

Jurisdiction: **Australia**

2015 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. Hedge funds					
1 (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 indicate the progress made in implementing the high level principles contained in IOSCO's Report on Hedge Fund Oversight (Jun 2009). In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - Hedge Funds (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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: June 2012</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:</p> <p>Surveillance activities across both the wholesale and retail hedge fund sectors.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>ASIC has been able to identify 473 hedge funds and funds of hedge funds domiciled in or actively marketed in Australia as at September 2014. These funds commanded AU\$95.9bn in</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>ASIC has regulatory responsibility for hedge fund managers, and conducts proactive survey and surveillance activities across both the wholesale and retail hedge fund sectors. The latest survey was the third biennial hedge fund systemic risk survey conducted in the final quarter of 2014 as part of a global data gathering exercise 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>Web-links to relevant documents:</p>

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				<p>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 exempting hedge funds from the shorter PDS regime and in September issued RG</p>	

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				<p>240: Hedge Funds: Improving Disclosure. The Class Order and RG 240 came into effect in February 2014. ASIC has participated in three 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:</p> <ul style="list-style-type: none"> • facilitate international cooperation regarding possible systemic risk in the sector; • provide a forum for the discussion of potential regulatory options; and • gain a better insight into the global hedge fund industry. <p>ASIC first participated in this survey at the end of 2010. In the most recent survey, ASIC surveyed its 18 largest hedge fund managers, soliciting detailed asset level exposure information from the 27 largest hedge funds. These 27 funds control approximately 44 % 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 snapshot report on the Australian hedge funds industry on 1 July 2015. Over the first half of 2014</p>	

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				<p>ASIC conducted a hedge fund 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:</p> <p>Web-links to relevant documents:</p> <p>Class Order [12/749] (13-117MR ASIC to further improve hedge fund disclosure): http://asic.gov.au/regulatory-resources/superannuation-funds/superannuation-shorter-pds-regime/ Regulatory Guide 240 (Hedge funds: Improving disclosure): http://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-240-hedge-funds-improving-disclosure/ Report 439 (Snapshot of the Australian Hedge Funds Sector): http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-439-snapshot-of-the-australian-hedge-funds-sector/</p> <p>Additional questions:</p> <p>1. Please indicate whether Hedge Funds (HFs) are domiciled locally and,</p>	

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				<p>if available, the size of the industry in terms of Assets under Management and number of HFs.</p> <p>Reported assets of Australian single-manager hedge funds is \$83.7 billion and for funds of hedge funds around \$12 billion. There are 473 operating single-manager hedge funds and funds of hedge funds were reported in the 30 September 2014 data set; 466 of these 473 operating funds had a 'fund domicile' populated in the data set ; 371 funds reported Australia as the 'fund domicile'.</p> <p>2. Please specify the main criteria and numerical thresholds (if applicable) for subjecting HFs and/or HF managers to mandatory registration.</p> <p>Retail managed investment schemes must be registered pursuant to the <i>Corporations Act 2001</i> section 601ED. However, a hedge fund can be structured in different ways (for example as a company) and may be subject to different requirements based on its structure. - for example, a scheme would not need to be registered if it was offered to wholesale only (i.e. no retail) as a PDS would not be required; - numerical thresholds apply in determining whether an investor is a 'wholesale' or a 'retail' investor. See</p>	

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				<p>RG121 (Doing financial services business in Australia) for general information about 'wholesale' versus 'retail' investors. All managers of domestic hedge funds are required to hold an Australian Financial Services Licence (AFSL) issued by ASIC.</p> <p>3. Please specify whether registered HF managers are subject to ongoing requirements regarding organisational and operational standards; conflicts of interest and other conduct of business rules; disclosure to investors; and prudential regulation. If any of these requirements are not applicable, please explain.</p> <p>All managers of domestic hedge funds are required to hold an Australian Financial Services Licence (AFSL) issued by 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;</p> <p>4. Please describe the main challenges (where relevant) and any lessons learned in implementing this reform.</p>	

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				<p>In relation to reforms relating to disclosure to investors: further industry consultation was required to settle the definition of a "hedge fund" in ASIC Class Order [CO 12/749] which related to product disclosure statements.</p> <p>5. Are you monitoring the effects of this reform in your jurisdiction? If yes, please share the main findings and any related policy initiatives in response to those findings.</p> <p>We run general proactive and reactive surveillance of the regulated population of hedge funds. There is no current surveillance that specifically targets the monitoring of any recent reforms.</p>	

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2 (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><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since : <p><input checked="" type="checkbox"/> Implementation completed as of: 31 December 2013</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: <p>ASIC has been able to implement this recommendation via "MOUs and other ongoing work". More specifically, ASIC has been able share information in relation to hedge funds both through ASIC's IOSCO membership and related work as well as bilateral agreements (i.e. MOUs) with other regulators.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>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. • A bilateral supervisory MOU with the Financial Supervisory Service of the Republic of Korea</p> <p>Web-links to relevant documents:</p>

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				<p>ASIC is a member of the IOSCO Task Force on Supervisory Cooperation, which has developed Principles Regarding Cross- Border Supervisory Cooperation (May 2010). The Principles are supported by an Annotated Sample MOU, to guide cooperation in a number of areas, including hedge funds.</p> <p>Highlight main developments since last year’s survey:</p> <p>Australia is in continued discussions with a number of additional regulators regarding the sharing of information relating to hedge funds to expand our information sharing networks.</p> <p>Web-links to relevant documents:</p> <p>http://www.iosco.org/library/pubdocs/pdf/IOSCOPD322.pdf</p>	

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3 (4)	Enhancing counterparty risk management	<p>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> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<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 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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2007 and November 2011</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>In November 2011 ASIC introduced new financial requirements for responsible entities (REs) of managed investment schemes (MISs) including retail hedge funds. REs must prepare 12-month cash-flow projections which must be approved at least quarterly by directors. In 2013 ASIC introduced new financial requirements for custodians. To meet the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>APRA proposes to review its large exposures requirements and treatment of banks' equity investments in funds in 2016.</p> <p>Web-links to relevant documents:</p>

