

2021 IMN Survey of National/Regional Progress in the Implementation of G20/FSB Recommendations

Jurisdiction
Australia

I1: Hedge funds - Registration, appropriate disclosures and oversight of hedge funds

G20/FSB Recommendations

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)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

I2: Hedge funds - Establishment of international information sharing framework

G20/FSB Recommendations

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)

Remarks

Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's [Report on Hedge Fund Oversight \(Jun 2009\)](#) on sharing information to facilitate the oversight of globally active fund managers.

In addition, jurisdictions should state whether they are:

- Signatory to the IOSCO MMoU in relation to cooperation in enforcement
- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO [Principles Regarding Cross-border Supervisory Cooperation](#).

Jurisdictions can also refer to Principle 28 of the 2017 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
31.12.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
ASIC has been able to implement this recommendation via "MOUs and other ongoing work". More specifically, ASIC has been able share information in relation to hedge funds both through ASIC's IOSCO membership and related work as well as bilateral agreements (i.e. MOUs) with other regulators. ASIC was a member of the IOSCO Task Force on Supervisory Cooperation, which 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.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

<http://www.iosco.org/library/pubdocs/pdf/IOSCOPD322.pdf>

I3: Hedge funds - Enhancing counterparty risk management

G20/FSB Recommendations

Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)

Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

II4: Securitisation - Strengthening of regulatory and capital framework for monolines

G20/FSB Recommendations

Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2021 survey.

II5: Securitisation -Strengthening supervisory, best practices for investment in structured products

G20/FSB Recommendations

Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)

Remarks

Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.

Jurisdictions may reference IOSCO's report on [Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments \(Jul 2009\)](#).

Jurisdictions may also refer to the Joint Forum report on [Credit Risk Transfer- Developments from 2005-2007 \(Jul 2008\)](#).

Progress to date:

Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.07.2014
Progress to date: issue is being addressed through
Primary / Secondary legislation - No Regulation / Guidelines - Yes Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
ASIC published Report 400 Responses to feedback on REP 384 Regulating complex products in July 2014.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
ASIC released its final guidance on the product intervention power (Regulatory Guide 272 Product intervention power) in June 2020; and its final guidance on the design and distribution obligations (Regulatory Guide 274 Product design and distribution obligations) in December 2020. ASIC's product intervention order imposing conditions on the issue and distribution of contracts for difference (CFDs) to retail clients took effect on 29 March 2021 - 21-060MR. ASIC has made a product intervention order banning the issue and distribution of binary options to retail clients which took effect on 3 May 2021 - 21-064MR. The design and distribution obligations commence in October 2021.
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-400-responses-to-feedback-on-rep-384-regulating-complex-products/ https://www.legislation.gov.au/Details/C2019A00050

II6: Securitisation - Enhanced disclosure of securitised products

G20/FSB Recommendations

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)

Remarks

Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.

See, for reference, IOSCO's [Report on Principles for Ongoing Disclosure for Asset-Backed Securities \(Nov 2012\)](#), [Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities \(Apr 2010\)](#) and [report on Global Developments in Securitisation Regulations \(November 2012\)](#), in particular recommendations 4 and 5.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - No Regulation / Guidelines - Yes Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
<p>Central Bank Operations enhancing information - The Reserve Bank of Australia (RBA) has mandatory reporting requirements for asset-backed securities (ABS) that are eligible for use as collateral in RBA repo transactions. Issuers of these securities need to provide detailed information regarding the structure of the securities, collateral quality, and transactions, and in most cases are also required to provide data on the individual loans underlying the deal. The requirements also specify that certain data be made available to permitted users. It is intended that these measures will help reduce the reliance on CRA assessments by the RBA and other investors.</p> <p>Derivatives enhancing transparency - On 9 July 2013, ASIC made the ASIC Derivative Transaction Rules (Reporting) 2013 ("Rules"), which set out the requirements for counterparties to report derivative transaction and position information to derivative trade repositories. The Rules can assist with providing transparency on the use of (and exposure to) OTC derivatives by securitisation vehicles (which may impact underlying assets and values of securitisation product).</p>
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
https://www.legislation.gov.au/Details/F2015C00262 ASF Framework for RMBS Loan Level Data Disclosure (October 2016): http://www.securitisation.com.au/standards

III7: Enhancing supervision - Consistent, consolidated supervision and regulation of SIFIs

G20/FSB Recommendations

All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)

Remarks

Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.

Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are [monitored separately](#) by the BCBS.

