

# EXPOSURE DRAFT



EXPOSURE DRAFT

## **Financial Accountability Regime Minister Rules 2022**

*(Minister/Maker)*

EXPOSURE DRAFT



# EXPOSURE DRAFT

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Preliminary **Part 1**

Section 1

## Part 1—Preliminary

### 1 Name

This instrument is the *Financial Accountability Regime Minister Rules 2022*.

### 2 Commencement

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

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The later of: (a) the day after this instrument is registered; and (b) the day the <i>Financial Accountability Regime Act 2022</i> commences.  However, the provisions do not commence at all if the event mentioned in paragraph (b) does not occur.	

Note: This table relates only to the provisions of this instrument as originally made.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

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

### 3 Authority

This instrument is made under the *Financial Accountability Regime Act 2022*.

### 4 Definitions

Note: A number of expressions used in this instrument are defined in the Act, including the following:

- (a) accountable entity;
- (b) accountable person;
- (c) ADI (short for authorised deposit-taking institution);
- (d) authorised NOHC (short for non-operating holding company);
- (e) foreign accountable entity;
- (f) general insurer;
- (g) life company;
- (h) private health insurer;
- (i) registered NOHC (short for non-operating holding company);
- (j) RSE licensee (RSE is short for registrable superannuation entity).

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## Part 1 Preliminary

### Section 4

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In this instrument:

*Act* means the *Financial Accountability Regime Act 2022*.

*eligible foreign life insurance company* means an *eligible foreign life insurance company* within the meaning of the *Life Insurance Act 1995* that is registered under section 21 of the *Life Insurance Act 1995*.

*final report*:

- (a) in relation to an accountable entity that is an ADI—see section 15; or
- (b) in relation to an accountable entity that is a general insurer—see section 19; or
- (c) in relation to an accountable entity that is a life company—see section 23; or
- (d) in relation to an accountable entity that is a private health insurer—see section 27; or
- (e) in relation to an accountable entity that is an RSE licensee—see section 31.

*foreign ADI* has the same meaning as in the *Banking Act 1959*.

*foreign general insurer* has the same meaning as in the *Insurance Act 1973*.

*Reporting Standard* has a meaning affected by section 34.

*total asset size*:

- (a) in relation to an accountable entity that is an ADI—see section 14; or
- (b) in relation to an accountable entity that is a general insurer—see section 18; or
- (c) in relation to an accountable entity that is a life company—see section 22; or
- (d) in relation to an accountable entity that is a private health insurer—see section 26; or
- (e) in relation to an accountable entity that is an RSE licensee—see section 30.

*total assets value*:

- (a) in relation to an accountable entity that is an ADI—see section 16; or
- (b) in relation to an accountable entity that is a general insurer—see section 20; or
- (c) in relation to an accountable entity that is a life company—see section 24; or
- (d) in relation to an accountable entity that is a private health insurer—see section 28; or
- (e) in relation to an accountable entity that is an RSE licensee—see section 32.

# EXPOSURE DRAFT

Accountable persons—prescribed responsibilities and positions **Part 2**

Section 5

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## **Part 2—Accountable persons—prescribed responsibilities and positions**

### **5 Prescribed responsibilities for accountable entities other than foreign accountable entities and NOHCs—all sectors**

- (1) For the purposes of paragraph 10(2)(b) of the Act, this section prescribes responsibilities that cause a person to be an accountable person of an accountable entity that:
  - (a) is one of the following:
    - (i) an ADI;
    - (ii) a general insurer;
    - (iii) a life company;
    - (iv) a private health insurer;
    - (v) an RSE licensee; and
  - (b) is not a foreign accountable entity.
- (2) Each of the following responsibilities, relating to the accountable entity, are prescribed:
  - (a) senior executive responsibility for management or control of the accountable entity's:
    - (i) business activities; or
    - (ii) financial resources; or
    - (iii) operations;
  - (b) senior executive responsibility for management of the accountable entity's overall risk controls or overall risk management arrangements;
  - (c) senior executive responsibility for management of the accountable entity's information management (including information technology systems);
  - (d) senior executive responsibility for management of the accountable entity's:
    - (i) internal audit function; or
    - (ii) compliance function; or
    - (iii) human resource function; or
    - (iv) anti-money laundering function; or
    - (v) dispute resolution function (whether internal or external, or both);
  - (e) senior executive responsibility for management of the accountable entity's client or member remediation programs (including hardship arrangements);
  - (f) senior executive responsibility for management of the accountable entity's breach reporting;
  - (g) senior executive responsibility for management or control of the business activities of a significant related entity of the accountable entity.
- (3) For the purposes of subsection (2), a person does not have senior executive responsibility for management of an activity or function merely because the person is carrying out the activity or function.