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				<p>new net tangible asset (NTA) capital requirements, REs must hold the greater of: (a) if the assets of the schemes it operates are either held by a licensed custodian, not required to be held by a custodian or are categorised as special custody assets or the licensee does not operate any registered schemes or Investor Directed Portfolio Services (IDPS)—at least the greatest of: (i) \$150,000; or (ii) an amount of up to \$5 million, being 0.5% of the average value of scheme and IDPS property of registered schemes and IDPSs (if any) operated by the licensee; or (iii) 10% of the average RE and IDPS revenue of the licensee; (b) otherwise—at least the greater of: (i) \$10 million; or (ii) 10% of average RE and IDPS revenue of the licensee. The regulatory regime generally does not subject bodies regulated by APRA to requirements under the Corporations Act for resources and risk management systems: see s912A(1)(d) and 912A(1)(h). However, if the licensee is an RSE licensee authorised to operate registered managed investment schemes, the above financial resource requirements will apply. If the licensee is a body regulated by APRA,</p>	

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				<p>and not required to comply with s912A(1)(d), we will not require you to comply with our financial requirements. However, as a condition of the AFS licence, the licensee must remain at all times a body regulated by APRA and their auditor must confirm this to us annually on a positive assurance basis, and at any other time that we request. The AFS licensee obligations and our licence conditions also apply if the licensee is a related body corporate of a body regulated by APRA, but is not itself a body regulated by APRA.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>Regulatory Guide 166 (Licensing: Financial requirements): http://download.asic.gov.au/media/3278616/rg166-published-1-july-2015.pdf</p>	

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II. Securitisation					
4 (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 document on Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2013, 2015</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>On 1 January 2013, APRA implemented a revised capital framework for all general insurers, including lenders’ mortgage insurers (LMIs), after a multi-year review that was focused on alignment across the life and non-life insurance industries and on improving the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>No planned actions</p> <p>Web-links to relevant documents:</p>

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II. Securitisation					
				<p>risk-sensitivity of the capital frameworks.</p> <p>Highlight main developments since last year's survey:</p> <p>As part of APRA's work to harmonise and enhance its risk management requirements, a new cross-industry prudential standard and prudential practice guide on risk management came into effect on 1 January 2015. <i>Prudential Standard CPS 220 Risk Management and Prudential Practice Guide CPG 220 Risk Management</i> apply to all general insurers, including LMIs.</p> <p>Web-links to relevant documents:</p> <p>http://www.apra.gov.au/MediaReleases/Pages/05_45.aspx http://www.apra.gov.au/MediaReleases/Pages/12_25.aspx http://apra.gov.au/CrossIndustry/Pages/October-2014-harmonising-risk-management-requirements.aspx</p>	

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5 (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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since : (completed) as of:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: July 2014</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>ASIC published Report 400 Responses to feedback on REP 384 Regulating complex products in July 2014. In REP 400, it says that ASIC will be: (a) continuing our current work (e.g. our use of risk-based surveillance to assess compliance with disclosure and advertising obligations); (b) encouraging industry-led initiatives that address the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>risks outlined in REP 384 (e.g. our work with the Australian Financial Markets Association (AFMA) to develop principles relating to retail structured products); and (c) monitoring the outcome of the Financial System Inquiry.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-400-responses-to-feedback-on-rep-384-regulating-complex-products/</p>	

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6 (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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2013</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>APRA has incorporated the Pillar 3 disclosures for securitisation through APS 330. On 9 July 2013, ASIC made the ASIC Derivative Transaction Rules (Reporting) 2013 ("Rules"), which set out the requirements for counterparties to report derivative transaction and position information to derivative trade repositories. The implementation of the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>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>Web-links to relevant documents:</p>

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				<p>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. Central Bank Operations Enhancing information - The Reserve Bank of Australia (RBA) recently introduced new mandatory reporting requirements for asset-backed securities (ABS) that are eligible for use as collateral in RBA repo transactions. Issuers of these securities need to provide detailed information regarding the structure of the securities, collateral quality, and transactions, and in most cases are also required to provide data on the individual loans underlying the deal. The requirements also specify that certain data be made available to permitted users. It is intended that these measures will help reduce the reliance on CRA assessments by the RBA and other investors.</p>	

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				<p>Highlight main developments since last year's survey:</p> <p>On 9 February 2015, ASIC amended the ASIC Derivative Transaction Rules (Reporting) 2013 following industry consultation and feedback on Consultation Paper 221 OTC Derivatives Reform: Proposed amendments to the ASIC Derivative Transaction Rules (Reporting) 2013. On 28 May 2015, Treasury published for consultation a package introducing relief from the reporting requirements in the ASIC Derivative Transaction Rules (Reporting) 2013 for entities with low levels of OTC derivatives transactions. The relief is in the form of amendments to the Corporations Regulations 2001, which would allow single-sided reporting for such entities provided that transactions are concluded with entities that are already required or have agreed to report.</p> <p>Enhancing information - The RBA introduced new mandatory reporting requirements for asset-backed securities (ABS) eligible for use as collateral in RBA repo transactions on 30 June 2015 and has agreed arrangements for protecting the privacy of borrowers while</p>	

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				<p>still requiring broader availability to ‘permitted users’ of much of the newly required information on repo-eligible ABS.</p> <p>Web-links to relevant documents:</p> <p>http://www.apra.gov.au/adi/PrudentialFramework/Documents/APS-330-June-2013.pdf</p> <p>http://www.comlaw.gov.au/Details/F2013L01345</p>	

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III. Enhancing supervision					
7 (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: (1) whether they have identified domestic SIFIs and, if so, in which sectors; (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs. See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Jul 2013) • 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><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 2016 (D-SIB framework)</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since : 2015 (G-SIB disclosure requirements)</p> <p><input type="checkbox"/> Implementation completed as of:</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In December 2013, APRA released an information paper on its framework for dealing with domestic systemically important banks (D-SIBs) in Australia. The information paper provides details on the methodology APRA has used to identify D-SIBs in Australia, names the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>No planned actions</p> <p>Web-links to relevant documents:</p>