See, for reference, the following documents:

BCBS

- [Framework for G-SIBs \(Jul 2018\)](#)
- [Framework for D-SIBs \(Oct 2012\)](#)

IAIS

- [Holistic Framework for the Assessment and Mitigation of Systemic Risk in the Insurance Sector \(Nov 2019\)](#)
- [Application Paper on Liquidity Risk Management \(Jun 2020\)](#)
- [Draft Application Paper on Macroprudential Supervision \(Mar 2021\)](#)

FSB

- [Evaluation of the effects of too-big-to-fail reforms \(Mar 2021\)](#)
- [Framework for addressing SIFIs \(Nov 2011\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2016
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - No

Progress to date: short description of the content of the legislation/regulation/guideline/other actions
APRAs framework for identifying systemically important banks (D-SIBs) is set out in its December 2013 information paper, Domestic systemically important banks in Australia. The names of the four identified D-SIBs are included in this paper and on APRA's website. APRA's risk-based approach subjects institutions that pose greater systemic risks to more intensive supervision, and potentially higher capital or other prudential requirements (in addition to the D-SIB surcharge). There are no Australian global systemically important banks or insurers. For example, the four identified D-SIBs fall under the public G-SIB disclosure framework which is included in Prudential Standard APS 330 Public Disclosure.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
No planned actions
Relevant web-links: please provide web-links to relevant documents
http://www.apra.gov.au/adi/Publications/Documents/Information-Paper-Domestic-systemically-important-banks-in-Australia-December-2013.pdf http://apra.gov.au/adi/Pages/May-2015-Response-disclosure-leverage-ratio-LCR-G-SIBs.aspx

III8: Enhancing supervision - Establishing supervisory colleges and conducting risk assessments

G20/FSB Recommendations

To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)

We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2017 IMN survey. The BCBS and IAIS will be monitoring implementation progress in this area with respect to banks and insurers respectively.

III9: Enhancing supervision - Supervisory exchange of information and coordination

G20/FSB Recommendations

To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)

Enhance the effectiveness of core supervisory colleges. (FSB 2012)

Remarks

Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the [September 2012](#) BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.

Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - No
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
APRA has established close interactions with supervisors in relevant jurisdictions for APRA-regulated entities, in particular New Zealand. Australia and New Zealand are subject to legislative requirements to keep each other informed of matters that might affect the other's financial stability; both work closely to review trans-Tasman resolution strategies. APRA currently has 32 bilateral international MOUs/Letters of Arrangement, is in the process of considering several further MOUs, and APRA also was an early signatory to the IAIS's Multilateral MOU. Finally, APRA also continues to keep abreast of and contributes to international developments including through membership of the BCBS and its Sub-Committees/Working Groups, IAIS and FSB Committees/Working groups.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
APRA will continue to interact closely with relevant foreign regulators to ensure effective cross-border supervision, both on a bilateral basis and through supervisory colleges and multilateral fora convened by international standard setting bodies.

Relevant web-links: please provide web-links to relevant documents

<https://www.apra.gov.au/memoranda-understanding-and-letters-arrangement>

III10: Enhancing supervision - Strengthening resources and effective supervision

G20/FSB Recommendations

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 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)

Remarks

Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB [thematic peer review report on supervisory frameworks and approaches to SIBs \(May 2015\)](#).

Progress to date:

Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation

01.07.2019

Progress to date: issue is being addressed through

Primary / Secondary legislation - No

Regulation / Guidelines - No

Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

APRA's prudential and reporting framework incorporate requirements and guidance regarding systems, data and operational risk management In particular: Prudential Standard CPS 220 Risk Management (CPS 220), Prudential Standard CPS 234 Information Security, Prudential Practice Guide CPG 234 Information Security, Prudential Practice Guide CPG 235 Managing Data Risk (CPG 235) and APRA's information paper, Outsourcing involving shared computer service (including cloud).

Other actions: The Government has committed to ongoing periodic reviews of regulators' capabilities and powers.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents
https://www.apra.gov.au/adi-standards-and-guidance https://www.apra.gov.au/annual-reports https://www.apra.gov.au/information-security-requirements-all-apra-regulated-entities

IV11: Macroprudential frameworks and tools - Establishing oversight regulatory framework

G20/FSB Recommendations

Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)

Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)

Remarks

Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.

Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.

Progress to date:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.09.2012

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Australian authorities view macroprudential policy as subsumed within the broader and more comprehensive financial stability policy framework. The (macro)prudential elements of that framework rest with APRA, with analytical support from the RBA. APRA is solely responsible for microprudential banking regulation and supervision. APRA has wide powers to collect and share information with financial sector agencies, including the RBA.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
https://www.legislation.gov.au/Details/C2018C00054 https://www.apra.gov.au/macprudential-analysis-and-policy-australian-financial-stability-framework https://www.legislation.gov.au/Details/C2018C00147 https://www.apra.gov.au/media-centre/speeches/housing-importance-solid-foundations http://www.apra.gov.au/Speeches/Pages/Housing-The-importance-of-solid-foundations.aspx

IV13: Macroprudential frameworks and tools - Enhancing monitoring and use of macroprudential instruments

G20/FSB Recommendations

Authorities should use quantitative indicators and/or constraints on leverage and margins as macroprudential 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)

Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)

Remarks

Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.

Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.

See, for reference, the following documents:

- FSB-IMF-BIS progress report to the G20 on [Macroprudential policy tools and frameworks \(Oct 2011\)](#)
- CGFS report on [Operationalising the selection and application of macroprudential instruments \(Dec 2012\)](#)
- IMF staff papers on [Macroprudential policy, an organizing framework \(Mar 2011\)](#), [Key Aspects of Macroprudential policy \(Jun 2013\)](#), and [Staff Guidance on Macroprudential Policy \(Dec 2014\)](#)
- IMF-FSB-BIS paper on [Elements of Effective Macroprudential Policies: Lessons from International Experience \(Aug 2016\)](#)
- CGFS report on [Experiences with the ex ante appraisal of macroprudential instruments \(Jul 2016\)](#)
- CGFS report on [Objective-setting and communication of macroprudential policies \(Nov 2016\)](#)
- IMF [Macroprudential Policy Survey database](#)

Progress to date:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation
1 July 2016 (for countercyclical capital buffer and D-SIBs)

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - No
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions
APRA's approach to assessing the appropriate settings for the countercyclical capital buffer in Australia is outlined in its December 2015 information paper- The countercyclical capital buffer in Australia. Since late 2014, APRA has announced a number of prudential and supporting supervisory measures to address the growing risks being undertaken by the banking sector and households. These steps included:
- January 2016: APRA's countercyclical capital buffer framework commenced on 1 January 2016.
- March 2017: further measures to reinforce sound residential mortgage lending practices including requiring banks to limit new interest only lending to no more than 30 per cent of new mortgage lending.
- April 2018, APRA announced plans to remove the 10 per cent investor lending benchmark.
- December 2018, APRA announced plans to remove the interest only lending benchmark of 30 per cent.

Legislation was passed in March 2018 to give APRA additional powers over non-ADI lenders when it considers that the provision of finance materially contributes to the risk of instability in the Australian financial system. APRA also has strengthened monitoring powers over non-ADI lenders so that it can collect information from non-ADI lenders to enable APRA to perform its functions or exercise its powers. Systemic risks are monitored and discussed regularly at the Council of Financial Regulators, with appropriate action being taken by each agency.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date
APRA and the RBA will continue to monitor residential mortgage lending standards and broader macrofinancial risks from housing lending.

<p>Relevant web-links: please provide web-links to relevant documents</p> <p> https://www.comlaw.gov.au/Series/C2004A00310 https://www.legislation.gov.au/Series/C2004A00310 http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf http://www.apra.gov.au/adi/PrudentialFramework/Pages/Capital-buffers.aspx http://www.apra.gov.au/adi/PrudentialFramework/Pages/APG-223-Residential-mortgage-lending-Oct16.aspx http://www.apra.gov.au/adi/PrudentialFramework/Pages/residential-mortgage-lending-reporting-requirements-ADIs-Oct16.aspx http://www.apra.gov.au/Speeches/Pages/Banking-on-housing.aspx http://www.apra.gov.au/Speeches/Pages/A-prudential-approach-to-mortgage-lending.aspx http://www.rba.gov.au/publications/fsr/2016/apr/box-c.html http://www.rba.gov.au/publications/bulletin/2016/dec/pdf/rba-bulletin-2016-12-macroprudential-policy-frameworks-and-tools.pdf http://www.apra.gov.au/Speeches/Pages/Sound-Lending-Standards-and-Adequate-Capital.aspx http://www.rba.gov.au/publications/bulletin/2016/dec/pdf/rba-bulletin-2016-12-macroprudential-policy-frameworks-and-tools.pdf RBA Financial Stability Review, 'The Countercyclical Capital Buffer', Box B, April 2016 APRA announces further measures to reinforce sound residential mortgage lending practices, March 2017: http://www.apra.gov.au/MediaReleases/Pages/17_11.aspx New legislation: Treasury Laws Amendment (Banking Measures No. 1) Act 2018, March 2018: https://www.legislation.gov.au/Details/C2018A00009 ; See also this digest about the law: http://parlinfo.aph.gov.au/parlInfo/download/legislation/billsdgs/5778933/upload_binary/5778933.pdf APRA announces plans to remove investor lending benchmark and embed better practices, April 2018: http://www.apra.gov.au/MediaReleases/Pages/18_16.aspx Residential Mortgage Lending, Reporting Standard ARS 223.0: http://www.apra.gov.au/adi/Documents/170523-Reporting-Standard-ARS-223.pdf APRA to remove interest-only benchmark for residential mortgage lending: https://www.apra.gov.au/media-centre/media-releases/apra-remove-interest-only-benchmark-residential-mortgage-lending https://www.apra.gov.au/sites/default/files/letter_residential_mortgage_lending_interest-only_benchmarks.pdf https://www.apra.gov.au/residential-mortgage-lending-adis https://www.apra.gov.au/sites/default/files/letter_proposed_changes_to_reporting_consolidation_for_securitisation_special_purpose_vehicles.pdf </p>
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V13: Improving credit rating agencies (CRAs) oversight- Enhancing regulation and supervision of CRAs

