessments by supervisory	of supervisory colleges for globally active	
			colleges	CRAs and recommendations about the	
				operation and functions of such colleges.	
				ASIC is a member of two supervisory	
				colleges:	



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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				* Business Conduct Roundtable ran by	
				FINMA (Switzerland) to discuss business	
				conduct of mutual interest focussing on	
				the practical application supervisory	
				methods and techniques.	
				* Supervisory College ran by FINMA	
				(Switzerland) to discuss the conduct of	
				entities significant to multiple	
				jurisdictions. ASIC attended conferences	
				in 2010 and 2012.	
				Web-links to relevant documents:	





	visory responsiveness to Jurisdictions should include	la any faadhaalt	
coordination across a number of supervisory exchange coordination in the practice benchma	received from recent FSA assessments on the <u>Octobers</u> assessments on the <u>Octobers</u> Core Principle (BCP) 25 (relationships) or, if more relationships) or, if more relationships) or, if more relationships) or, if more relationships) and BCP 14 relationships). Jurisdiction indicate any steps taken sit assessment in this area, paresponse to relevant FSAI recommendations.	Ps/ROSC Ps/ROSC Ps/ROSC Ps/ROSC If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: Issue is being addressed through	Planned actions (if any): Legislative changes have largely been in place to enhance ASIC's powers to promptly share supervisory information with other regulators and with supervisory colleges on a proactive basis. While ASIC's powers are currently restricted, this does not prevent information sharing in many circumstances. Expected commencement date: Web-links to relevant documents:



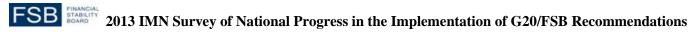
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				o Delegation of power to ASIC to	
				approve MABRA requests: on 6	
				December 2012 MABRA was amended	
				to permit senior ASIC staff (Executive	
				Level 2 and above) to approve requests	
				directly under MABRA as delegates of	
				the Minister. Prior to this amendment,	
				only the Minister or delegate of the	
				Minister (senior Treasury staff) could	
				approve MABRA requests. This means	
				that MABRA requests will be dealt with	
				more quickly by ASIC in future, without	
				needing to be referred to Treasury.	
				o New power to assist foreign	
				regulators in supervisory matters:	
				previously under MABRA, ASIC could	
				only assist foreign regulators if there was	
				a suspicion that a foreign business law	
				had been contravened and a foreign	
				investigation was underway (that is, we	
				could only provide assistance to foreign	
				regulators for enforcement purposes).	
				On 13 December 2012 the Mutual	
				Assistance in Business Regulation	
				Regulations 1992 were amended to	
				permit ASIC to assist foreign regulators	
				in supervisory matters as well.	
				o Powers to allow ASIC to assist and	
				share information with groups of	
				multijurisdictional regulators: Current	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				proposed legislation changes to the ASIC	
				Act and MABRA will enable ASIC to	
				share information with multijurisdictional	
				regulators such as the European	
				Securities and Markets Authority.	
				Currently the law is drafted in a way that	
				precludes ASIC from assisting groups of	
				multijurisdictional regulators. The	
				required law changes are currently before	
				Parliament and are expected to be passed	
				by the end of June 2013.	
				APRA has established close interactions	
				with supervisors in relevant jurisdictions,	
				in particular New Zealand and the United	
				Kingdom which are the most relevant	
				jurisdictions for APRA-regulated entities.	
				APRA also has direct engagement with	
				foreign supervisors as part of its	
				supervisory activities, and engagement	
				through its long standing involvement in	
				international fora (for example, the	
				BCBS, IAIS and IOSCO). APRA	
				currently has 18 MOUs with other	
				foreign supervisors and is in the process	
				of considering two further MOUs. APRA	
				was also an early signatory to the IAIS's	
				Multilateral MOU. Australia and New	
				Zealand have been actively engaging in	
				cross-border supervisory activity. APRA	
				participated in the trans-Tasman crisis	
				simulation exercise in November 2011. It	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				was agreed that the exercise was	
				successful in testing the ability of the	
				Trans-Tasman Council on Banking	
				Supervision (TTBC) agencies to	
				coordinate the resolution of a distressed	
				trans-Tasman banking group. Since then,	
				Australia and New Zealand authorities	
				have continued to work together, through	
				the TTBC, to build on lessons learned	
				from the simulation exercise. This	
				includes work on developing particular	
				strategies that might be followed in the	
				resolution of a trans-Tasman group, as	
				well as work on the operational aspects of	
				undertaking a coordinated reponse to a	
				crisis. Changes were made to the	
				Reserve Bank of Australia Act which	
				allows the RBA to share institution-	
				specific information with a domestic or	
				foreign financial sector supervisory	
				agency, or a foreign central bank. (See	
				also No. 15.) These changes took effect	
				from 3 January 2013.	
				Web-links to relevant documents:	
				http://www.apra.gov.au/AboutAPRA/Pag	
				es/ArrangementsandMoUs.aspx	
				http://www.comlaw.gov.au/Details/C201	
				2A00178/Download	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (16) (17)	Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul) Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008) Supervisory authorities should	Jurisdictions should provide any feedback received from recent FSAPs/ROSC assessments on the <u>October 2006</u> BCPs 1 and 23 or, if more recent, the <u>September 2012</u> BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: 1 January 2013 CPS 510 became effective. Short description of the content of the legislation/regulation/guideline: The Council of Financial Regulators (CFR) released a consultation paper on	Planned actions (if any): Development of legislative proposals for a resolution regime for FMIs is expected to continue over the remainder of 2013, including consultation with affected parties. Expected commencement date: Web-links to relevant documents:
		continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)	outcomes of the most recent assessment of resource needs (e.g. net increase in supervisors, skills acquired and sought). Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted.	(CFR) released a consultation paper on proposals to enhance the supervision of Australia's critical financial market infrastructure on 21 October 2011. In March 2012 the Treasurer released advice from the CFR on proposals to enhance the supervision of Australia's critical financial market infrastructure (FMI) and instructed the Treasury to engage further with stakeholders on implementing the framework of proposals. Following this further consultation, the issues are being further considered by a working group of the Council of	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Financial Regulators ahead of a possible	
				further round of consultation. Relevant	
				issues include:	
				• Enhanced directions powers for ASIC	
				and the RBA	
				• Powers to enhance regulatory influence	
				over cross-border FMIs	
				• Resolution powers for FMIs	
				On resourcing, as part of Australia's	
				FSAP assessment, the IMF recommended	
				that the Government should explore ways	
				to ensure the stability and sufficiency of	
				ASIC's funding to meet the future	
				regulatory and supervisory challenges.	
				The IMF also recommended that ASIC	
				should aim at allocating more resources	
				to reach sufficient levels of proactive	
				supervision of all types of entities under	
				its supervision. The Australian	
				Government is considering its response to	
				the IMF's FSAP high priority	
				recommendations. On resourcing, as part	
				of Australia's FSAP assessment, the IMF	
				recommended that the Government	
				consider the various possibilities to	
				arrange the funding of APRA in such a	
				manner that will ensure they will have the	
				resources needed to respond to the	
				current and emerging supervisory	
				challenges. The BCP report	

