



Financial Sector (Collection of Data) (reporting standard) determination No. 43 of 2015

Reporting Standard SRS 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Financial Sector (Collection of Data) Act 2001

I, Steven Davies, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) DETERMINE *Reporting Standard SRS 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities on 1 July 2016.

This instrument commences on date of registration on the Federal Register of Legislative Instruments.

Dated: 10 December 2015

[Signed]

Steven John Davies
General Manager, Statistics

Interpretation

In this Determination:

APRA means the Australian Prudential Regulation Authority.

financial sector entity has the meaning given in section 5 of the Act.

Schedule

Reporting Standard SRS 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing comprises the 26 pages commencing on the following page.



Reporting Standard SRS 721.0

ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to securities subject to repurchase and resale and stock lending and borrowing of a registrable superannuation entity for the purposes of the Australian Bureau of Statistics.

It includes *Form SRF 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing* and associated specific instructions.

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. Information collected in *Form SRF 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing* (SRF 721.0) is used by the Australian Bureau of Statistics (ABS) for compilation of the Australian National Accounts and other publications. It may also be used by APRA for the purposes of prudential supervision and publication.

Application and commencement

3. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) in respect of each relevant RSE within its business operations.¹

¹ For the purposes of this Reporting Standard, an 'RSE licensee's business operations' includes all activities as an RSE licensee (including the activities of each RSE of which it is the licensee), and all other activities of the RSE licensee to the extent that they are relevant to, or may impact on, its activities as an RSE licensee. For the avoidance of doubt, if the RSE licensee is trustee of more than one relevant

4. For the purposes of this Reporting Standard, a ‘relevant RSE’ is an RSE, defined benefit RSE, pooled superannuation trust (PST) or eligible rollover fund (ERF) that had total assets equal to or greater than \$200 million at the end of the most recent year of income at the time of reporting.
5. This Reporting Standard applies for reporting periods ending on or after 1 July 2016.

Information required

6. An RSE licensee to which this Reporting Standard applies must provide APRA with the information required by SRF 721.0 in respect of each reporting period.

Forms and method of submission

7. The information required by this Reporting Standard must be given to APRA in electronic format using the ‘Direct to APRA’ application or, where ‘Direct to APRA’ is not available, by a method notified by APRA, in writing, prior to submission.

Note: the ‘Direct to APRA’ application software (also known as ‘D2A’) may be obtained from APRA.

Reporting periods and due dates

8. Subject to paragraph 9, an RSE licensee to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each relevant RSE within its business operations for each quarter based on the year of income of the entity.
9. If, having regard to the particular circumstances of a relevant RSE, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 8, APRA may, by notice in writing, change the reporting periods for the particular relevant RSE.
10. The information required by this Reporting Standard must be provided to APRA:
 - (a) in the case of quarterly information:
 - (i) for reporting periods ending on or after 1 July 2016 but before 1 July 2017 – within 35 calendar days after the end of the quarter to which the information relates²; and
 - (ii) for reporting periods ending on or after 1 July 2017 – within 28 calendar days after the end of the quarter to which the information relates; and
 - (b) in the case of information provided in accordance with paragraph 9, within the time specified by notice in writing.
11. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to

RSE, the RSE licensee must separately provide the information required by the form for each relevant RSE within its business operations.

² For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an RSE licensee is nonetheless required to submit the information required no later than the due date.

one or more relevant RSEs within its business operations, in which case the new due date for the provision of the information will be the date on the notice of extension.

Quality control

12. All information provided by an RSE licensee under this Reporting Standard must be subject to systems, processes and controls developed by the RSE licensee for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the RSE licensee to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.
13. The information provided by an RSE licensee under this Reporting Standard is not required to be audited or tested by the RSE auditor of the relevant RSE to which the information relates.
14. An RSE licensee must ensure that the information provided under this Reporting Standard is as accurate as possible. Where accurate information is not readily available, an RSE licensee may report a careful estimate where that estimate is the product of systems, processes and controls developed by the RSE licensee for this purpose.

Authorisation

15. When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using the 'Direct to APRA' software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.
16. If the information required by this Reporting Standard is provided by an agent who submits using the 'Direct to APRA' software on the RSE licensee's behalf, the RSE licensee must:
 - (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
 - (b) retain the completed copy.
17. An officer or agent of an RSE licensee who submits the information under this Reporting Standard for, on behalf of, the RSE licensee must be authorised by either:
 - (a) the Chief Executive Officer of the RSE licensee; or
 - (b) the Chief Financial Officer of the RSE licensee.

Variations

18. APRA may, by written notice to an RSE licensee, vary the reporting requirements of SRF 721.0 in relation to that RSE licensee or one or more relevant RSEs within that RSE licensee's business operations.

Interpretation

19. In this Reporting Standard:

APRA means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

Chief Executive Officer means the chief executive officer of the RSE licensee, by whatever name called, and whether or not he or she is a member of the Board of the RSE licensee³;

Chief Financial Officer means the chief financial officer of the RSE licensee, by whatever name called;

defined benefit RSE means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*;

due date means the relevant date under paragraph 10 or, if applicable, paragraph 11;

eligible rollover fund (ERF) has the meaning given in section 10(1) of the SIS Act;

pooled superannuation trust (PST) has the meaning given in section 10(1) of the SIS Act;

reporting period means a period mentioned in paragraph 8 or, if applicable, paragraph 9;

RSE means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, PST, ERF, small APRA fund or single member approved deposit fund⁴;

RSE auditor means an auditor appointed by the RSE licensee to perform functions under this Reporting Standard;

RSE licensee has the meaning given in section 10(1) of the SIS Act;

SIS Act means *Superannuation Industry (Supervision) Act 1993*; and

year of income has the meaning given in section 10(1) of the SIS Act.

