



## legal compliance newsletter

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### **APRA releases Basel II market disclosure proposals**

Wednesday, 06 June, 2007

The Australian Prudential Regulation Authority (APRA) today released a discussion paper and draft prudential standard setting out its proposed approach to market disclosure under the new Basel II capital adequacy regime, known as the Basel II Framework.

The approach applies to all locally incorporated authorised deposit-taking institutions (ADI's) in Australia. The proposals aim to enhance transparency and market discipline in Australian financial markets through high quality and timely market disclosure on the risk management practices and capital adequacy of ADI's.

Under APRA's proposed approach, all locally incorporated ADI's, including foreign-owned bank subsidiaries, will be required to disclose publicly some basic quantitative information on their capital adequacy and credit risk exposures. APRA is proposing that these disclosures be made in at least one location, generally on the ADI's website.

Australian-owned ADI's that have APRA's approval to use the more advanced Basel II approaches will be required to disclose publicly more detailed qualitative and quantitative information on their risk management practices and capital adequacy.

**APRA's market disclosure 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.

Both the discussion paper and the draft prudential standard are available on APRA's web site at <http://www.apra.gov.au/ADI/Basel-II-implementation-in-Australia.cfm>

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