

Jurisdiction : **Australia**

2013 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I. Refining the regulatory perimeter					
1 (2)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	Implementation ongoing or completed If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification: Issue is being addressed through : ☒ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : Short description of the content of the legislation/ regulation/guideline: Australia has a framework in place to continually review and make recommendations on the regulatory perimeter via the Council of Financial Regulators (CFR). The CFR comprises the Reserve Bank of Australia (Chair); the Australian Prudential Regulation Authority; the Australian Securities and Investments Commission; and The Treasury. The CFR's role is to contribute to the efficiency and effectiveness of financial regulation and the regulatory perimeter and to promote stability of the Australian financial system. Its members	Planned actions (if any): Money Market Funds: ASIC's analysis to date does not support further regulatory intervention for money market funds. The current regulation and market practice in Australia is aligned with IOSCO recommendations. However, ASIC has liaised with the Financial Services Council (FSC) to encourage the development of standardisation in product branding to better distinguish funds that are known as 'enhanced' money market funds from other money market funds. We consider it would be preferable if the term "money market fund" or similar terms such as 'cash', were used only by funds that have a low weighted average life and dollar weighted average maturity. Expected commencement date: Web-links to relevant documents:
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. ¹ (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: Shadow Banking: Strengthening Oversight and Regulation .		

¹ This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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				share information, discuss regulatory issues and, if the need arises, coordinate responses to potential threats to financial stability through the powers of its individual member agencies. The CFR also provides advice to Government on the adequacy of Australia's financial regulatory arrangements. Australia's regulatory framework was reviewed in 2012 as part of the FSAP update. Final documents were published in November 2012. <u>Joint Forum work</u> APRA in its role as Chair and the Australian Securities and Investments Commission (ASIC) have contributed to work on revisions to the Principles for the Supervision of Financial Conglomerates. The final report was released in September 2012. <u>Shadow Banking</u> The shadow banking system in Australia accounts for a small and declining share of the financial system. While shadow banking entities are not prudentially regulated, many are required to meet disclosure, licensing and conduct requirements set by the ASIC. The <i>Corporations Act</i> has been extended	

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				to regulate margin lending, ASIC now licences providers of consumer credit services, and the regulatory coverage of credit products under the National Consumer Credit Code has been expanded to include investor-housing mortgages. We do not see the shadow banking sector posing a significant systemic risk to the Australian financial system. However, the failure of an Australian retail debenture issuer and property lender in late 2012, prompted a review of the regulatory framework for these types of finance companies, which are one of the main types of intermediaries considered to be shadow banking entities in Australia. Given that retail debenture issuers are a very small segment of the Australian financial system, they are mainly relevant from an investor protection, rather than financial stability, standpoint. The Australian Government asked ASIC and the Australian Prudential Regulation Authority (APRA) to consult on proposals to strengthen the regulation of finance companies that issue debentures to retail investors and on-lend the invested funds.	

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				In February 2013, ASIC released its specific proposals in a consultation paper (<i>Consultation Paper 199 Debentures: reform to strength regulation</i>), which include mandatory minimum capital and liquidity requirements for issuers, improved ongoing disclosure to investors and measures to enhance the ability of trustees to monitor the financial performance of issuers and compliance with their legal obligations. ASIC's proposals do not involve prudential supervision of debenture issuers, thus maintaining a clear distinction between the regulatory framework applicable to these entities and the more intensive prudential regime which APRA applies to authorised deposit-taking institutions (ADIs). APRA currently exempts Registered Financial Corporations (RFCs) and Religious Charitable Development Funds (RCDFs) - whose activities fall within the definition of banking business - from being authorised as deposit-taking institutions by APRA. On 19 April 2013, APRA released a consultation package of proposals for RFCs and RCDFs. The proposals relate to the long-standing exemption which	

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				allows these entities to operate in the non-prudentially regulated financial sector ('shadow banking' system). In particular, APRA proposes to restrict the use of certain terms by RFCs, including the words 'deposit' and 'at-call', and to require all debenture offerings to have a minimum maturity of 31 days. APRA is still finalising its position on the proposals in relation to RFCs. A final decision is expected later this year (2013). Web-links to relevant documents: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/cp199-published-13-February-2013.pdf/\$file/cp199-published-13-February-2013.pdf http://www.apra.gov.au/MediaReleases/Pages/13_09.aspx http://www.apra.gov.au/adi/PrudentialFramework/Pages/April-2013-Consultation-Section66-Guidelines-and-Banking-Act-Exemptions.aspx http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/MIRs-Broader-Market-Structure-ASX-Chi-X-Competition-published-%2020-October-2011.pdf/\$file/MIRs-Broader-Market-	

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				Structure-ASX-Chi-X-Competition- published-%2020-October-2011.pdf	

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II. Hedge funds					
2 (3)	Registration, appropriate disclosures and oversight of hedge funds	We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds ...(Seoul) Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)	Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO's Report on Hedge Fund Oversight (Jun 2009) that inter-alia included mandatory registration and on-going regulatory requirements such as disclosure to investors.	Implementation ongoing or completed If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification: Issue is being addressed through : Primary / Secondary legislation Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Surveillance activities across both the wholesale and retail hedge fund sectors Status of progress : Reform effective (completed) as of : June 2012 Short description of the content of the legislation/ regulation/guideline: In terms registration of retail MIS hedge funds, and collection of information by regulators from wholesale and retail MIS. Deliberations on requiring registration of wholesale MIS and requiring managers of wholesale MIS to disclose specified information to their investors are at an early stage. Hedge fund managers of wholesale hedge funds are already required to be registered (licensed) Hedge fund managers are	Planned actions (if any): ASIC is a member of the TFUFE working group with responsibility for reviewing the systemic risk survey questionnaire. This is an ongoing role. ASIC has regulatory responsibility for hedge fund managers, and regularly conducts pro-active surveillance activities across both the wholesale and retail hedge fund sectors. ASIC is currently conducting a review into what level of disclosure and conduct regulation might be appropriate in the wholesale MIS sector and how such regulation might be best effected. This review will also consider the level and type of data available on wholesale MIS. Currently, ASIC surveillance activity in the wholesale hedge fund sector relies on data collected by commercial agencies and information gathered through the exercise of ASIC's compulsory notice powers on licensee managers. Expected commencement date: Web-links to relevant documents:

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				subject to oversight to ensure they have adequate risk management systems. In late 2012, ASIC participated in a coordinated survey by all members of the IOSCO Task Force on Unregulated Financial Entities (TFUFE) to determine the systemic risk posed by their respective hedge fund sectors. ASIC first participated in this survey at the end of 2010. In the most recent survey, ASIC surveyed its 16 largest hedge fund managers, soliciting detailed asset level exposure information from the 12 largest hedge funds. These 12 funds control approximately 42 per cent of sector assets. Aggregated local data has been supplied to the TFUFE members designated to compile regional and then global aggregated data and to conduct initial analysis of the information, with a view to reporting the results and findings to the FSB later this year. ASIC issued a report on the lack of systemic risk posed by local hedge funds to the Australian markets to Treasury, APRA and the RBA in May 2013. An abbreviated version of this report will be published on 10 September 2013. A gap was identified in relation to investor disclosure (wholesale and retail) between the disclosures contemplated in	