³ Refer to *Prudential Standard SPS 510 Governance*.

⁴ For the purposes of this Reporting Standard, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member.

SRF 721.0: ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Australian Business Number	Institution Name
Reporting Period	Scale Factor
Reporting Consolidation	

Part A: Non-resident counterparty to the transactions

- 1. Short-term debt securities
- 2. Long-term debt securities
- 3. Shares and units in trusts

Securities purchased under agreements to resell and stock borrowing (1)	Securities sold under agreements to repurchase and stock lending (2)

Part B: Resident counterparty to the transactions

- 4. Short-term debt securities

Type of resident counterparty (1)	Type of short-term debt securities (2)	Type of issuer of commercial paper (3)	Securities purchased under agreements to resell and stock borrowing (4)	Securities sold under agreements to repurchase and stock lending (5)

Reserve Bank of Australia (RBA)	Bills of exchange: bank accepted and/or endorsed	Trading enterprises owned by the Australian Commonwealth government	
Banks	Treasury notes	Trading enterprises owned by state, territory and local government	
Other deposit-taking institutions	Negotiable certificates of deposit (NCDs) issued by banks	State and territory central borrowing authorities	
Life insurance and friendly societies	Commercial paper	Private trading enterprises	
Superannuation funds		Banks	
General and health insurance corporations		Other deposit-taking institutions	
State and territory central borrowing authorities		Securitisers	
Financial auxiliaries		Life insurance and friendly societies	
Securitisers		General and health insurance corporations	
Other financial institutions		Other financial institutions	
Other residents		Not applicable	

5. Long-term debt securities

Type of resident counterparty	Type of issuer of long-term debt securities	Securities purchased under agreements to resell and stock borrowing	Securities sold under agreements to repurchase and stock lending
(1)	(2)	(3)	(4)
Reserve Bank of Australia (RBA)	Australian Commonwealth government		

Banks	Trading enterprises owned by the Australian Commonwealth government
Other deposit-taking institutions	Trading enterprises owned by state, territory and local government
Life insurance and friendly societies	State and territory central borrowing authorities
Superannuation funds	Private trading enterprises
General and health insurance corporations	Banks
State and territory central borrowing authorities	Other deposit-taking institutions
Financial auxiliaries	Life insurance and friendly societies
Securitisers	General and health insurance corporations
Other financial institutions	Securitisers
Other residents	Other financial institutions

6. Shares

Type of resident counterparty (1)	Type of issuer of shares (2)	Securities purchased under agreements to resell and stock borrowing (3)	Securities sold under agreements to repurchase and stock lending (4)
Reserve Bank of Australia (RBA)	Trading enterprises owned by the Australian Commonwealth government		

Banks	Private trading enterprises
Other deposit-taking institutions	Investment companies
Life insurance and friendly societies	Banks
Superannuation funds	Other deposit-taking institutions
General and health insurance corporations	Life insurance and friendly societies
State and territory central borrowing authorities	General and health insurance corporations
Financial auxiliaries	Other financial institutions
Securitisers	Other
Other financial institutions	
Other residents	

Reporting Form SRF 721.0

ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing

Instructions

These instructions assist completion of *Reporting Form SRF 721.0 ABS Securities Subject to Repurchase and Resale and Stock Lending and Borrowing* (SRF 721.0). SRF 721.0 collects detailed information about the types of securities subject to repurchase agreements and stock lending and borrowing and the counterparty to the transactions of a registrable superannuation entity (RSE). Information reported in SRF 721.0 is required primarily for the purposes of the Australian Bureau of Statistics and may be used by APRA for prudential and publication purposes. All items on SRF 721.0 are required for Australia's National Accounts, which is based on the international standard, the *System of National Accounts 2008* (2008 SNA).

Reporting level

SRF 721.0 must be completed for each relevant RSE.¹

Reporting basis and unit of measurement

As the valuation basis for assets and liabilities in 2008 SNA is market prices, items on SRF 721.0 must be reported as market prices.² Do not net off disposal costs when recording market prices of assets. Where market prices are not available, items on SRF 721.0 may be reported as careful estimates.³

Report items on SRF 721.0 as blank where the item is nil.

Items on SRF 721.0 must be reported as at the end of the reporting period or with respect to transactions that occurred during the reporting period.

Items on SRF 721.0 are to be reported as thousands of dollars. Values are to be rounded up or down to the nearest thousand dollars.

¹ For the purposes of these instructions, a 'relevant RSE' is an RSE, defined benefit RSE, pooled superannuation trust (PST) or eligible rollover fund (ERF) that had total assets equal to or greater than \$200 million at the end of the most recent year of income at the time of reporting.

² Refer to paragraph 2.60 of 2008 SNA. For the purposes of these instructions, 'market prices' is defined as amounts of money that willing buyers pay to acquire something from willing sellers, and the exchange is made between independent parties on the basis of commercial considerations only.

³ Where accurate information is not readily available, an RSE licensee may report a careful estimate where that estimate is the product of systems, processes and controls developed by the RSE licensee for this purpose.

Items on SRF 721.0 are to be reported on a gross basis except where otherwise indicated.

Items on SRF 721.0 are to be reported on an unconsolidated basis.

