

Financial Sector (Collection of Data) (reporting standard) determination No. 39 of 2023

EXPLANATORY STATEMENT

Prepared by the Australian Prudential Regulation Authority (APRA)

Financial Sector (Collection of Data) Act 2001, sections 13 and 15

Acts Interpretation Act 1901, section 33

Under subsection 13(1) of the *Financial Sector (Collection of Data) Act 2001* (the Act), APRA has the power to determine reporting standards, in writing, with which financial sector entities must comply. Such standards relate to reporting financial or accounting data and other information regarding the business or activities of the entities. Subsection 33(3) of the *Acts Interpretation Act 1901* provides that where an Act confers a power to issue an instrument the power shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to revoke any such instrument.

Subsection 15(1) of the Act provides that APRA may declare a day on and after which the reporting standards are to apply.

On 23 May 2023, APRA made:

- (1) Financial Sector (Collection of Data) (reporting standard) determination No. 39 of 2023 which:
 - (i) revokes *Reporting Standard SRS 101.0 Definitions for Superannuation Data Collections* (SRS 101.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 13 of 2021; and
 - (ii) determines a new version of SRS 101.0.

The instrument commences upon registration on the Federal Register of Legislation.

1. Background

APRA is empowered to make reporting standards under the Act, which require regulated institutions, including RSE licensees, to submit specified data through various reporting forms. Data from these forms is used by APRA to assist with APRA's supervisory functions, and also by Government and other agencies such as the Australian Bureau of Statistics and the Australian Securities and Investments Commission.

It is crucial that RSE licensees, government, regulatory agencies, superannuation members and other interested stakeholders have access to high quality and consistent data to assess industry performance and the outcomes delivered for superannuation members. APRA identified the need to address gaps in the coverage and quality of the superannuation data collection and commenced the Superannuation Data Transformation (SDT) project in 2019. In September 2021, APRA determined ten new superannuation reporting standards. The superannuation reporting standards addressed critical data gaps in the previous reporting framework and the highest priority areas impacting member outcomes including: the expansion of the data collection to include all products and investment options; and improved

data in relation to performance, fees and costs, insurance arrangements, expenses, member demographics and asset allocation classifications.

The new reporting standard will enable APRA to meet its new legislative obligations set out in the *Superannuation Industry (Supervision) Act 1993* (SIS Act) (including administering the performance test under paragraph 60C of the SIS Act for trustee directed products) and to strengthen its prudential oversight of the superannuation industry. The data will support APRA's ongoing supervision activities that seek to ensure adequate focus by RSE licensees on improving member outcomes, and will also assist APRA in promoting transparency and comparability within the superannuation industry.

Following the implementation of the new standards, APRA further released minor amendments to nine of the reporting standards. These minor amendments aim to clarify aspects of the standards based on industry feedback.

2. Purpose and operation of the instrument

The purpose of the instrument is to revoke *Reporting Standard SRS 101.0 Definitions for Superannuation Data Collections* and replace it with a new version. The reporting standard outlines the definitions of data to be reported across the superannuation data collection.

Explanation of each provision in the instrument

Authority – paragraph 1

This paragraph outlines APRA's authority to determine reporting standards that are required to be complied with by financial sector entities under section 13 of the Act.

Application and commencement – paragraphs 2 – 4

This provision states which financial sector entities must comply with the reporting standard, and when the reporting standard begins to apply to these financial sector entities as provided for in section 15 of the Act.

General – paragraph 5

This paragraph provides a general instruction that terms defined in the reporting standard appear in bold italics.

Interpretation – paragraph 6

Paragraph 6 states that unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard is a reference to the instrument as in force from time to time

Overview – paragraph 7

This provision states that definitions provided in the reporting standard are listed alphabetically.

Definitions

The Definitions section lists key terms used throughout the SDT reporting standards and provides their definitions.

Documents incorporated by reference

Under section 14(1)(a) of the *Legislation Act 2003*, the standard incorporates the following documents by reference as in force from time to time:

- Acts of Parliament and associated delegated legislation;
- Prudential Standards determined by APRA, except Prudential Standards relating to superannuation; and
- Australian Accounting Standards determined by the Australian Accounting Standards Board under section 334 of the *Corporations Act 2001* (Cth).

These documents may be freely obtained at www.legislation.gov.au (all documents listed above except for Australian Accounting Standards), and <https://www.aasb.gov.au/pronouncements/accounting-standards/> (Australian Accounting Standards).