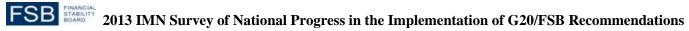


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				recommended that APRA remain mindful	
				of the need to recruit and retain high	
				calibre staff, both in terms of number and	
				expertise. Enhancing APRA's	
				effectiveness by continuing to ensure it	
				recruits and retains the right people for	
				the job, develops the skills and	
				knowledge of its staff and deploys them	
				where they are most needed is one of	
				APRA's main strategic objectives in	
				2012-2013. The Government provided an	
				increase in APRA's funding over a four-	
				year period from 2012-13 to enhance	
				APRA's crisis management and stress	
				testing capabilities. Prudential Standard	
				CPS 510 Governance (CPS 510) is a	
				prudential standard applying to the	
				banking and insurance sectors that	
				includes a requirement that the Board	
				ensure that directors and senior	
				management of the regulated institution,	
				collectively, have the full range of skills	
				needed for the effective and prudent	
				operation of the institution. Frontline	
				supervisors assess this requirement as	
				part of their regular supervision activities.	
				Web links to relevent documents:	
				Web-links to relevant documents:	
				http://www.treasury.gov.au/Consultations	
				andReviews/Submissions/2012/Over-the-	
				counter-derivatives-commitments-	



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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				consultation-paper	
				http://www.treasury.gov.au/Consultations	
				andReviews/Submissions/2011/Review-	
				of-Financial-	
				http://www.treasury.gov.au/Consultations	
				andReviews/Submissions/2012/Council-	
				of-Financial-Regulators-Financial-	
				Market-Infrastructure-Regulation	
				http://www.treasury.gov.au/Consultations	
				andReviews/Submissions/2012/cross-	
				border-clearing	
				http://www.apra.gov.au/CrossIndustry/Co	
				nsultations/Documents/CPS-510-	
				Governance-January-2013.pdf	
				http://www.apra.gov.au/AboutAPRA/Pub	
				lications/Pages/default.aspx	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps					
V.	V. Building and implementing macroprudential frameworks and tools									
			<u> </u>	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: ongoing monitoring Status of progress: Reform effective (completed) as of: September 2012 − APRA and RBA joint paper published − see below. Short description of the content of the legislation/ regulation/guideline: APRA is the national statistics collection agency for the financial sector and actively shares information with a number of regulatory agencies, including	Planned actions (if any): Expected commencement date: Web-links to relevant documents:					
				actively shares information with a						

³ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.



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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Australia's participation in the IMF's Financial Sector Assessment Program in 2012 Macroprudential Analysis and	
				Policy in the Australian Financial Stability Framework. This paper sets out the tools and practices of these two agencies that are designed to support financial stability from a system-wide perspective.	
				Web-links to relevant documents:	
				http://www.comlaw.gov.au/Details/C201 1C00325 http://www.apra.gov.au/AboutAPRA/Pub lications/Documents/2012-09-map-aus- fsf.pdf	

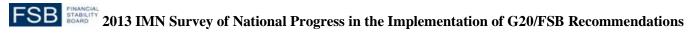


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
No 14 (20)	Description Enhancing system-wide monitoring and the use of macro-prudential instruments	Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level(Rec. 3.1, FSF 2009) We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)	Remarks Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency. Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them. See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012). Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011), and the IMF paper on Macroprudential policy, an organizing framework (Mar 2011).	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress: Reform effective (completed) as of: Short description of the content of the legislation/regulation/guideline: APRA and the RBA are keeping abreast of international developments and are contributing as appropriate, including through membership of the BCBS. APRA's legislative mandate to promote financial stability already empowers it to deploy its prudential tools in response to macro (system-wide) risks (see above at No 13). Australia's OTC Derivatives Working Group has conducted a series of surveys, in 2009, 2012 and 2013. The Report based on the findings of the 2013 survey stated that the regulators will consider the	Planned actions (if any): In relation to OTC derivatives, Australian regulators are awaiting the international work being undertaken by the BCBS/IOSCO/CPSS/CGFS working group on the margining requirements for non-centrally cleared derivatives. Expected commencement date: Web-links to relevant documents:

2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				use of trade compression, after analysing	
				the results of the most recent trade	
				compression cycle. ASIC is	
				participating in the Working Group on	
				Margin Requirements, which is setting	
				principles on margin requirements for	
				non-centrally cleared derivatives.	
				Web-links to relevant documents:	
				http://www.apra.gov.au/AboutAPRA/Pub	
				lications/Documents/2012-09-map-aus-	
				fsf.pdf	