In national accounting, consolidation refers to the elimination of transactions which occur between two transactors belonging to the same institutional sector or subsector. In a commercial accounting sense, this process is applied to entities where a parent/subsidiary relationship exists.⁴

Where repurchase or resale agreements involve different types of security, report the repurchase or resale agreements separately and do not net against each other, even when contracted with the same counterparty.

Assets and liabilities denominated in currencies other than AUD are to be converted to AUD using the mid-point rate (of market buying and selling spot quotations) effective as at the end of the reporting period. An RSE licensee is free to use those AUD exchange rates that it judges to be representative closing mid-market rate as at the end of the reporting period. However, to ensure consistency across related returns and to assist in the reconciliation between these returns, an RSE licensee should attempt to use the same exchange rate across all returns to APRA.

Note: for the major currencies, an RSE licensee may use the exchange rates available from the Reserve Bank of Australia (RBA), which is available on the RBA website: <http://www.rba.gov.au/statistics/historical-data.html>.

Specific instructions

Terms highlighted in *bold italics* indicate that the definition is provided in these instructions. Additional definitions are provided at the end of these instructions (in the Glossary).

Examples listed under ‘Includes’ and ‘Excludes’ are not to be taken as an exhaustive list of items to be included or excluded.

Part A: Non-resident counterparty to the transactions

Item 1 to item 3 inclusive collect information about all securities purchased and sold under agreements to resale and repurchase, and all stocks/shares borrowed and loaned, where counterparty to the transactions are non-residents.

For debt securities, the market price is the traded price quoted on the reference date. If the traded price does not take account of interest accrued up to the ex-coupon date but not yet payable, this interest accrued is to be included.

⁴ For the avoidance of doubt, items on SRF 721.0 are to be reported on a non-look through basis. For the purposes of these instructions, ‘look through basis’ means the reporting of information about the underlying investments in an investment vehicle.

Item 1	<p>Report <i>securities purchased under agreements to resell and stock borrowing</i> which are <i>short term debt securities</i>, including the amount purchased using collateral received from the sale of securities sold under agreements to repurchase and stock lending, in column 1.</p> <p>Report <i>securities sold under agreements to repurchase and stock lending</i> which are <i>short term debt securities</i> in column 2. Report short-term debt securities borrowed and lent at the end of the reference period set by counterparty to the agreement and at market value.</p>
<i>Securities purchased under agreements to resell and stock borrowing</i>	Represents securities (debt) held under resale agreements and stocks (shares) borrowed at the end of the reference period.
<i>Securities sold under agreements to repurchase and stock lending</i>	Represents securities (debt) sold under repurchase agreements and stocks (shares) loaned at the end of the reference period.
<i>Short-term debt securities</i>	Represents debt securities which have an original term to maturity of one year or less. Debt securities are financial instruments that evidence the issuers' promise to repay the principal at face value upon maturity.

Item 2	<p>Report <i>securities purchased under agreements to resell and stock borrowing</i> which are <i>long term debt securities</i>, including the amount purchased using collateral received from the sale of securities sold under agreements to repurchase and stock lending, in column 1. Report <i>securities sold under agreements to repurchase and stock lending</i> which are <i>long term debt securities</i> in column 2.</p>
<i>Long-term debt securities</i>	Represents debt securities which have an original term to maturity of more than one year. Debt securities are financial instruments that evidence the issuers' promise to repay the principal at face value upon maturity.

Item 3	<p>Report <i>securities purchased under agreements to resell and stock borrowing</i> which are <i>shares and units in trusts</i>, including the amount purchased using collateral received from the sale of securities sold under agreements to repurchase and stock lending, in column 1. Report <i>securities sold under agreements to repurchase and stock lending</i> which are <i>shares and units in trusts</i> in column 2.</p>
<i>Shares and units in trusts</i>	Represents shares in companies and securities which are similar to equity that reflect ownership of part of a trust rather than a company.

Part B: Resident counterparty to the transactions

Item 4 to item 6 inclusive collect information about all securities purchased and sold under agreements to resale and repurchase, and all stocks/shares borrowed and loaned, where counterparty to the transactions are residents.

