

Jurisdiction: Australia

2014 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
I. Refining the regulatory perimeter					
1 (1)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking ¹	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory 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.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Joint monitoring of shadow banking by CFR Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: Short description of the content of the	Planned actions (if any): 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 IOSCO recommendations. However, ASIC has liaised with the Australian Financial Services Council (FSC) to encourage the development of standardisation in product branding to better distinguish funds that are known as 'enhanced' money market funds from other money market funds. We consider it would be preferable if the term "money market fund" or similar terms such as 'cash', were used only by funds that have a low weighted average life and other qualities associated with cash. ASIC is monitoring the FSC’s work in this area. APRA will announce any further changes to the exemption orders in due course. Expected commencement date:
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. ² (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: Shadow Banking: Strengthening Oversight and Regulation.		

¹ Some authorities or market participants prefer to use other terms such as “market-based financing” instead of “shadow banking”. The use of the term “shadow banking” is not intended to cast a pejorative tone on this system of credit intermediation. However, the FSB is using the term “shadow banking” as this is the most commonly employed and, in particular, has been used in the earlier G20 communications.

² 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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				<p>legislation/ regulation/guideline: Australia has a framework in place to continually review and make recommendations on the regulatory perimeter via the Council of Financial Regulators (CFR). The CFR comprises the Reserve Bank of Australia (Chair); the Australian Prudential Regulation Authority (APRA); the Australian Securities and Investments Commission (ASIC); and the Treasury. The CFR's role is to contribute to the efficiency and effectiveness of financial regulation and to promote stability of the Australian financial system. Its members 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 of the BCBS, IOSCO, and IAIS Joint Forum, along with ASIC, have contributed to work on revisions to</p>	<p>Web-links to relevant documents:</p>

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				<p>the Principles for the Supervision of Financial Conglomerates. The final report was released in September 2012.</p> <p>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 ASIC. In addition, Registered Financial Corporations (RFCs) and Religious Charitable Development Funds (RCDFs) - both types of entities being shadow banks - are required to meet conditions on their operations in order to be exempt from the need to be licensed under the Banking Act 1959. The Corporations Act has been extended 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. APRA and the RBA do not see the shadow banking sector posing systemic risk to the Australian financial system. However, the failure of an Australian retail debenture issuer and property lender in</p>	

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				<p>late 2012, prompted a review of the regulatory framework for these types of finance companies (also known as RFCs), 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 APRA to consult on proposals to strengthen the regulation of finance companies that issue debentures to retail investors and on-lend the invested funds. 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</p>	

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				<p>the regulatory framework applicable to these entities and the more intensive prudential regime which APRA applies to authorised deposit-taking institutions (ADIs). In April 2013, APRA released a consultation paper on proposed changes to the exemption orders applying to RFCs and RCDFs. These changes included restrictions on the use of certain terminology and restrictions on product offerings to retail investors including a ban on the offering of at-call products and transactional banking facilities.</p> <p>Highlight main developments since last year's survey: Money Market Funds: ASIC liaised with the Financial Services Council (FSC) to encourage the development of standardisation in product branding to better distinguish funds that are known as 'enhanced' money market funds from other money market funds. ASIC suggested that it would be preferable if the term "money market fund" or similar terms such as 'cash', were used only by funds that have a low weighted average life and dollar/</p> <p>The FSC's general counsel has published a commentary outlining ASIC's concerns and expectations to help ensure good practice is maintained in industry.</p>	

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				<p>APRA is in the process of finalising its positions on both the RFC and RCDF exemption orders.</p> <p>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/MediaReleases/Pages/13_09.aspx http://www.apra.gov.au/adi/PrudentialFramework/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-Structure-ASX-Chi-X-Competition-published-%2020-October-2011.pdf</p>	

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II. Hedge funds					
2 (2)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>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)</p>	<p>Jurisdictions should state whether Hedge Funds(HFs) are domiciled locally and, if available, indicate the size of the industry in terms of Assets Under Management (AUM) and number of HFs. Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO’s Report on Hedge Fund Oversight (Jun 2009).</p> <p>In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - HFs and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Surveillance activities across both the wholesale and retail hedge fund sectors</p> <p>Status of progress :</p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: June 2012</p> <p>Short description of the content of the legislation/ regulation/guideline: ASIC has been able to identify 603 hedge funds and funds of hedge funds domiciled in or actively marketed in Australia as at</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): ASIC has regulatory responsibility for hedge fund managers, and conducts pro-active survey and surveillance activities across both the wholesale and retail hedge fund sectors. The next such survey will be the third biennial hedge fund systemic risk survey to be conducted in the final quarter of 2014 as part of a global data gathering exercise to be coordinated by IOSCO. 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.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>September 2012. These funds commanded AUS\$65.9bn in AUM. All managers of domestic hedge funds are required to hold an Australian Financial Services Licence (AFSL) issued by ASIC. Further, retail managed investment schemes must be registered with ASIC. AFSL licences impose organisational and operational standards on licensees relating to: risk management; management of conflicts of interest; having adequate resources (including financial, technological and human); training and supervision of personnel and compliance. A gap was identified in relation to investor disclosure (wholesale and retail) between the disclosures contemplated in IOSCO's Hedge Fund Oversight (June 2009) and disclosures required of registered managed investment schemes (MIS) (i.e. retail funds) and wholesale schemes. In particular, registered MIS hedge funds are generally required to use 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</p>	