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				IOSCO's Hedge Fund Oversight (June 2009) and disclosures required of registered managed investment schemes (MIS) (ie retail funds) and wholesale schemes. In particular, registered MIS hedge funds are generally required to uses a short (i.e. 8 page) investor product disclosure format that could not readily accommodate the disclosures contemplated by IOSCO and otherwise considered appropriate by ASIC. In June 2012 ASIC issued Class Order 12/749 exempting hedge funds from the shorter PDS regime and in September issued RG 240: Hedge Funds: Improving Disclosure. The Class Order and RG 240 are currently scheduled to come into effect in February 2014. Web-links to relevant documents: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/ES-co12-749.pdf/\$file/ES-co12-749.pdf http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rg240-published-18-September-2012.pdf/\$file/rg240-published-18-September-2012.pdf	

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3 (4)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: MOUs and other ongoing work. Status of progress : Reform effective (completed) as of : Short description of the content of the legislation/ regulation/guideline: ASIC is a member of the IOSCO Task Force on Supervisory Cooperation, which has developed Principles Regarding Cross- Border Supervisory Cooperation (May 2010). The Principles are supported by an Annotated Sample MOU, to guide cooperation in a number of areas, including hedge funds. Web-links to relevant documents: http://www.iosco.org/library/pubdocs/pdf/IOSCOPD322.pdf	Planned actions (if any): Some legislative changes will be required to facilitate ASIC sharing information and otherwise cooperating with other regulators in an international context. Expected commencement date: Web-links to relevant documents:

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4 (5)	Enhancing counterparty risk management	Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)	Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties. See, for reference, the following BCBS documents :	Implementation ongoing or completed If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification: Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 2007 and November 2011 Short description of the content of the legislation/ regulation/guideline: ASIC’s regulatory guide relating to risk management and other general licensing obligations was published in 2007. In November 2011 ASIC introduced new financial requirements for responsible entities (REs) of managed investment schemes (MISs) including retail hedge funds. REs must prepare 12-month cash-flow projections which must be approved at least quarterly by directors. To meet the new net tangible asset (NTA) capital requirements, REs must hold the greater of: *\$150,000 * 0.5% of the average value of scheme	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(6)		Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)	• Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • Basel III (June 2011) – relevant references to counterparty credit risk standards		

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				property (capped at \$5 million), or * 10% of the average RE revenue (uncapped). A liquidity requirement has also been introduced where an RE must hold at least 50% of its NTA requirement in cash or cash equivalents, and an amount equal to the NTA requirement in liquid assets. APRA requires ADIs to meet prudential requirements governing counterparty credit risk and large exposures. APRA implemented the Basel III counterparty credit risk measures from 1 January 2013. Web-links to relevant documents: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rg104.pdf/\$file/rg104.pdf http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/co11-1140.pdf/\$file/co11-1140.pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-112-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-113-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-114-(January-2013).pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				nework/Documents/Basel-III-Prudential-Standard-APS-221-(January-2013).pdf	

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III. Securitisation					
5 (7)	Improving the risk management of securitisation	During 2010, supervisors and regulators will: implement IOSCO's proposals to strengthen practices in securitisation markets. (FSB 2009)	Jurisdictions should indicate the progress made in implementing the recommendations contained in: - IOSCO's Report on Global Developments in Securitisation Regulation (Nov 2012) including justification for any exemptions to IOSCO requirements; and - BCBS's Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf	Implementation ongoing or completed If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification: Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: (a) Industry Standards (b) Repo Eligibility Status of progress : Draft in preparation, expected publication in 2013: A consultation paper setting out APRA's proposed reforms to its prudential standard on securitisation. Short description of the content of the legislation/ regulation/guideline: IOSCO (Transparency and Standardisation) (a) Industry Standards The Australian Securitisation Forum (ASF) has implemented industry disclosure standards for RMBS on:	Planned actions (if any): IOSCO work (Incentive Alignment and Risk Retention) APRA is currently reviewing its prudential standard on securitisation Prudential Standard APS 120 Securitisation (APS120). A consultation paper setting out APRA's proposed reforms to APS 120 is planned for 2013. As part of this review, it is expected that proposals will include an explicit framework within which ADIs may engage in securitisation for funding purposes, without any capital benefits, or with capital benefits subject to appropriate risk retention requirements. Expected commencement date: Consultation to occur during 2013. Web-links to relevant documents:
(8)		The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London) Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)			

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				* Pre-issuance Disclosure; * Securities Information; * Pool Information; * Loan Level Data; * Arrears Calculation & Reporting; and * Representations & Warranties. <i>(b) Repo Eligibility</i> In October 2012, the Reserve Bank announced that it would be introducing new criteria for the eligibility of residential mortgage backed securities (RMBS) in its repurchase agreements (repo) operations. Under the new RBA requirements (effective from on 31 December 2014) reporting templates and a cash flow waterfall template must be lodged with the Bank, validated and made publicly available. (c) APRA has incorporated the Basel II and Basel 2.5 provisions on exposures to securitisations through Prudential Standard APS 120 Securitisation (APS120); and the related Pillar 3 disclosures through Prudential Standard APS 330 Capital Adequacy: Public Disclosure of Prudential Information (APS 330).	

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				Web-links to relevant documents: http://www.securitisation.com.au/standards_rmbs http://www.rba.gov.au/media-releases/2013/mr-13-08.html http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-120-(January-2013).pdf ; http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-330-(January-2013).pdf	

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6 (9)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines. See, for reference, the following principles issued by IAIS: • ICP 13 – Reinsurance and Other Forms of Risk Transfer • ICP 15 – Investments, and • ICP 17 - Capital Adequacy. Jurisdictions may also refer to the IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008).	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 2006; 1.01.2013 Short description of the content of the legislation/ regulation/guideline: Lenders’ mortgage insurance (LMI) companies are the most significant monolines operating in Australia. From 2006, APRA significantly increased its minimum capital requirements for LMI companies. On 1 January 2013, APRA implemented a revised capital framework for all general insurers, including LMIs, after a multi-year review that was focused on alignment across the life and non-life insurance industry and on improving the risk-sensitivity of the capital frameworks. Web-links to relevant documents: http://www.apra.gov.au/MediaReleases/P	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

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				ages/05_45.aspx http://www.apra.gov.au/MediaReleases/Pages/12_25.aspx	