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				<p>four identified D-SIBs, and outlines considerations taken into account in determining appropriate higher loss absorbency requirements for D-SIBs. From 1 January 2016, the four D-SIBs will be required to hold an additional one per cent Common Equity Tier 1 capital as an extension of the capital conservation buffer. Australia does not currently have any global systemically important banks (G-SIBs); however, the four Australian D-SIBs currently meet the Basel Committee on Banking Supervision’s size threshold for G-SIB disclosure and participate in its annual G-SIB identification process. In May 2015, APRA finalised disclosure requirements in relation to the indicators used to identify G-SIBs. These requirements commenced on 1 July 2015.</p> <p>Highlight main developments since last year’s survey:</p> <p>In May 2015, APRA finalised disclosure requirements in relation to the indicators used to identify G-SIBs. These requirements commenced on 1 July 2015.</p> <p>Web-links to relevant documents:</p> <p>http://www.apra.gov.au/adi/Publications/Documents/Information-Paper-Domestic-systemically-important-banks-in-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Australia-December-2013.pdf http://apra.gov.au/adi/Pages/May-2015-Response-disclosure-leverage-ratio-LCR-G-SIBs.aspx	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
8 (10)	Establishing supervisory colleges and conducting risk assessments	<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 G-SIBs and G-SIIs.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs using, as reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principle 13 of the BCBS Core Principles for Effective Banking Supervision (Sep 2012) • Principles for effective supervisory colleges (Jun 2014) <p>IAIS :</p> <ul style="list-style-type: none"> • ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges • Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges • Application paper on supervisory colleges (Oct 2014) 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>There are no G-SIBs or G-SIIs headquartered in Australia.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p> <p>Additional questions:</p> <p>1. Please indicate whether supervisory colleges for all G-SIBs/G-SIIs headquartered in your jurisdiction have been established. If not, please</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>explain.</p> <p>2. Please indicate the structure of the supervisory colleges for G-SIBs/G-SIIs in your jurisdiction (core, universal, other) and the reasons why it may differ across firms.</p> <p>3. Please indicate the frequency of meetings over the past year of the supervisory colleges (core, universal, other) for G-SIBs/G-SIIs in your jurisdiction.</p> <p>4. Please describe the main objectives of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and the types of issues that have been discussed over the past year. (e.g. specific area(s) of risk, coordinated risk assessments, joint supervisory work, coordinated supervisory plans). In your response, please indicate briefly some of the main challenges in conducting joint risk assessments and steps taken to address them.</p> <p>5. Please describe the main challenges in the functioning of supervisory colleges for G-SIBs/G-SIIs in your jurisdiction and any plans to enhance the effectiveness of colleges.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (11)	Supervisory exchange of information and coordination	<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 recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2006, 2013</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:</p> <p>Engagement through international fora (eg BCBS, IAIS), MOUs, cross-border supervisory activities.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>APRA has established close interactions with supervisors in relevant jurisdictions for APRA-regulated entities, in particular New Zealand and the United Kingdom. Legislation was passed in 2006 in</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>No planned actions</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 BCBS, IAIS and, for ASIC, IOSCO). APRA currently has 28 international MOUs/Letters of Arrangement 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 54 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. In January 2013, the <i>Reserve Bank Act 1959</i> was amended to allow the RBA to share institution-specific information with a domestic or foreign financial sector supervisory agency, or a foreign central bank. Finally, APRA also continues to keeps abreast of and contributes to international developments including through membership of the BCBS and its Sub-Committees/Working Groups, IAIS and FSB Committees/Working groups</p> <p>Highlight main developments since last year's survey:</p> <p>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 supervisory colleges for complex conglomerates where it is the group-wide supervisor and participates in several other colleges as a</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>host supervisor. In addition, it has continued to work with New Zealand authorities on crisis preparedness through the TTBC.</p> <p>Web-links to relevant documents: http://www.apra.gov.au/AboutAPRA/Pages/ArrangementsandMoUs.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (12)	Strengthening resources and effective supervision	<p>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)</p> <p>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)</p> <p>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)</p>	<p>No information on this recommendation will be collected in the current IMN survey due to the recent publication of the FSB thematic peer review report on supervisory frameworks and approaches to SIBs.</p>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (13)	Establishing regulatory framework for macro-prudential oversight	<p>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 banks¹ and private pools of capital to limit the build up of systemic risk. (London)</p> <p>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)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place since the financial crisis, including over the past year.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress :</i></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 type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: September 2012</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>APRA is the national statistics collection agency for the financial sector and shares information with a number of regulatory agencies, including the RBA, to assist in macro-prudential oversight. In September</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

¹ 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>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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>There have been no changes to the regulatory framework for macro-prudential oversight since last year’s survey.</p> <p>Web-links to relevant documents:</p> <p>http://www.comlaw.gov.au/Details/C2011C00325</p> <p>http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf</p> <p>Additional questions:</p> <p>1. Please describe the institutional arrangements for financial stability</p>	

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				<p>and macroprudential policy in your jurisdiction, including whether a macroprudential authority has been explicitly identified and the respective roles and responsibilities of the central bank and other authorities.</p> <p>A macroprudential authority has not been explicitly identified in Australia. Responsibility for financial stability policy in Australia is spread across several agencies. The RBA has had a longstanding responsibility for financial stability, established by the provisions in section 10 of the <i>Reserve Bank Act 1959</i>. APRA's legislative mandate requires it to promote financial system stability in Australia while balancing its objectives of financial safety and efficiency, competition, contestability and competitive neutrality. ASIC is responsible for taking certain regulatory actions to minimise systemic risk in clearing and settlement systems, working with the RBA. The Australian Treasury has responsibility for advising the Government on financial stability issues and on the legislative and regulatory framework underpinning financial system infrastructure.</p> <p>2. If a macroprudential authority has been explicitly identified in your jurisdiction, please describe its legal</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>basis, mandate, composition, powers (warnings, recommendations, prudential tools, powers of direction, other) and accountability arrangements. Who provides the resources and analytical support for the authority's activities?</p> <p>A macroprudential authority has not been explicitly identified in Australia.</p> <p>3. Is there an inter-agency body on financial stability or macroprudential matters – distinct from the designated macroprudential authority – in your jurisdiction? If so, please describe its legal basis, mandate, composition, powers and accountability arrangements. Who provides the resources and analytical support for its activities?</p> <p>There is no inter-agency body specifically or formally tasked with financial stability or macroprudential matters in Australia. The Council of Financial Regulators (CFR) is the coordinating body for Australia's main financial regulatory agencies. Its membership comprises the RBA, which chairs the Council; APRA, ASIC and the Treasury. The CFR operates as a high-level forum for cooperation and collaboration among its members. It is non-statutory and has no legal functions or powers separate from those of its individual member agencies.</p> <p>4. Please describe the extent to</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>which the macroprudential authority (or other relevant body) is able to collect information on material financial institutions, markets and instruments in order to assess potential systemic risks. In your response, please indicate whether the authorities involved in systemic risk monitoring have specific legal powers to collect information from financial institutions (whether regulated or not) for financial stability purposes, and whether there exist dedicated information gateways (e.g. Memorandum of Understanding) to share such information among relevant authorities.</p> <p>A macroprudential authority has not been explicitly identified in Australia. APRA collects data on the financial institutions and industries it supervises through its reporting framework, which is established under the <i>Financial Sector (Collection of Data) Act 2001</i>. APRA actively shares information on key metrics in relation to the financial performance of APRA-regulated industries and individual entities with a number of regulatory agencies. There is strong bilateral coordination among the four CFR member agencies. The broad terms of these coordination arrangements are set out in various bilateral Memoranda of Understanding (MOU) signed between various members of the CFR. These</p>	

