



Business Alert !

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APRA releases revised Basel II securitisation standard

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The Australian Prudential Regulation Authority (APRA) today released a paper that sets out its response to submissions on its proposals for securitisation. These proposals incorporate the new Basel capital adequacy regime, known as “the Basel II Framework”.

APRA's response paper is accompanied by a final draft Prudential Standard APS 120 Securitisation that sets out the general requirements applying to the involvement of an authorised deposit-taking institution (ADI) in securitisation activities, as well as the methodology for the calculation of an ADI's credit risk regulatory capital requirement for securitisation exposures.

The proposals form part of the Basel II capital adequacy regime for ADI's that will come into force on 1 January 2008. The full suite of Basel II prudential standards is expected to be finalised in late 2007.

Comments on the response paper and the final draft Prudential Standard APS 120 Securitisation are invited by 10 August 2007 and can be emailed to basel2@apra.gov.au.

The documents are available on APRA's website at: www.apra.gov.au/ADI/Basel-II-implementation-in-Australia.cfm.

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