# EXPOSURE DRAFT

## Part 2 Accountable persons—prescribed responsibilities and positions

### Section 6

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#### **6 Prescribed positions for accountable entities other than foreign accountable entities and NOHCs—all sectors**

- (1) For the purposes of subsection 10(3) of the Act, this section prescribes positions that cause a person to be an accountable person of an accountable entity that:
  - (a) is one of the following:
    - (i) an ADI;
    - (ii) a general insurer;
    - (iii) a life company;
    - (iv) a private health insurer;
    - (v) an RSE licensee; and
  - (b) is not a foreign accountable entity.
- (2) The position of member of the board of directors (or equivalent) of the accountable entity is prescribed.

#### **7 Prescribed responsibilities for accountable entities other than foreign accountable entities and NOHCs—insurance**

- (1) For the purposes of paragraph 10(2)(b) of the Act, this section prescribes responsibilities that cause a person to be an accountable person of an accountable entity that:
  - (a) is one of the following:
    - (i) a general insurer;
    - (ii) a life company;
    - (iii) a private health insurer; and
  - (b) is not a foreign accountable entity.
- (2) Both of the following responsibilities, relating to the accountable entity, are prescribed:
  - (a) senior executive responsibility for management of the accountable entity's actuarial function;
  - (b) senior executive responsibility for management of the accountable entity's claims handling function.
- (3) For the purposes of subsection (2), a person does not have senior executive responsibility for management of an activity or function merely because the person is carrying out the activity or function.

#### **8 Prescribed responsibilities for accountable entities that are RSE licensees**

- (1) For the purposes of paragraph 10(2)(b) of the Act, this section prescribes responsibilities that cause a person to be an accountable person of an accountable entity that is an RSE licensee.
- (2) Each of the following responsibilities, relating to the accountable entity, are prescribed:
  - (a) senior executive responsibility for management of the accountable entity's member administration operations;



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Accountable persons—prescribed responsibilities and positions **Part 2**

## Section 9

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- (b) senior executive responsibility for management of the accountable entity's investment function;
  - (c) senior executive responsibility for management of the accountable entity's financial advice service;
  - (d) senior executive responsibility for management of the accountable entity's insurance offerings.
- (3) For the purposes of subsection (2), a person does not have senior executive responsibility for management of an activity or function merely because the person is carrying out the activity or function.

### **9 Prescribed responsibilities for accountable entities that are foreign accountable entities**

- (1) For the purposes of paragraph 10(2)(b) of the Act, this section prescribes responsibilities that cause a person to be an accountable person of an accountable entity that is a foreign accountable entity.
- (2) Each of the following responsibilities, relating to the accountable entity, are prescribed:
- (a) senior executive responsibility for conduct of the activities of a branch of the accountable entity that is operating in Australia;
  - (b) if the accountable entity is a foreign ADI or a foreign general insurer—responsibility for overseeing the operation of a branch operating in Australia as a senior officer outside Australia with delegated authority from the board of directors (or equivalent) of the accountable entity;
  - (c) if the accountable entity is an eligible foreign life insurance company—responsibility for oversight of the accountable entity as a member of its Compliance Committee for the purposes of section 16ZF of the *Life Insurance Act 1995*;
  - (d) if the accountable entity is a foreign general insurer—responsibility as an agent in Australia for the purposes of section 118 of the *Insurance Act 1973*.