G20/FSB Recommendations

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.

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)

We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)

Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2018 IMN survey. Given this, the reporting of progress with respect to this recommendation will not be collected in the 2019 survey.

V14: Improving credit rating agencies (CRAs) oversight - Reducing the reliance on ratings G20/FSB Recommendations

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)

We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and competition among credit rating agencies. (Los Cabos)

We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)

Remarks

Jurisdictions should indicate the steps they are taking to address the recommendations of the [May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings](#), including by implementing their [agreed action plans](#). Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.

Jurisdictions may refer to the following documents:

- FSB [Principles for Reducing Reliance on CRA Ratings \(Oct 2010\)](#)
- FSB [Roadmap for Reducing Reliance on CRA Ratings \(Nov 2012\)](#)
- BCBS [Basel III: Finalising post-crisis reforms \(Dec 2017\)](#)
- IAIS [ICP guidance](#) 16.9 and 17.8.25
- IOSCO [Good Practices on Reducing Reliance on CRAs in Asset Management \(Jun 2015\)](#)
- IOSCO [Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the Use of External Credit Ratings \(Dec 2015\)](#).

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2013

Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
<p>Central bank operations - Enhancing information The RBA has mandatory reporting requirements for asset-backed securities (ABS) that are eligible for use as collateral in RBA repo transactions (such as in open market operations and standing facilities). Information providers need to submit detailed information regarding the structure of the securities and collateral composition. For mortgage-backed securities, data on the individual loans underlying the deal are required. It is intended that these measures will help reduce the reliance on CRA assessments by the RBA and other investors.</p> <p>CCPs: No legislation / regulation / guideline required, part of ongoing oversight (see below). APRA continues to use its risk-based supervisory processes and procedures to check the adequacy of APRA-regulated institutions' credit assessment processes and procedures and to create a culture of prudent credit assessment. APRA seeks to ensure entities have their own view on the creditworthiness of obligors even though external ratings might constitute an input into that view. APRA actively encourages institutions to develop their own internal risk measures and not rely on CRAs.</p>
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Central bank operations: Credit ratings continue to be used as one eligibility criterion for collateral accepted under repurchase agreements (repo). However, reported data on ABS deals are used to calibrate credit risk and to determine margin ratios assigned to ABS accepted under repo. CCPs: No further work planned. Ongoing oversight confirms that CCPs do not use CRA ratings in isolation or purely mechanistically. In June 2021, ASIC modified its capital adequacy regime for securities firms, to remove references to minimum investment ratings. There is a one year transition period before the changes take effect.
Relevant web-links: please provide web-links to relevant documents
<p>The mandatory reporting requirements for asset-backed securities (ABS) came into effect on 30 June 2015. http://www.rba.gov.au/media-releases/2012/mr-12-31.html http://www.rba.gov.au/media-releases/2013/mr-13-21.html http://www.rba.gov.au/securitisations/</p>

VI15: Enhancing accounting standards - Consistent application of high-quality accounting standards

G20/FSB Recommendations

Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)

Remarks

Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.

Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/>.

As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of recognition, fair value measurement and disclosure requirements.

In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.

