

Financial Sector (Collection of Data) (reporting standard) determination No. 23 of 2016 – Reporting standard ARS 796.0 Points of Presence

EXPLANATORY STATEMENT

Prepared by the Australian Prudential Regulation Authority (APRA)

Financial Sector (Collection of Data) Act 2001 (the Act), subsection 13(1)

Acts Interpretation Act 1901, subsection 33(3)

Under paragraph 13(1)(a) of the Act, APRA may, by writing, determine reporting standards with which financial sector entities must comply. When APRA has determined a reporting standard, it has the power at any time to revoke, amend or vary the standard (refer subsection 33(3) of the *Acts Interpretation Act 1901*).

Financial Sector (Collection of Data) (reporting standard) determination No. 23 of 2016 (the instrument) determines *Reporting standard ARS 796.0 Points of Presence* (ARS 796.0) which is to take effect on the date of registration of the instrument on the Federal Register of Legislation.

1. Background

Financial Sector (Collection of Data) (reporting standard) determination No. 54 of 2008 determined *Prudential Standard ARS 396.0 Points of Presence* (the old reporting standard) which set out the overall requirements for the provision of information to APRA relating to the points of presence (PoP) of an authorised deposit-taking institution (ADI).

Following industry consultation APRA decided to implement improvements to its collection of the PoP statistics. These improvements include:

- a tighter definition of ‘other face-to-face’ points of presence, which will result in consistent reporting for service channels;
- removing the requirement to report non face-to-face points of presence reducing reporting burden;
- more accurate location data on the points of presence; and
- additional information about the remoteness of these locations using the Australian Statistical Geography Standard.

2. Purpose of the instrument

The purpose of the instrument is to determine a new reporting standard which is similar to the standard it replaces but incorporates enhancements to the PoP statistics and reduces the overall reporting burden on ADIs.

3. Operation of the Instrument

The instrument determines ARS 796.0 and revokes the old reporting standard.

4. Consultation

On 23 September 2015, APRA released a discussion paper, *Discussion Paper Authorised Deposit-taking Institutions' Points of Presence statistics (September 2015)* (the Discussion Paper), on changes it proposed to the collection of PoP statistics from ADIs.

In the Discussion Paper, APRA sought feedback on the usefulness of the PoP statistics and the proposed content and format of a streamlined approach to collecting and publishing such statistics.

The submissions received by APRA from industry indicated general support for retaining the PoP statistics but there was limited feedback on the proposed streamlined approach to collecting and publishing PoP statistics.

APRA took the submissions into account in deciding the content of ARS 796.0.

As a transitional measure, APRA made Financial Sector (Collection of Data) exemption No. 1 of 2016 on 28 June 2016 under subsection 16(1B) of the Act exempting all financial sector entities from the requirement to report certain service channels specified in the old reporting standard.

5. Regulation Impact Statement

The Office of Best Practice Regulation has advised that a Regulation Impact Statement is not required for this legislative instrument.

6. Statement of compatibility prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

A Statement of compatibility prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is provided at Attachment A to this Explanatory Statement.

ATTACHMENT A

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

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This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instrument listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* (HRPS Act).

Overview of the legislative instrument

The instrument determines a new reporting standard under the *Financial Sector (Collection of Data) Act 2003*. The new reporting standard is similar to the standard it replaces but makes improvements to the Points of Presence statistics APRA collects from authorised deposit-taking institutions (ADIs) and reduces the overall reporting burden on ADIs.

Human rights implications

APRA has assessed the instrument and is of the view that it does not engage any of the applicable rights or freedoms recognised or declared in the international instruments listed in section 3 of the HRPS Act. Accordingly, in APRA's assessment, the instrument is compatible with human rights.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.