Note: See section 4 of this instrument for the definitions of *foreign ADI*, *foreign general insurer* and *eligible foreign life insurance company*.

### **10 Prescribed responsibilities for accountable entities that are NOHCs**

- (1) For the purposes of paragraph 10(2)(b) of the Act, this section prescribes responsibilities that cause a person to be an accountable person of an accountable entity that is:
- (a) an authorised NOHC of an ADI; or
  - (b) an authorised NOHC of a general insurer; or
  - (c) a registered NOHC of a life company.
- (2) Each of the following responsibilities, relating to the accountable entity, are prescribed:
- (a) senior executive responsibility for management or control of the accountable entity's:

# EXPOSURE DRAFT

## Part 2 Accountable persons—prescribed responsibilities and positions

### Section 11

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- (i) business activities; or
  - (ii) financial resources;
  - (b) senior executive responsibility for management of the accountable entity's overall risk controls or overall risk management arrangements;
  - (c) senior executive responsibility for management of the accountable entity's internal audit function;
  - (d) senior executive responsibility for management or control of the business activities of a significant related entity of the accountable entity.
- (3) For the purposes of subsection (2), a person does not have senior executive responsibility for management of an activity or function merely because the person is carrying out the activity or function.

### **11 Prescribed positions for accountable entities that are NOHCs**

- (1) For the purposes of subsection 10(3) of the Act, this section prescribes positions that cause a person to be an accountable person of an accountable entity that is:
- (a) an authorised NOHC of an ADI; or
  - (b) an authorised NOHC of a general insurer; or
  - (c) a registered NOHC of a life company.
- (2) The position of member of the board of directors (or equivalent) of the accountable entity is prescribed.

### **12 Relationship between provisions**

Sections 5, 6, 7, 8, 9, 10 and 11 do not limit each other.

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Accountable entities—enhanced notification threshold **Part 3**

Accountable entities that are ADIs **Division 1**

Section 13

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## Part 3—Accountable entities—enhanced notification threshold

### Division 1—Accountable entities that are ADIs

#### 13 Determining when accountable entity meets enhanced notification threshold—ADIs

- (1) For the purposes of subsection 31(3) of the Act, this section sets out how to determine when an accountable entity that is an ADI meets the enhanced notification threshold.
- (2) The accountable entity meets the enhanced notification threshold at a particular time during a financial year of the accountable entity, if, at the start of the financial year, its total asset size equals or exceeds \$10 billion.

Note 1: See section 8 of the Act for the definition of *financial year* and section 14 of this instrument for the definition of *total asset size*.

Note 2: If an accountable entity meets the enhanced notification threshold under this subsection, any other accountable entity that is in the same corporate group is also taken to meet the enhanced notification threshold: see section 33.

#### 14 Total asset size—ADIs

- (1) The *total asset size* of an accountable entity that is an ADI, at the start of a financial year of the accountable entity, is:
  - (a) if, as at the start of that financial year, the accountable entity has submitted a final report for only one earlier financial year—the accountable entity's total assets value in that final report; or
  - (b) if, as at the start of that financial year, the accountable entity has submitted final reports for only 2 earlier financial years—the average of the total assets value in the final report for each of those financial years; or
  - (c) if, as at the start of that financial year, the accountable entity has submitted final reports for 3 or more earlier financial years—the average of the total assets value in the final report for each of the 3 most recent of those financial years.

Note: See section 8 of the Act for the definition of *financial year*, section 15 of this instrument for the definition of *final report* and section 16 of this instrument for the definition of *total assets value*.

- (2) For the purposes of subsection (1):
  - (a) if an accountable entity has submitted final reports for a financial year ending on or before 30 June 2019 under both Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position and Reporting Standard ARS 320.0 Statement of Financial Position (Domestic Books), take into account only the total assets value in the final report under Reporting Standard ARS 320.0 Statement of Financial Position (Domestic Books); and

# EXPOSURE DRAFT

## Part 3 Accountable entities—enhanced notification threshold

### Division 1 Accountable entities that are ADIs

#### Section 15

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- (b) if an accountable entity has submitted final reports for a financial year ending after 30 June 2019 under both Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position and Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI), take into account only the total assets value in the final report under Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position.