See, for reference, the following BCBS documents:

- [Supervisory guidance for assessing banks' financial instrument fair value practices \(Apr 2009\)](#)
- [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#)
- [Regulatory treatment of accounting provisions - interim approach and transitional arrangements \(March 2017\)](#)

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2013 (fair values in prudential framework)
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

Australia adopted the International Financial Reporting Standards (IFRS), including Interpretations, as Australian accounting standards in 2005 and has been adopting all the revisions ever since for publicly accountable for-profit entities. IFRS has also been adapted for application by not-for-profit entities, including governments and other public sector entities. The standards have the force of law for financial reporting under the Corporations Act 2001. The Financial Reporting Council (FRC) provides broad oversight of the process for setting accounting standards of the Australian Accounting Standards Board. Under a broad strategic direction from the FRC, the AASB has adopted IFRSs for application by entities reporting under the Corporations Act 2001. General purpose financial statements, prepared by for-profit entities in accordance with Australian accounting standards, are also in accordance with IFRS. ASIC has an active program of surveillance of financial reports of about 250 listed entities and other public interest entities each year. ASIC issued guidance in December 2016 on the implementation of the new accounting standards, including IFRS 9 covering valuation of financial instruments and expected credit losses. ASIC also initiated and led the work on the corresponding IOSCO release.

In May 2020 ASIC FAQs providing guidance for directors and auditors for financial reporting and audit under COVID-19 conditions.

In June 2020 ASIC also issued a media release on focus areas for financial reports for 30 June 2020 balance dates. Both the FAQs and the media release discussed the approach to asset values and expected credit losses under IFRS 9 with COVID-19 conditions. ASIC also contributed to an IOSCO release about expected credit losses under COVID-19 conditions and spoke to asset values and expected credit losses at an IOSCO conference in Asia.

ASIC engaged with the larger banks on the subject of expected credit losses under COVID-19 conditions through the Australian Bankers' Association. In December 2020, ASIC issued a media release on focuses for the implementation of IFRS 17 by insurers. ASIC continues to highlight implementation issues relating to IFRS in its 6 monthly releases on financial reporting focuses, with the latest in June 2021.

Fair value accounting: APRA incorporated the Basel III requirements for fair value accounting in Attachment A of APS 111 Capital Adequacy: Measurement of Capital (effective from 1 January 2018). APRA monitors fair value data collections as part of prudential supervision. Loan loss provisioning: APRA monitors entities which have adopted the IFRS 9 impairment requirements. Other actions: Insurance contracts: APRA conducts surveys to monitor industry progress with AASB 17 implementation and issues guidance on capital implications.

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

Australia will continue to adopt IFRS standards as and when issued with operative dates consistent with IFRSs. In particular, Australia strongly encourages non-adopting jurisdictions to adopt or converge with IFRS. This includes promoting broader adoption and convergence with IFRS within the Asia-Pacific region. ASIC's surveillances of listed entity and public interest entity financial reports (250 per annum) and audits continue (50 per annum). APRA continues to engage with other jurisdictions on the BCBS PDG-AEG Joint Task Force on Expected Loss Provisioning. APRA participates in the IFRS 17 Australian Transition Resource Group (IASB) and liaises with other key external stakeholders on IFRS 17.

Relevant web-links: please provide web-links to relevant documents

<https://www.legislation.gov.au/Details/F2012L02485>
<https://www.legislation.gov.au/Details/F2017L01591>
<https://www.apra.gov.au/media-centre/media-releases/apra-seeks-modernise-prudential-standard-credit-risk-management>
<https://www.apra.gov.au/letters-notes-advice-general-insurers>

VII16: Enhancing risk management - Enhancing guidance to strengthen banks' risk management practice

G20/FSB Recommendations

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 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 inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)

Regulators and supervisors in emerging markets will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)

We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)

Remarks

Jurisdictions should indicate the measures taken in the following areas:

- guidance to strengthen banks' risk management practices, including BCBS good practice documents ([Corporate governance principles for banks](#), [External audit of banks](#), and the [Internal audit function in banks](#));
- measures to monitor and ensure banks' implementation of the BCBS [Principles for Sound Liquidity Risk Management and Supervision \(Sep 2008\)](#);
- measures to supervise banks' operations in foreign currency funding markets;¹ and
- extent to which they undertake stress tests and publish their results.

Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital requirements for CCPs), since these are [monitored separately by the BCBS](#).

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.01.2015 (LCR, APS 210), 01.01.2018 (NSFR), 01.01.2014 (other aspects of liquidity framework), 01.07.2018 (NSFR reporting requirements, APS 330).

Progress to date: issue is being addressed through
Primary / Secondary legislation - No Regulation / Guidelines - Yes Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Prudential Standard CPS 220 Risk Management (CPS 220) and Prudential Practice Guide CPG 220 Risk Management (CPG 220) set out APRA's requirements for institutions risk management framework. These came into effect on 1 January 2015. Prudential Standard APS 210 Liquidity (APS 210) and Prudential Guidance APG 210 Liquidity (APG 210) set out APRA's liquidity requirements, including both the LCR and the NSFR. APRA conducts regular industry stress tests.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents

VII17: Enhancing risk management - Enhanced risk disclosures by financial institutions

G20/FSB Recommendations

Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)

We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)

Remarks

Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on [Enhancing the Risk Disclosures of Banks](#) and [Implementation Progress Report by the EDTF \(Dec 2015\)](#), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.

