Agencies’ response to the Economic and Financial Statistics collection

AFMA members will welcome the key aspects of the APRA, RBA and ABS (the agencies) response to the consultation on the proposed modernisation of the Economic and Financial Statistics collection on 23 August. The response paper makes a number of important changes that reflect feedback from AFMA members in our submission and during related discussions earlier this year. These changes give more time to implement the new collection and introduce a qualitative approach to assuring data quality to replace the previously proposed standard.

The initial implementation date has been postponed from the reporting period beginning 1 July 2018 to the reporting period ending 31 March 2019. The proposed backward-looking parallel runs are not being adopted. The forward-looking parallel run has been shortened from six months to four months for monthly forms, although quarterly forms will still need to be submitted for two quarters in the forward parallel run period.

Monthly reporting has been amended from a calendar day to a business day basis. Reporting at frequencies longer than monthly will remain on a calendar day basis as originally proposed. The frequency of submission for forms is unchanged.

The quality framework for the collection has been restructured as a reporting practice guide rather than a standard and guidance, as sought by members. The agencies are now seeking feedback on the draft Reporting Practice Guide 702. At the same time, however, the agencies have foreshadowed a review of the effectiveness of RPG 702 after it has been in operation for a sufficient amount of time to determine whether it is achieving the desired outcome and whether it needs to be replaced with a requirements-based standard. Written submissions to this consultation should be forwarded to APRA via DataAnalytics@apra.gov.au by 18 October 2017.

On industry and sector classifications, for those reporting entities currently using ANZSIC 1993, the methodology proposed for the back book in the discussion paper will be permitted for the front book.

On ARF 722 ABS/RBA Derivatives, the ABS will consult with ASIC in relation to its trade-level OTC derivatives data to determine the feasibility of receiving an aggregated derivatives data set from ASIC that reflects the proposed reporting standard. There will be a new consultation on the content and implementation of the derivatives reporting later this year. This potentially represents a significant reduction in the reporting burden on AFMA members.

The agencies also propose to convene an implementation group and hold meetings every two months during the implementation phase to address issues that may arise.

Overall, the response paper and proposed consultations should yield significantly better outcomes for AFMA members compared to the original proposal.
AFMA’s Regulatory Reporting Committee will meet to consider the agencies’ response and the need for follow-up submissions.

Member queries in relation to the EFS collection can be directed to Economist, **Stephen Kirchner** or Director, Markets & Rates, **Murray Regan**.