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				<p>MOUs cover operational matters such as information sharing, and prompt notification of any regulatory decisions likely to impact on the other agency's area of responsibility.</p>	

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12 (14)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<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 reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.</p> <p>Please indicate the use of macroprudential tools in the past year, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> CGFS report on Operationalising the selection and application of macroprudential instruments (Dec 2012) FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011) IMF staff papers on Macroprudential policy, an organizing framework (Mar 2011), Key Aspects of Macroprudential policy (Jun 2013), and Staff Guidance on Macroprudential Policy (Dec 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress :</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 2016 (CCyB, D-SIBs)</p> <p><input checked="" type="checkbox"/> Final rule (for part of the reform) in force since: 2015 (leverage ratio disclosure)</p> <p><input type="checkbox"/> Implementation completed as of:</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>Supervisory actions, speeches, written publications, industry surveys</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>APRA’s legislative mandate requires it to promote financial system stability in Australia while balancing its objectives of financial safety and efficiency, competition, contestability and competitive neutrality. Further, APRA’s</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>As part of the broader implementation of the prudential framework, there are a number of further actions in policy development. APRA intends to issue draft guidance in relation to the operation and calculation of the CCyB in late 2015. When the BCBS finalises the calibration of the leverage ratio, APRA intends to consult on the appropriate application of the leverage ratio as a minimum Pillar 1 requirement in Australia. Finally, Australia’s OTC Working Group is engaging with industry representatives in relation to margining reforms. APRA intends to consult publicly on proposed margining and risk mitigation requirements for non-centrally cleared OTC derivatives for non-cleared derivatives transactions for APRA-regulated entities in 2016.</p> <p>Web-links to relevant documents:</p> <p>http://apra.gov.au/adi/Documents/150507-APS-110-Capital-Adequacy.pdf</p> <p>http://www.apra.gov.au/Speeches/Pages/Sound-Lending-Standards-and-Adequate-Capital.aspx</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>prudential policy framework explicitly addresses systemic risk and adopts a system-wide analytical perspective, including tools targeted at systemic risk. APRA’s risk-based approach subjects institutions that pose greater systemic risks to more intensive supervision, and potentially higher capital or other prudential requirements. APRA’s mandate to promote financial stability also empowers it to deploy its prudential tools in response to system-wide risks. In September 2012, APRA and the RBA jointly published a paper, Macroprudential Analysis and Policy in the Australian Financial Stability Framework, originally developed as background for Australia’s participation in the IMF’s Financial Sector Assessment Program in 2012. This paper sets out the tools and practices of these two agencies that are designed to support financial stability from a system-wide perspective. As part of its implementation of the Basel III capital framework, APRA in 2013 incorporated the countercyclical capital buffer (CCyB) into its prudential framework. The CCyB comes into effect from 1 January 2016. APRA has also established a framework for dealing with</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>D-SIBs in Australia. From 1 January 2016, the four D-SIBs will be required to hold an additional one per cent Common Equity Tier 1 capital as an extension of the capital conservation buffer, to address the systemic risk posed by these institutions. In addition, APRA also intends to implement the BCBS’s leverage ratio regime, in line with the BCBS timeline. From July 2015 ADIs that have approval from APRA to use the internal ratings-based approach to credit risk were required to disclose information on their leverage ratios in accordance with BCBS measures.</p> <p>Highlight main developments since last year’s survey:</p> <p>In May 2015, APRA finalised disclosure requirements in relation to the leverage ratio. These requirements commenced on 1 July 2015. Public disclosure of the leverage ratio is intended to assist in the BCBS’s calibration of its minimum leverage ratio requirement.</p> <p>Web-links to relevant documents:</p> <p>https://www.comlaw.gov.au/Series/C2004A00310</p> <p>http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>fsf.pdf http://apra.gov.au/adi/Pages/May-2015-Response-disclosure-leverage-ratio-LCR-G-SIBs.aspx</p> <p>Additional questions:</p> <p>1. Please describe, at a high level, the types of methodologies, indicators and reports used in your jurisdiction to identify, analyse, communicate and address systemic risks.</p> <p>Responsibility for financial stability policy in Australia is spread across several agencies, including the RBA, ASIC, the Australian Treasury and APRA. The CFR, which includes representatives from all four agencies, plays a central coordinating role. The RBA monitors a range of financial data on an aggregated basis. APRA monitors this data at both an aggregated and institution level. The set of data monitored is subject to ongoing review, according to criteria such as data quality, relevance and analytical usefulness. APRA is the national statistical agency for the financial sector and shares information on key metrics in relation to the financial performance of APRA-regulated industries and individual entities with a number of regulatory agencies, including the RBA. APRA may</p>	

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				<p>seek additional data from the industry on an ad hoc basis if it assesses a particular topic to be vulnerable to systemic stress. In monitoring data, the RBA looks for signs that balance sheet developments could make a sector more vulnerable to particular shocks. In addition APRA looks for signs of vulnerability at an institution level. Behavioural indicators such as risk appetite and exuberant expectations are also helpful for detecting risks to financial stability. APRA also has a set of systems, tools and processes that monitor industry trends and potential industry risks. These include its Industry Risk Management Framework, which assists in identifying and acting on significant emerging industry-wide risks; its Industry Analysis team, which is primarily responsible for conducting analysis and research on current and emerging industry risks; Industry Groups, which address, and seek APRA-wide consensus on, emerging industry issues; and risk registers, which record material emerging concerns. APRA uses tools such as industry-wide stress tests, horizontal reviews and thematic analysis of emerging risks to inform its supervisory focus and actions. APRA</p>	