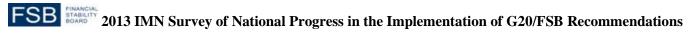
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15	Improved cooperation	Supervisors and central banks should	Jurisdictions can make reference to the	Implementation ongoing or completed	Planned actions (if any):
(22)	between supervisors and central banks	improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during	following BCBS documents: • Report and recommendations of the Cross-border Bank Resolution Group	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	Expected commencement date:
		periods of market strain. (Rec. V.8, FSF	(Mar 2010)	Issue is being addressed through:	
		2008)	• Good Practice Principles on	☑ Primary / Secondary legislation	Web-links to relevant documents:
			Supervisory Colleges (Oct 2010) (Principles 2, 3 and 4 in particular)	☐ Regulation /Guidelines	
			(1 rinciples 2, 3 and 4 in particular)	☑ Other actions (such as supervisory actions), please specify:	
				Ongoing monitoring	
				Status of progress :	
				Reform effective (completed) as of:	
				Short description of the content of the legislation/regulation/guideline:	
				The RBA and APRA agreed an MOU in 1998, which, among other things, sets out some of the specifics of the modes of cooperation and procedures for information sharing. There is also a high degree of cooperation and liaison between the two agencies, with the key formal structure for bilateral cooperation between the RBA and APRA being the regular meeting of the Coordination Committee. This meeting occurs roughly every six weeks. The Coordination Committee's standing agenda includes discussions on market developments and any issues of note concerning specific institutions. Ahead of the meeting, the two agencies	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				typically circulate relevant internal	
				analysis to each other. Because strong	
				relationships between the agencies are so	
				important to the effectiveness of financial	
				stability oversight, cooperation between	
				the RBA and APRA occurs not only	
				through formal processes, but through	
				close informal relationships at both senior	
				executive and working levels. Individual	
				executives at both agencies are	
				accountable for building and maintaining	
				inter-agency relationships, as set out in	
				their job description and terms of	
				employment. The Council for Financial	
				Regulation (CFR), a coordinating body	
				for Australia's main financial regulatory	
				agencies, has an MOU in place between	
				council members on managing periods of	
				financial stress. As stated previously, at	
				March 2013, APRA has 18 MOUs or	
				similar arrangements with foreign	
				counterparts. Legislation was passed in	
				December 2012 that allows the	
				government (in consultation with the	
				regulators) to apply mandatory reporting,	
				clearing or platform-based trading	
				requirements to specific classes of OTC	
				derivatives contracts. The new framework	
				will require enhanced consultation and	
				sharing of data among Australian	
				financial sector agencies, so the	
				legislation also included provisions to	
				enhance the RBA's information-sharing	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				powers. These enhancements will apply	
				to any protected (i.e. institution-specific)	
				information received by the RBA. These	
				new provisions included in amendments	
				to the Reserve Bank of Australia Act	
				allow the RBA to share such information	
				with a domestic or foreign financial	
				sector supervisory agency, or a foreign	
				central bank.	
				Web-links to relevant documents:	
				http://www.cfr.gov.au/about-	
				cfr/mou/index.html	
				http://www.apra.gov.au/AboutAPRA/Pag	
				es/ArrangementsandMoUs.aspx	
				http://www.comlaw.gov.au/Details/C201	
				2A00178/Download	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI.	Improving oversight o	f credit rating agencies (CRAs)			
16 (23) (24)	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London) National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process. CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs. They should also indicate its consistency with the following IOSCO document: • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008) Jurisdictions may also refer to the following IOSCO documents: • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs; • Statement of Principles Regarding the Activities of Credit Rating Agencies	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation ☑ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: 1.01.2010 Short description of the content of the legislation/regulation/guideline: Domestic implementation Licensing of	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(25)		The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London) Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)	 (Sep 2003); and Credit Rating Agencies: Internal Controls Designed to Ensure the Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012). 	CRAs took effect from 1 January 2010. Licence conditions for all CRAs require compliance with the IOSCO Code on a mandatory basis. All CRAs must lodge with ASIC at least annually, and upon request, a Compliance Report that contains information in relation to the CRA's adoption, publication and adherence to a code of conduct that complies with the IOSCO Code stipulated in the CRAs Australian Financial Services Licence (AFSL). ASIC Information Sheet 147 Credit rating agencies: Lodging a compliance report	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				with ASIC explains what information	
				must be included in the Compliance	
				Report. IOSCO Within IOSCO C6,	
				ASIC continues to advocate for the	
				establishment of supervisory colleges for	
				globally relevant CRAs to facilitate	
				further cooperation and information	
				sharing between authorities and assist	
				authorities' oversight of cross-border	
				CRAs. The then IOSCO Technical	
				Committee (now IOSCO Board)	
				approved a mandate for C6 to prepare a	
				report recommending the establishment	
				of supervisory colleges for globally active	
				CRAs and recommendations about the	
				operation and functions of such colleges.	
				ASIC has also been involved in the	
				IOSCO C6 discussions involving the	
				analysis of the IOSCO CRA Code against	
				the specific provisions in members' CRA	
				registration and oversight programs and	
				to recommend revisions. Collaboration	
				with other regulators An MOU between	
				ASIC and ESMA concerning cross-	
				border CRAs was executed on 21	
				December 2011. In addition, ESMA	
				endorsed Australia's CRA regulatory	
				framework as being 'as strict as'	
				European CRA Regulation allowing	
				credit ratings issued in Australia to be	
				endorsed by European established CRAs	
				for regulatory purposes in the EU. On 5	
				October 2012, the European Commission	