Note: See also section 34 of this instrument about Reporting Standards.

#### 15 Final report—ADIs

A *final report*, in relation to an accountable entity that is an ADI, means a report in relation to the accountable entity's final reporting period in a financial year of the accountable entity that is submitted by the entity to APRA under:

- (a) Reporting Standard ARS 320.0 Statement of Financial Position (Domestic Books); or
- (b) Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI); or
- (c) Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position.

Note 1: See section 8 of the Act for the definition of *financial year*.

Note 2: See also section 34 of this instrument about Reporting Standards.

#### 16 Total assets value—ADIs

- (1) The *total assets value* in a final report of an accountable entity that is an ADI is determined in accordance with this section.
- (2) If the report is under Reporting Standard ARS 320.0 Statement of Financial Position (Domestic Books), the total assets value is the amount reported in Section A, item 10 Total assets in Form ARF 320.0 in that Reporting Standard.
- (3) If the report is under Reporting Standard ARS 323.0 Statement of Financial Position (Licensed ADI), the total assets value is the amount reported in Section A, item 11 Total assets in Form ARF 323.0 in that Reporting Standard.
- (4) If the report is under Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position and Form ARF 720.0A in that Reporting Standard, the total assets value is worked out in accordance with the following method:

##### *Method statement*

- Step 1. Identify the amount reported in Section A, item 13 Total assets including intra-group assets in Form ARF 720.0A in that Reporting Standard.
- Step 2. Subtract from the result of Step 1 the amount required to be reported in Section A, item 11.1 Total assets excluding intra-group assets *of which*: Due from non-residents in Form ARF 720.0A in that Reporting Standard.

# EXPOSURE DRAFT

Accountable entities—enhanced notification threshold **Part 3**

Accountable entities that are ADIs **Division 1**

Section 16

Step 3.	Subtract from the result of Step 2 the amount required to be reported in Section A, item 12.1 Total intra-group assets <i>of which:</i> Due from non-residents in Form ARF 720.0A in that Reporting Standard.
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- (5) If the report is under Reporting Standard ARS 720.0 ABS/RBA Statement of Financial Position and Form ARF 720.0B in that Reporting Standard, the total assets value is the amount reported in Section A, item 13 Total assets including intra-group assets in Form ARF 720.0B in that Reporting Standard.

# EXPOSURE DRAFT

**Part 3** Accountable entities—enhanced notification threshold

**Division 2** Accountable entities that are general insurers

Section 17

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## **Division 2—Accountable entities that are general insurers**

### **17 Determining when accountable entity meets enhanced notification threshold—general insurers**

- (1) For the purposes of subsection 31(3) of the Act, this section sets out how to determine when an accountable entity that is a general insurer meets the enhanced notification threshold.
- (2) The accountable entity meets the enhanced notification threshold at a particular time during a financial year of the accountable entity, if, at the start of the financial year, its total asset size equals or exceeds \$2 billion.

Note 1: See section 8 of the Act for the definition of *financial year* and section 18 of this instrument for the definition of *total asset size*.

Note 2: If an accountable entity meets the enhanced notification threshold under this subsection, any other accountable entity that is in the same corporate group is also taken to meet the enhanced notification threshold: see section 33.

### **18 Total asset size—general insurers**

The *total asset size* of an accountable entity that is a general insurer, at the start of a financial year of the accountable entity, is:

- (a) if, as at the start of that financial year, the accountable entity has submitted a final report for only one earlier financial year—the accountable entity’s total assets value in that final report; or
- (b) if, as at the start of that financial year, the accountable entity has submitted final reports for only 2 earlier financial years—the average of the total assets value in the final report for each of those financial years; or
- (c) if, as at the start of that financial year, the accountable entity has submitted final reports for 3 or more earlier financial years—the average of the total assets value in the final report for each of the 3 most recent of those financial years.