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				<p>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 came into effect in February 2014. ASIC has participated in two coordinated surveys by all members of the IOSCO Task Force on Unregulated Financial Entities (TFUFE – now the Hedge Fund Subcommittee of IOSCO's Standing Committee 5 on Collective Investment Schemes) 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 % of sector AUMs. 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. ASIC issued a report on the lack of systemic risk posed by local hedge funds on 10 September 2013. Over the first half of 2014 ASIC conducted a hedge fund</p>	

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				<p>sector engagement project meeting with mainly service providers to hedge funds and hedge fund investors to get a better understanding of sector dynamics and risks so as to better inform ASIC deliberations on where its supervisory focus should be going forward.</p> <p>Highlight main developments since last year's survey: 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/lookupByFileName/rg240-published-18-September-2012.pdf/\$file/rg240-published-18-September-2012.pdf</p> <p>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/lookupByFileName/rg240-published-18-September-2012.pdf/\$file/rg240-published-18-September-2012.pdf</p>	

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3 (3)	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)	<p>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.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> - Signatory to the IOSCO MMoU - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation. <p>In particular, jurisdictions should indicate those jurisdictions where an MoU is in place that provides for oversight when a hedge fund is located in one of these jurisdictions and manager is located elsewhere.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: MOUs and other ongoing work. <p>Status of progress :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: <p>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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): Legislative changes have been made to facilitate ASIC's ability to share information and - cooperate with other regulators in an international context. ASIC has entered into a number of MOUs that are aligned with the Principles Regarding Cross-border Supervisory Cooperation. Recent MOUs include: • Alternative Investment Fund Manager Directive (AIFMD) MOUs with EU regulators. • A bilateral supervisory MOU with Luxembourg CSSF. • A bilateral supervisory MOU with AMF France.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>cooperation in a number of areas, including hedge funds.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD322.pdf</p>	

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4 (4)	Enhancing counterparty risk management	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)	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented the Basel III rules for credit exposures to highly leveraged counterparties (para 112 of Basel III (Jun 2011) – see also FAQ no 1b.4 on Basel III counterparty credit risk, Dec 2012), and principle 2.iii of IOSCO Report on Hedge Fund Oversight (Jun 2009). Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (Capital requirements for banks' equity investments in funds, Dec 2013) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> • BCBS Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • BCBS Banks' Interactions with Highly Leveraged Institutions (Jan 1999) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2007 and November 2011</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>ASIC's regulatory guide relating to risk management and other general licensing 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</p>	<p>Planned actions (if any): APRA proposes to review its large exposures requirements and treatment of banks' equity investment funds following the release of the revised BCBS framework.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
(4)		Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)			

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				<p>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 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.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.asic.gov.au/asic/pdflib.nsf/lookupByFileName/rg104.pdf/\$file/rg104.pdf http://www.asic.gov.au/asic/pdflib.nsf/lookupByFileName/co11-1140.pdf/\$file/co11-1140.pdf http://www.apra.gov.au/adi/PrudentialFra</p>	

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				<p>mework/Documents/Basel-III-Prudential-Standard-APS-112-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-112-(January-2013).pdf</p> <p>mework/Documents/Basel-III-Prudential-Standard-APS-113-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-113-(January-2013).pdf</p> <p>mework/Documents/Basel-III-Prudential-Standard-APS-221-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-221-(January-2013).pdf</p>	

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III. Securitisation					
5 (5)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009) <p>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)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> IOSCO’s <i>Unregulated Financial Markets and Products (Sep 2009)</i>, including justification for any exemptions to the IOSCO recommendations; 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. <p><i>Jurisdictions may also indicate progress in implementing the recommendations of the IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012).</i>³</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: April 2014: release of consultation paper setting out APRA’s proposed reforms to its prudential standard on securitisation.</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>APRA does not intend to finalise any reforms to the prudential framework for securitisation until, at least, the completion of Australia’s Financial System Inquiry (FSI) now underway. APRA will have regard to proposed revisions to the securitisation framework of the Basel Committee on Banking Supervision and to the work undertaken by the joint Basel Committee - IOSCO Task Force on Securitisation Markets. APRA expects to release a second consultation package in 2015 that will include its response to submissions to the April 2014 discussion paper and draft prudential standard.</p> <p>Planned actions (if any): APRA is currently reviewing submissions on its public consultation.</p> <p>Expected commencement date:</p>

³ Jurisdictions should not provide responses on IOSCO recommendations concerning the alignment incentives associated with securitisation (including risk retention requirements) since these will be covered by an IOSCO peer review in 2014.