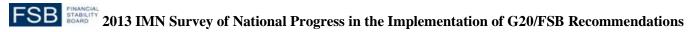


No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
	_			recognised the legal and supervisory	
				framework of Australia as equivalent to	
				the European CRA requirements allowing	
				certain credit ratings issued by a CRA	
				established in Australia, who are certified	
				in Europe, to be used in Europe without	
				being endorsed. In accordance with Basel	
				II, Basel 2.5 and Basel III, APRA allows	
				an ADI to determine risk weights by	
				reference to External Credit Assessment	
				Institutions (ECAIs). APRA prudential	
				standard APS 330 also includes specific	
				disclosures relating to ECAIs. In January	
				2013, APRA published a revised version	
				of its Guidelines on Recognition of an	
				External Credit Assessment Institution to	
				incorporate Basel III requirements.	
				Web-links to relevant documents:	
				http://www.apra.gov.au/adi/PrudentialFra	
				mework/Documents/ECAI_guidelines_Ja	
				nuary_2013.pdf	
				http://www.apra.gov.au/adi/PrudentialFra	
				mework/Documents/Basel-III-Prudential-	
				Standard-APS-330-(January-2013).pdf	
				http://www.asic.gov.au/asic/asic.nsf/byhe	
				adline/Credit+rating+agencies%3A+Lodg	
				ing+a+compliance+report+with+ASIC?o	
				penDocument	

2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

FSB	FINANCIAL STABILITY BOARD
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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (26)	Reducing the reliance on ratings	We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul) Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008) We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)	No information on this recommendation will be collected in the current IMN survey since a thematic peer review is taking place in this area during 2013.		





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII.	Enhancing and alignin	g accounting standards			
	•		Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB. They should also explain the system they have for enforcement of consistent application of those standards.	Implementation ongoing or completed If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation ☑ Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: 2005 − see below. APRA requires regulated entities to comply with IFRS requirements Short description of the content of the legislation/ regulation/guideline: Australia adopted IFRS, including Interpretations, in 2005 and has been adopting all subsequent revisions for publicly accountable for-profit entities through the Australian Accounting Standards Board (AASB). Entities preparing financial reports under the Corporations Act must prepare financial reporting using these standards. IFRS has also been adapted for application by	Planned actions (if any): Australia strongly encourages non- adopting jurisdictions to adopt or converge with IFRS. Australia will monitor progress of IFRS-US GAAP convergence and will continue to promote broader adoption and convergence with IFRS within the Asia-Pacific region. Expected commencement date: Web-links to relevant documents:



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				AASB and the FRC was instrumental in	
				the formation of the AOSSG. The	
				AOSSG aims to: (a) promote adoption of,	
				and convergence with, IFRS in the	
				region; (b) promote consistent application	
				of IFRS in the region; (c) coordinate	
				input from the region to the IASB; and	
				(d) cooperate with governments and	
				regulators and other regional and	
				international organisations to improve the	
				quality of financial reporting in the	
				region.	
				Australia is chair of the AOSSG from	
				November 2011 for two years and hosted	
				the 3rd Annual AOSSG Meeting in	
				Melbourne in November 2011. ASIC	
				contributes to IOSCO's submissions on	
				IASB discussion papers and exposure	
				drafts, and participates in the sharing of	
				information on IFRS regulatory decisions	
				and interpretations, as well as emerging	
				issues, with other securities regulators.	
				ASIC, AASB and APRA are members of	
				the Financial Reporting Council (FRC), a	
				body responsible for overseeing the	
				effectiveness of the financial reporting	
				framework in Australia. APRA is also a	
				member of the Basel Committee's	
				Accounting Task Force and the IAIS.	
				The IASB, FASB and AASB have	
				progressed the following Financial Crisis	
				related projects: 1. IFRS 9 Financial	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Instruments: * Classification and	
				measurement. The IASB indicated in	
				November 2011 that the Classification	
				and Measurement Phase would be	
				reopened to enable convergence with the	
				FASB. * Impairment * Hedge	
				accounting 2. IFRS 10 Consolidated	
				Financial Statements (completed) and	
				effective from 1 January 2013. 3. IFRS	
				13 Fair Value Measurement (completed)	
				and effective from 1 January 2013. 4.	
				IFRS 11 Joint Arrangements (completed)	
				and effective from 1 January 2013.	
				Australia has hosted delegations from	
				other countries that are interested in	
				Australia's implementation of IFRS. All	
				entities under the Corporations Act and	
				all APRA-regulated entities must report	
				using IFRS.	
				Web-links to relevant documents:	
				http://www.ifrs.org/Current-	
				Projects/IASB-Projects/Pages/IASB-	
				Work-Plan.aspx	