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7 (10)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	Jurisdictions should indicate the policy measures taken for strengthening best practices for investment in structured product. See, for reference, the principles contained in IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009) and Suitability Requirements for Distribution of Complex Financial Products (Jan 2013). Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Risk based surveillance of structured products. Status of progress : Draft in preparation, expected publication by : 2013 - A consultation paper setting out APRA's proposed reforms to its prudential standard on securitisation. Short description of the content of the legislation/ regulation/guideline: ASIC regulation and guidance ASIC conducts risk based surveillance of structured products including reviews of selected product disclosure statements and where appropriate field visits to the issuers. Industry initiative ASIC is aware that (and has been encouraging) Australian Financial Markets Association (AFMA) released principles on new product approval processes for its	Planned actions (if any): ASIC has commenced a project to conduct a 'health check' on the capital protected and capital guaranteed structured product market. The report is expected to be publicly released shortly. A consultation paper setting out APRA's proposed reforms to APS 120 (prudential standard on securitisation) is planned for 2013 (also see response to 5). Expected commencement date: Web-links to relevant documents:

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				members to use as a guide. (Also see response to #5.) APRA is currently reviewing APS 120, and as part of this review it is expected that proposals will include an explicit framework within which ADIs may engage in securitisation for funding purposes, without any capital benefits, or with capital benefits subject to appropriate risk retention requirements. Web-links to relevant documents:	

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8 (11)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products. See, for reference, IOSCO's Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) that complements IOSCO's Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : Reform effective (completed) as of : January 2013 – APRA has incorporated the Basel II and Basel 2.5 provisions on securitisation disclosures. Short description of the content of the legislation/ regulation/guideline: APRA has incorporated the Basel II and Basel 2.5 provisions on exposures to securitisation through Prudential Standard APS 120 Securitisation (APS120); and related Pillar 3 disclosures through Prudential Standards APS 330 Capital Adequacy: Public Disclosure of Prudential Information (APS 330). IOSCO's TFUMP (Task Force on Unregulated Financial. Markets and Products) has published recommendations in relation to	Planned actions (if any): ASIC is encouraging industry bodies such as the ASF to work with industry participants and relevant clearing and settlement entities to improve pre- and post-issuance information available to the industry and ultimately the public. The ASF has released industry standards on disclosure and reporting. Expected commencement date: Web-links to relevant documents:

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				disclosure. IOSCO's C1 developed and published, in April 2010, disclosure principles for public offerings of asset backed securities. In November 2012 IOSCO's C1 also published principles for ongoing disclosure for asset-backed securities. IOSCO's C2 examined the viability of post-trade transparency for SFPs. In July 2010, C2 published its report recommending that member jurisdictions should seek to enhance post-trade transparency of SFPs in their respective jurisdictions taking into account the benefits of, and issues related to, post-trade transparency discussed in the report. IOSCO, through TFUMP, is also currently looking at developing a regulatory toolkit in relation to retail structured products. Part of the regulatory toolkit will look at disclosure of these products. A consultation report was released on 18 April 2013. Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-330-(January-2013).pdf	

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IV. Enhancing supervision					
9 (12)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.² See, for reference, the following documents: Joint Forum: • Principles for the supervision of financial conglomerates (Sep 2012) BCBS: • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) IAIS: ICP 23 – Group wide supervision FSB: • Framework for addressing SIFIs (Nov 2011)	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Ongoing work Status of progress : Draft published as of : May 2013 – consultation on a new prudential framework for the supervision of conglomerate groups Short description of the content of the legislation/ regulation/guideline: ASIC conducts surveillance of securities firms. These include APRA-regulated and non-regulated institutions. For example, as the conduct and disclosure regulator ASIC undertakes: 1. Risk-based surveillance: this is a proactive, ongoing program of surveillance of the sector where ASIC	Planned actions (if any): The FSB has not identified any G-SIFIs which are headquartered in Australia; hence neither the Basel Committee’s G-SIB framework not the IAIS's G-SII framework are directly applicable in Australia. APRA has, however, commenced work on developing an assessment methodology for identifying D-SIBs in Australia, as required by the Basel Committee on Banking Supervision (BCBS). APRA will, as part of this exercise, be calibrating the necessary higher loss absorbency (HLA) capital requirement as required by the framework. APRA is on target to have this implemented as per the BCBS timetable, i.e. by January 2016. APRA is also working on a new prudential framework for the supervision of conglomerate groups. Expected commencement date: Web-links to relevant documents:

² The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.

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				engages with securities firms based on the targeted areas. 2. Reactive surveillance: responding to complaints, breach and audit notifications concerning securities firms and conducting further surveillance as required. 3. Proactive (risk-based) and reactive PDS surveillance: includes liaising with securities firms in relation to PDS and marketing materials of complex structured products APRA already undertakes a vigilant approach to supervision, taking a consolidated view where appropriate. APRA also adopts a graduated approach to supervision. Larger and more systemically important firms are subject to more intensive supervision. Web-links to relevant documents:	http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2012/APRA http://www.apra.gov.au/MediaReleases/Pages/12_34.aspx

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10 (13)	Establishing supervisory colleges and conducting risk assessments	To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)	Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Relevant jurisdictions should indicate the steps taken and status of establishing remaining supervisory colleges and conducting risk assessments.	Not applicable <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	Planned actions (if any):
(14)		We agreed to conduct rigorous risk assessment on these firms through international supervisory colleges ...(Seoul)	See, for reference, the following documents: BCBS: • Good practice principles on supervisory colleges (Oct 2010) • Report and recommendations on cross-border bank resolution (Mar 2010) IOSCO: • Principles Regarding Cross-Border Supervisory Cooperation (May 2010) IAIS : • ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges • Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges	Australia does not have any GSIFIs Issue is being addressed through : ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: see additional information. Status of progress : [No response] Short description of the content of the legislation/ regulation/guideline: As at August 2013, APRA was a member of over 20 supervisory colleges, and has hosted five colleges for significant cross-border firms where APRA is the home regulator. The then IOSCO Technical Committee (now the IOSCO Board) approved a mandate for C6 to prepare a report recommending the establishment of supervisory colleges for globally active CRAs and recommendations about the operation and functions of such colleges. ASIC is a member of two supervisory colleges:	Expected commencement date: Web-links to relevant documents:

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				* Business Conduct Roundtable ran by FINMA (Switzerland) to discuss business conduct of mutual interest focussing on the practical application supervisory methods and techniques. * Supervisory College ran by FINMA (Switzerland) to discuss the conduct of entities significant to multiple jurisdictions. ASIC attended conferences in 2010 and 2012. Web-links to relevant documents:	