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				<p>regularly assesses the vulnerability of the financial system by conducting stress tests on the banking and insurance sectors. The results of APRA’s stress tests inform its prudential supervision. APRA also conducts thematic risk reviews on specific areas of interest on a regular basis. For example, a recent thematic survey was conducted on mortgage loan serviceability standards. Specific areas subject to ongoing monitoring and analysis at the RBA include international developments, the domestic financial system and the non-financial sectors. The RBA’s analysis and risk identification process informs in the publication of its semi-annual Financial Stability Review. APRA and the RBA regularly cooperate and communicate on systemic issues at meetings of the CFR and the Coordination Committee. Several other, less frequent, vehicles for coordination have also been put in place in recent times. For example, analysts from both agencies meet two to three times a year to present and discuss their recent work and share findings of mutual interest.</p> <p>2. Please describe the range of policy tools (prudential and other) currently available to the authorities</p>	

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				<p>for macroprudential purposes.²</p> <p>The main tool that APRA exercises is the ability to vary the intensity of supervision through the business cycle, backed up as appropriate by APRA’s prudential tools (particularly capital) and, in extreme cases, its direction powers. APRA can also change prudential standards (subject to consultation) to dampen risk in the system. Further, APRA uses suasion via communication with individual entities, industry-wide communication and through the promulgation of messages during presentations at a range of public fora to influence the industry. The instruments available to the RBA in pursuing its financial stability objective include the use of its role as liquidity provider to the financial system and its regulatory powers in respect of the payments system, including oversight of clearing and settlement systems.</p> <p>3. Please indicate which tools have been deployed for macroprudential purposes over the past year, including the objective for</p>	