(28) of F	ccounting	Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)	Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting. See, for reference, the following BCBS documents: • Basel 2.5 standards on prudent valuation (Jul 2009)	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation / Guidelines	Planned actions (if any): The IASB is progressing its project on general hedge accounting and macro hedge accounting, an objective of which includes simplifying hedge accounting requirements. The AASB will continue to monitor the work of the IASB with a
Acce	ccounting	the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)	application of fair value accounting. See, for reference, the following BCBS documents: • <u>Basel 2.5 standards on prudent valuation (Jul 2009)</u>	no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation	general hedge accounting and macro hedge accounting, an objective of which includes simplifying hedge accounting requirements. The AASB will continue to
(29)				✓ Regulation /Guidelines	
		Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to	<u>Supervisory guidance for assessing</u> <u>banks' financial instrument fair value</u> <u>practices (Apr 2009)</u>	 ✓ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : 	view to incorporating the outcome into AASB 9 in due course. Expected commencement date:
		dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is		Reform effective (completed) as of: January 2013 – see additional information Short description of the content of the legislation/regulation/guideline:	Web-links to relevant documents: http://www.aasb.gov.au/Pronouncements/ Current-standards.aspx
		carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)		In May 2011, the IASB issued IFRS 13 Fair Value Measurement, which has been included in the Australian Accounting Standard AASB 13. APRA requires that fair value must be prudent and apply an extra degree of conservatism. APRA also participates on the BCBS Accounting Task Force which is contributing to the development of the IASB standards. APRA revised its approach to fair value in implementing Basel III, in Prudential Standard APS 111 Capital Adequacy: Measurement of Capital (APS 111).	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				fair values that are included in Common	
				Equity Tier 1 capital. Also in January	
				2013, APRA specifically introduced a	
				new reporting requirement (Reporting	
				Standard ARS 111.0 Fair Values (ARS	
				110.0) to monitor ADIs' use of fair	
				values. APRA is currently assessing the	
				first fair value collection submitted for	
				the period ending March 2013.	
				Web-links to relevant documents:	
				http://www.apra.gov.au/adi/PrudentialFra	
				mework/Documents/Basel-III-Prudential-	
				Standard-APS-111-(January-2013).pdf	
				http://www.apra.gov.au/adi/ReportingFra	
				mework/Documents/Reporting_Standard	
				_ARS_111_0_January_2013.pdf	
				1	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII.	Enhancing risk manag	ement			
20 (31)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. See, for reference, the Joint Forum's <u>Principles for the supervision of financial conglomerates (Sep 2012)</u> and the	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation	Planned actions (if any): n its recent FSAP report for Australia, the IMF recommended, inter alia, that the RBA develop a 'top-down' (macro model-based) stress testing framework to complement the stress testing already performed by the APRA. A program of
(33)		management. (Washington) National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is	 following BCBS documents: Principles for effective risk data aggregation and risk reporting (Jan 2013) The Liquidity Coverage Ratio (LCR) (Jan 2013) Principles for the sound management 	 ☑ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress: Draft published as of: 9.5.2013 and APRA expacts to issue final standards and guidance in 2013. 	work to investigate the feasibility of developing such a framework for Australia has now been initiated. Expected commencement date:
(34)		inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008) Regulators and supervisors in emerging markets ⁴ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009) We commit to conduct robust, transparent	 of operational risk (Jun 2011) Principles for sound stress testing practices and supervision (May 2009) Jurisdictions may also refer to FSB's February 2013 thematic peer review report on risk governance. 	Short description of the content of the legislation/ regulation/guideline: APRA has already incorporated risk management strategies in regulatory supervision across its industries. APRA is also in the process of finalising a proposed cross-industry prudential standard on risk management. A discussion paper was published on 9 May	Web-links to relevant documents: http://www.imf.org/external/pubs/ft/scr/2 012/cr12308.pdf
		stress tests as needed. (Pittsburgh)		(consultation closed on 5 July 2013). APRA expects that the new requirements will come into full effect from 1 January 2015. The proposed new standard reflects	

⁴ Only the emerging market jurisdictions may respond to this recommendation.



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
	•			APRA's current expectations of risk	-
				management, which in many cases align	
				with developments observed in industry.	
				APRA also proposes to incorporate risk	
				management requirements that are	
				complementary to emerging international	
				consensus on the lessons learned from the	
				financial crisis, including from the BCBS	
				and the FSB's February 2013 thematic	
				review. APRA will also consult on	
				prudential practice guides on its	
				expectations for risk management	
				practices later in 2013. APRA is in the	
				process of implementing the Basel III	
				liquidity framework for the larger and	
				more complex ADIs on the	
				internationally agreed timetable. In the	
				near future, APRA will release a final	
				prudential standard APS 210 Liquidity	
				(APS 210) incorporating the Basel	
				Committee's January 2013 release on the	
				Liquidity Coverage Ratio. At the same	
				time APRA will release a final prudential	
				practice guide to assist ADIs in	
				complying with APRA's liquidity	
				framework.	
				Web-links to relevant documents:	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21	Efforts to deal with	Our efforts to deal with impaired assets	Jurisdictions should indicate steps	Implementation ongoing or completed	Planned actions (if any):
(36)	impaired assets and raise additional capital	and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification:	The implementation of the capital conservation buffer for ADIs will apply from 1 January 2016.
			raised by banks operating in their	Issue is being addressed through:	
			jurisdictions during 2012.	☐ Primary / Secondary legislation	Expected commencement date:
			Jurisdictions during 2012.	☑ Regulation /Guidelines	
				☐ Other actions (such as supervisory actions), please specify:	Web-links to relevant documents:
				Status of progress :	
				Reform effective (completed) as of: 1.01.2013	
				Short description of the content of the legislation/regulation/guideline:	
				APRA implemented the Basel III capital reforms on 1 January 2013. These included the Basel regulatory adjustments in full. APRA did not follow the BCBS implementation timeline as ADIs were already in a position to meet the minimum capital requirements at the time of the recommendation. APRA formally introduced the Basel III definition of regulatory capital, the minimum requirements for the different tiers of capital, and the stricter eligibility criteria for capital instruments. However, for in-principle reasons, APRA did not adopt the concessional treatment available for certain items in calculating regulatory capital. APRA now requires ADIs to	



Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			meet a minimum Common Equity Tier 1	
			requirement of 4.5 per cent of risk-	
			weighted assets, after regulatory	
			adjustments.	
			Web-links to relevant documents:	
			http://www.apra.gov.au/adi/PrudentialFra	
			mework/Pages/Basel-III-Capital-	
			Reforms-March-2012.aspx	
			http://www.apra.gov.au/adi/PrudentialFra	
			mework/Documents/Basel-III-Prudential-	
			Standard-APS-110-(January-2013).pdf	
			http://www.apra.gov.au/adi/PrudentialFra	
			mework/Documents/Basel-III-Prudential-	
			Standard-APS-111-(January-2013).pdf	
	•			meet a minimum Common Equity Tier 1 requirement of 4.5 per cent of risk- weighted assets, after regulatory adjustments. Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFra mework/Pages/Basel-III-Capital- Reforms-March-2012.aspx http://www.apra.gov.au/adi/PrudentialFra mework/Documents/Basel-III-Prudential- Standard-APS-110-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFra mework/Documents/Basel-III-PrudentialFra mework/Documents/Basel-III-Prudential-