In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the [Impact of Expected Credit Loss Approaches on Bank Risk Disclosures \(Nov 2015\)](#), as well as the recommendations in Principle 8 of the BCBS [Guidance on credit risk and accounting for expected credit losses \(Dec 2015\)](#).

In their responses, jurisdictions should not provide information on the implementation of Basel III Pillar 3 requirements, since this is [monitored separately](#) by the BCBS.

Progress to date:
Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.07.2018
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
<p>Each AASB includes a "comparison with IFRS" paragraph. Accounting standard AASB 13 has incorporated IFRS 13 but adds "Australian Paragraphs" which allows entities preparing general purpose financial statements under "Australian Accounting Standards - Reduced Disclosure Requirements" (Reduced Disclosure Requirements) not to comply with nominated disclosure requirements required in IFRS 13. Apart from this exception AASB 13 is in compliance with IFRS 13.</p> <p>IFRS 13 applied in full from years commencing 1 January 2013, the application date set by the IASB. Accounting standards AASB 7 "Financial Instruments: Disclosures" and AASB 9 "Financial instruments" contain disclosure requirements for financial instruments (including disclosures on expected losses) and are generally consistent with the equivalent IFRSs.</p> <p>AASB 7 and AASB 9 also apply at the same times as the equivalent IFRSs. However, AASB 7 has incorporated IFRS 7 but adds Australian Paragraphs which allows entities preparing general purpose financial statements under Reduced Disclosure Requirements and not for profit entities not to comply with nominated disclosure requirements required in IFRS 7. AASB 7 and AASB 9 also apply at the same times as the equivalent IFRSs. AASB 9 (December 2014) applies to annual periods beginning on or after 1 January 2018 with early adoption permitted. It is consistent with IFRS 9 (July 2014) and supersedes earlier versions of AASB 9. AASB 9 (December 2014) specifies instances where early adoption of superseded versions of AASB 9 are permitted. AASB 9 (December 2014) contains complex transitional provisions. AASB 7 (August 2015) has been amended for IFRS 9 and IFRS 13. It applies to annual periods beginning on or after 1 January 2018. Earlier application is permitted. APRA requires locally-incorporated ADIs to meet minimum requirements for the public disclosure of information on capital, risk exposures, remuneration practices and, for some ADIs, the leverage ratio, liquidity coverage ratio, net stable funding ratio and indicators for the identification of global systemically important banks. APRA's disclosure requirements are based on those set out by the BCBS.</p>
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date
APRA will continue to monitor international developments relating to enhanced risk disclosures by its regulated institutions.
Relevant web-links: please provide web-links to relevant documents
<p>https://www.apra.gov.au/proposed-revisions-credit-risk-management-framework-authorized-deposit-taking-institutions https://www.apra.gov.au/sites/default/files/Final%2520revised%2520APS%2520330%2520-%2520NSFR%2520disclosures%2520-%2520letter%2520to%2520ADIs.pdf</p> <p>For the relevant accounting standards, please refer to:</p> <p>http://www.aasb.gov.au/admin/file/content105/c9/AASB7_08-15.pdf</p> <p>http://www.aasb.gov.au/admin/file/content105/c9/AASB9_12-14.pdf</p> <p>http://www.aasb.gov.au/admin/file/content105/c9/AASB13_08-15.pdf</p> <p>http://www.bis.org/bcb/publ/d350.pdf</p>

VIII18: Strengthening deposit insurance - Strengthening of national deposit insurance arrangements

G20/FSB Recommendations

National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)

Remarks

Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.

All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI [Core Principles for Effective Deposit Insurance Systems](#) (November 2014).

In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance (based on IADI's 2016 [Handbook](#)) with the revised Core Principles:

- If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps;
- If not, jurisdictions should indicate any plans to undertake a self-assessment exercise.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.03.2018
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Australia's national deposit insurance framework (the Financial Claims Scheme, or FCS) was established in 2008. The Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018- "Crisis resolution power"-, establishes an additional payment mechanism that allows APRA to transfer deposits to a new institution utilizing the funding available under the FCS; and to grant ministerial discretion to declare the FCS at an earlier time to provide depositors with greater certainty as to the status of their deposits.
Other actions: FCS Website, Inter-agency workshops, FCS assurance framework.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
Update and next steps: planned actions (if any) and expected commencement date

Relevant web-links: please provide web-links to relevant documents

http://www.apra.gov.au/CrossIndustry/FCS/Pages/default.asp
 http://www.fcs.gov.au
 https://www.legislation.gov.au/Details/C2018A00010/Amends

IX19: Safeguarding financial markets integrity and efficiency - Enhancing integrity and efficiency

G20/FSB Recommendations

We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial 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)

Remarks

Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.