Under section 14(1)(b) of the *Legislation Act*, the standard incorporates the following documents from the time that the instrument commences:

- Prudential Standards determined by APRA under subsection 34C(1) of the *Superannuation Industry (Supervision Act) 1993* relating to superannuation. These Prudential Standards may be freely obtained at www.legislation.gov.au.
- ASIC Regulatory Guide 97: Disclosing fees and costs in PDSs and periodic statements (RG 97) March 2017 by reference as in force at March 2017. This document provides guidance on how fees and costs should be disclosed in Product Disclosure Statements (PDSs) and periodic statements and can be freely accessed and used by members of the public at: <https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-97-disclosing-fees-and-costs-in-pdss-and-periodic-statements>.
- ASIC Regulatory Guide 97: Disclosing fees and costs in PDSs and periodic statements (RG 97) September 2020 by reference as in force at September 2020. This document provides guidance on how fees and costs should be disclosed in Product Disclosure Statements (PDSs) and periodic statements and can be freely accessed and used by members of the public at: <https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-97-disclosing-fees-and-costs-in-pdss-and-periodic-statements>.

SRS 101.0 also requires entities to report against the following standards and codes as a matter of fact:

- ISO 3166 and ISO 4217 - SRS 101.0 requires financial sector entities to report certain items with a two-letter ISO 3166 country code and a three-letter ISO 4217 currency code. ISO 3166 and ISO 4217 are internationally recognised codes for the representation of countries and currencies developed by the International Organization for Standardization (ISO). Financial sector entities are aware information relevant to the two-letter ISO 3166 country code and to the three-letter ISO 4217 currency code is widely available online with the relevant links being available in the standard.

- APIR codes – SRS 101.0 requires financial sector entities to report certain items using standard identifiers for Responsible Entities, Trustees and other participants in the Australian wealth management industry. Financial Sector entities are aware that information relevant to the APRI codes is freely available online with relevant links being available in the standard.
- Development Status Groups classification – SRS 101.0 requires financial sector entities to report against an economy’s classification against the Development Status Group Classification developed by the United Nations Conference on Trade and Development (UNCTAD). Financial Sector Entities are aware that in information relevant to the Development Status Group classification is freely available online with the relevant links available in the standard. The link is: <https://unctadstat.unctad.org/en/classifications.htmlhttps://www.apir.com.au/>

The contents of these standards are not relevant to the understanding SRS 101.0 and accordingly SRS 101.0 does not incorporate by reference the contents of these standards.

3. Consultation

In November 2022, APRA released publicly, the consultation package on reporting requirements for the minor amendments to SDT Phase 1 reporting.¹

APRA held two roundtable consultation sessions, two working group meetings with industry, informal meetings with RSE licensees and released frequently asked questions (FAQs) and worked examples to address and provide clarification on issues raised by industry stakeholders.

Submissions were received from RSE licensees and industry bodies in response to the consultation package. These were valuable in assessing whether the data would meet the objectives of the SDT project, highlighting the practical issues that RSE licensees may experience in reporting and where additional guidance or improvements to definitions were required.

In March 2023, APRA released a response to consultation, incorporating the feedback received from industry into the final versions of the reporting standards, adding clarification to reporting instructions and forms, and simplifying some reporting requirements.

APRA is satisfied the consultation was appropriate and reasonably practicable.

4. Regulation Impact Statement

The Office of Impact Analysis advised that a Regulatory Impact Statement was not required for the SDT minor amendments to Phase 1 reporting standards.

¹ The discussion paper, topic papers and response to consultation together with proposed reporting standards are available on APRA’s website at [Consultation on APRA’s Superannuation Data Transformation](#).

5. 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.

6. Legislative instruments – disallowance and sunseting

The instrument is a legislative instrument for the purposes of the *Legislation Act 2003* (Legislation Act). In accordance with section 44 of the Legislation Act and item 3 in paragraphs 9 and item 6 in paragraph 11 of the *Legislation (Exemptions and Other Matters) Regulation 2015* (Legislation Regulation), the instrument is not subject to disallowance or sunseting under the Legislation Act on the grounds that the instrument relates to superannuation. The instrument is a reporting standard, which require registrable superannuation entity (RSE) licensees to provide information to APRA about their superannuation businesses and activities. The Explanatory Statement to the Legislation Regulation states:

“Item 3 is an instrument (other than regulations) relating to superannuation. This item preserves the exemption in item 39 of the table in subsection 44(2) of the Legislative Instruments Act. This exemption exists because exposure of superannuation instruments to disallowance would cause commercial uncertainty, as well as uncertainty for superannuation fund members and providers. These instruments are intended to have enduring operation and are not suitable for the disallowance process.”

“Item 6 is an instrument (other than a regulation) relating to superannuation. This item preserves the exemption in item 42 of the table in subsection 54(2) of the Legislative Instruments Act. Sunseting of instruments relating to superannuation could cause commercial uncertainty, as well as uncertainty for superannuation fund members and providers. These instruments are intended to have enduring operation and it would not be appropriate to subject them to sunseting.”

As detailed above, extensive consultation with industry stakeholders occurred prior to the finalisation of the instrument. APRA conducts regular reviews on its reporting standards, which range from post-implementation reviews to targeted reviews of specific standards or aspects of standards.

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 purpose of the Legislative Instrument is to determine *Reporting Standard SRS 101.0 Definitions for Superannuation Data Collections* that incorporates updates to the definitions in APRA's superannuation data collections.

Human rights implications

APRA has assessed the Legislative 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.