<p>Item 4</p>	<p>Report, for each type of resident counterparty: the type of resident counterparty in column 1, the type of <i>short-term debt securities</i> in column 2, the type of issuer of <i>commercial paper</i> in column 3, the value of <i>securities purchased under agreements to resell and stock borrowing</i>, including the amount purchased using collateral received from the sale of securities sold under agreements to repurchase and stock lending, in column 4 and the value of <i>securities sold under agreements to repurchase and stock lending</i> in column 5.</p> <p>The types of resident counterparty are:</p> <ul style="list-style-type: none"> • the <i>Reserve Bank of Australia (RBA)</i>; • <i>banks</i>; • <i>other deposit-taking institutions</i>; • <i>life insurance and friendly societies</i>; • <i>superannuation funds</i>; • <i>general and health insurance corporations</i>; • <i>state and territory central borrowing authorities</i>; • <i>financial auxiliaries</i>; • <i>securitisers</i>; • <i>other financial institutions</i>; and • <i>other residents</i>. <p>The types of short-term debt securities are:</p> <ul style="list-style-type: none"> • <i>bills of exchange</i>: bank accepted and/or endorsed; • <i>treasury notes</i>; • <i>negotiable certificates of deposit (NCDs) issued by banks</i>; and • <i>commercial paper</i>. <p>The types of issuer of commercial paper are:</p> <ul style="list-style-type: none"> • <i>trading enterprises owned by the Australian Commonwealth government</i>; • <i>trading enterprises owned by state, territory and local government</i>; • <i>state and territory central borrowing authorities</i>; • <i>private trading enterprises</i>;
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	<ul style="list-style-type: none"> • <i>banks</i>; • <i>other deposit-taking institutions</i>; • <i>securitisers</i>; • <i>life insurance and friendly societies</i>; • <i>general and health insurance corporations</i>; • <i>other financial institutions</i>; and • <i>not applicable</i>.
<i>Bills of exchange: bank accepted and/or endorsed</i>	<p>Represents unconditional orders in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand. They usually have an original term to maturity of 180 days or less.</p> <p>Includes: bank accepted bills, and bank endorsed bills.</p> <p>Excludes: non-bank bills</p>
<i>Treasury notes</i>	Represents <i>short-term debt securities</i> issued by the <i>Australian Commonwealth government</i> .
<i>Negotiable certificates of deposit (NCDs) issued by banks</i>	<p>Represent short-term securities issued by resident banks, repayable at a fixed date. The bank writes a certificate stating that a fixed amount has been deposited for a fixed period of time and predetermined interest rate. The NCD trades at a discount from face value.</p> <p>Excludes: transferable certificates of deposit (included as <i>long-term debt securities</i>); certificates of deposit issued by merchant banks (included as <i>commercial paper</i>); <i>commercial paper</i> issued by resident banks (included as <i>commercial paper</i>).</p>
<i>Commercial paper</i>	<p>Represents a written promise to pay a specified sum of money to the bearer at an agreed date. It is usually issued for terms ranging from 30 to 180 days and is sold to an investor at a discount to the face value. Also called promissory notes or one name paper and is a type of short-term debt security.</p> <p>Includes: promissory notes, one name paper, certificates of deposit issued by merchant banks, and asset backed commercial paper.</p> <p>Excludes: floating rate notes and similar long-term debt securities with a short-term interest rate (included as <i>long-term debt securities</i>).</p>
Item 5	Report in item 5, for each type of resident counterparty: the type of resident counterparty in column 1, the type of issuer of <i>long-term debt securities</i> in column 2, the value of <i>securities purchased under agreements to resell and stock borrowing</i> , including the amount purchased using collateral received from the sale of securities sold under agreements to repurchase and stock lending, in column 3 and the value of <i>securities sold under</i>

	<p><i>agreements to repurchase and stock lending</i> in column 4.</p> <p>Treasury Bonds should be reported as <i>long-term debt securities</i> issued by the <i>Australian Commonwealth government</i>.</p> <p>The types of resident counterparty are:</p> <ul style="list-style-type: none"> • the <i>RBA</i>; • <i>banks</i>; • <i>other deposit-taking institutions</i>; • <i>life insurance and friendly societies</i>; • <i>superannuation funds</i>; • <i>general and health insurance corporations</i>; • <i>state and territory central borrowing authorities</i>; • <i>financial auxiliaries</i>; • <i>securitisers</i>; • <i>other financial institutions</i> ; and • <i>other residents</i> <p>The types of issuer of long-term debt securities are:</p> <ul style="list-style-type: none"> • <i>Australian Commonwealth government</i>; • <i>trading enterprises owned by the Australian Commonwealth government</i>; • <i>trading enterprises owned by state, territory and local government</i>; • <i>state and territory central borrowing authorities</i>; • <i>private trading enterprises</i>; • <i>banks</i>; • <i>other deposit-taking institutions</i>; • <i>life insurance and friendly societies</i>; • <i>general and health insurance corporations</i>; • <i>securitisers</i>; and • <i>other financial institutions</i>.
<p>Item 6</p>	<p>Report, for each type of resident counterparty: the type of resident counterparty in column 1, the type of issuer of shares in column 2, the value of <i>securities purchased under agreements to resell and stock borrowing</i>, including the amount purchased using collateral received from the sale of securities sold under agreements to repurchase and stock lending, in column 3 and the value of <i>securities sold under agreements to</i></p>

	<p><i>repurchase and stock lending</i> in column 4.</p> <p>The types of resident counterparty are:</p> <ul style="list-style-type: none"> • the <i>RBA</i>; • <i>banks</i>; • <i>other deposit-taking institutions</i>; • <i>life insurance and friendly societies</i>; • <i>superannuation funds</i>; • <i>general and health insurance corporations</i>; • <i>state and territory central borrowing authorities</i>; • <i>financial auxiliaries</i>; • <i>securitisers</i>; • <i>other financial institutions</i>; and • <i>other residents</i>. <p>The types of issuer of shares are:</p> <ul style="list-style-type: none"> • <i>trading enterprises owned by the Australian Commonwealth government</i>; • <i>private trading enterprises</i>; • <i>investment companies</i>; • <i>banks</i>; • <i>other deposit-taking institutions</i>; • <i>life insurance and friendly societies</i>; • <i>general and health insurance corporations</i>; • <i>other financial institutions</i>; and • <i>other</i>.
<i>Shares</i>	<p>Represents securities which represent ownership of part of a company.</p> <p>Includes: listed and unlisted shares. Excludes: equity derivatives such as exchange traded options; units in trusts.</p>

Glossary of additional terms

Core principles

The macroeconomic statistics produced by the ABS centre around the internationally accepted key standard, the System of National Accounts (SNA) 2008. SNA provides an overarching national accounting framework that is integrated, coherent and maximises international comparability.