Jurisdictions should indicate the progress made in implementing the recommendations:

- in relation to dark liquidity, as set out in the IOSCO [Report on Principles for Dark Liquidity \(May 2011\)](#).
- on the impact of technological change in the IOSCO [Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency \(Oct 2011\)](#).
- on market structure made in the IOSCO Report on [Regulatory issues raised by changes in market structure \(Dec 2013\)](#).

Progress to date:

Implementation completed

Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification

Progress to date: please provide a date for your "implementation ongoing" status

Progress to date: If you have selected "Implementation completed" - please provide date of implementation

May 2011 & November 2012

Progress to date: issue is being addressed through

Primary / Secondary legislation - No

Regulation / Guidelines - Yes

Other actions (such as supervisory actions) - No

Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Progress to date: short description of the content of the legislation/regulation/guideline/other actions

Rules for the cash equity market for the introduction of competition (Competition Market Integrity Rules) were made in May 2011 and implemented in October 2011. The rules address volatility controls, market operator cooperation and dark liquidity (i.e. requiring lit order priority), among other things. In November 2012, these rules were amended to enhance market operator systems and controls, participant systems and controls for automated trading, enhanced data for market surveillance and additional rules on dark liquidity. The output of ASICs 2012/2013 taskforces on dark liquidity and high-frequency was additional rules 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), and to require dark trades to offer meaningful price improvement. These changes were fully implemented in 2014.

Reviews by ASIC published in 2016 and 2019 found Australian equity markets continue to operate with a high degree of integrity. The findings complement independent research released in 2018 by Intralinks and Cass Business School. The study found Australia was the cleanest market over the last decade among a sample of major markets.

Update and next steps: highlight main developments since 2019 survey

The ASX market experienced numerous technical issues in the week of 16 November 2020. This included ASX Centre Point dark orders referencing the best bid and offer prices on the ASX market only, rather than national best bid and offer (NBBO) prices across ASX and Chi-X Australia, on 16 and 17 November. Centre Point dark orders were disabled between 18 and 23 November 2020.

ASIC Gazette MDP01/21 noted that ASIC's Markets Disciplinary Panel determined on-market dark trades that did not match in price-time priority, due to the participant preferencing functionality, were not in the ordinary course of trading. This is a requirement for on-market buy-back trades, and therefore such trades contravene client instructions and the Market Integrity Rules.

Update and next steps: planned actions (if any) and expected commencement date

ASIC continues to monitor Australian Market Cleanliness to enhance our market supervision work and inform our regulatory priorities. We are also developing new surveillance tools and methodologies to monitor dark liquidity and HFT's compliance with relevant markets regulations such as Meaningful Price Improvement, AOPs and Market Manipulation provisions.

As part of its review of the 2020 ASX market outage and related issues, ASIC is examining the impact on market participants and investors of dark trades that did not utilise the correct reference price as well as the unavailability of dark trades with price improvement, due to technical issues.

ASIC is developing guidance for market participants on the usage of participant preferencing functionality available for dark trading on exchange markets, when conducting on-market buy-backs.

Relevant web-links: please provide web-links to relevant documents

Report 331 Dark liquidity and high-frequency trading (2013) <http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-331-dark-liquidity-and-high-frequency-trading/>

Report 452 Review of high-frequency trading and dark liquidity (2015) <http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-452-review-of-high-frequency-trading-and-dark-liquidity/>

Report 597 High-frequency trading in Australian equities and the Australian-US dollar cross rate (2018)

<https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-597-high-frequency-trading-in-australian-equities-and-the-australian-us-dollar-cross-rate/>

<http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-452-review-of-high-frequency-trading-and-dark-liquidity/>

ASIC Market Integrity Rules (Securities Markets) 2017 (includes rules for crossing system operators (ie dark pools)

<https://www.legislation.gov.au/Details/F2017L01474>

Regulatory Guide 265 Guidance on ASIC market integrity rules for participants of securities markets (includes guidance for crossing system operators (ie dark pools)) <http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-265-guidance-on-asic-market-integrity-rules-for-participants-of-securities-markets/>

REP 487 Review of Australian equity market cleanliness (2016)

<https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-487-review-of-australian-equity-market-cleanliness/>

REP 623 Review of Australian equity market cleanliness: 1 November 2015 to 31 October 2018

<https://asic.gov.au/regulatory-resources/find-a-document/reports/rep-623-review-of-australian-equity-market-cleanliness-1-november-2015-to-31-october-2018/>

20-289MR Trading on ASX equities market today

<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-289mr-trading-on-asx-equities-market-today/>

ASIC Gazette: MDP01/21

https://asic.gov.au/media/arhotfqs/mdp01_21.pdf

IX20: Safeguarding financial markets integrity and efficiency - Regulation of commodity markets

G20/FSB Recommendations

We need to ensure enhanced market 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 intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)

We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)

Remarks

Jurisdictions should indicate whether commodity markets of any type exist in their national markets.

Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on [Principles for the Regulation and Supervision of Commodity Derivatives Markets \(Sep 2011\)](#).

Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the [update to the survey](#) published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
01.07.2013
Progress to date: issue is being addressed through
Primary / Secondary legislation - Yes
Regulation / Guidelines - Yes
Other actions (such as supervisory actions) - Yes
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
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. Participants in exchange and OTC commodities markets who provide financial services, such as advice or dealing on behalf of clients, are required to obtain an Australian Financial Services Licence, and are subject to supervision by ASIC. The OTC derivative reporting obligation includes reporting of OTC commodity derivatives (other than electricity derivatives, which are carved out from the reporting requirements).
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation

Update and next steps: highlight main developments since 2019 survey

Update and next steps: planned actions (if any) and expected commencement date

ASIC has initiated a project to review and update the ASIC Derivative Transaction Rules (Reporting) 2013. The Rules change proposals are principally focused on implementing harmonised international standards for transaction, product and party identifiers and transaction data elements. It is currently anticipated that the revised Rules will take effect in Q1 2023.

Relevant web-links: please provide web-links to relevant documents

<https://asic.gov.au/regulatory-resources/markets/otc-derivatives/derivative-transaction-reporting/upcoming-rules-and-exemptions-changes/>
<https://asic.gov.au/regulatory-resources/markets/otc-derivatives/derivative-transaction-reporting/>
<https://asic.gov.au/regulatory-resources/markets/otc-derivatives/derivative-trade-repositories/>
<https://www.legislation.gov.au/Details/F2015C00262>

IX21: Safeguarding financial markets integrity and efficiency - Reform of financial benchmarks

G20/FSB Recommendations

We support the establishment of the FSB’s Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO’s Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)

Collection of information on this recommendation will continue to be deferred given the ongoing reporting of progress in this area by the FSB Official Sector Steering Group, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.

X22: Enhancing financial consumer protection - Enhancing financial consumer protection

G20/FSB Recommendations

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)

Remarks

Jurisdictions should describe progress toward implementation of the OECD’s [G-20 high-level principles on financial consumer protection \(Oct 2011\)](#).

Jurisdictions may refer to OECD’s [September 2013 and September 2014 reports](#) on effective approaches to support the implementation of the High-level Principles, as well as the [G20/OECD Policy Guidance on Financial Consumer Protection in the Digital Age](#), which provides additional effective approaches for operating in a digital environment. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation. In the case of private pensions, additional guidance can be found in the [Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems](#).

Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.

Progress to date:
Implementation completed
Progress to date: If you have selected "Not applicable" or "Applicable but no action envisaged at the moment" - please provide a brief justification
Progress to date: please provide a date for your "implementation ongoing" status
Progress to date: If you have selected "Implementation completed" - please provide date of implementation
May 2011 and November 2012
Progress to date: issue is being addressed through
Primary / Secondary legislation - No Regulation / Guidelines - Yes Other actions (such as supervisory actions) - No
Progress to date: short description of the content of the legislation/regulation/guideline/other actions
Implementation for this reform area has been complete since May 2011. Reforms - described in Australia's response to previous surveys - were made in November 2012 with the implementation of the Competition Market Integrity Rules. This aspect of reform addressed the OECD's High-Level Principles with respect to disclosure and transparency, data protection and competition in markets.
Progress to date: if this recommendation has not yet been fully implemented, please provide reasons for delayed implementation
Update and next steps: highlight main developments since 2019 survey
ASIC released its final guidance on the product intervention power (Regulatory Guide 272 Product intervention power) in June 2020; and its final guidance on the design and distribution obligations (Regulatory Guide 274 Product design and distribution obligations) in December 2020. The design and distribution obligations commence in October 2021.
Update and next steps: planned actions (if any) and expected commencement date
Relevant web-links: please provide web-links to relevant documents
http://www.asic.gov.au/regulatory-resources/markets/market-integrity-rules/ http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-223-guidance-on-asic-market-integrity-rules-for-competition-in-exchange-markets/ https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-272-product-intervention-power/ https://www.legislation.gov.au/Details/C2019A00050

List of abbreviations used

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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