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11 (15)	Supervisory exchange of information and coordination	To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)	Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the October 2006 Basel Core Principle (BCP) 25 (Home-host relationships) or, if more recent, the September 2012 BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☒ Primary / Secondary legislation ☐ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: ongoing monitoring Status of progress : Reform effective (completed) as of : 2006 and 2013 (changes to the RBA Act) Short description of the content of the legislation/ regulation/guideline: Legislation was passed in 2006 in Australia and New Zealand, emphasising the need for both countries to keep each other informed of actions that may impact on the financial stability of the other. The IOSCO TFSC has developed the Principles Regarding Cross-Border Supervisory Cooperation (May 2010). The Principles are supported by an Annotated Sample MOU. Recent amendments to the Mutual Assistance in Business Regulation Act 1992 (MABRA) extended ASIC's powers to share information:	Planned actions (if any): Legislative changes have largely been in place to enhance ASIC’s powers to promptly share supervisory information with other regulators and with supervisory colleges on a proactive basis. While ASIC’s powers are currently restricted, this does not prevent information sharing in many circumstances. Expected commencement date: Web-links to relevant documents:
New		Enhance the effectiveness of core supervisory colleges. (FSB 2012)	Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information within core colleges (e.g. bilateral or multilateral MoUs).		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				o Delegation of power to ASIC to approve MABRA requests: on 6 December 2012 MABRA was amended to permit senior ASIC staff (Executive Level 2 and above) to approve requests directly under MABRA as delegates of the Minister. Prior to this amendment, only the Minister or delegate of the Minister (senior Treasury staff) could approve MABRA requests. This means that MABRA requests will be dealt with more quickly by ASIC in future, without needing to be referred to Treasury. o New power to assist foreign regulators in supervisory matters: previously under MABRA, ASIC could only assist foreign regulators if there was a suspicion that a foreign business law had been contravened and a foreign investigation was underway (that is, we could only provide assistance to foreign regulators for enforcement purposes). On 13 December 2012 the Mutual Assistance in Business Regulation Regulations 1992 were amended to permit ASIC to assist foreign regulators in supervisory matters as well. o Powers to allow ASIC to assist and share information with groups of multijurisdictional regulators: Current	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				proposed legislation changes to the ASIC Act and MABRA will enable ASIC to share information with multijurisdictional regulators such as the European Securities and Markets Authority. Currently the law is drafted in a way that precludes ASIC from assisting groups of multijurisdictional regulators. The required law changes are currently before Parliament and are expected to be passed by the end of June 2013. APRA has established close interactions with supervisors in relevant jurisdictions, in particular New Zealand and the United Kingdom which are the most relevant jurisdictions for APRA-regulated entities. APRA also has direct engagement with foreign supervisors as part of its supervisory activities, and engagement through its long standing involvement in international fora (for example, the BCBS, IAIS and IOSCO). APRA currently has 18 MOUs with other foreign supervisors and is in the process of considering two further MOUs. APRA was also an early signatory to the IAIS's Multilateral MOU. Australia and New Zealand have been actively engaging in cross-border supervisory activity. APRA participated in the trans-Tasman crisis simulation exercise in November 2011. It	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				was agreed that the exercise was successful in testing the ability of the Trans-Tasman Council on Banking Supervision (TTBC) agencies to coordinate the resolution of a distressed trans-Tasman banking group. Since then, Australia and New Zealand authorities have continued to work together, through the TTBC, to build on lessons learned from the simulation exercise. This includes work on developing particular strategies that might be followed in the resolution of a trans-Tasman group, as well as work on the operational aspects of undertaking a coordinated reponse to a crisis. Changes were made to the Reserve Bank of Australia Act which allows the RBA to share institution-specific information with a domestic or foreign financial sector supervisory agency, or a foreign central bank. (See also No. 15.) These changes took effect from 3 January 2013. Web-links to relevant documents: http://www.apra.gov.au/AboutAPRA/Pages/ArrangementsandMoUs.aspx http://www.comlaw.gov.au/Details/C2012A00178/Download	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (16)	Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)	Jurisdictions should provide any feedback received from recent FSAPs/ROSC assessments on the October 2006 BCPs 1 and 23 or, if more recent, the September 2012 BCPs 1, 9 and 11. Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 1 January 2013 CPS 510 became effective. Short description of the content of the legislation/ regulation/guideline: The Council of Financial Regulators (CFR) released a consultation paper on proposals to enhance the supervision of Australia’s critical financial market infrastructure on 21 October 2011. In March 2012 the Treasurer released advice from the CFR on proposals to enhance the supervision of Australia’s critical financial market infrastructure (FMI) and instructed the Treasury to engage further with stakeholders on implementing the framework of proposals. Following this further consultation, the issues are being further considered by a working group of the Council of	Planned actions (if any): Development of legislative proposals for a resolution regime for FMIs is expected to continue over the remainder of 2013, including consultation with affected parties. Expected commencement date: Web-links to relevant documents:
(17)		Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)			
New		Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)	Jurisdictions should describe the outcomes of the most recent assessment of resource needs (e.g. net increase in supervisors, skills acquired and sought). Please indicate when this assessment was most recently conducted and when the next assessment is expected to be conducted.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Financial Regulators ahead of a possible further round of consultation. Relevant issues include: • Enhanced directions powers for ASIC and the RBA • Powers to enhance regulatory influence over cross-border FMIs • Resolution powers for FMIs On resourcing, as part of Australia's FSAP assessment, the IMF recommended that the Government should explore ways to ensure the stability and sufficiency of ASIC's funding to meet the future regulatory and supervisory challenges. The IMF also recommended that ASIC should aim at allocating more resources to reach sufficient levels of proactive supervision of all types of entities under its supervision. The Australian Government is considering its response to the IMF's FSAP high priority recommendations. On resourcing, as part of Australia's FSAP assessment, the IMF recommended that the Government consider the various possibilities to arrange the funding of APRA in such a manner that will ensure they will have the resources needed to respond to the current and emerging supervisory challenges. The BCP report	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				recommended that APRA remain mindful of the need to recruit and retain high calibre staff, both in terms of number and expertise. Enhancing APRA's effectiveness by continuing to ensure it recruits and retains the right people for the job, develops the skills and knowledge of its staff and deploys them where they are most needed is one of APRA's main strategic objectives in 2012-2013. The Government provided an increase in APRA's funding over a four-year period from 2012-13 to enhance APRA's crisis management and stress testing capabilities. Prudential Standard CPS 510 Governance (CPS 510) is a prudential standard applying to the banking and insurance sectors that includes a requirement that the Board ensure that directors and senior management of the regulated institution, collectively, have the full range of skills needed for the effective and prudent operation of the institution. Frontline supervisors assess this requirement as part of their regular supervision activities. Web-links to relevant documents: http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2012/Over-the-counter-derivatives-commitments-	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				consultation-paper http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2011/Review-of-Financial- http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2012/Council-of-Financial-Regulators-Financial-Market-Infrastructure-Regulation http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2012/cross-border-clearing http://www.apra.gov.au/CrossIndustry/Consultations/Documents/CPS-510-Governance-January-2013.pdf http://www.apra.gov.au/AboutAPRA/Publications/Pages/default.aspx	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Building and implementing macroprudential frameworks and tools					
13 (18)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks ³ and private pools of capital to limit the build up of systemic risk. (London)	Please describe the systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	Planned actions (if any):
(19)		Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.	Issue is being addressed through : ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: ongoing monitoring Status of progress : Reform effective (completed) as of : September 2012 – APRA and RBA joint paper published – see below. Short description of the content of the legislation/ regulation/guideline: APRA is the national statistics collection agency for the financial sector and actively shares information with a number of regulatory agencies, including the RBA, to assist in macro-prudential oversight. In September 2012, APRA and the RBA jointly published a paper, originally developed as background for	Expected commencement date: Web-links to relevant documents:

³ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Australia’s participation in the IMF’s Financial Sector Assessment Program in 2012 Macprudential Analysis and Policy in the Australian Financial Stability Framework. This paper sets out the tools and practices of these two agencies that are designed to support financial stability from a system-wide perspective. Web-links to relevant documents: http://www.comlaw.gov.au/Details/C2011C00325 http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (20)	Enhancing system-wide monitoring and the use of macro-prudential instruments	Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level...(Rec. 3.1, FSF 2009) We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)	Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency. Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them. See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012).	Implementation ongoing or completed If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification: Issue is being addressed through : ☐ Primary / Secondary legislation ☐ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : Reform effective (completed) as of : Short description of the content of the legislation/ regulation/guideline: APRA and the RBA are keeping abreast of international developments and are contributing as appropriate, including through membership of the BCBS. APRA’s legislative mandate to promote financial stability already empowers it to deploy its prudential tools in response to macro (system-wide) risks (see above at No 13). Australia’s OTC Derivatives Working Group has conducted a series of surveys, in 2009, 2012 and 2013. The Report based on the findings of the 2013 survey stated that the regulators will consider the need for regulatory action to promote the	Planned actions (if any): In relation to OTC derivatives, Australian regulators are awaiting the international work being undertaken by the BCBS/IOSCO/CPSS/CGFS working group on the margining requirements for non-centrally cleared derivatives. Expected commencement date: Web-links to relevant documents:
(21)		Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)	Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011), and the IMF paper on Macroprudential policy, an organizing framework (Mar 2011).		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				use of trade compression, after analysing the results of the most recent trade compression cycle. ASIC is participating in the Working Group on Margin Requirements, which is setting principles on margin requirements for non-centrally cleared derivatives. Web-links to relevant documents: http://www.apra.gov.au/AboutAPRA/Publications/Documents/2012-09-map-aus-fsf.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (22)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	Jurisdictions can make reference to the following BCBS documents: • Report and recommendations of the Cross-border Bank Resolution Group (Mar 2010) • Good Practice Principles on Supervisory Colleges (Oct 2010) (Principles 2, 3 and 4 in particular)	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☒ Primary / Secondary legislation ☐ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : Reform effective (completed) as of : Short description of the content of the legislation/ regulation/guideline: The RBA and APRA agreed an MOU in 1998, which, among other things, sets out some of the specifics of the modes of co-operation and procedures for information sharing. There is also a high degree of cooperation and liaison between the two agencies, with the key formal structure for bilateral cooperation between the RBA and APRA being the regular meeting of the Coordination Committee. This meeting occurs roughly every six weeks. The Coordination Committee’s standing agenda includes discussions on market developments and any issues of note concerning specific institutions. Ahead of the meeting, the two agencies	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				typically circulate relevant internal analysis to each other. Because strong relationships between the agencies are so important to the effectiveness of financial stability oversight, cooperation between the RBA and APRA occurs not only through formal processes, but through close informal relationships at both senior executive and working levels. Individual executives at both agencies are accountable for building and maintaining inter-agency relationships, as set out in their job description and terms of employment. The Council for Financial Regulation (CFR), a coordinating body for Australia's main financial regulatory agencies, has an MOU in place between council members on managing periods of financial stress. As stated previously, at March 2013, APRA has 18 MOUs or similar arrangements with foreign counterparts. Legislation was passed in December 2012 that allows the government (in consultation with the regulators) to apply mandatory reporting, clearing or platform-based trading requirements to specific classes of OTC derivatives contracts. The new framework will require enhanced consultation and sharing of data among Australian financial sector agencies, so the legislation also included provisions to enhance the RBA's information-sharing	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				powers. These enhancements will apply to any protected (i.e. institution-specific) information received by the RBA. These new provisions included in amendments to the Reserve Bank of Australia Act allow the RBA to share such information with a domestic or foreign financial sector supervisory agency, or a foreign central bank. Web-links to relevant documents: http://www.cfr.gov.au/about-cfr/mou/index.html http://www.apra.gov.au/AboutAPRA/Pages/ArrangementsandMoUs.aspx http://www.comlaw.gov.au/Details/C2012A00178/Download	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16 (23)	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs. They should also indicate its consistency with the following IOSCO document: • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008)	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 1.01.2010 Short description of the content of the legislation/ regulation/guideline: Domestic implementation Licensing of CRAs took effect from 1 January 2010. Licence conditions for all CRAs require compliance with the IOSCO Code on a mandatory basis. All CRAs must lodge with ASIC at least annually, and upon request, a Compliance Report that contains information in relation to the CRA's adoption, publication and adherence to a code of conduct that complies with the IOSCO Code stipulated in the CRAs Australian Financial Services Licence (AFSL). ASIC Information Sheet 147 Credit rating agencies: Lodging a compliance report	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(24)		National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process. CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process. The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	Jurisdictions may also refer to the following IOSCO documents: • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs; • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003); and • Credit Rating Agencies: Internal Controls Designed to Ensure the Integrity of the Credit Rating Process and Procedures to Manage Conflicts of Interest (Dec 2012).		
(25)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				with ASIC explains what information must be included in the Compliance Report. IOSCO Within IOSCO C6, ASIC continues to advocate for the establishment of supervisory colleges for globally relevant CRAs to facilitate further cooperation and information sharing between authorities and assist authorities' oversight of cross-border CRAs. The then IOSCO Technical Committee (now IOSCO Board) approved a mandate for C6 to prepare a report recommending the establishment of supervisory colleges for globally active CRAs and recommendations about the operation and functions of such colleges. ASIC has also been involved in the IOSCO C6 discussions involving the analysis of the IOSCO CRA Code against the specific provisions in members' CRA registration and oversight programs and to recommend revisions. Collaboration with other regulators An MOU between ASIC and ESMA concerning cross-border CRAs was executed on 21 December 2011. In addition, ESMA endorsed Australia's CRA regulatory framework as being 'as strict as' European CRA Regulation allowing credit ratings issued in Australia to be endorsed by European established CRAs for regulatory purposes in the EU. On 5 October 2012, the European Commission	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				recognised the legal and supervisory framework of Australia as equivalent to the European CRA requirements allowing certain credit ratings issued by a CRA established in Australia, who are certified in Europe, to be used in Europe without being endorsed. In accordance with Basel II, Basel 2.5 and Basel III, APRA allows an ADI to determine risk weights by reference to External Credit Assessment Institutions (ECAIs). APRA prudential standard APS 330 also includes specific disclosures relating to ECAIs. In January 2013, APRA published a revised version of its Guidelines on Recognition of an External Credit Assessment Institution to incorporate Basel III requirements. Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/ECAI_guidelines_January_2013.pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-330-(January-2013).pdf http://www.asic.gov.au/asic/asic.nsf/byheadline/Credit+rating+agencies%3A+Lodging+a+compliance+report+with+ASIC?openDocument	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (26)	Reducing the reliance on ratings	We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul) Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008) We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)	No information on this recommendation will be collected in the current IMN survey since a thematic peer review is taking place in this area during 2013.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (27)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB. They should also explain the system they have for enforcement of consistent application of those standards.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 2005 – see below. APRA requires regulated entities to comply with IFRS requirements Short description of the content of the legislation/ regulation/guideline: Australia adopted IFRS, including Interpretations, in 2005 and has been adopting all subsequent revisions for publicly accountable for-profit entities through the Australian Accounting Standards Board (AASB). Entities preparing financial reports under the Corporations Act must prepare financial reporting using these standards. IFRS has also been adapted for application by not-for-profit entities, including governments and other public sector entities. In 2009, Australia, through the	Planned actions (if any): Australia strongly encourages non-adopting jurisdictions to adopt or converge with IFRS. Australia will monitor progress of IFRS-US GAAP convergence and will continue to promote broader adoption and convergence with IFRS within the Asia-Pacific region. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				AASB and the FRC was instrumental in the formation of the AOSSG. The AOSSG aims to: (a) promote adoption of, and convergence with, IFRS in the region; (b) promote consistent application of IFRS in the region; (c) coordinate input from the region to the IASB; and (d) cooperate with governments and regulators and other regional and international organisations to improve the quality of financial reporting in the region. Australia is chair of the AOSSG from November 2011 for two years and hosted the 3rd Annual AOSSG Meeting in Melbourne in November 2011. ASIC contributes to IOSCO's submissions on IASB discussion papers and exposure drafts, and participates in the sharing of information on IFRS regulatory decisions and interpretations, as well as emerging issues, with other securities regulators. ASIC, AASB and APRA are members of the Financial Reporting Council (FRC), a body responsible for overseeing the effectiveness of the financial reporting framework in Australia. APRA is also a member of the Basel Committee's Accounting Task Force and the IAIS. The IASB, FASB and AASB have progressed the following Financial Crisis related projects: 1. IFRS 9 Financial	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Instruments: * Classification and measurement. The IASB indicated in November 2011 that the Classification and Measurement Phase would be reopened to enable convergence with the FASB. * Impairment * Hedge accounting 2. IFRS 10 Consolidated Financial Statements (completed) and effective from 1 January 2013. 3. IFRS 13 Fair Value Measurement (completed) and effective from 1 January 2013. 4. IFRS 11 Joint Arrangements (completed) and effective from 1 January 2013. Australia has hosted delegations from other countries that are interested in Australia's implementation of IFRS. All entities under the Corporations Act and all APRA-regulated entities must report using IFRS. Web-links to relevant documents: http://www.ifrs.org/Current-Projects/IASB-Projects/Pages/IASB-Work-Plan.aspx	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
19 (28)	Appropriate application of Fair Value Accounting	Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)	Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting. See, for reference, the following BCBS documents: Basel 2.5 standards on prudent valuation (Jul 2009) Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Ongoing monitoring Status of progress : Reform effective (completed) as of : January 2013 – see additional information Short description of the content of the legislation/ regulation/guideline: In May 2011, the IASB issued IFRS 13 Fair Value Measurement, which has been included in the Australian Accounting Standard AASB 13. APRA requires that fair value must be prudent and apply an extra degree of conservatism. APRA also participates on the BCBS Accounting Task Force which is contributing to the development of the IASB standards. APRA revised its approach to fair value in implementing Basel III, in Prudential Standard APS 111 Capital Adequacy: Measurement of Capital (APS 111). Basel III removes prudential filters from	Planned actions (if any): The IASB is progressing its project on general hedge accounting and macro hedge accounting, an objective of which includes simplifying hedge accounting requirements. The AASB will continue to monitor the work of the IASB with a view to incorporating the outcome into AASB 9 in due course. Expected commencement date: Web-links to relevant documents: http://www.aasb.gov.au/Pronouncements/Current-standards.aspx
(29)		Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				fair values that are included in Common Equity Tier 1 capital. Also in January 2013, APRA specifically introduced a new reporting requirement (Reporting Standard ARS 111.0 Fair Values (ARS 110.0) to monitor ADIs' use of fair values. APRA is currently assessing the first fair value collection submitted for the period ending March 2013. Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-111-(January-2013).pdf http://www.apra.gov.au/adi/ReportingFramework/Documents/Reporting_Standard_AR_111_0_January_2013.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (31)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. See, for reference, the Joint Forum's Principles for the supervision of financial conglomerates (Sep 2012) and the following BCBS documents: • Principles for effective risk data aggregation and risk reporting (Jan 2013) • The Liquidity Coverage Ratio (LCR) (Jan 2013) • Principles for the sound management of operational risk (Jun 2011) • Principles for sound stress testing practices and supervision (May 2009)	Implementation ongoing or completed If “Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification: Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Draft published as of : 9.5.2013 and APRA expects to issue final standards and guidance in 2013. Short description of the content of the legislation/ regulation/guideline: APRA has already incorporated risk management strategies in regulatory supervision across its industries. APRA is also in the process of finalising a proposed cross-industry prudential standard on risk management. A discussion paper was published on 9 May (consultation closed on 5 July 2013). APRA expects that the new requirements will come into full effect from 1 January 2015. The proposed new standard reflects	Planned actions (if any): n its recent FSAP report for Australia, the IMF recommended, inter alia, that the RBA develop a ‘top-down’ (macro model-based) stress testing framework to complement the stress testing already performed by the APRA. A program of work to investigate the feasibility of developing such a framework for Australia has now been initiated. Expected commencement date: Web-links to relevant documents: http://www.imf.org/external/pubs/ft/scr/2012/cr12308.pdf
(33)		National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)			
(34)		Regulators and supervisors in emerging markets ⁴ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's February 2013 thematic peer review report on risk governance .		
(35)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