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22	Enhanced risk	Financial institutions should provide	Jurisdictions should indicate the status of	Implementation ongoing or completed	Planned actions (if any):
(37)	disclosures by financial institutions	enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate.	implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference	If "Not applicable " or "Applicable but no action envisaged" has been selected, please provide a brief justification:	APRA is also currently undertaking work on enhancing disclosure requirements for insurers.
		(Washington)	the recommendations of the October 2012	Issue is being addressed through:	
		(report by the Enhanced Disclosure Task	☐ Primary / Secondary legislation	Expected commencement date:
			Force on Enhancing the Risk Disclosures	☑ Regulation /Guidelines	
			of Banks.	☐ Other actions (such as supervisory actions), please specify:	Web-links to relevant documents:
				Status of progress :	
				Reform effective (completed) as of: 1.01.2013	
				Short description of the content of the legislation/ regulation/guideline:	
				IFRS 7 already applies in Australia. Australian Accounting Standard AASB 7 (Financial Instruments: Disclosures) is fully compliant with IFRS 7.	
				Australian Accounting Standard AASB 13 (Fair Value Measurement) is fully compliant with IFRS 13. IFRS 13 applies in full from years commencing 1 January 2013, the application date set by the IASB.	
				APRA and ASIC completed the review template for Australia as part of the FSB's thematic review of risk disclosure practices.	
				APRA implements the Basel Committee's	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
	-			Pillar 3 disclosures through APS330,	
				which was re-issued from 30 June 2013	
				to include the Basel III capital and	
				remuneration disclosure. These reforms	
				are intended to improve risk disclosures.	
				As part of its Regulatory Consistency	
				Assessment Programme, the Basel	
				Committee is reviewing how individual	
				jurisdictions determine risk weighted	
				assets. Once this work is complete,	
				APRA expects that there will be even	
				greater enhancement of risk desclosure	
				across jurisdictions. ADIs and other	
				publicly accountable for-profit entities	
				are required to fully comply with IFRS.	
				Web-links to relevant documents:	
				http://www.apra.gov.au/adi/Documents/A	
				PS330-Public-Disclosure-of-Prudential-	
				Information-January%202012.pdf	
				http://www.apra.gov.au/adi/PrudentialFra	
				mework/Documents/130904-DP-Basel-	
				III-disclosure-requirements-final.pdf	
				www.aasb.gov.au/admin/file/content105/	
				c9/AASB13_09-11.pdf	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX.	Strengthening deposit i	nsurance			
23	Strengthening of	National deposit insurance arrangements	Jurisdictions should describe any	Implementation ongoing or completed	Planned actions (if any):
(38)	national deposit insurance arrangements	should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	revisions made to national deposit insurance system, including steps taken to address the recommendations of the FSB's February 2012 <i>thematic peer review report on deposit insurance systems.</i>	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: □ Primary / Secondary legislation □ Regulation /Guidelines □ Other actions (such as supervisory	In November 2012, APRA released a consultation package on proposals to implement additional requirements in relation to payment, reporting and communication under the FCS. The final prudential standards APS 910 - Financial Claims Scheme (APS910) was released in
				actions), please specify: Status of progress:	June 2013 coming into effect 1 July 2013. Technical guidance to assist ADIs to comply with the payment and reporting
				Draft published as of : June 2013	requirements of APS 910 was released in
				Short description of the content of the legislation/ regulation/guideline:	August 2013. APRA is currently working through the technical details
				APRA is responsible for the administration of the Financial Claims Scheme (FCS). The purpose of the FCS is to protect depositors of ADIs and policyholders of general insurance	including operation funding arrangements underpinning the FCS. Formalising information sharing and coordination is partially underway between APRA and other stakeholders. (Recommendation 2)
				companies from potential loss due to the failure of these institutions.	Expected commencement date:
				The FCS has been established as a deposit insurance scheme (DIS) in 2008 to maintain financial stability by protecting	Web-links to relevant documents:
				depositors and preventing bank runs (Recommendation 1). APRA is in the process of aligning the	http://www.apra.gov.au/adi/PrudentialFr amework/Pages/financial-claims-scheme- for-ADIs-proposed-requirements.aspx
				FCS with the majority of the DIS core protection principles (Recommendation	http://www.apra.gov.au/adi/PrudentialFr amework/Pages/financial-claims-scheme- for-ADIs-information-paper-and-



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
NO	Description	G20/FSD Recommendations		 Alignment includes: • The FCS deposit guarantee for ADIs coverage level has been recently reviewed (the FCS limit was lowered in 2012) to strike a more appropriate level balance between depositor protection, market discipline and promoting financial stability (Recommendation 2). APRA has done work to ensure the current resources are adequate and work has commenced on communication timeframes and scenario planning and simulations (Recommendation 2). APRA undertook a review and evaluation of the FCS scheme following the Key Attributes peer review recommendations. Response to the report has been streamed into current FCS work in progress where applicable (Recommendation 4). Web-links to relevant documents: http://www.financialstabilityboard.org/pu 	approved-forms.aspx
				blications/r_130411a.pdf	



savings in our economies and do not pose risks to financial stability. To this end, we	
integrity and efficiency efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we	
the Impact of Technological Changes recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes) the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and The Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and Regulation /Guidelines □ Other actions (such as supervisory actions), please specify: Status of progress:	ontinue to monitor the t of electronic liquidity d consider whether any s required to our short selling