Note: See section 8 of the Act for the definition of *financial year*, section 19 of this instrument for the definition of *final report* and section 20 of this instrument for the definition of *total assets value*.

### **19 Final report—general insurers**

A *final report*, in relation to an accountable entity that is a general insurer, means a report in relation to the accountable entity’s final reporting period in a financial year of the accountable entity that is submitted by the entity to APRA under Reporting Standard GRS 300.0 Statement of Financial Position.

Note 1: See section 8 of the Act for the definition of *financial year*.

Note 2: See also section 34 of this instrument about Reporting Standards.

# EXPOSURE DRAFT

Accountable entities—enhanced notification threshold **Part 3**

Accountable entities that are general insurers **Division 2**

Section 20

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## **20 Total assets value—general insurers**

The *total assets value* in a final report of an accountable entity that is a general insurer is the amount reported in item 13 Total assets in Form GRF 300.0 in Reporting Standard GRS 300.0 Statement of Financial Position.

# EXPOSURE DRAFT

**Part 3** Accountable entities—enhanced notification threshold

**Division 3** Accountable entities that are life companies

Section 21

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## **Division 3—Accountable entities that are life companies**

### **21 Determining when accountable entity meets enhanced notification threshold—life companies**

- (1) For the purposes of subsection 31(3) of the Act, this section sets out how to determine when an accountable entity that is a life company meets the enhanced notification threshold.
- (2) The accountable entity meets the enhanced notification threshold at a particular time during a financial year of the accountable entity, if, at the start of the financial year, its total asset size equals or exceeds \$4 billion.

Note 1: See section 8 of the Act for the definition of *financial year* and section 22 of this instrument for the definition of *total asset size*.

Note 2: If an accountable entity meets the enhanced notification threshold under this subsection, any other accountable entity that is in the same corporate group is also taken to meet the enhanced notification threshold: see section 33.

### **22 Total asset size—life companies**

The *total asset size* of an accountable entity that is a life company, at the start of a financial year of the accountable entity, is:

- (a) if, as at the start of that financial year, the accountable entity has submitted a final report for only one earlier financial year—the accountable entity’s total assets value in that final report; or
- (b) if, as at the start of that financial year, the accountable entity has submitted final reports for only 2 earlier financial years—the average of the total assets value in the final report for each of those financial years; or
- (c) if, as at the start of that financial year, the accountable entity has submitted final reports for 3 or more earlier financial years—the average of the total assets value in the final report for each of the 3 most recent of those financial years.

Note: See section 8 of the Act for the definition of *financial year*, section 23 of this instrument for the definition of *final report* and section 24 of this instrument for the definition of *total assets value*.

### **23 Final report—life companies**

A *final report*, in relation to an accountable entity that is a life company, means a report in relation to the accountable entity’s final reporting period in a financial year of the accountable entity that is submitted by the entity to APRA under Reporting Standard LRS 300.0 Statement of Financial Position.

Note 1: See section 8 of the Act for the definition of *financial year*.

Note 2: See also section 34 of this instrument about Reporting Standards.



# EXPOSURE DRAFT

Accountable entities—enhanced notification threshold **Part 3**

Accountable entities that are life companies **Division 3**

Section 24

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## **24 Total assets value—life companies**

The *total assets value* in a final report of an accountable entity that is a life company is the amount reported in item 12 Total assets in Form LRF 300.2 in Reporting Standard LRS 300.0 Statement of Financial Position.

# EXPOSURE DRAFT

Part 3 Accountable entities—enhanced notification threshold

Division 4 Accountable entities that are private health insurers

Section 25

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## Division 4—Accountable entities that are private health insurers

### 25 Determining when accountable entity meets enhanced notification threshold—private health insurers

- (1) For the purposes of subsection 31(3) of the Act, this section sets out how to determine when an accountable entity that is a private health insurer meets the enhanced notification threshold.
- (2) The accountable entity meets the enhanced notification threshold at a particular time during a financial year of the accountable entity, if, at the start of the financial year, its total asset size equals or exceeds \$2 billion.