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				<p>legislation/ regulation/guideline: The Australian Securitisation Forum (ASF) has implemented industry disclosure standards for RMBS on: * Pre-issuance Disclosure; * Securities Information; * Pool Information; * Loan Level Data; * Arrears Calculation & Reporting; and * Representations & Warranties. (b) Repo Eligibility In October 2012, the RBA 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 RBA, validated and made publicly available. While the RBA’s primary motivation is to protect its balance sheet, a secondary motivation is to increase transparency in the asset back securities market. 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: Public Disclosure (APS 330).</p>	<p>Consultation has now closed.</p> <p>Web-links to relevant documents:</p>

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				<p>Highlight main developments since last year’s survey: APRA is currently reviewing APS 120. A consultation paper setting out APRA’s proposed reforms to APS 120 was released in April 2014. The paper proposes a simplified approach to securitisation characterised by:</p> <ul style="list-style-type: none"> • a simple two credit class structure, which reduces the likelihood of opaque risk transfer and enhances benefits for system stability; • credit risk retention requirements; • explicit recognition of funding-only securitisation; • simpler requirements for capital relief; • better integration of securitisation with the ADI liquidity regime; and • clarification of the treatment of warehouses and similar structures. <p>Web-links to relevant documents: http://www.securitisation.com.au/standards_rmbs http://www.rba.gov.au/media-releases/2013/mr-13-08.html http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-120-(January-2013).pdf ; http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-330-(January-2013).pdf</p>	

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				http://www.apra.gov.au/adi/Pages/April-2014-Consultation-Securitisation.aspx	

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6 (6)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer; • ICP 15 – Investments; and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> • IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008). • Joint Forum’s consultative document on Mortgage insurance: market structure, underwriting cycle and policy implications (Feb 2013). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2006, 2013</p> <p>Short description of the content of the legislation/ regulation/guideline: 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</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>risk-sensitivity of the capital frameworks.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.apra.gov.au/MediaReleases/Pages/05_45.aspx http://www.apra.gov.au/MediaReleases/Pages/12_25.aspx</p>	

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7 (7)	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)	<p>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 product.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If " Not applicable " or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Risk based surveillance of structured products.</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: April 2014: release of consultation paper setting out APRA's proposed reforms to APS 120.</p> <p>Short description of the content of the legislation/ regulation/guideline: ASIC conducts risk based surveillance of structured products including reviews of selected product disclosure statements</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): APRA is currently reviewing submissions following the close of consultation on 31 July 2014 (see also response to question 5).</p> <p>Expected commencement date: Consultation has now closed.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and where appropriate field visits to the issuers.</p> <p>Highlight main developments since last year's survey: APRA is currently reviewing APS 120 and, as part of this review, is proposing an explicit framework within which ADIs may engage in securitisation for funding purposes, without any capital benefit.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/adi/Pages/April-2014-Consultation-Securitisation.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (8)	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)	<p>Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) and IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Ongoing monitoring</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: January 2013 – APRA has incorporated the Basel II and Basel 2.5 provisions on securitisation disclosures.</p> <p>Short description of the content of the legislation/ regulation/guideline: APRA has incorporated the Pillar 3 disclosures for securitisation through APS 330. On 9</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): ASIC has been encouraging industry bodies such as the Australian Securitisation Forum (ASF) to work with industry participants and to develop disclosure guidance on securitised products/underlying assets. The ASF has released industry standards on disclosure and reporting. ASIC is working with industry groups (including the ASF) in relation to the implementation of OTC Derivative trade reporting requirements.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 implementation of the Rules should assist with providing transparency on the use of (and exposure to) OTC derivatives by securitisation vehicles (which may impact underlying assets and hence values of securitisation product). To facilitate orderly implementation of the reporting regime, ASIC is working with industry groups (including the Australian Securitisation Forum) in relation to implementation issues and has granted transitional relief in a number of areas.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/APS-330-June-2013.pdf http://www.comlaw.gov.au/Details/F2013L01345</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Enhancing supervision					
9 (9)	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)	<p>Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.⁴</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) • ICP 23– Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Ongoing work</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" type="checkbox"/> Draft published as of: August 2014 - release of planned framework for the supervision of conglomerate groups.</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 1 January 2016 for D-SIB framework</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the</p>	<p>Planned actions (if any): Although no Australian banks are on the current list of G-SIBs, the four major Australian banks meet the BCBS’ size threshold for G-SIB disclosure. In September APRA released for consultation its proposals in relation to the G-SIB disclosures. APRA intends to finalise the proposals in Q4, 2014, with the requirements intended to take effect from 1 January 2015. APRA has released is finalising its prudential framework for the supervision of conglomerate groups. It is intended to take effect in 2015.</p> <p>Expected commencement date: 2015 for the commencement of the prudential framework for the supervision of conglomerate groups.</p> <p>Web-links to relevant documents:</p> <p>http://www.apra.gov.au/adi/Pages/September-2014-Consultation-disclosure-leverage-ratio-LCR-GSIBs.aspx</p> <p>http://www.apra.gov.au/CrossIndustry/Pa</p>