⁴ Only the emerging market jurisdictions may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				APRA’s current expectations of risk management, which in many cases align with developments observed in industry. APRA also proposes to incorporate risk management requirements that are complementary to emerging international consensus on the lessons learned from the financial crisis, including from the BCBS and the FSB’s February 2013 thematic review. APRA will also consult on prudential practice guides on its expectations for risk management practices later in 2013. APRA is in the process of implementing the Basel III liquidity framework for the larger and more complex ADIs on the internationally agreed timetable. In the near future, APRA will release a final prudential standard APS 210 Liquidity (APS 210) incorporating the Basel Committee’s January 2013 release on the Liquidity Coverage Ratio. At the same time APRA will release a final prudential practice guide to assist ADIs in complying with APRA’s liquidity framework. Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (36)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2012.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 1.01.2013 Short description of the content of the legislation/ regulation/guideline: APRA implemented the Basel III capital reforms on 1 January 2013. These included the Basel regulatory adjustments in full. APRA did not follow the BCBS implementation timeline as ADIs were already in a position to meet the minimum capital requirements at the time of the recommendation. APRA formally introduced the Basel III definition of regulatory capital, the minimum requirements for the different tiers of capital, and the stricter eligibility criteria for capital instruments. However, for in-principle reasons, APRA did not adopt the concessional treatment available for certain items in calculating regulatory capital. APRA now requires ADIs to	Planned actions (if any): The implementation of the capital conservation buffer for ADIs will apply from 1 January 2016. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				meet a minimum Common Equity Tier 1 requirement of 4.5 per cent of risk-weighted assets, after regulatory adjustments. Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Pages/Basel-III-Capital-Reforms-March-2012.aspx http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-110-(January-2013).pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/Basel-III-Prudential-Standard-APS-111-(January-2013).pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
22 (37)	Enhanced risk disclosures by financial institutions	Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)	Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on Enhancing the Risk Disclosures of Banks .	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 1.01.2013 Short description of the content of the legislation/ regulation/guideline: IFRS 7 already applies in Australia. Australian Accounting Standard AASB 7 (Financial Instruments: Disclosures) is fully compliant with IFRS 7. Australian Accounting Standard AASB 13 (Fair Value Measurement) is fully compliant with IFRS 13. IFRS 13 applies in full from years commencing 1 January 2013, the application date set by the IASB. APRA and ASIC completed the review template for Australia as part of the FSB’s thematic review of risk disclosure practices. APRA implements the Basel Committee's	Planned actions (if any): APRA is also currently undertaking work on enhancing disclosure requirements for insurers. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				Pillar 3 disclosures through APS330, which was re-issued from 30 June 2013 to include the Basel III capital and remuneration disclosure. These reforms are intended to improve risk disclosures. As part of its Regulatory Consistency Assessment Programme, the Basel Committee is reviewing how individual jurisdictions determine risk weighted assets. Once this work is complete, APRA expects that there will be even greater enhancement of risk disclosure across jurisdictions. ADIs and other publicly accountable for-profit entities are required to fully comply with IFRS. Web-links to relevant documents: http://www.apra.gov.au/adi/Documents/APS330-Public-Disclosure-of-Prudential-Information-January%202012.pdf http://www.apra.gov.au/adi/PrudentialFramework/Documents/130904-DP-Basel-III-disclosure-requirements-final.pdf www.aasb.gov.au/admin/file/content105/c9/AASB13_09-11.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (38)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the recommendations of the FSB's February 2012 thematic peer review report on deposit insurance systems .	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Draft published as of : June 2013 Short description of the content of the legislation/ regulation/guideline: APRA is responsible for the administration of the Financial Claims Scheme (FCS). The purpose of the FCS is to protect depositors of ADIs and policyholders of general insurance companies from potential loss due to the failure of these institutions. The FCS has been established as a deposit insurance scheme (DIS) in 2008 to maintain financial stability by protecting depositors and preventing bank runs (Recommendation 1). APRA is in the process of aligning the FCS with the majority of the DIS core protection principles (Recommendation	Planned actions (if any): In November 2012, APRA released a consultation package on proposals to implement additional requirements in relation to payment, reporting and communication under the FCS. The final prudential standards APS 910 - Financial Claims Scheme (APS910) was released in June 2013 coming into effect 1 July 2013. Technical guidance to assist ADIs to comply with the payment and reporting requirements of APS 910 was released in August 2013. APRA is currently working through the technical details including operation funding arrangements underpinning the FCS. Formalising information sharing and coordination is partially underway between APRA and other stakeholders. (Recommendation 2) Expected commencement date: Web-links to relevant documents: http://www.apra.gov.au/adi/PrudentialFramework/Pages/financial-claims-scheme-for-ADIs-proposed-requirements.aspx http://www.apra.gov.au/adi/PrudentialFramework/Pages/financial-claims-scheme-for-ADIs-information-paper-and-