Under the SNA, financial statistics are presented in a flow of funds or so-called from-whom-to-whom format to measure the “stocks” and “flows” of financial assets and liabilities throughout the Australian economy and with the rest of the world. A flow of funds concept is designed to delineate both parties to a transaction, as well as the nature of the financial instrument transacted. This concept also underpins the classification schema used in this form.

Residency

An institutional unit is resident in one and only one economic territory. In general, the residence of an institutional unit is determined by the unit's centre of predominant economic interest.

Individual members of households who leave the economic territory of a country and return after a limited period (less than one year) continue to be regarded as residents of that country.

For example, a member of a resident Australian household who travels abroad for recreation, business, health or other purposes and returns within one year is treated while abroad as a resident of Australia. An exception to the one year rule is made in the case of students, who are treated as residents of the country where they had been prior to studying. If a student develops the intention to remain in the country after completion of studies, they are counted as a resident of that country.

The residence of a financial instrument is determined by the residence of the issuer rather than the *domicile* of the financial instrument itself. For example, holdings of bonds issued by a *non-resident* into the Australian Market would be recorded as *non-resident asset*. Conversely, holdings of bonds issued internationally by an Australian resident would be recorded as a *resident asset* by an Australian registrable superannuation entity.

<i>Non-resident</i>	<p>Represents any individual, enterprise or other organisation ordinarily domiciled in a country other than Australia.</p> <p>Includes: foreign branches and foreign subsidiaries of Australian enterprises.</p> <p>Excludes: Australian-based branches and subsidiaries of foreign businesses.</p>
<i>Australian resident</i>	<p>Represents any individual, enterprise or other organisation ordinarily domiciled in Australia's economic territory.</p> <p>Includes: Australian registered branches and incorporated subsidiaries of foreign enterprises.</p>

Domicile type

Represents the jurisdiction in which a financial instrument is constituted. For ABS purposes, debt liabilities are classified as either Australian domicile or international domicile. For debt securities, this refers to whether a debt security is issued in Australia or abroad. For deposits, it refers to the residence of the institution accepting the deposit. For loans, it refers to the residence of the institution providing the loan.

Therefore, deposits taken by Australian institutions are classified as debt - Australia domicile, and loan liabilities to the rest of the world as debt - international domicile.

The domicile of a financial instrument does not determine residency. Kangaroo bonds are domiciled in Australia but the issuer is a non-resident. Therefore, holdings of Kangaroo bonds are considered a claim against a non-resident.

<i>Australian domicile</i>	Represents investments issued in Australia.
<i>International domicile</i>	Represents investments issued outside Australia.

Ownership

Two types of ownership are distinguished in national accounting, legal ownership and economic ownership. The legal owner of assets and liabilities is the institutional unit entitled in law and sustainable under the law to claim the benefits embodied in the value of the assets and liabilities. The economic owner of products is the institutional unit entitled to claim the benefits associated with the use of assets or liabilities in question in the course of an economic activity by virtue of accepting the associated risks.

Every product has both a legal owner and an economic owner, though in many cases they are the same. Where they are not, the legal owner has handed responsibility for the risk involved in using the assets or liabilities in an economic activity to the economic owner along with associated benefits. In return, the legal owner accepts another package of risks and benefits from the economic owner. In general within the SNA, when the expression “ownership” or “owner” is used and the legal and economic owners are different, the reference should be understood to be to the economic owner.

In the case of unitised investments, investors acquiring units in a trust spread their exposure across all the instruments in that trust. However, the unit holders cannot claim that they directly hold those underlying instruments as they do not directly claim the benefits (incomes and realised or unrealised gains on the trust assets) associated with the holdings of the trust. Instead they must await distributions, or sell their units to claim any benefits. Unit holders hence are not the economic owners of underlying assets but the economic owners of the trust while the trustee of the trust remains the legal owner. Unit holders hold an equity position (units) in the trust and would report units in trusts as the primary financial instrument.

Financial instruments

Financial assets and liabilities, as published in ABS macroeconomic statistics, are classified to financial instruments as follows:

- Monetary gold and Special Drawing Rights (SDRs)
- Currency
- Deposits
 - Transferable deposits
 - Other deposits

- Debt securities
 - Short-term debt securities
 - Bills of exchange
 - One name paper
 - Long-term debt securities
- Loans and placements
 - Short-term loans
 - Long-term loans
- Derivatives
- Shares and other equity
 - Listed shares and other equities
 - Unlisted shares and other equities
- Net equity in reserves
- Trade credits and advances and other accounts receivable and payable

While some of the categories above are not directly applicable to RSEs, detailed definitions for these financial instruments where appropriate are below. Definitions for financial instruments apply to non-resident and resident institutional units.

