

Financial Sector (Collection of Data) (reporting standard) determination No. 6 of 2024

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.

On 10 July 2024, APRA made the Financial Sector (Collection of Data) (reporting standard) determination No. 6 of 2024 which revokes *Reporting Standard RRS 331.0 Selected Revenues and Expenses* (RRS 331.0) made under Financial Sector (Collection of Data) (reporting standard) determination No. 5 of 2020 (the reporting standard).

The instrument commences the day after it is registered on the Federal Register of Legislation.

1. Background

RRS 331.0 contained requirements for the provision of selected revenues and expenses information to APRA relating to registered entities under the Act (RFCs). The Australian Bureau of Statistics used the information collected to compile Australia's National Accounts.

In February 2020, APRA revoked the previous version of RRS 331.0 under Financial Sector (Collection of Data) (reporting standard) determination No. 1 of 2020 and replaced it with a new reporting standard as part of the modernised Economic and Financial Statistics (EFS) data collection.

In March 2020, APRA asked entities to reinstate the former collection at the request of the ABS and Reserve Bank of Australia in light of the volatile market movements and unprecedented economic conditions caused by the COVID-19 virus.¹

The reinstated RRS 331.0 (the reporting standard) collected information from RFCs for the quarters ending 31 March 2020 and 30 June 2020, after which the information was no longer required.

2. Purpose and operation of the Legislative Instrument

The purpose of the Legislative Instrument is to revoke the reporting standard. It is no longer required to collect the information under the reporting standard.

¹ <https://www.apra.gov.au/extension-of-modernised-economic-and-financial-statistics-efs-reporting-parallel-run>

Operation of the instrument

The first paragraph of the instrument identifies the source of the power that is being exercised by the delegate and is the operative paragraph that revokes the reporting standard.

The second paragraph provides that the revoked reporting standard will cease to apply on the day after the instrument is registered on the Federal Register of Legislation.

The third paragraph provides for the instrument to commence on the day after it is registered on the Federal Register of Legislation. This is the day that would apply under subsection 12(1) of the *Legislation Act 2003* (Cth), if no commencement provision were made.

3. Documents incorporated by reference

Under paragraph 14(1)(a) of the *Legislation Act 2003*, the instrument incorporates by reference as in force from time to time:

- *Legislation Act 2003* (Cth).

All documents incorporated by reference in the instrument are available on the Federal Register of Legislation at www.legislation.gov.au.

4. Consultation

APRA conducted consultation for this instrument. In March 2020, APRA indicated to RFCs its intent to continue RRS 331.0. APRA encouraged reporting entities to contact APRA if they had concerns in meeting their reporting obligations. In April 2020, APRA notified RFCs that it would reinstate the reporting standard to continue reporting under RRS 331.0 for two more quarters.² APRA made it clear that the reporting would only continue until June 2020 at the time.

APRA is satisfied the consultation was appropriate and reasonably practicable.

5. Regulation Impact Statement

The Office of Impact Analysis has advised that a detailed Impact Analysis is not required for the revocation of the reporting standard.

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.

² <https://www.apra.gov.au/changes-to-reporting-obligations-response-to-covid-19>

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 revoke the following instrument:

Reporting Standard RRS 331.0 Selected Revenues and Expenses made under Financial Sector (Collection of Data) (reporting standard) determination No. 5 of 2020.

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 Legislative Instrument is compatible with human rights.

Conclusion

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