⁴ 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.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 surveillance of the sector where ASIC 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 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.</p> <p>Highlight main developments since last year's survey: APRA has released its assessment methodology for identifying Domestic Systemically Important Banks</p>	<p>ges/Supervision-of-conglomerate-groups-(Level-3)-August-2014-media-release.aspx http://www.apra.gov.au/CrossIndustry/Pages/Supervision-of-conglomerate-groups-(Level-3)---August-2014.aspx http://www.apra.gov.au/MediaReleases/Pages/12_34.aspx</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>(D-SIBs) in Australia, consistent with the BCBS’s framework. An information paper released in December 2013 outlines APRA’s framework for determining domestic systemic importance, identifies the banks assessed by APRA to be D-SIBs in Australia and sets out the methodologies and considerations taken into account in determining appropriate higher loss absorbency (HLA) requirement for D-SIBs. The HLA requirement will be implemented in Australia through an extension of the capital conservation buffer. The four banks designated as D-SIBs already hold sufficient Common Equity Tier 1 capital to meet the capital conservation buffer in full from 1 January 2016 and are expected to have sufficient Common Equity Tier 1 capital to meet the one per cent D-SIB extension to that buffer from that date. APRA therefore does not believe that phase-in arrangements for the HLA requirement, beyond the two-year lead time, are necessary. APRA has released its new prudential framework for the supervision of conglomerate groups. This framework is intended to take effect in 2015. While no Australian banks are on the current list of G-SIBs, the four</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>major Australian banks meet the BCBS' size threshold for G-SIB disclosure requirements.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/adi/Publications/Pages/Domestic-systemically-important-banks-in-Australia---December-2013.aspx http://www.apra.gov.au/CrossIndustry/Consultations/Pages/Supervision-of-conglomerate-groups-May-2013.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>10 (10)</p> <p>(10)</p>	<p>Establishing supervisory colleges and conducting risk assessments</p>	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Please indicate whether supervisory colleges for all significant cross-border firms (both banks and insurance companies) have been established and whether the supervisory colleges for G-SIFIs are conducting rigorous risk assessments.</p> <p>Principle 13 of BCBS <u>Core Principles for Effective Banking Supervision</u> and <u>Good practice principles on supervisory colleges (Oct 2010)</u> may be used as a guide for supervisor to indicate the implementation progress. For further reference, see the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • <u>Core Principles for Effective Banking Supervision (Sep 2012)</u> <p>IAIS :</p> <ul style="list-style-type: none"> • <u>ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</u> • <u>Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</u> <p>IOSCO:</p> <ul style="list-style-type: none"> • <u>Principles Regarding Cross-Border</u> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: see additional information.</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 11/05/2011</p> <p>Short description of the content of the legislation/ regulation/guideline: APRA is a member of over 20 supervisory colleges, and has hosted three colleges for significant cross-border firms where APRA is the home regulator. IOSCO 1 Committee has released a report on the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p><i>Supervisory Cooperation (May 2010)</i></p>	<p>establishment of supervisory colleges for globally active CRAs and recommendations about the operation and functions of such colleges. ASIC is a member of the following supervisory colleges: * 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, 2012 and 2013. *Credit Rating Agency colleges run by the SEC over Fitch, S&P and Moody's 2012.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (11)</p> <p>(11)</p>	<p>Supervisory exchange of information and coordination</p>	<p>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)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>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.</p> <p>Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>ongoing monitoring</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2006 and 2013 (changes to the RBA Act)</p> <p>Short description of the content of the legislation/ regulation/guideline: The IOSCO TFSC has developed the Principles Regarding Cross-Border Supervisory Cooperation (May 2010).</p>	<p>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 most circumstances.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>The Principles are supported by an Annotated Sample MOU. Recent amendments to the Mutual Assistance in Business Regulation Act 1992 (MABRA) extended ASIC's powers to share information: 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. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>foreign regulators in supervisory matters as well. Powers to allow ASIC to assist and share information with groups of multijurisdictional regulators: Currently, ASIC Act and MABRA enable ASIC to share information with multijurisdictional regulators such as the European Securities and Markets Authority. Currently the law does not explicitly enable ASIC to assist groups of multijurisdictional regulators or "supervisory colleges". Instead, ASIC relies on its powers under the ASIC Act to release information to a supervisory college of regulators, individually. 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. Legislation was passed in 2006 in Australia and New Zealand, emphasising the need for both countries to keep each other informed of actions that may impact on the financial stability of the other. 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>BCBS, IAIS and IOSCO). APRA currently has 22 MOUs involving 25 foreign supervisors and is in the process of considering several further MOUs. APRA was also an early signatory to the IAIS's Multilateral MOU which currently has 42 members. 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 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 response 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>financial sector supervisory agency, or a foreign central bank. (See also No. 15.) These changes took effect from 3 January 2013.</p> <p>Highlight main developments since last year's survey: APRA continues to interact closely with relevant foreign regulators to ensure effective cross-border supervision, both on a bilateral basis and through multilateral fora convened by international standard setting bodies. APRA has also established a number of supervisory colleges for complex conglomerates where it is the group-wide supervisor and participates in several other colleges as a host supervisor. In addition, it has continued to work with New Zealand authorities on crisis preparedness through the TTBC. The TTBC work programme also includes the development of a framework for ongoing trans-Tasman crisis simulations.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/AboutAPRA/Pages/ArrangementsandMoUs.aspx http://www.comlaw.gov.au/Details/C2012A00178/Download http://www.comlaw.gov.au/Details/C201</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				2A00178/Download	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	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)	No information on this recommendation will be collected in the current IMN survey since a peer review is taking place in this area during 2014.		
(12)		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)			
(12)		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)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Building and implementing macroprudential frameworks and tools					
13 (13)	Establishing regulatory framework for macro-prudential oversight	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 ⁵ and private pools of capital to limit the build up of systemic risk. (London)	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.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: September 2012 – APRA and RBA joint paper published – see below.	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(13)		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)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.		