² An indicative list of such tools can be found in “Macroprudential Policy Tools and Frameworks – Progress Report to the G20” by the FSB, IMF and BIS (October 2011, http://www.financialstabilityboard.org/wp-content/uploads/r_111027b.pdf); “Staff Guidance on Macroprudential Policy” (December 2014, <http://www.imf.org/external/np/pp/eng/2014/110614.pdf>) by IMF staff; and “Operationalising the selection and application of macroprudential instruments” (December 2012, <http://www.bis.org/publ/cgfs48.pdf>) by the CGFS.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>their use and the process used to select, calibrate, and apply them.</p> <p>Over the last year APRA used speeches and written publications to convey its expectations from industry on areas of systemic risk. For example, on 9 December 2014, APRA wrote to all locally-incorporated ADIs to reinforce sound residential mortgage lending practices. The letter was issued against the backdrop of increasing prudential risks in the housing market and identified risk profile, investor lending, and serviceability assessments as specific areas of prudential concern. The letter complemented APRA’s use of other tools in this area, which included increasing the level of analysis of mortgage portfolios, completing an ADI industry stress test focused on risks in the housing market, and issuing guidance on sound risk management practices for residential mortgage lending in <i>Prudential Practice Guide APG 223 Residential Mortgage Lending</i>. APRA’s Chairman Wayne Byres speech on 13 May 2015 conveyed APRA’s views on sound lending standards.</p> <p>4. Please describe whether and, if so, how the relevant authorities assess the <i>ex ante</i> cost and benefits of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>macroprudential policies and their <i>ex post</i> effectiveness.</p> <p>APRA continually assesses and monitors the risk and resilience of regulated institutions as part of its supervisory process. APRA collects a range of financial data in relation to APRA-regulated industries and individual entities, which assists in its assessment of the ex-ante costs and benefits of policies.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (16)	Enhancing regulation and supervision of CRAs	<p>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)</p> <p>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.</p> <p>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.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible</p>	<p>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:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <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 • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2010</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Domestic implementation: Licensing of CRAs took effect from 1 January 2010. Licence conditions for all CRAs require compliance with the IOSCO Code on a mandatory basis. All CRAs must lodge with ASIC at least annually, and upon request, a Compliance Report that</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>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 MOU between ASIC and ESMA concerning cross-border CRAs was</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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.</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
14 (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>	<p>Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2014) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>APRA has always stressed to ADIs the importance of undertaking their own credit assessment of obligors rather than mechanistically relying on external credit assessments. Where external assessments are utilised as an aid in the credit approval process, APRA already expects ADIs using ratings to be fully conversant with the CRA’s methodology and to undertake appropriate due diligence separately from the use of ratings.</p> <p>Short description of the content of the</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>The BCBS’s work on revisions to the standardised approach to credit risk is ongoing. Once it is finalised, APRA intends to revise the standardised credit risk framework in Australia.</p> <p><i>Central bank operations - Review:</i> The RBA will review how newly reported data on ABS deals can be used to further reduce reliance on CRAs and lead to better and more independent assessments of credit risk for ABS. CCPs: CPMI and IOSCO recently conducted a survey on the use of CRA ratings by CCPs. The survey was designed to develop an understanding of whether and how CRA ratings are currently used at CCPs, and to identify good practices regarding how to reduce reliance on these ratings. The RBA will consider whether any further actions are necessary in light of the outcome of this work.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<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>		<p>legislation/ regulation/guideline:</p> <p><i>Central bank operations - Enhancing information</i> - The RBA recently introduced new mandatory reporting requirements for asset-backed securities (ABS) that are eligible for use as collateral in RBA repo transactions. Issuers of these securities need to provide detailed information regarding the structure of the securities, collateral quality, and transactions, and in most cases are also required to provide data on the individual loans underlying the deal. It is intended that these measures will help reduce the reliance on CRA assessments by the RBA and other investors. <i>CCPs</i> - No legislation / regulation / guideline required, part of ongoing oversight (see below)</p> <p>Highlight main developments since last year's survey:</p> <p><i>Central bank operations - Enhancing information</i> - The RBA introduced new mandatory reporting requirements for asset-backed securities (ABS) on 30 June 2015. This information is being incorporated into RBA systems for assessing repo-eligibility, for pricing and calculating haircuts on ABS presented as</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>collateral by counterparties for repo transactions. <i>CCPs</i> - As part of its ongoing oversight against the Financial Stability Standards, the RBA continues to monitor and assess the Australian CCPs' risk management frameworks and, as appropriate, works with the CCPs to identify areas where reliance on CRA ratings could be further reduced.</p> <p>Web-links to relevant documents:</p> <p>http://www.rba.gov.au/media-releases/2012/mr-12-31.html http://www.rba.gov.au/media-releases/2013/mr-13-21.html http://www.rba.gov.au/securitisations/</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Enhancing and aligning accounting standards					
15 (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/Analysis-of-the-G20-IFRS-profiles.aspx.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1 January 2005</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Section 296 of the Corporations Act requires listed entities, and other entities preparing financial reports in accordance with Chapter 2M of the Corporations Act, to report compliance with accounting standards. Accounting standards are made by the Australian Accounting Standards</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Australia will continue to adopt IFRS standards as and when issued with operative dates consistent with IFRSs. In particular, Australia strongly encourages non-adopting jurisdictions to adopt or converge with IFRS. 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.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Board (AASB) pursuant to section 334 of the Corporations Act and are fully compliant with IFRS. Australia adopted IFRS, including Interpretations, in 2005 and has been adopting all subsequent revisions for publicly accountable for-profit entities through the 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.</p> <p>Australia was 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</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>IASB discussion papers and exposure drafts, and participates in the sharing of information on IFRS regulatory decisions and interpretations, as well as emerging issues, with other securities regulators. ASIC, AASB and APRA are members of the Financial Reporting Council (FRC), a body responsible for overseeing the effectiveness of the financial reporting framework in Australia. APRA is also a member of the Basel Committee’s Accounting Task Force and the IAIS. The IASB, FASB and AASB have progressed the following Financial Crisis related projects: 1. IFRS 9 Financial Instruments: * Classification and measurement. The IASB indicated in November 2011 that the Classification and Measurement Phase would be reopened to enable convergence with the FASB. * Impairment * Hedge accounting 2. IFRS 10 Consolidated Financial Statements (completed) and effective from 1 January 2013. 3. IFRS 13 Fair Value Measurement (completed) and effective from 1 January 2013. 4. IFRS 11 Joint Arrangements (completed) and effective from 1 January 2013. Australia has hosted delegations from other countries that are interested in Australia’s</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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:</p> <p>Accounting standards continue to be made consistent with changes to IFRS and with the same operative dates. This includes changes to IFRS 9 "Financial instruments".</p> <p>Web-links to relevant documents:</p> <p>The accounting standards can be found at www.aasb.gov.au. Work plan for IFRSs: 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
16 (19)	Appropriate application of Fair Value Accounting	<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>Although not an application of fair value accounting, jurisdictions should additionally be mindful of implementation issues arising from the new accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and the FASB, and, for those jurisdictions where specific action is needed to foster transparent and consistent implementation, set out any steps they intend to take.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • Basel 2.5 standards on prudent valuation (Jul 2009) • Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1 January 2013</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>Accounting standards AASB 7 "Financial Instruments: Disclosures" and AASB 9 "Financial instruments" contain disclosure requirements for financial instruments and are consistent with the equivalent IFRSs. They also apply at the same times as the equivalent IFRSs. There are various operative dates for AASB 9 and complex transitional provisions, consistent with the equivalent</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>IFRS. Accounting standard AASB 13 "Fair Value Measurement" is fully compliant with IFRS 13. IFRS 13 applied in full from years commencing 1 January 2013, the application date set by the IASB.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>AASB 7, AASB 9 and AASB 13 are fully consistent with the equivalent IFRSs. In May 2011, the IASB issued IFRS 13 Fair Value Measurement, which has been included in the Australian Accounting Standard AASB 13. APRA requires that fair values must be prudent. APRA also participates on the BCBS Accounting Experts Group which is contributing to the development of the IASB standards. APRA revised its approach to fair value in implementing Basel III, in <i>Prudential Standard APS 111 Capital Adequacy: Measurement of Capital</i>. 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 (<i>Reporting Standard ARS 111.0 Fair Values (ARS 110.0)</i>) to monitor ADIs' use of fair values. APRA has been monitoring the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>fair value collection submitted for since March 2013. APRA incorporated the BCBS's <i>Supervisory guidance for assessing banks' financial instrument fair value practices</i> and the prudent provisions in <i>Revisions to the market risk framework</i> as part of its enhancements to the Basel II framework that commenced in 2012.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>For the relevant accounting standards, please refer www.aasb.gov.au and http://www.aasb.gov.au/Pronouncements/Current-standards.aspx Also see http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-111-(January-2013).pdf http://www.apra.gov.au/adi/ReportingFramework/Documents/Reporting_Standard_AR_S_111_0_January_2013.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
17 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>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)</p> <p>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)</p> <p>Regulators and supervisors in emerging markets³ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p> <p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices.</p> <p>Jurisdictions may also refer to FSB's thematic peer review report on risk governance (Feb 2013) and the BCBS Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012) and Principles for sound stress testing practices and supervision (May 2009).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1 January 2015 (LCR, CPS 220), 1 January 2014 (other aspects of liquidity framework)</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>Short description of the content of the legislation/ regulation/guideline:</p> <p><i>Prudential Standard CPS 220 Risk Management (CPS 220) and Prudential Practice Guide CPG 220 Risk</i></p>	<p>Planned actions (if any) and expected commencement date:</p> <p>The BCBS finalised the Basel III: net stable funding ratio (NSFR) in October 2014. APRA intends to consult on its proposed implementation of the NSFR in Australia, expected to be implemented in line with BCBS timelines. APRA also intends to issue guidance to industry in relation to stress testing.</p> <p>Web-links to relevant documents:</p>