<i>Notes and coins</i>	<p>Represents holdings of physical currency.</p> <p>Includes: foreign currencies (included as <i>notes and coins</i> denominated in a foreign currency) and Australian notes and coins (included as <i>notes and coins</i> denominated in Australian dollars).</p> <p>Excludes: <i>bills of exchange</i> (included as <i>short-term debt securities</i>); units in <i>cash management trusts</i>.</p>
<i>Deposits</i>	<p>Represents customers' account balances with institutions regarded as deposit-taking institutions.</p> <p>Includes: account balances with resident banks; account balances with resident other deposit-taking institutions such as credit unions, building societies, merchant banks and <i>registered financial corporations</i>; deposits with non-resident banks (included as <i>non-resident deposits</i>).</p> <p>Excludes: holdings of physical currency (included as holdings of <i>notes and coins</i>); certificates of deposit (included as <i>debt securities</i>).</p>
<i>Transferable deposits</i>	<p>Represents all deposits that are exchangeable for bank notes and coins on demand at par and without penalty or restriction; and are directly usable for making payment by cheque, draft, giro order, direct debit/credit, or other direct payment facility.</p>
<i>Other deposits</i>	<p>Represents all customers' deposits, other than transferable deposits.</p> <p>Includes: savings deposits, fixed-term deposits, non-negotiable certificates of deposit, shares or similar evidence of deposit issued by savings and loan associations, building societies, credit unions etc.</p>

<i>Debt securities</i>	<p>Represents financial instruments that evidence the issuer's promise to repay the principal at face value upon maturity.</p> <p>Includes: <i>bills of exchange, commercial paper</i> and <i>bonds</i>.</p>
<i>Short-term debt securities</i>	<p>Represents debt securities which have an original term to maturity of one year or less.</p> <p>Includes: all short-term securities issued by <i>non-resident</i>; all short-term securities issued by residents such as treasury notes, bills of exchange, inscribed stock, <i>commercial paper</i> and promissory notes issued by an institution (e.g. <i>trading enterprises, central borrowing authorities, securitisers, negotiable certificates of deposit (NCDs) issued by banks</i>).</p> <p>Excludes: debt securities which have an original term to maturity of more than one year, but have a remaining term to maturity of less than or equal to one year (included as <i>long-term debt securities</i>).</p>
<i>Long-term debt securities</i>	<p>Represents debt securities which have an original term to maturity of more than one year.</p> <p>Includes: all long-term securities issued by non-resident regardless of the market of issuance such as Euro bonds and Kangaroo bonds; all long-term securities issued by residents such as <i>treasury bonds</i>, treasury Adjustable Rate Bonds, inscribed stock, asset-backed bonds, debentures, transferable certificates of deposit, unsecured notes, mortgage-backed bonds, convertible notes, semi-government bonds, corporate bonds; fixed-interest securities; inflation-indexed bonds, medium-term notes; floating-rate notes, other floating-rate debt securities, Euro bonds issued by Australian residents, non-participating preference shares (a special type where the holder has no entitlement to a share in the residual value on dissolution of the issuing company).</p> <p>Excludes: derivatives; debt securities which have an original term to maturity of one year or less (included as <i>short-term debt securities</i>).</p>
<i>Loans and placements</i>	<p>Represents borrowings which are not evidenced by the issue of debt securities (loans) and customers' account balances with institutions not regarded as deposit-taking institutions (placements).</p> <p>Includes: overdrafts; secured and unsecured borrowings; financial lease agreements; account balances with institutions which do not qualify as deposit-taking institutions; 11 am money placed with corporate treasuries.</p> <p>Excludes: <i>bills of exchange; commercial paper</i> and promissory notes (included as <i>short-term debt securities</i>); <i>bonds</i>, debentures, medium term notes, transferable certificates of deposit, floating-rate notes (included as <i>long-term debt securities</i>); account balances with financial intermediaries deemed to be deposit-taking institutions, such as <i>banks</i> (included as <i>deposits</i>).</p>

<i>Derivatives</i>	Represents a financial instrument which is a contract between two or more parties where the price is dependent on or derived from one or more underlying assets. Includes: all exchange traded and over-the-counter call and put options; interest rate, bullion, commodity and equity options; warrants and swap options; interest-rate swaps; cross currency interest rate swaps; currency swaps; futures (e.g. bank bill, bond); forward rate agreements; forward foreign-exchange contracts; and employee stock options.
<i>Shares</i>	Represents securities which represent ownership of part of a company.
<i>Units in trusts</i>	Represents securities that represent beneficial interest or economic ownership in a trust.
<i>Other financial assets</i>	Represents all other financial assets that are not classified elsewhere. Financial assets are mostly financial claims. Financial claims entitle the owner to receive a payment, or a series of payments, from an institutional unit to which the owner has provided funds. <i>Shares</i> are treated as financial assets even though the financial claim their holders have on the corporation is not a fixed or predetermined monetary amount.
<i>Non-financial assets</i>	Represents assets for which no corresponding liabilities are recorded.

Institutional units and sectoral classifications

In national accounting, institutional sectors are intrinsically different from each other in that their economic objectives, functions and behaviour are different. Institutional units are allocated to a sector according to the nature of the economic activities they undertake.

Institutional sectors and associated classifications used in the ABS financial statistics are described in [Standard Economic Sector Classifications of Australia \(SESCA\) \(cat. no. 1218.0\)](#). The classifications included in SESCOA are based on international standards, adapted to suit Australian situations where appropriate.

In the structure depicted below, each sector contains a number of subsectors distinguished according to a hierarchical structure. Each institutional unit belongs to only one subsector.

- Domestic/Resident
 - Non-financial corporations
 - ◆ Private
 - Private non-financial investment funds
 - Other private non-financial corporations
 - ◆ Public
 - National
 - State and local
 - Financial corporations

- ♦ Central Bank
- ♦ Depository corporations
 - Banks
 - Other depository corporations
- ♦ Pension funds and insurance corporations
 - Pension funds
 - Life insurance corporations
 - Non-life insurance corporations
- ♦ Financial investment funds
 - Money market funds (MMF)
 - Non-MMF financial investment funds
- ♦ Central Borrowing Authorities
- ♦ Securitisers
- ♦ Other financial corporations
- General government
 - ♦ National
 - ♦ State and local
- Households

➤ Rest of world/Non-resident

Information provided in this section is to be used as a general guide for all data items where sectoral classifications are required. Refer to 'Residency' under 'Core principles' for more detail about residence. 'Residential institutional units' are further divided into sectors and subsectors.