⁵ 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.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Short description of the content of the legislation/ regulation/guideline: APRA is a national statistics collection agency for the financial sector and actively shares information with a number of regulatory agencies, including the RBA, to assist in macro-prudential oversight. In September 2012, APRA and the RBA jointly published a paper, originally developed as background for 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.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: http://www.comlaw.gov.au/Details/C2011C00325 http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>14 (14)</p> <p>(14)</p>	<p>Enhancing system-wide monitoring and the use of macro-prudential instruments</p>	<p>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)</p> <p>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)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Please describe at a high level (including by making reference to financial stability or other public reports, where available) the types of systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels. 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.</p> <p>See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012).</p> <p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macprudential policy tools and frameworks (Oct 2011), and the IMF staff papers on Macprudential policy, an organizing framework (Mar 2011) and on Key Aspects of Macprudential policy (Jun 2013).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: July 2013</p> <p>Short description of the content of the legislation/ regulation/guideline: In 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. APRA,</p>	<p>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.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>ASIC and the RBA have access to OTC derivatives trade reports being provided by Australian and global banks under phases 1 and 2 of the trade reporting regime and in future will be able to access trades under phase 3. 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, 2013 and 2014. The Report based on the findings of the 2014 survey observed that participation in trade compression has already increase, and Regulators will continue to encourage further improvements, including through implementing the Basel III leverage ratio. It also noted that forthcoming implementation of the margin requirements for non-centrally cleared OTC derivatives will promote the exchange of initial margin. ASIC is participating in the Working Group on Risk Management Requirements, which</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>is setting principles on risk management of margin requirements for non-centrally cleared derivatives.</p> <p>Highlight main developments since last year's survey: In October 2013, phase 1 of the trade reporting obligation become effective, whereby five major Australian banks started reporting positions and trades across all five major asset classes. In April 2014, globally active banks, plus major Australian entities not in phase 1, started reporting rates and credit derivatives as part of phase 2 of the trade reporting obligation, and will start reporting other asset classes on 1 October 2014.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf http://www.comlaw.gov.au/Details/F2013L01345</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (15)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	Please describe the institutional framework through which information sharing between supervisors and the central bank takes place, e.g. through internal or inter-agency committee or bilateral MoUs. Please also describe any initiative to remove identified obstacles to enhance cooperation and information sharing.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> 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 co-operation and procedures for information sharing. APRA and the RBA have also	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>published a document setting out the tool and practices of these two agencies designed to support financial stability from a system-wide perspective. 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 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 CFR is another forum</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>which addresses systemic issues. As stated previously, APRA has 22 MOUs or similar arrangements with 25 foreign counterparts, many of them central banks. 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 framework requires enhanced consultation and sharing of data among Australian financial sector agencies, so the legislation also included provisions to enhance the RBA's information-sharing powers. These enhancements apply to any protected (i.e. institution-specific) information received by the RBA. The 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. ASIC has an MOU with the RBA to assist each agency in the performance of its regulatory responsibilities under the Corporations Act 2001 in relation to clearing and settlement facilities. The MOU sets out a framework for co-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>operation between ASIC and the RBA that is intended to promote transparency, help prevent unnecessary duplication of effort and minimise the regulatory burden on facilities. It covers information sharing, notification and other arrangements intended to achieve these aims.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.cfr.gov.au/about-cfr/mou/index.html http://www.apra.gov.au/AboutAPRA/Pages/ArrangementsandMoUs.aspx http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf http://www.comlaw.gov.au/Details/C2012A00178/Download</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16	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)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: 2010 Short description of the content of the legislation/ regulation/guideline: Domestic implementation Licensing of CRAs took effect from 1 January 2010. Licence conditions for all CRAs require compliance with the IOSCO Code on a	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation: Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(16)		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.	Jurisdictions may also refer to the following IOSCO documents: <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008) 		
(16)		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.	<ul style="list-style-type: none"> • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs 		
(16)		The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	<ul style="list-style-type: none"> • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) 		
(16)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)			
(New)		We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 with ASIC explains what information must be included in the Compliance Report. IOSCO Within IOSCO C6, ASIC has participated in 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. IOSCO Committee 6 has released a report on the establishment of supervisory colleges for globally active CRAs and recommendations about the operation and functions of such colleges. Colleges for Fitch, S&P and Moody's have been established and ASIC has been participating in their discussions. ASIC has also been involved in the IOSCO C6 on revisions to the IOSCO CRA Code. Collaboration with other regulators An</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 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. ASIC is also a member of the three CRA supervisory colleges, as noted above. In accordance with BCBS measures, APRA allows ADIs (particularly those using the standardised approach to credit risk) to determine risk weights by reference to the rating of External Credit Assessment Institutions (ECAIs). APS 330 also includes specific disclosures relating to ECAIs.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.apra.gov.au/adi/PrudentialFramework/Documents/APS-330-June-2013.pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-330-(January-2013).pdf http://www.asic.gov.au/asic/asic.nsf/byheadline/Credit+rating+agencies%3A+Lodging+a+compliance+report+with+ASIC?openDocument	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	Reducing the reliance on ratings	<p>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)</p> <p>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)</p> <p>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)</p> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that</p>	No information on this recommendation will be collected in the current IMN survey since the report of the second stage of the thematic peer review has been published recently [insert link whenever published].		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
(New)		<p>would enhance transparency of and competition among credit rating agencies. (Los Cabos)</p> <p>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)</p>			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (18)	Consistent application of high-quality accounting standards	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)	<p>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 or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: http://www.ifrs.org/Use-around-the-world/Pages/Jurisdiction-profiles.aspx.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2005 – see below APRA requires regulated entities to comply with IFRS requirements.</p> <p>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</p>	<p>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. The new accounting standard for financial instruments (IFRS 9) was finalised in July 2014. This will have implications for APRA’s regulated institutions. APRA will look to understand the impacts on regulated entities, especially those that intend to adopt early.</p> <p>Expected commencement date: July 2015</p> <p>Web-links to relevant documents: http://www.ifrs.org/Current-Projects/IASB-Projects/Pages/IASB-Work-Plan.aspx</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 not-for-profit entities, including governments and other public sector entities. In 2009, Australia, through the 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 Experts Group and the IAIS. The IASB, FASB and AASB have progressed the following Financial Crisis related projects: 1. IFRS 9 Financial Instruments: * Classification and measurement * 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.</p> <p>Highlight main developments since last year’s survey: IFRS 9 Classification and Measurement, Impairment and Hedge accounting (excluding macrohedging)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>have been largely completed. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, early adoption is permitted.</p> <p>Web-links to relevant documents: http://www.ifrs.org/Current-Projects/IASB-Projects/Pages/IASB-Work-Plan.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (19)</p> <p>(19)</p>	<p>Appropriate application of Fair Value Accounting</p>	<p>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)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to 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 carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • <u>Basel 2.5 standards on prudent valuation (Jul 2009)</u> • <u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Ongoing monitoring</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: January 2013 – see additional information</p> <p>Short description of the content of the legislation/ regulation/guideline: In May 2011, the IASB issued IFRS 13 Fair Value Measurement, which has been included in the Australian Accounting</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any): The IASB is progressing its project on 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 view to incorporating the outcome into AASB 9 in due course.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>http://www.aasb.gov.au/Pronouncements/Current-standards.aspx</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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). Basel III removes prudential filters from 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.</p> <p>Highlight main developments since last year's survey: AASB 13 is now effective for reporting entities. APRA has been analysing the data collected from ARS 111.0 since March 2013.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-111-(January-2013).pdf http://www.apra.gov.au/adi/ReportingFra</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>mework/Documents/Reporting_Standard_AR_111_0_January_2013.pdf http://www.apra.gov.au/adi/ReportingFramework/Documents/Reporting_Standard_AR_111_0_January_2013.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (20)	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 management. (Washington)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. In particular, please indicate the status of implementation of the following standards:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed :	Planned actions (if any): In 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. Some targeted work has commenced, and the RBA continues to investigate how a broader framework for Australia might be best structured. APRA will finalise its prudential practice guide on risk management over the course of 2014. APRA will finalise its LCR disclosure requirements in Q4, 2014. The BCBS has yet to finalise the rules text for the net stable funding ratio (NSFR); once it has done so APRA will consult on the implementation of this measure in Australia. Expected commencement date: Web-links to relevant documents: http://www.imf.org/external/pubs/ft/scr/2
(20)	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)	<ul style="list-style-type: none"> • BCBS <u>Basel III: International framework for liquidity risk measurement, standards and monitoring (Dec 2010)</u> • BCBS <u>Principles for sound stress testing practices and supervision (May 2009)</u> 	<input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input checked="" type="checkbox"/> Draft published as of: <input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: both Prudential Standard CPS 220 Risk Management (CPS 220) and the liquidity coverage ratio (LCR) will come into force on 1 January 2015. However, the qualitative aspects of the risk management framework with respect to liquidity came into force from January 2014 (Prudential		
(20)	Regulators and supervisors in emerging markets ⁶ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's <u>thematic peer review report on risk governance (Feb 2013)</u> and BCBS <u>Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012)</u>			
(20)	We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)				