³ 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><i>Management (CPG 220) came into effect on 1 January 2015. CPS 220 sets out requirements in relation to the risk management framework of an APRA-regulated institution. CPG 220 provides guidance in relation to risk management. From 1 January 2015, larger, more complex ADIs (LCR ADIs) are subject to the liquidity coverage ratio (LCR) requirements set out in Prudential Standard APS 210 Liquidity (APS 210). Qualitative aspects of the risk management framework with respect to liquidity came into force from January 2014. APRA finalised public disclosure requirements for the LCR in May 2015. These requirements, which commenced in July 2015, are contained in Prudential Standard APS 330 Public Disclosure.</i></p> <p>Highlight main developments since last year's survey:</p> <p>APRA's risk management requirements in CPS 220 and guidance in CPG 220 came into effect on 1 January 2015. The LCR came into effect on 1 January 2015. Disclosure requirements in relation to the LCR commenced on 1 July 2015.</p> <p>Web-links to relevant documents:</p> <p>http://www.apra.gov.au/MediaReleases/Pages/14_29.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				http://www.apra.gov.au/MediaReleases/Pages/13_39.aspx http://www.apra.gov.au/MediaReleases/Pages/15_09.aspx	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
18 (22)	Enhanced risk disclosures by financial institutions	<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), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1 January 2013 for accounting standards; 1 July 2015 for enhanced disclosure requirements for D-SIBs</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Accounting standard AASB 13 "Fair Value Measurement" is fully compliant with IFRS 13. IFRS 13 applied in full from years commencing 1 January 2013, the application date set by the IASB. Accounting standards AASB 7 "Financial Instruments: Disclosures" and AASB 9 "Financial instruments" contain disclosure requirements for financial</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>APRA will continue to monitor international developments relating to enhanced risk disclosures by its regulated institutions.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>instruments and are consistent with the equivalent IFRSs. They also apply at the same times as the equivalent IFRSs. There are various operative dates for AASB 9 and complex transitional provisions, consistent with the equivalent IFRS.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>APRA requires locally-incorporated ADIs to meet minimum requirements for the public disclosure of information on capital, risk exposures, remuneration practices and, for some ADIs, the leverage ratio, liquidity coverage ratio and indicators for the identification of global systemically important banks, so as to contribute to the transparency of financial markets and to enhance market discipline. APRA’s disclosure requirements are based on those set out by the BCBS.</p> <p>Highlight main developments since last year’s survey:</p> <p>In May 2015, APRA released new disclosure requirements in relation to the leverage ratio, liquidity coverage ratio and indicators for the identification of global systemically important banks.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>These requirements, which commenced on 1 July 2015, apply to select ADIs. APRA was mindful of the recommendations of the Enhanced Disclosure Task Force in formulating its position on these disclosure measures.</p> <p>Web-links to relevant documents:</p> <p>For the relevant accounting standards, please refer www.aasb.gov.au. www.aasb.gov.au/admin/file/content105/c9/AASB13_09-11.pdf http://apra.gov.au/adi/Documents/150714-APS-330-August-2015-final.pdf http://www.apra.gov.au/Policy/Documents/150422-RIS-APS330-FINAL.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
19 (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 jurisdictions that do not have one) • Addressing the weaknesses and gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems issued by IADI in November 2014 	<p><input type="checkbox"/> Not applicable</p> <p><input checked="" type="checkbox"/> Applicable but no action envisaged at the moment</p> <p>In September 2015, the Government announced that it would maintain the ex-post funding structure of Australia's deposit insurance scheme.</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</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>As outlined in planned steps below, a range of supervisory and other actions are either taking place or planned over 2015/16 to ensure operationalisation of the Financial Claims Scheme (FCS),</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>APRA plans to develop in 2015/16 its schedule for testing the compliance and accuracy of ADI reporting for FCS purposes. APRA will also be strengthening over 2015/16 its readiness for execution of the FCS if required by continuing to improve its internal procedures and organisational pre-positioning for dealing with failure of an ADI. APRA will consider further development of cross-border co-operation and information exchange with foreign deposit insurers where relevant.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Australia's deposit insurance regime.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Legislative proposals are currently being developed to strengthen APRA's powers in a range of areas associated with the FCS (Principle 2). These include strengthening the power APRA has, as the deposit insurer, to control entry and exit to the FCS; also enhancing FCS related reporting requirements and expanding FCS payment mechanisms to include transfer of deposits to another bank. A range of proposals also aim to streamline the operation of the FCS to ensure prompt payment in reimbursing depositors (Principle 15).</p> <p>Highlight main developments since last year's survey:</p> <p>In 2014 Regulations were made under the <i>Banking Act 1959</i> to clarify which deposit accounts were protected by the FCS and which weren't. Since the last survey in 2014 the FCS has been fully implemented with ADIs, with the finalisation of a number of entity specific transitional arrangements on readiness to meet payment, reporting and communication requirements should the</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>FCS be activated. In addition, all ADIs have now successfully tested with APRA's paying agent, the RBA, on the ability to correctly produce payment instruction file formats (format of payment instruction files) to ensure that FCS payments could be made if required. In 2013, the previous Government announced that they would introduce an ex-ante funding mechanism for the FCS. In 2014, the current Government asked the independent Financial System Inquiry to provide a recommendation on whether to proceed with the introduction of an ex-ante funding mechanism for the FCS. The Financial System Inquiry recommended against the introduction of such a mechanism. On 1 September 2015, the Government announced that it would accept the recommendation of the Financial System Inquiry and maintain the ex-post funding structure of the FCS.</p> <p>Web-links to relevant documents: http://fsi.gov.au/publications/ http://apra.gov.au/CrossIndustry/FCS/Pages/default.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Safeguarding the integrity and efficiency of financial markets					
20 (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"> • Regulatory issues raised by changes in market structure (Dec 2013) • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011) • 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><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: May 2011 and November 2012</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>Rules for the cash equity market for the introduction of competition (Competition Market Integrity Rules) were made in May 2011 and implemented in October 2011. The rules address volatility controls, market operator cooperation and dark liquidity (i.e. requiring lit order</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>We expect to publish the findings of our current reviews on dark liquidity and HFT in October/ November 2015</p> <p>Web-links to relevant documents:</p> <p>http://www.asic.gov.au/regulatory-resources/markets/market-integrity-rules/ http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-223-guidance-on-asic-market-integrity-rules-for-competition-in-exchange-markets/ http://asic.gov.au/regulatory-resources/find-a-document/consultation-papers/cp-168-australian-equity-market-structure-further-proposals/ http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-331-dark-liquidity-and-high-frequency-trading/ http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-452-review-of-high-frequency-trading-and-dark-liquidity/</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>priority), among other things. In November 2012, these rules were amended to enhance market operator systems and controls, participant systems and controls for automated trading, enhanced data for market surveillance and additional rules on dark liquidity. The output of ASIC's 2012/2013 taskforces on dark liquidity and high-frequency was additional rules to strengthen the existing framework for electronic trading and to build on existing rules for broker crossing systems (e.g. on transparency of access and operations, conflicts of interest and supervision, clarifying the circumstances where orders are considered to be manipulative). These changes were fully implemented in 2014.</p> <p>Highlight main developments since last year's survey:</p> <p>During the course of 2015, ASIC undertook two new reviews on dark liquidity and high-frequency trading. As a result, on 26 October we released Report 452, examining the effect of high-frequency trading and dark liquidity on Australian equity markets. REP 452 also looks at high-frequency trading on our futures exchange market. The main</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>findings of the reviews are: High Frequency Trading - In Australia, high-frequency trading in equity markets has remained reasonably steady at around 27% of total equity market turnover - For futures, there has been rapid growth in high-frequency trading (from a low base). - Some of the commonly held negative perceptions about high-frequency trading were not supported by our analysis (e.g. that these traders only hold their positions for a matter of seconds and that they place and cancel orders excessively remains unsupported.) - Predatory trading does not appear to be excessive in our market, but we have identified instances of pinging and latency arbitrage - We estimate that gross trading revenue of high-frequency traders in equity markets translates to a cost of 0.7 to 1.1 basis points (0.007-0.011%) to other users of the market. Dark liquidity - Dark liquidity has remained reasonably constant in recent years at around 25–30% of total equity market turnover. However, its composition continues to change. - In Australia, there are currently 17 crossing systems operated by 15 market</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>participants. They accounted for 9% of total dark turnover in the March quarter 2015 (see Figure 1), almost half of the level in 2012. - Trading on exchange dark venues (i.e. ASX Centre Point and Chi-X hidden orders) accounted for around twice the total dark trading in 2015 compared to 2012, at 27.6%. Consistent with ASIC's expectations, the growth in trading on exchange dark venues followed the introduction of ASIC's trade with price improvement rule in 2013.</p> <p>Web-links to relevant documents:</p> <p>http://www.asic.gov.au/regulatory-resources/markets/market-integrity-rules/ http://www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-223-guidance-on-asic-market-integrity-rules-for-competition-in-exchange-markets/ http://asic.gov.au/regulatory-resources/find-a-document/consultation-papers/cp-168-australian-equity-market-structure-further-proposals/ http://asic.gov.au/regulatory-resources/find-a-document/reports/rep-331-dark-liquidity-and-high-frequency-trading/</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (25)	Regulation and supervision of commodity markets	<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 update to the survey published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: July 2013</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>Short description of the content of the legislation/ regulation/guideline:</p> <p>There is pre and post transparency in exchange traded commodities markets in Australia. ASIC as well as market operators already have powers to address disorderly markets, in the case of exchange traded commodities. ASIC has the power to prevent market abuse for exchange and OTC trade commodity futures. Market operators have the power</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>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. Expected commencement date was: 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>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:</p> <p>Web-links to relevant documents:</p> <p>http://www.asic.gov.au/asic/asic.nsf/byheadline/Derivatives+transaction+reporting?openDocument</p> <p>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
22 (26)	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 continue to be deferred given the forthcoming FSB progress report on implementation of the FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
23 (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 September 2013 and September 2014 reports on effective approaches to support the implementation of the High-level Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress:</i></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 type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 1 July 2015</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 type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Ongoing monitoring</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Australia has progressed reforms to strengthen the financial advice and consumer credit industries. These reforms already meet many of the G20 High Level Principles on Financial Consumer Protection. The FSB report on consumer</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>As required by the legislation, the Government will review the laws that relate to small amount credit contracts, including caps on the fees that can be charged and various disclosure requirements, in late 2015. The Government is considering it's response to the Financial System Inquiry. This includes aspects of additional consumer protection.</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. The financial services regulator (Australian Securities and Investments Commission) monitors and administers the Consumer credit laws and the regulation of financial advice.</p> <p>Highlight main developments since last year's survey:</p> <p>An indepth independent inquiry (the Financial System Inquiry) was conducted on the future of Australia's financial system. The final report was released on 7 December 2014.</p> <p>Web-links to relevant documents:</p> <p>https://www.moneySMART.gov.au/borrowing-and-credit/consumer-credit-regulation</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				https://www.moneySMART.gov.au/investing/financial-advice http://fsi.gov.au/	

