

# APRA releases proposed prudential framework for IFRS

Tuesday, 29 November 2005

No. 05\_58

Embargo: For Immediate Release

---

The Australian Prudential Regulation Authority (APRA) today issued the first of two consultation packages outlining its proposed prudential response to the adoption of International Financial Reporting Standards (IFRS) in Australia by authorised deposit-taking institutions (ADIs) and general insurers.

This consultation package follows industry consultation and outlines APRA's approach on a range of issues including fair value measurement, excess of market value over net assets (EMVONA) employer sponsored defined benefit superannuation fund surpluses and deficits as well as loan loss provisioning.

APRA's Chairman, Dr John Laker, said that APRA's approach seeks to align its prudential and reporting standards with IFRS-based financial reports to the extent practicable.

"Industry feedback has been helpful in refining APRA's original proposals", Dr Laker said. "Where APRA has chosen to depart from accounting standards, it has done so in the interests of depositors and policyholders and after taking into account the approach of other prudential regulators."

The consultation package includes draft ADI prudential standards, guidance notes and prudential reporting forms. Relevant changes for general insurers will be introduced following completion of consultation on APRA's general insurance Stage 2 reforms dealing with capital, assets in Australia and custodian arrangements.

Comments on the proposed ADI prudential standards, guidance notes and reporting forms are invited by 16 January 2006. The standards will come into force from 1 July 2006, with transition arrangements where appropriate.

APRA's consultation package is now available on the APRA web site:

**Response to Submission:**

[Response to Submission: Adoption of International Financial Reporting Standards Prudential Approach 1. Fair Value and Other Issues](#)

**Draft Prudential Standards and Guidance Notes:**

[Draft Prudential Standards and Guidance Notes for Authorised Deposit-Taking Institutions](#)

**Draft prudential reporting forms and instructions:**

[Draft reporting forms and instructions for Authorised Deposit-Taking Institutions](#)

[Draft reporting forms and instructions for Registered Financial Corporations](#)

*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.***

**Media and industry inquires only:  
Pauline Hayes, Acting Head of Public Affairs  
Australian Prudential Regulation Authority  
Telephone: 02 9210 3143  
Mobile: 0417 528 660**

**All other inquires:  
APRA Contact Centre  
1300 131 060**

---

**Australian Prudential Regulation Authority  
[www.apra.gov.au](http://www.apra.gov.au)**