⁶ Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Standard APS 210 Liquidity (APS 210)).</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: CPS 220 sets out APRA’s risk management requirements which 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. The standard is supported by guidance material that APRA has consulted on during 2014 and expects to finalise later this year. On 20 December 2013 APRA released its revised APS 210, which incorporates the LCR. APRA also released Prudential Practice Guide APG 210 Liquidity (PPG 210) to assist ADIs in complying with APRA’s liquidity framework.</p> <p>Highlight main developments since last year’s survey: APRA released final CPS 220 on 31 January 2014. The prudential standard ensures the consistent application of APRA’s risk management requirements across its regulated industries and reflects its heightened expectations in this area. APRA has also consulted on a draft cross-industry</p>	012/cr12308.pdf

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Prudential Practice Guide CPG 220 Risk Management (CPG 220). Consultation closed on 28 March 2014 and APRA anticipates finalising the guidance later in 2014 APS 210 and APG 210 came into effect on 1 January 2014. In September 2014, APRA released for consultation its proposals in relation to the LCR disclosure requirements. APRA intends to finalise these proposals in Q4, 2014, and intends for the requirements to take effect from 1 January 2015.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/CrossIndustry/Pages/January-2014-Consultation-Risk-Management.aspx http://www.apra.gov.au/adi/Pages/September-2014-Consultation-disclosure-leverage-ratio-LCR-GSIBs.aspx http://www.apra.gov.au/adi/PrudentialFramework/Documents/Prudential-Standard-APS-210-Liquidity-(January-2014).pdf http://www.apra.gov.au/CrossIndustry/Pages/January-2014-Consultation-Risk-Management.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2013. Jurisdictions may also refer to the relevant IMF Financial Soundness Indicators at http://fsi.imf.org/ .	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> 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	Planned actions (if any): The capital conservation buffer regime will apply from 1 January 2016. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 meet a minimum Common Equity Tier 1 requirement of 4.5 per cent of risk-weighted assets, after regulatory adjustments.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-110-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-111-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-110-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-111-(January-2013).pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>22 (22)</p> <p>(New)</p>	<p>Enhanced risk disclosures by financial institutions</p>	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 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 (Aug 2013).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 1.01.2013</p> <p>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</p>	<p>Planned actions (if any): In September 2014, APRA released for consultation its proposals on public disclosures in relation to global systemically important banks (G-SIBs), the LCR and the leverage ratio. APRA intends to finalise these requirements in Q4, 2014, and that the disclosures apply from 1 January 2015. APRA is also currently undertaking work on enhancing disclosure requirements for insurers.</p> <p>Expected commencement date: 1 January 2015</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 introduced the BCBS’ revised Pillar 3 disclosures through a revised APS 330, which came into effect on 30 June 2013. In September 2014, APRA released for consultation its proposals in relation to public disclosures of the LCR, G-SIB indicators and the leverage ratio.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/APS-330-June-2013.pdf www.aasb.gov.au/admin/file/content105/c9/AASB13_09-11.pdf http://www.apra.gov.au/adi/Pages/September-2014-Consultation-disclosure-leverage-ratio-LCR-GSIBs.aspx http://www.apra.gov.au/adi/PrudentialFramework/Documents/130904-DP-Basel-III-disclosure-requirements-final.pdf www.aasb.gov.au/admin/file/content105/c9/AASB13_09-11.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (23)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 thematic peer review report on deposit insurance systems:</p> <ul style="list-style-type: none"> • Adoption of an explicit deposit insurance system (for those who do not have one) • Full implementation of the Core Principles for Effective Deposit Insurance Systems jointly issued by BCBS and IADI in June 2009 (by addressing the weaknesses and gaps identified in peer review) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 1 July 2013:: Prudential Standard APS 910 Financial Claims Scheme (APS 910) has now commenced.</p> <p>Short description of the content of the legislation/ regulation/guideline: 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</p>	<p>Planned actions (if any): APRA continues to work through the technical details underpinning the FCS, including operational funding arrangements. Formalising information sharing and coordination is partially underway between APRA and other stakeholders (Recommendation 2).</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>general insurance companies from potential loss due to the failure of these institutions. The FCS has been established as a deposit insurance scheme (DIS) in 2008 to maintain financial stability by protecting depositors and preventing bank runs (Recommendation 1). APRA is in the process of aligning the FCS with the majority of the DIS core protection principles (Recommendation 2). Alignment includes:</p> <ul style="list-style-type: none"> • 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). <p>Highlight main developments since last year's survey: APRA released final APS</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>910 in June 2013. Under the revised standard, ADIs are required to be operationally ready to meet payment, reporting and communications requirements should they be declared under the FCS. There are also requirements under APS 910 for ADIs to be able to produce a ‘single customer view’ for each account holder to facilitate fast payment under the FCS. In August 2013, APRA also released a final information paper and technical guidance on payment and reporting to assist ADIs to comply with the payment and reporting requirements under APS 910.</p> <p>Web-links to relevant documents: http://www.financialstabilityboard.org/publications/r_130411a.pdf http://www.apra.gov.au/adi/PrudentialFramework/Pages/ADI-Financial-Claim-Scheme-Prudential-Framework.