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				to analyse the impact of dark liquidity	
				and high-frequency trading on market	
				integrity and quality. Following	
				consultation rules were introduced to	
				strengthen the existing framework for	
				electronic trading and to build on existing	
				rules for broker crossing systems (e.g. on	
				transparency of access and operations,	
				conflicts of interest and supervision,	
				clarifying the circumstances where orders	
				are considered to be manipulative. A	
				proposal for a minimum resting time for	
				small orders did not proceed following a	
				positive response from industry in	
				reducing the instances of this occurring to	
				reasonable levels.	
				Web-links to relevant documents:	
				http://www.asic.gov.au/asic/ASIC.NSF/b	
				yHeadline/Market%20integrity%20rules#	
				competition-mirs	
				http://www.asic.gov.au/asic/pdflib.nsf/Lo	
				okupByFileName/RG223-published-27-	
				March-2013.pdf/\$file/RG223-published-	
				27-March-2013.pdf	
				http://www.asic.gov.au/asic/pdflib.nsf/Lo	
				okupByFileName/cp168-published-20-	
				October-2011-2.pdf/\$file/cp168-	
				published-20-October-2011-2.pdf	
				http://www.asic.gov.au/asic/asic.nsf/byhe	
				adline/13-	
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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
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				frequency+trading?openDocument	
				http://www.asic.gov.au/asic/asic.nsf/byhe	
				adline/13-	
				213MR+ASIC+makes+rules+on+dark+li	
				quidity%2C+high-	
				frequency+trading?openDocument	



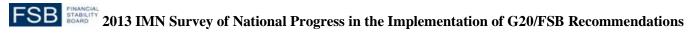
No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
25	Enhanced market	We need to ensure enhanced market	Jurisdictions should indicate the policy	Implementation ongoing or completed	Planned actions (if any):
(40)	transparency in commodity markets	transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective	measures taken to enhance market transparency in commodity markets. See, for reference, IOSCO's report on <u>Principles for the Regulation and Supervision of Commodity Derivatives</u> Markets (Sep 2011)	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: ☑ Primary / Secondary legislation	Expected commencement date: 1 October 2013 Web-links to relevant documents:
		9	Markets (Sep 2011). Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the report published by the IOSCO's Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.	☑ Regulation /Guidelines ☑ Other actions (such as supervisory actions), please specify: Status of progress: Reform effective (completed) as of: July 2013 Short description of the content of the legislation/ regulation/guideline: There is pre and post transparency in exchange traded commodities markets in Australia. ASIC as well as market operators already have powers to address disorderly markets, in the case of exchange traded commodities. ASIC has the power to prevent market abuse for exchange and OTC trade commodity futures. Market operators have the power to impose position limits, and do in some cases, in order to satisfy their primary license obligation of ensuring a fair, orderly and transparent market.	Web-links to relevant documents:
				Participants in exchange and OTC commodities markets who provide financial services, such as advice or dealing on behalf of clients, are required	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				to obtain an Australian Financial Services	
				Licence, and are subject to supervision by	
				ASIC.	
				Australia's OTC Derivatives Working	
				Group conducted surveys in 2009, 2012	
				and 2013 which made a number of	
				recommendations to market participants	
				around risk management enhancements	
				for the Australian OTC derivatives	
				markets.	
				ASIC, following a determiniation made	
				by the Minister, has now finalised its	
				trade reporting regime in accordance with	
				its G20 OTC derivatives commitments,	
				Commodity derivatives (other than	
				electricity derivatives) transactions will	
				be required to be reporting under the	
				regime. The reporting obligation will be	
				implemented in a phased manner from 1	
				October 2013. End of day reporting of	
				individual transaction details, mark to	
				market positions and collateral valuations	
				would be required in a manner that is	
				consistent with developing international	
				approaches. A licensing and rules regiime	
				for trade repositories has also been	
				finalised. The rules governing the	
				activities of licensed trade repositories are	
				closely based on the CPSS/IOSCO	
				Principles for Financial Market	
				Infrastructures. Licensed trade	
				repositiries will be required to make	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				statistical aggregated infromation	
				available on a weekly basis by asset class.	
				Web-links to relevant documents:	
				Derivatives Transaction Rules	
				(Reporting) 2013 available at:	
				http://www.asic.gov.au/asic/asic.nsf/byhe	
				adline/Derivatives+transaction+reporting	
				?openDocument Derivative Trade	
				Repository Rules 2013 available at:	
				http://www.asic.gov.au/asic/asic.nsf/byhe	
				adline/Derivative+trade+repositories?ope	
				nDocument	





No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26	Legal Entity Identifier	We support the creation of a global legal	Jurisdictions should indicate whether they	Implementation ongoing or completed	Planned actions (if any):
New		entity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes)	have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit (LOU) in their jurisdiction.	If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through:	First reporting requirements to trade repositories that will need to use an LEI (if available) will commence on 1 October 2013.
				✓ Primary / Secondary legislation	
		We encourage global adoption of the LEI		☑ Regulation /Guidelines	Expected commencement date:
		to support authorities and market participants in identifying and managing		Other actions (such as supervisory actions), please specify:	1 October 2013
		financial risks. (Los Cabos)		Status of progress :	
				Reform effective (completed) as of : Transitional implementation between 28	Web-links to relevant documents:
				October 2013 and 18 March 2014.	
				Short description of the content of the legislation/ regulation/guideline:	
				ASIC joined the Regulatory Oversight	
				Committee in May 2013. At this stage the	
				regulators are not intending to establish	
				as LOU in Australia, but woul dbe	
				supportive of an LOU established by a	
				private sector entity in Australia. Market	
				participants are obliged to provide client	
				reference information on orders and	
				trades. The LEI is one of several allowable forms of client reference.	
				In July 2013, ASIC made rules which	
				included a requirement that reports of	
				OTC derivative transactions to Trade	
				Repositories will need to use an LEI (if	
				available) in order to report information	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				on counterparties, beneficiaries, reporting	
				entities, brokers and clearing members	
				for these OTC derivative transaction. The	
				first reporting obligation will come into	
				effect on 1 October 2013, and over the	
				course of 2014 for other financial	
				counterparties. The Rules also provide for	
				the use of an interim LEI, which ASIC	
				has specified included a pre-LEI.	
				Web-links to relevant documents:	
				http://www.asic.gov.au/asic/pdflib.nsf/Lo	
				okupByFileName/RG223-published-27-	
				March-2013.pdf/\$file/RG223-published-	
				27-March-2013.pdf	
				http://www.comlaw.gov.au/Details/F2013	
				C00071/Html/Text#_Toc345501732	
				http://www.asic.gov.au/asic/asic.nsf/byhe	
				adline/Derivative+transaction+reporting?	
				openDocument	



