



11 July 2025

Anna Hughes
Chief Executive Officer
Australian Office of Financial Management
Treasury Building, Parkes, ACT 2600

By email

Dear Ms Hughes,

Issuer Reporting Standardisation

As discussed briefly last week, AFMA's panel bank members have very much welcomed the recent development by the state and federal issuers of common bond turnover reporting standards. The standards, as currently drafted, are expected to significantly reduce the costs and risks associated with such reporting, and to improve data outcomes for issuers due the increased commonality and consistency.

Nevertheless, as AFMA panel bank members work through the detail of implementing systems and processes to produce reports to the new standards in preparation for the commencement of the new standard, a number of more technical queries and suggestions have arisen. We believe these technical matters might benefit from a further exchange of ideas between banks and issuers to ensure a commonality of understanding. The technical issues for discussion are attached. Separately, given the usefulness of a common reporting format, AFMA is interested in understanding how to commence discussions with each of the ACT Government and the NZDMO to enable banks to use the same approach for turnover reporting required by these entities.

We would welcome a technical level meeting to discuss the matters raised in the attachment, or further communications as issuers would prefer. We thank you for considering these matters and would be happy to provide further information or context if that would be of assistance.

Yours sincerely

Brett Harper
CEO, AFMA

Attachment: Technical matters for resolution

- 1) Trade Date
 - Nil concerns.
- 2) Security
 - Nil concerns.
- 3) Transaction Type
 - Further clarity requested on whether buy sell backs must be executed simultaneously (resulting in a forward funding transaction).
- 4) Quantity
 - Nil concerns.
- 5) Counterpart
 - We note this is a new field compared to the current templates.
 - Mapping the panel members' internal counterparties into the HRF categories will necessitate the maintenance of a manual mapping table. AFMA members note manual processes introduce ongoing risks and so prefer processes that can be safely automated.
 - There is a risk that each bank may have different interpretations regarding which counterparties fall into which category. For example, hedge funds might also be considered fund managers, pension funds as insurance companies (case in point, in the UK, Aviva is both an insurance and pension provider), and retail counterparties may have an interbank relationship but also have a retail client underlying the transaction.
 - Clarity is sought on whether Counterparty code 13 – is this intended to cover retail brokers?
 - Banks also note they will sometimes deal with a broker on no name give up basis. Under such circumstances banks will not have access to the counterparty information to provide.
 - AFMA suggests consideration might be given to using SSIs where the issuers determine which SSIs of the counterpart belong to which category, while noting that if counterpart field can be removed this is the cleanest solution to these challenges.
- 6) Country
 - Identified as a priority field for further discussion/refinement.
 - We note that counterparty dealer location differs from the European standard. The European HRF does not provide the option of choosing between dealer location and legal entity; it is determined by the counterparty's legal domicile and, for branches, the country where the head office is incorporated.
 - AFMA members have noted there are challenges in identifying the location of the person transacting on the other side as this information is not generally known or stored in globally standard systems.

- This process requires manual mapping tables, leading to potential variances from panel member to panel member.
- For example, hedge funds are often legally domiciled in the Cayman Islands or the US but operate and deal globally (e.g., Singapore, Hong Kong, London, New York, etc.).
- Similarly, electronic trading platforms generally do not pass on the location of the dealer.
- 'Follow the sun' client coverage models mean that multiple people in different locations might transact for the same client. Coverage models for holiday leave, close of business, and other arrangements might also mean trading is moved to another country.
- There are also challenges associated with privacy of data and Personal Identifiable Information (PII) considerations as this would require panel banks to store peoples' names and location which under PII rules is not allowed. There is an expectation there may be other (as yet unknown) legal privacy and data challenges across jurisdictions.
- Members suggest removing the dealer location option and use country of incorporation only to address these issues and improve consistency.

7) System

- We note this is a new field compared to the current templates.
- It appears to AFMA that the systems relevant to Australian Government and semi-government markets are Bloomberg (3), Tradeweb (11), Other Electronic (13), and Non-electronic (14). It has been suggested the other systems be removed to reduce miscoding risks.
- AFMA members suggest a discussion should be had around the more ambiguous grey-area transactions, which are potentially hybrid, i.e., part voice and part electronic. For example, a transaction may be agreed upon via voice but then entered in an electronic system for execution, classifying it as an electronic trade when it was perhaps more properly considered a voice trade.
- When processing trades like this via Tradeweb or Bloomberg, there may be another transaction type that needs to be selected but will require both panel members and clients to be aware and utilize these fields. We see this as a potential source of data variance.
- There may need to be further understanding between panel members and counterparts about confirming trade types and associated execution methods/types to ensure consistency. Otherwise, there will be variances between panel member's data again.
- Alternatively, members would welcome the deletion of the field if issuers were supportive.

8) Value Date

- No Issue

Other matters:

1. It was suggested that proposed audit requirements might be streamlined.
2. Where panel members cease and therefore trades are no longer 'interbank' – it would be helpful if there were an APRA ADI style list. e.g. In the EU a list is updated quarterly.