XI. Source of recommendations:

- [Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
- [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 \(1 November 2012\)](#)

XII. List of Abbreviations used:

- | | |
|---|---|
| AASB: Australian Accounting Standards Board | ERC: Emerging Risk Committee |
| ADI: Authorised Deposit-taking Institutions | ESMA: European Securities and Markets Authority |
| AFMA: Australian Financial Markets Association | FINRA: Financial Industry Regulatory Authority (USA) |
| APRA: Australian Prudential Regulation Authority | FMI: Financial market infrastructure |
| ASF: Australian Securitisation Forum | FCS: Financial Claims Scheme |
| ASIC: Australian Securities and Investments Commission | FRC: Financial Reporting Council |
| ASX: Australian Stock Exchange | FSAP: Financial Sector Assessment Program |
| BCBS: Basel Committee on Banking Supervision | FSB: Financial Stability Board |
| CFR: Council of Financial Regulators (comprising the RBA, APRA, ASIC and Treasury) | GAAP: Generally accepted accounting principles |
| CPSS: Committee on Payment and Settlement Systems | IASB: International Accounting Standards Board |
| CRA: Credit rating agencies | IFRS: International Financial Reporting Standards |
| DIS: Deposit Insurance Scheme | IMF: International Monetary Fund |
| DNSFR Report: Joint Forum report on Review of the Differentiated Nature and Scope of Financial Regulation | IOSCO: International Organization of Securities Commissions |

LCR: Liquidity coverage ratio

LMI: Lenders' Mortgage Insurance

MIS: Managed Investment Schemes

MOU: Memoranda of Understanding

NSFR: Net stable funding ratio

OECD: Organisation for Economic Co-operation and Development

OTC: Over-the-counter

PDS: Product disclosure statement

RBA: Reserve Bank of Australia

RE: Responsible Entities

RMBS: Residential mortgage backed securities

ROSC: Report on the Observance of Standards and Codes

SFP: Structured finance products

TFUFE: IOSCO Task Force on Unregulated Financial Entities

TFUMP: IOSCO Task Force on Unregulated Financial Markets and Products

TFSC: IOSCO Task Force on Supervisory Cooperation