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI.	Enhancing financial co	onsumer protection		-	
27 (41)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	Jurisdictions should describe progress toward implementation of the OECD's G-20 high-level principles on financial consumer protection (Oct 2011).	Implementation ongoing or completed If "Not applicable "or "Applicable but no action envisaged" has been selected, please provide a brief justification: Issue is being addressed through: Primary / Secondary legislation Regulation /Guidelines Other actions (such as supervisory actions), please specify: ongoing monitoring Status of progress: Reform effective (completed) as of: Short description of the content of the legislation/regulation/guideline: Australia has progressed reforms to strengthen the financial advice and consumer credit industries. These reforms already meet many of the G20 High Level Principles on Financial Consumer Protection. The FSB report on consumer finance protection focuses on issues related to consumer credit, including mortgages, credit cards, and secured and unsecured loans. ASIC responded to a survey on this topic in June 2011 and set out in its response the main features of the new Consumer Credit regime - licensing,	Planned actions (if any): ASIC is administering the recent legislative reforms in relation to consumer credit and responsible lending, and will implement upcoming reforms in the financial advice area (Future of Financial Advice). Implementation includes a combination of regulatory guidance, surveillance, compliance, enforcement, as well as consumer education and financial literacy resources via ASIC's consumer website, MoneySmart. Expected commencement date: Web-links to relevant documents: http://www.asic.gov.au/asic/ASIC.NSF/b yHeadline/Credit% 20homepage http://www.asic.gov.au/asic/asic.nsf/byhe adline/Future+of+financial+advice?open Document https://www.moneysmart.gov.au/borrowing-and-credit/consumer-credit-regulation https://www.moneysmart.gov.au/investin g/financial-advice



No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				responsible lending, disclosure and conduct.	
				The Consumer Credit regime appears to meet several of the high level principles on financial consumer protection prepared by the OECD (together with the FSB).	
				More detailed information on these principles was provided to the FSB in our response to the survey questions.	
				Web-links to relevant documents:	



Source of recommendations:

Los Cabos: The G20 Leaders Declaration (18-19 June 2012)

Cannes: The Cannes Summit Final Declaration (3-4 November 2011)

Seoul: The Seoul Summit Document (11-12 November 2010)

Toronto: The G-20 Toronto Summit Declaration (26-27 June 2010)

Pittsburgh: Leaders' Statement at the Pittsburgh Summit (25 September 2009)

London: The London Summit Declaration on Strengthening the Financial System (2 April 2009)

Washington: The Washington Summit Action Plan to Implement Principles for Reform (15 November 2008)

FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience (7 April 2008)

FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System (2 April 2009)

FSB 2009: The FSB Report on Improving Financial Regulation (25 September 2009)

FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision (1 November 2012)

XIII. **List of Abbreviations used:**

AASB: Australian Accounting Standards Board

ADI: Authorised Deposit-taking Institutions

AFMA: Australian Financial Markets Association

APRA: Australian Prudential Regulation Authority

ASF: Australian Securitisation Forum

ASIC: Australian Securities and Investments Commission

ASX: Australian Stock Exchange

BCBS: Basel Committee on Banking Supervision

CFR: Council of Financial Regulators (comprising the RBA, APRA, ASIC and Treasury)

CPSS: Committee on Payment and Settlement Systems

CRA: Credit rating agencies

DIS: Deposit Insurance Scheme

DNSFR Report: Joint Forum report on Review of the Differentiated Nature and Scope of Financial

Regulation ERC: Emerging Risk Committee

ESMA: European Securities and Markets Authority

FINRA: Financial Industry Regulatory Authority (USA)

FMI: Financial market infrastructure

FCS: Financial Claims Scheme

FRC: Financial Reporting Council

FSAP: Financial Sector Assessment Program

FSB: Financial Stability Board

GAAP: Generally accepted accounting principles

IASB: International Accounting Standards Board

IFRS: International Financial Reporting Standards

IMF: International Monetary Fund

IOSCO: International Organization of Securities Commissions

LCR: Liquidity coverage ratio

LMI: Lenders' Mortgage Insurance

MIS: Managed Investment Schemes

MOU: Memoranda of Understanding

NSFR: Net stable funding ratio

OECD: Organisation for Economic Co-operation and Development

OTC: Over-the-counter

PDS: Product disclosure statement

RBA: Reserve Bank of Australia

RE: Responsible Entities

RMBS: Residential mortgage backed securities

ROSC: Report on the Observance of Standards and Codes

SFP: Structured finance products

TFUFE: IOSCO Task Force on Unregulated Financial Entities

TFUMP: IOSCO Task Force on Unregulated Financial Markets and Products

TFSC: IOSCO Task Force on Supervisory Cooperation