<i>Trading enterprises</i>	Represents enterprises whose main activity is the production of goods or non-financial services for sale at market prices. They may be listed on stock exchanges or unlisted.
<i>Private trading enterprises</i>	<p>Represents trading enterprises that are owned and controlled by the private (non-government) sector.</p> <p>Includes: intra-group financiers for groups of trading enterprises; trading enterprises which are the Australian-based branches of foreign companies; partnerships of trading companies and unincorporated joint ventures engaged in trading activities.</p> <p>Excludes: unincorporated businesses except those mentioned above; companies providing financial services to the public such as banks and insurance companies; property and infrastructure trusts.</p>
<i>Trading enterprises owned by the Australian Commonwealth government</i>	<p>Represents trading enterprises that are owned and controlled by the <i>Australian Commonwealth government</i>.</p> <p>Includes: Australia Post; Snowy Hydro Ltd etc.; NBN Co Limited; Air Services Australia.</p> <p>Excludes: government departments (included as <i>Australian Commonwealth government</i>); government-owned financial institutions (included as financial corporations).</p>

<p>Trading enterprises owned by state, territory and local government</p>	<p>Represents trading enterprises that are owned and controlled by state, territory or local governments.</p> <p>Includes: non-privatised power authorities; housing commissions; port authorities; water boards; gas and fuel authorities.</p> <p>Excludes: central borrowing authorities or treasury corporations; government-owned financial institutions (included as financial corporations); government departments (included as state, territory and local government); privatised enterprises (included as private trading enterprises).</p>
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Financial corporations

<p>Reserve Bank of Australia (RBA)</p>	<p>Represents Australia's central bank. Its main responsibilities include managing monetary policy and maintaining the stability of the financial system. The Bank is an active participant in financial markets, manages Australia's foreign reserves, issues Australian currency notes and serves as the banker to the Australian Government and the banking system.</p>
<p>Banks</p>	<p>Represents financial corporations and quasi corporations that are licensed by the Australian Prudential Regulation Authority (APRA) to operate as a bank and authorised to use 'Bank' or 'Banker' in their business name. They are part of the authorised deposit-taking institutions (ADIs) that are authorised under the <i>Banking Act 1959</i> to take deposits from customers. A list of resident banks can be found on the APRA website at http://www.apra.gov.au.</p> <p>Includes: banks listed on the APRA website under the categories Australian owned banks, foreign subsidiary banks and branches of foreign banks.</p> <p>Excludes: Reserve Bank of Australia (RBA); credit unions and building societies (included other deposit-taking institutions); and non-resident banks.</p>
<p>Other deposit-taking institutions</p>	<p>Represents authorised deposit-taking institutions that are not classified as banks as well as corporations registered under the <i>Financial Sector (Collection of Data) Act 2001</i>.</p> <p>A list of non-bank deposit-taking institutions and Registered Financial Corporations (RFCs) can be found on the APRA website at http://www.apra.gov.au.</p> <p>Includes: credit unions, building societies and Registered Financial Corporations (RFCs) listed on the APRA website.</p> <p>Excludes: banks listed on the APRA website under the categories Australian owned banks, foreign subsidiary banks and branches of foreign banks.</p>

<p><i>Superannuation funds</i></p>	<p>Represents funds established to provide benefits for their members on retirement, resignation, death or disablement. A superannuation fund usually takes the legal form of a trust fund. Self-Managed Superannuation Funds (SMSFs) are regulated by the Australian Tax Office and all other funds are regulated by the Australian Prudential Regulation Authority.</p> <p>Includes: <i>pooled superannuation trusts</i>; approved deposit funds; public sector superannuation funds (including <i>Superannuation Industry (Supervision) Act 1993</i>-exempt funds); private sector superannuation funds e.g. retail or industry super funds; SMSFs.</p> <p>Excludes: Future Fund (included as <i>Australian Commonwealth government</i>).</p>
<p><i>Life insurance and friendly societies</i></p>	<p>Represents entities registered under the <i>Life Insurance Act 1995</i> and are regulated by the Australian Prudential Regulation Authority (APRA). They offer insurance for death or disability and also offer investment and superannuation products. A list of life insurance companies and friendly societies can be found on the APRA website at http://www.apra.gov.au.</p> <p>Includes: life insurance companies, life reinsurance companies and friendly societies.</p> <p>Excludes: insurance companies offering house, car and marine insurance (included as <i>general insurance corporations</i>); non-life reinsurance companies; life insurance brokers (included as <i>financial auxiliaries</i>).</p>
<p><i>General and health insurance corporations</i></p>	<p>Represents insurance corporations that are registered as a general insurance company or health insurance company with the Australian Prudential Regulation Authority (APRA).</p> <p>Includes: the Export Finance Insurance Corporation (EFIC); private sector and government-owned general insurance enterprises; non-life reinsurance companies; private sector and government-owned health insurance enterprises.</p> <p>Excludes: life insurance companies, life reinsurance companies and friendly societies; insurance brokers (included as <i>financial auxiliaries</i>).</p>
<p><i>Insurance corporations</i></p>	<p>Represents entities that are life insurance (including friendly societies), general insurance and health insurance corporations.</p>
<p><i>State and territory central borrowing authorities</i></p>	<p>Represents state and territory statutory bodies established by a state or territory government to provide debt funding, risk management and financial advisory services for a range of state and territory government and semi government entities.</p> <p>Includes: TCorp, TCV, QTC, WATC, SAFA, TasCorp, NTTC.</p>

