



Banking Executive Accountability Regime (Size of an Authorised Deposit-taking Institution) Determination 2021

I, Josh Frydenberg, Treasurer, make the following determination.

Dated 30 March 2021

Josh Frydenberg
Treasurer

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Part 1—Preliminary

1 Name

This instrument is the *Banking Executive Accountability Regime (Size of an Authorised Deposit-taking Institution) Determination 2021*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under subsection 37G(3) of the *Banking Act 1959*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

5 Definitions

Note: Paragraph 13(1)(b) of the *Legislation Act 2003* has the effect that expressions have the same meaning in this instrument as in the *Banking Act 1959* as in force from time to time.

In this instrument:

final report means a report in relation to an ADI's final reporting period in a financial year submitted by the ADI to APRA under:

- (a) Reporting Standard ARS 320.0 Statement of Financial Position (Domestic Books); or
- (b) Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI); or

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(c) Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position.

financial year of an ADI has the meaning given by section 323D of the *Corporations Act 2001*.

Reporting Standard: see section 8.

total asset size: see section 6.

total resident assets value: see section 7.

Part 2—Determining the size of an ADI

6 Size of an ADI

- (1) This section determines, for the purposes of subsection 37G(3) of the *Banking Act 1959*, the kinds of ADIs that are large ADIs, medium ADIs and small ADIs.
- (2) An ADI is a **large ADI** at a time during a financial year if its total asset size at the start of the financial year is or exceeds \$107 billion (indexed in accordance with section 9).
- (3) An ADI is a **medium ADI** at a time during a financial year if its total asset size at the start of the financial year exceeds \$10 billion (indexed in accordance with section 9) and is less than \$107 billion (indexed in accordance with section 9).
- (4) An ADI is a **small ADI** at a time during a financial year if:
 - (a) its total asset size at the start of the financial year does not exceed \$10 billion (indexed in accordance with section 9); or
 - (b) as at the start of the financial year, it has not yet submitted a final report for any previous financial year.
- (5) An ADI's **total asset size** at the start of a financial year is:
 - (a) if, as at the start of that financial year, the ADI has submitted a final report for only one earlier financial year—the ADI's total resident assets value (see section 7) in that final report; or
 - (b) if, as at the start of that financial year, the ADI has submitted final reports for only 2 earlier financial years—the average of the total resident assets value in the final report for each of those financial years; or
 - (c) if, as at the start of that financial year, the ADI has submitted final reports for 3 or more earlier financial years—the average of the total resident assets value in the final report for each of the 3 most recent of those earlier financial years.
- (6) For the purposes of subsection (5):
 - (a) if an ADI has submitted final reports for a financial year ending on or before 30 June 2019 under both Reporting Standard ARS 720.0 and Reporting Standard ARS 320.0, take into account only the total resident assets value in the final report under Reporting Standard ARS 320.0; and
 - (b) if an ADI has submitted final reports for a financial year ending after 30 June 2019 under both Reporting Standard ARS 720.0 and Reporting Standard ARS 323.0, take into account only the total resident assets value in the final report under Reporting Standard ARS 720.0.

7 Total resident assets value

- (1) An ADI's **total resident assets value** in a final report is determined in accordance with this section.

Section 8

- (2) If the report is under Reporting Standard ARS 320.0, the total resident assets value is the amount reported in Section A, item 10 Total assets in Form ARF 320.0 in that Reporting Standard.
- (3) If the report is under Reporting Standard ARS 323.0, the total resident assets value is the amount reported in Section A, item 11 Total assets in Form ARF 323.0 in that Reporting Standard.
- (4) If the report is under Reporting Standard ARS 720.0 and Form ARF 720.0A in that Reporting Standard, the total resident assets value is worked out in accordance with the following method:

Method statement

- | | |
|---------|---|
| Step 1. | Identify the amount reported in Section A, item 13 Total assets including intra-group assets. |
| Step 2. | Subtract from the result of Step 1 the amount required to be reported in Section A, item 11.1 Total assets excluding intra-group assets <i>of which</i> : Due from non-residents. |
| Step 3. | Subtract from the result of Step 2 the amount required to be reported in Section A, item 12.1 Total intra-group assets <i>of which</i> : Due from non-residents. |

- (5) If the report is under Reporting Standard ARS 720.0 and Form ARF 720.0B in that Reporting Standard, the total resident assets value is the amount reported in Section A, item 13 Total assets including intra-group assets.

8 Reporting Standards

- (1) If a provision (the **referring provision**) of this instrument refers, in relation to an ADI's final reporting period in a financial year, to a Reporting Standard with a particular identifier, the referring provision is to be taken to refer to the version of the Reporting Standard with that identifier that applied to that reporting period because of a determination made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Example: Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI).

- (2) However, if no version of that Reporting Standard applies to that reporting period because that Reporting Standard has been replaced by a Reporting Standard with a different identifier:
 - (a) subsection (1) applies as if the referring provision referred instead to the Reporting Standard with the different identifier; and
 - (b) if the referring provision also refers to particular material in the Reporting Standard that has been replaced, it is taken to refer instead to the corresponding material in the applicable version of the Reporting Standard with the different identifier.
- (3) In this section:

identifier means a combination of letters and numbers (with or without punctuation marks, and whether or not followed by a title).

9 Indexation of thresholds

- (1) Each amount referred to in subsection 6(2), (3) or (4) is indexed in accordance with this section on 1 January 2022 and each 1 January after that.
- (2) An amount is indexed by:
 - (a) multiplying the amount by its indexation factor worked out under this section; and
 - (b) rounding the result down to the nearest multiple of \$1 billion.
- (3) The indexation factor for an amount is the following fraction, calculated to 3 decimal places (but rounding up the third decimal place if the fourth decimal place would be 5 or more):

$$\frac{\text{relevant GDP number}}{\text{base GDP number}}$$

where:

base GDP number is the annual estimate of the Gross Domestic Product: Current Prices-Original series most recently published by the Australian Statistician for the financial year ending on:

- (a) if the amount being indexed is \$10 billion—30 June 2018; or
- (b) otherwise—30 June 2020.

relevant GDP number is the first-published annual estimate of the Gross Domestic Product: Current Prices-Original series published by the Australian Statistician for the last financial year that ends before the 1 January on which the indexation occurs, disregarding any revisions of that estimate.

- (4) However, if the fraction worked out under subsection (3) is less than 1, the indexation factor is 1.

Schedule 1—Repeals

Banking Executive Accountability Regime (Size of an Authorised Deposit-taking Institution) Determination 2018 [F2018L00651]

1 The whole of the instrument

Repeal the instrument.