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (24)	Enhancing market integrity and efficiency	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)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: May 2011 and November 2012</p> <p>Short description of the content of the legislation/ regulation/guideline: 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</p>	<p>Planned actions (if any): ASIC's tasks forces on dark liquidity and high frequency trading reported on August 2013. At present, ASIC has no plans to adjust our relief for naked short selling as a result of the work of the task forces. However, ASIC monitors developments in the market on an ongoing basis including the activities of electronic liquidity providers. Should any issues arise, then ASIC would consider, as appropriate, the current settings for short selling.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. Two taskforces were established in 2012 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.</p> <p>Highlight main developments since last year’s survey: On 12 August 2013, ASIC released market integrity rules on dark liquidity and high-frequency trading, following extensive internal analysis and consultation with industry. These final</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>rules aim to improve the transparency and integrity of crossing systems and strengthen the requirements for market participants to deter market manipulation. ASIC also released guidance on the rules which clarifies ASIC’s expectations of market operators and participants, and a report on submissions made on the proposed rules. On 19 May 2014 ASIC released the results of a review of rule changes affecting ‘dark trading’ and their impact on market quality.</p> <p>http://www.asic.gov.au/asic/asic.nsf/byheadline/14-105MR+ASIC+reports+on+dark+liquidity+rules?openDocument ASIC is satisfied the current policy settings and rule framework has had the desired effect of improving fairness and addressing the concerning trend of increasing below block size trading and declining block size trading. ASIC does not propose to change the current policy and rules on dark liquidity, but will continue to monitor market developments.</p> <p>Web-links to relevant documents: http://www.asic.gov.au/asic/ASIC.NSF/byHeadline/Market%20integrity%20rules#competition-mirs http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/RG223-published-27-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>March-2013.pdf/\$file/RG223-published-27-March-2013.pdf http://www.asic.gov.au/asic/pdflib.nsf/lookupByFileName/cp168-published-20-October-2011-2.pdf/\$file/cp168-published-20-October-2011-2.pdf http://www.asic.gov.au/asic/asic.nsf/byheadline/13-052MR+ASIC+reports+on+dark+liquidity+and+high-frequency+trading?openDocument http://www.asic.gov.au/asic/asic.nsf/byheadline/13-213MR+ASIC+makes+rules+on+dark+liquidity%2C+high-frequency+trading?openDocument http://www.asic.gov.au/asic/ASIC.NSF/byHeadline/Dark-liquidity-and-high-frequency-trading http://www.asic.gov.au/asic/pdflib.nsf/lookupByFileName/rep331-published-18-March-2013.pdf/\$file/rep331-published-18-March-2013.pdf http://www.asic.gov.au/asic/pdflib.nsf/lookupByFileName/cp202-published-18-March-2013.pdf/\$file/cp202-published-18-March-2013.pdf http://www.asic.gov.au/asic/asic.nsf/byheadline/14-105MR+ASIC+reports+on+dark+liquidity+rules?openDocument</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>25 (25)</p> <p>(New)</p>	<p>Regulation and supervision of commodity markets</p>	<p>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)</p> <p>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)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>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).</p> <p>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.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: July 2013</p> <p>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</p>	<p>Planned actions (if any): The OTC derivative reporting obligation is currently being implemented in a phased manner and includes reporting of commodity derivatives (other than electricity derivatives, which are outside scope). ASIC is working with industry on implementation and transitional issues under the reporting regime.</p> <p>Expected commencement date: 1 October 2013 (Phase 1); 1 April 2014 (Phase 2); 1 October 2014 (Phase 3).</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</p> <p>Highlight main developments since last year's survey: As indicated above, in 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. Commodity derivatives (other than electricity derivatives) will be required to be reported under the regime. The reporting obligation is currently being implemented in a phased manner from 1 October 2013. A licensing and rules regime for trade repositories has also been finalised which requires licensed trade repositories to make statistical aggregated information available on a weekly basis by asset class.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Web-links to relevant documents: http://www.asic.gov.au/asic/asic.nsf/byheadline/Derivatives+transaction+reporting?openDocument http://www.asic.gov.au/asic/asic.nsf/byheadline/Derivative+trade+repositories?openDocument</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 (New)	Reform of financial benchmarks	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 be deferred to the 2015 IMN survey given the ongoing policy work in this area, the reviews of interest rate and foreign exchange benchmarks during 2014, and the recent publication of IOSCO's Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (27)	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)	<p>Jurisdictions should describe progress toward implementation of the OECD’s G-20 high-level principles on financial consumer protection (Oct 2011).</p> <p>Jurisdictions may also refer to OECD’s update report including the Annex to the report on effective approaches to support the implementation of the High-level Principles based around the following three priority principles:</p> <ul style="list-style-type: none"> • <i>Disclosure and transparency</i> • <i>Responsible business conduct of financial services providers and their authorised agents</i> • <i>Complaints handling and redress</i> 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: ongoing monitoring <p>Status of progress :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: 1 July 2013 <p>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</p>	<p>Planned actions (if any): ASIC is administering the recent legislative reforms in relation to consumer credit and responsible lending, and the regulation of financial advice (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.</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p> <p>http://www.asic.gov.au/asic/ASIC.NSF/byHeadline/Credit%20homepage http://www.asic.gov.au/asic/asic.nsf/byheadline/Future+of+financial+advice?openDocument https://www.moneysmart.gov.au/borrowing-and-credit/consumer-credit-regulation https://www.moneysmart.gov.au/investing/financial-advice</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 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.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	