Note 1: See section 8 of the Act for the definition of *financial year* and section 26 of this instrument for the definition of *total asset size*.

Note 2: If an accountable entity meets the enhanced notification threshold under this subsection, any other accountable entity that is in the same corporate group is also taken to meet the enhanced notification threshold: see section 33.

### 26 Total asset size—private health insurers

The *total asset size* of an accountable entity that is a private health insurer, at the start of a financial year of the accountable entity, is:

- (a) if, as at the start of that financial year, the accountable entity has submitted a final report for only one earlier financial year—the accountable entity’s total assets value in that final report; or
- (b) if, as at the start of that financial year, the accountable entity has submitted final reports for only 2 earlier financial years—the average of the total assets value in the final report for each of those financial years; or
- (c) if, as at the start of that financial year, the accountable entity has submitted final reports for 3 or more earlier financial years—the average of the total assets value in the final report for each of the 3 most recent of those financial years.

Note: See section 8 of the Act for the definition of *financial year*, section 27 of this instrument for the definition of *final report* and section 28 of this instrument for the definition of *total assets value*.

### 27 Final report—private health insurers

A *final report*, in relation to an accountable entity that is a private health insurer, means a report in relation to the accountable entity’s final reporting period in a financial year of the accountable entity that is submitted by the entity to APRA under Reporting Standard HRS 602.0 Financial and Capital Data.

Note 1: See section 8 of the Act for the definition of *financial year*.

Note 2: See also section 34 of this instrument about Reporting Standards.

### 28 Total assets value—private health insurers

The *total assets value* in a final report of an accountable entity that is a private health insurer is worked out in accordance with the following method:

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Accountable entities—enhanced notification threshold **Part 3**  
Accountable entities that are private health insurers **Division 4**

Section 28

*Method statement*

- |         |   |
|---------|---|
| Step 1. | Identify the amount reported in Section 1, Directly Held Assets in Form HRF 602.6 in Reporting Standard HRS 602.0 Financial and Capital Data.   |
| Step 2. | Identify the amount reported in Section 2, Indirectly Held Assets in Form HRF 602.6 in Reporting Standard HRS 602.0 Financial and Capital Data. |
| Step 3. | Identify the amount reported in Section 3, Other Assets in Form HRF 602.6 in Reporting Standard HRS 602.0 Financial and Capital Data.           |
| Step 4. | Add together all of the amounts worked out under steps 1, 2 and 3.  |

# EXPOSURE DRAFT

**Part 3** Accountable entities—enhanced notification threshold

**Division 5** Accountable entities that are RSE licensees

Section 29

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## **Division 5—Accountable entities that are RSE licensees**

### **29 Determining when accountable entity meets enhanced notification threshold—RSE licensees**

- (1) For the purposes of subsection 31(3) of the Act, this section sets out how to determine when an accountable entity that is an RSE licensee meets the enhanced notification threshold.
- (2) The accountable entity meets the enhanced notification threshold at a particular time during a financial year of the accountable entity, if, at the start of the financial year, its total asset size equals or exceeds \$10 billion.

Note 1: See section 8 of the Act for the definition of *financial year* and section 30 of this instrument for the definition of *total asset size*.

Note 2: If an accountable entity meets the enhanced notification threshold under this subsection, any other accountable entity that is in the same corporate group is also taken to meet the enhanced notification threshold: see section 33.

### **30 Total asset size—RSE licensees**

The *total asset size* an accountable entity that is an RSE licensee, at the start of a financial year of the accountable entity, is:

- (a) if, as at the start of that financial year, the accountable entity has submitted a final report for only one earlier financial year—the accountable entity’s total assets value in that final report; or
- (b) if, as at the start of that financial year, the accountable entity has submitted final reports for only 2 earlier financial years—the average of the total assets value in the final report for each of those financial years; or
- (c) if, as at the start of that financial year, the accountable entity has submitted final reports for 3 or more earlier financial years—the average of the total assets value in the final report for each of the 3 most recent of those financial years.

Note: See section 8 of the Act for the definition of *financial year*, section 31 of this instrument for the definition of *final report* and section 32 of this instrument for the definition of *total assets value*.