	Excludes: ACT Treasury.
<i>Securitisers</i>	Represents issuers of asset-backed debt securities that are backed by a pool of specific assets, often residential mortgages. The securities issued can be <i>short-term</i> or <i>long-term</i> . Excludes: issuers of <i>covered bonds</i> .
<i>Financial auxiliaries</i>	Represents corporations and quasi-corporations engaged primarily in activities closely related to financial intermediation, but which do not themselves perform an intermediation role. Includes: fund managers as principal; stockbrokers; insurance brokers; investment advisors and corporations providing infrastructure for financial markets.
<i>Investment funds</i>	Represents collective investment vehicles through which investors pool funds for investment in financial or non-financial assets. Under System of National Accounts (SNA) 2008, they are recognised as separate institutional units. Investment funds normally take the format of a trust which is governed by a trust deed.
<i>Property and infrastructure trusts</i>	Property trusts represent investment trusts that provide exposures to investment in real estate where the earnings and capital value are dependent on cash flows generated by the property through sale or rental income. Infrastructure trusts represent investment trusts that provide exposure to investments in the basic physical systems of a country, state or region including transportation, communication, utilities, and public institutions.
<i>Cash management trusts</i>	Represents a unit trust which is governed by a trust deed which generally confines its investments (as authorised by the trust deed) to financial securities available through the short-term money market. Cash management trusts issue units in the trust that are redeemable by the unit holder on demand. Includes: <i>retail trusts</i> and <i>wholesale trusts</i> . Excludes: cash management accounts with <i>banks</i> or other deposit-taking institutions (included as <i>deposits</i>).
<i>Retail trusts</i>	Represents a collective investment vehicle with units on issue which provides exposure to a diversified portfolio of investments and can be accessed by retail clients, at low entry levels, as defined in the <i>Corporations Act 2001</i> .
<i>Wholesale trusts</i>	Represents a collective investment vehicle that provides exposure to a diversified portfolio of investments and can be accessed by wholesale clients only, at high entry levels, as defined in the <i>Corporations Act 2001</i> .

	Excludes: <i>retail unit trusts</i> ; agricultural trusts; film trusts
<i>Pooled superannuation trusts</i>	<p>Represents a type of collective investment trust where an investment manager invests the assets of superannuation funds, approved deposit funds and other pooled superannuation trusts.</p> <p>Excludes: unitised investments with life companies where the original or primary investment is an insurance or investment policy.</p>
<i>Investment companies</i>	Represents incorporated corporations whose main purpose is to invest in equities. They may be listed on stock exchanges or unlisted. Those quoted on Australian Securities Exchange (ASX) are called Listed Investment Companies (LICs).
<i>Other financial institutions</i>	<p>Represents financial institutions that are not elsewhere classified.</p> <p>Includes: domestic clearing houses (e.g. ASX clear, ASX clear (Futures)); economic development corporations owned by governments; co-operative housing societies.</p>
<i>Other residents</i>	Represents resident entities excluding those classified in the financial corporations sector.

General Government

<i>Australian Commonwealth government</i>	<p>Represents the provider of non-market goods and services, principally financed by taxes and hence, provided free of charge or at nominal prices, well below the cost of production. Australian Commonwealth government entities are primarily financed from taxation revenue.</p> <p>Includes: departments such as the Commonwealth Department of Finance, the Department of Defence, the ABC and the SBS, the Australian Film Commission, CSIRO, universities; sovereign funds established by Australian Commonwealth government.</p> <p>Excludes: government business enterprises (GBEs) such as the Export Finance and Insurance Corporation (included as <i>trading enterprises owned by the Australian Commonwealth government</i> or <i>financial institutions</i> as appropriate); departments of the state governments, the ACT and the Northern Territory.</p>
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Households

<i>Households</i>	<p>Represents persons (in their capacity as households) and unincorporated trading businesses operated by persons either as sole proprietors or in partnerships with other persons.</p> <p>Includes: family trusts; unincorporated cafes and restaurants; unincorporated professional practices (medical, dental, legal, accounting etc.); unincorporated businesses run by tradesmen (plumbers, electricians etc.); trading trusts established to operate an</p>
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	<p>unincorporated business.</p> <p>Excludes: unincorporated businesses offering financial services; unincorporated businesses owned by governments (included as government-owned trading enterprises or financial institutions); unincorporated joint ventures and partnerships of companies (included as trading enterprises).</p>
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Interpretation

For the purposes of these instructions:

- **defined benefit RSE** means an RSE that is a defined benefit fund within the meaning given in *Prudential Standard SPS 160 Defined Benefit Matters*;
- **eligible rollover fund (ERF)** has the meaning given in section 10(1) of the SIS Act;
- **pooled superannuation trust (PST)** has the meaning given in section 10(1) of the SIS Act;
- **RSE** means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a defined benefit RSE, PST, ERF, small APRA fund or single member approved deposit fund⁵;
- **RSE licensee** has the meaning given in section 10(1) of the SIS Act;
- **SIS Act** means *Superannuation Industry (Supervision) Act 1993*; and
- **SIS Regulations** means *Superannuation Industry (Supervision) Regulations 1994*.

⁵ For the purposes of these instructions, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member.