XII. Source of recommendations:

[St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)

[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 | MOU: Memoranda of Understanding |
| ADI: Authorised Deposit-taking Institutions | NSFR: Net stable funding ratio |
| AFMA: Australian Financial Markets Association | OECD: Organisation for Economic Co-operation and Development |
| APRA: Australian Prudential Regulation Authority | OTC: Over-the-counter |
| ASF: Australian Securitisation Forum | PDS: Product disclosure statement |
| ASIC: Australian Securities and Investments Commission | RBA: Reserve Bank of Australia |
| ASX: Australian Stock Exchange | RE: Responsible Entities |
| BCBS: Basel Committee on Banking Supervision | RMBS: Residential mortgage backed securities |
| CFR: Council of Financial Regulators (comprising the RBA, APRA, ASIC and Treasury) | ROSC: Report on the Observance of Standards and Codes |
| CPSS: Committee on Payment and Settlement Systems | SFP: Structured finance products |
| CRA: Credit rating agencies DIS: Deposit Insurance Scheme | TFUFE: IOSCO Task Force on Unregulated Financial Entities |
| DNSFR Report: Joint Forum report on Review of the Differentiated Nature and Scope of Financial Regulation | TFUMP: IOSCO Task Force on Unregulated Financial Markets and Products |
| ERC: Emerging Risk Committee | TFSC: IOSCO Task Force on Supervisory Cooperation |
| 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 | |