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				2). Alignment includes: • • The FCS deposit guarantee for ADIs coverage level has been recently reviewed (the FCS limit was lowered in 2012) to strike a more appropriate level balance between depositor protection, market discipline and promoting financial stability (Recommendation 2). • APRA has done work to ensure the current resources are adequate and work has commenced on communication timeframes and scenario planning and simulations (Recommendation 2). • APRA undertook a review and evaluation of the FCS scheme following the Key Attributes peer review recommendations. Response to the report has been streamed into current FCS work in progress where applicable (Recommendation 4). Web-links to relevant documents: http://www.financialstabilityboard.org/publications/r_130411a.pdf	approved-forms.aspx

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (39)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	Jurisdictions should indicate the progress made in implementing the following IOSCO reports: • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011).	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☐ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : 01.11.2012 Short description of the content of the legislation/ regulation/guideline: Rules for the cash equity market for the introduction of competition (Competition Market Integrity Rules) were made in May 2011 and implemented in October 2011. The rules address volatility controls, market operator cooperation and dark liquidity (i.e. requiring lit order priority), among other things. In November 2012, these rules were amended to enhance market operator systems and controls, participant systems and controls for automated trading, enhanced data for market surveillance and additional rules on dark liquidity. Two taskforces were established in 2012	Planned actions (if any): ASIC will continue to monitor the development of electronic liquidity providers and consider whether any adjustment is required to our short selling relief for naked short selling. Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				to analyse the impact of dark liquidity and high-frequency trading on market integrity and quality. Following consultation rules were introduced to strengthen the existing framework for electronic trading and to build on existing rules for broker crossing systems (e.g. on transparency of access and operations, conflicts of interest and supervision, clarifying the circumstances where orders are considered to be manipulative. A proposal for a minimum resting time for small orders did not proceed following a positive response from industry in reducing the instances of this occurring to reasonable levels. Web-links to relevant documents: http://www.asic.gov.au/asic/ASIC.NSF/byHeadline/Market%20integrity%20rules#competition-mirs http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/RG223-published-27-March-2013.pdf/\$file/RG223-published-27-March-2013.pdf http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/cp168-published-20-October-2011-2.pdf/\$file/cp168-published-20-October-2011-2.pdf http://www.asic.gov.au/asic/asic.nsf/byheadline/13-052MR+ASIC+reports+on+dark+liquidit	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				y+and+high-frequency+trading?openDocument http://www.asic.gov.au/asic/asic.nsf/byheadline/13-213MR+ASIC+makes+rules+on+dark+liquidity%2C+high-frequency+trading?openDocument	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
25 (40)	Enhanced market transparency in commodity markets	We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)	Jurisdictions should indicate the policy measures taken to enhance market transparency in commodity markets. See, for reference, IOSCO's report on Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011). Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the report published by the IOSCO's Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☒ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : July 2013 Short description of the content of the legislation/ regulation/guideline: There is pre and post transparency in exchange traded commodities markets in Australia. ASIC as well as market operators already have powers to address disorderly markets, in the case of exchange traded commodities. ASIC has the power to prevent market abuse for exchange and OTC trade commodity futures. Market operators have the power to impose position limits, and do in some cases, in order to satisfy their primary license obligation of ensuring a fair, orderly and transparent market. Participants in exchange and OTC commodities markets who provide financial services, such as advice or dealing on behalf of clients, are required	Planned actions (if any): Expected commencement date: 1 October 2013 Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				to obtain an Australian Financial Services Licence, and are subject to supervision by ASIC. Australia's OTC Derivatives Working Group conducted surveys in 2009, 2012 and 2013 which made a number of recommendations to market participants around risk management enhancements for the Australian OTC derivatives markets. ASIC, following a determination made by the Minister, has now finalised its trade reporting regime in accordance with its G20 OTC derivatives commitments, Commodity derivatives (other than electricity derivatives) transactions will be required to be reporting under the regime. The reporting obligation will be implemented in a phased manner from 1 October 2013. End of day reporting of individual transaction details, mark to market positions and collateral valuations would be required in a manner that is consistent with developing international approaches. A licensing and rules regime for trade repositories has also been finalised. The rules governing the activities of licensed trade repositories are closely based on the CPSS/IOSCO Principles for Financial Market Infrastructures. Licensed trade repositories will be required to make	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				statistical aggregated information available on a weekly basis by asset class. Web-links to relevant documents: Derivatives Transaction Rules (Reporting) 2013 available at: http://www.asic.gov.au/asic/asic.nsf/byheadline/Derivatives+transaction+reporting?openDocument Derivative Trade Repository Rules 2013 available at: http://www.asic.gov.au/asic/asic.nsf/byheadline/Derivative+trade+repositories?openDocument	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 New	Legal Entity Identifier	We support the creation of a global legal entity identified (LEI) which uniquely identifies parties to financial transactions. (Cannes) We encourage global adoption of the LEI to support authorities and market participants in identifying and managing financial risks. (Los Cabos)	Jurisdictions should indicate whether they have joined Regulatory Oversight Committee (ROC) and whether they intend setting up Local Operating Unit (LOU) in their jurisdiction.	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☒ Primary / Secondary legislation ☒ Regulation /Guidelines ☐ Other actions (such as supervisory actions), please specify: Status of progress : Reform effective (completed) as of : Transitional implementation between 28 October 2013 and 18 March 2014. Short description of the content of the legislation/ regulation/guideline: ASIC joined the Regulatory Oversight Committee in May 2013. At this stage the regulators are not intending to establish as LOU in Australia, but would be supportive of an LOU established by a private sector entity in Australia. Market participants are obliged to provide client reference information on orders and trades. The LEI is one of several allowable forms of client reference. In July 2013, ASIC made rules which included a requirement that reports of OTC derivative transactions to Trade Repositories will need to use an LEI (if available) in order to report information	Planned actions (if any): First reporting requirements to trade repositories that will need to use an LEI (if available) will commence on 1 October 2013. Expected commencement date: 1 October 2013 Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				on counterparties, beneficiaries, reporting entities, brokers and clearing members for these OTC derivative transaction. The first reporting obligation will come into effect on 1 October 2013, and over the course of 2014 for other financial counterparties. The Rules also provide for the use of an interim LEI, which ASIC has specified included a pre-LEI. Web-links to relevant documents: http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/RG223-published-27-March-2013.pdf/\$file/RG223-published-27-March-2013.pdf http://www.comlaw.gov.au/Details/F2013C00071/Html/Text#_Toc345501732 http://www.asic.gov.au/asic/asic.nsf/byheadline/Derivative+transaction+reporting?openDocument	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (41)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	Jurisdictions should describe progress toward implementation of the OECD's G-20 high-level principles on financial consumer protection (Oct 2011) .	Implementation ongoing or completed <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Issue is being addressed through : ☒ Primary / Secondary legislation ☒ Regulation /Guidelines ☒ Other actions (such as supervisory actions), please specify: ongoing monitoring Status of progress : Reform effective (completed) as of : Short description of the content of the legislation/ regulation/guideline: Australia has progressed reforms to strengthen the financial advice and consumer credit industries. These reforms already meet many of the G20 High Level Principles on Financial Consumer Protection. The FSB report on consumer finance protection focuses on issues related to consumer credit, including mortgages, credit cards, and secured and unsecured loans. ASIC responded to a survey on this topic in June 2011 and set out in its response the main features of the new Consumer Credit regime - licensing,	Planned actions (if any): ASIC is administering the recent legislative reforms in relation to consumer credit and responsible lending, and will implement upcoming reforms in the financial advice area (Future of Financial Advice). Implementation includes a combination of regulatory guidance, surveillance, compliance, enforcement, as well as consumer education and financial literacy resources via ASIC's consumer website, MoneySmart. Expected commencement date: Web-links to relevant documents: http://www.asic.gov.au/asic/ASIC.NSF/byHeadline/Credit%20homepage http://www.asic.gov.au/asic/asic.nsf/byheadline/Future+of+financial+advice?openDocument https://www.moneysmart.gov.au/borrowing-and-credit/consumer-credit-regulation https://www.moneysmart.gov.au/investing/financial-advice

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				responsible lending, disclosure and conduct. The Consumer Credit regime appears to meet several of the high level principles on financial consumer protection prepared by the OECD (together with the FSB). More detailed information on these principles was provided to the FSB in our response to the survey questions. Web-links to relevant documents:	

XII. Source of recommendations:

- [Los Cabos: The G20 Leaders Declaration \(18-19 June 2012\)](#)
- [Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
- [Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
- [Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
- [Pittsburgh: Leaders’ Statement at the Pittsburgh Summit \(25 September 2009\)](#)
- [London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
- [Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
- [FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
- [FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
- [FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
- [FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

XIII. List of Abbreviations used:

AASB: Australian Accounting Standards Board
ADI: Authorised Deposit-taking Institutions
AFMA: Australian Financial Markets Association
APRA: Australian Prudential Regulation Authority
ASF: Australian Securitisation Forum
ASIC: Australian Securities and Investments Commission
ASX: Australian Stock Exchange
BCBS: Basel Committee on Banking Supervision
CFR: Council of Financial Regulators (comprising the RBA, APRA, ASIC and Treasury)
CPSS: Committee on Payment and Settlement Systems
CRA: Credit rating agencies
DIS: Deposit Insurance Scheme
DNSFR Report: Joint Forum report on Review of the Differentiated Nature and Scope of Financial Regulation
ERC: Emerging Risk Committee
ESMA: European Securities and Markets Authority
FINRA: Financial Industry Regulatory Authority (USA)
FMI: Financial market infrastructure
FCS: Financial Claims Scheme
FRC: Financial Reporting Council
FSAP: Financial Sector Assessment Program
FSB: Financial Stability Board
GAAP: Generally accepted accounting principles
IASB: International Accounting Standards Board
IFRS: International Financial Reporting Standards
IMF: International Monetary Fund
IOSCO: International Organization of Securities Commissions
LCR: Liquidity coverage ratio
LMI: Lenders’ Mortgage Insurance
MIS: Managed Investment Schemes
MOU: Memoranda of Understanding
NSFR: Net stable funding ratio
OECD: Organisation for Economic Co-operation and Development
OTC: Over-the-counter
PDS: Product disclosure statement
RBA: Reserve Bank of Australia
RE: Responsible Entities
RMBS: Residential mortgage backed securities
ROSC: Report on the Observance of Standards and Codes
SFP: Structured finance products
TFUFE: IOSCO Task Force on Unregulated Financial Entities
TFUMP: IOSCO Task Force on Unregulated Financial Markets and Products
TFSC: IOSCO Task Force on Supervisory Cooperation