

APRA announces changes to regulatory reporting for life companies post IFRS

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The Australian Prudential Regulation Authority (APRA) today announced amendments to the regulatory reporting requirements for APRA-regulated life companies (excluding friendly societies) following the adoption of International Financial Reporting Standards (IFRS) in Australia.

The new reporting framework, which follows industry consultation, aligns regulatory reporting with general purpose reporting under Australian accounting standards where appropriate. The reporting requirements ensure that APRA continues to receive consistent and standardised information to monitor prudential strength following the introduction of IFRS.

The reporting framework reflects revised actuarial standards on the valuation of policy liabilities and the solvency, capital adequacy and management capital requirements released by the Life Insurance Actuarial Standards Board (LIASB). The framework comes into effect from 31 December 2005 to coordinate with general purpose reporting requirements and the implementation of the revised actuarial standards, which also become effective from that date.

APRA is granting a six^{‑}week extension to the deadline for delivery of the first returns under the new requirements to enable life companies more time to change their reporting systems.

APRA Member Mr Steve Somogyi said that the new reporting framework ensures that interactions between the regulatory financial statements, statistical returns and the actuarial standards will continue to operate appropriately and effectively following the adoption of IFRS.

The new reporting framework incorporates changes to Prudential Rules Nos 26 and 35, to reflect the move to IFRS and consolidates Prudential Rule No 31 into Prudential Rule No 26. It also introduces two new Prudential Rules, Nos 49 and 50, which are also needed to classify contracts appropriately under the new standards and to allow the initial amounts to be set in the financial statements.

Copies of the prudential rules are located on APRA's web site at: <http://www.apra.gov.au/Life/Prudential-Rules.cfm>

The Australian Prudential Regulation Authority (APRA) is the prudential regulator of the financial services industry. It oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurance, friendly societies, and most members of the superannuation industry.

APRA is funded largely by the industries that it supervises. It was established on 1 July 1998. APRA currently supervises institutions holding approximately \$2.2 trillion in assets for 20 million Australian depositors, policyholders and superannuation fund members.

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