### **31 Final report—RSE licensees**

A *final report*, in relation to an accountable entity that is an RSE licensee, means a report in relation to the accountable entity’s final reporting period in a financial year of the accountable entity that is submitted by the entity to APRA under Reporting Standard SRS 320.0 Statement of Financial Position.

Note 1: See section 8 of the Act for the definition of *financial year*.

Note 2: See also section 34 of this instrument about Reporting Standards.

### **32 Total assets value—RSE licensees**

The *total assets value* in a final report of an accountable entity that is an RSE licensee is worked out in accordance with the following method:

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Accountable entities—enhanced notification threshold **Part 3**

Accountable entities that are RSE licensees **Division 5**

Section 32

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*Method statement*

- Step 1. For each registrable superannuation entity of which the accountable entity is an RSE licensee, identify the amount reported in item 11 Total assets in Form SRF 320.0 in Reporting Standard SRS 320.0 Statement of Financial Position.
- Step 2. Add together all of the amounts worked out under step 1.

# EXPOSURE DRAFT

**Part 3** Accountable entities—enhanced notification threshold

**Division 6** Accountable entities that are in the same corporate group

Section 33

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## **Division 6—Accountable entities that are in the same corporate group**

### **33 Related accountable entity also taken to meet enhanced notification threshold**

For the purposes of subsection 31(3) of the Act, if:

- (a) an accountable entity (the *first accountable entity*) meets the enhanced notification threshold at a particular time during a financial year of the first accountable entity under subsection 13(2), 17(2), 21(2), 25(2) or 29(2); and
- (b) the first accountable entity is related to another accountable entity (the *second accountable entity*);

the second accountable entity also meets the enhanced notification threshold at that time.

Note: See section 8 of the Act for the definition of *financial year* and for when bodies corporate are *related*.

# EXPOSURE DRAFT

## Division 7—Miscellaneous

### 34 Reporting Standards

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

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

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

- (3) In this section:

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

# EXPOSURE DRAFT

## Part 4 Miscellaneous

### Section 35

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## Part 4—Miscellaneous

### 35 Evidentiary use of certain material—manner of authentication of examination record

For the purposes of subsection 54(7) of the Act, it is a prescribed manner of authentication of a written record of an examination mentioned in that subsection if:

- (a) the written record is produced as soon as practicable after the conclusion of the examination; and
- (b) the written record is endorsed by a person (the *endorser*) other than the person examined at the examination; and
- (c) the endorser:
  - (i) was present throughout the examination; and
  - (ii) reads and endorses the written record as soon as practicable after it is produced; and
- (d) the endorsement:
  - (i) is to the effect that the record is a true record of what was said in the examination; and
  - (ii) is signed and dated by the endorser.



## Part 5—Application and transitional provisions

### 36 Application provision—total asset size

For the purposes of Part 3, in working out the total asset size of an accountable entity at the start of a financial year of the accountable entity, the start of the financial year may be:

- (a) before the commencement of this instrument; or
- (b) before the time when the accountable entity starts being an accountable entity.

Example 1: The financial year for an ADI starts on 1 November 2022. If the Act commences on 1 December 2022, the ADI starts being an accountable entity 6 months later on 1 June 2023 (see paragraph 9(2)(a) of the Act). Under subsection 13(2) of this instrument, the ADI meets the enhanced notification threshold if the ADI's total asset size on 1 November 2022 equals or exceeds \$10 billion.

Example 2: The financial year for a general insurer starts on 1 July 2023. If the Act commences on 1 December 2022, the general insurer starts being an accountable entity 18 months later on 1 June 2024 (see paragraph 9(4)(a) of the Act). Under subsection 17(2) of this instrument, the general insurer meets the enhanced notification threshold if the general insurer's total asset size on 1 July 2023 equals or exceeds \$2 billion.

Note 1: See section 8 of the Act for the definition of *financial year*.

Note 2: For when a body corporate starts being an accountable entity, see subsections 9(2) and (4) of the Act.