

GRF_112_3 Related Party Exposures

These instructions must be read in conjunction with the general instruction guide.

Explanatory notes

Reported exposures

All equity investments in subsidiaries, associates and joint ventures should be reported in Section 1, Columns 1 to 8, regardless of whether the investment is subject to the regulatory adjustments relating to goodwill, intangibles and regulatory capital requirement.

Columns 9 to 14 do not apply to an investment in a subsidiary, joint venture or associate that:

- is operationally independent;
- represents a genuine arm's-length investment;
- is not subject to regulatory capital requirements; and
- does not undertake insurance business or business related to insurance business.

Any other related party exposures (both on and off-balance sheet) are to be reported in Section 2. Exposures to the same related party across multiple types of exposures should be reported on separate lines.

Joint operations

For the purposes of this form, a joint operation as defined under *Australian Accounting Standard AASB 11 Joint Arrangements* (AASB 11) is to be treated as a joint venture.

Instructions for specific items

Section 1: Investments in subsidiaries, joint ventures and associates and contributions to regulatory adjustments

(1) Name

This column reports the registered business name of the subsidiary, associate or joint venture of the insurer.

(2) ACN / ABN

Where relevant, this column reports the Australian Company Number (ACN) of the reported subsidiary, associate or joint venture. In cases where an entity doesn't have an ACN but it does have an Australian Business Number (ABN) or an Australian

Registered Body Number (ARBN), the ABN or ARBN should be reported. If an entity does not have an ACN, ABN, or ARBN the column should be left blank.

Input the number without spaces.

(3) Category

This column reports the appropriate category of the related entity i.e. whether it is a subsidiary, joint venture or associate.

(4) Description / nature of business

This column provides a brief description of the main business conducted by the subsidiary, joint venture or associate.

(5) Country of incorporation

This column reports the country in which the subsidiary, joint venture or associate is incorporated.

(6) Total assets

This column reports the total assets of the subsidiary, joint venture or associate as reported on its own balance sheet.

(7) Value of investment net of goodwill and other intangibles

This column reports the value of the investment in the subsidiary, joint venture or associate as reported on the reporting insurer's balance sheet, adjusted for goodwill and intangible assets.

(8) Ownership percentage (%)

This is the percentage of the insurer's ownership of shares or units of the subsidiary, associate or joint venture.

Report this as a number between zero and 100.

(9) Goodwill

This is the value of goodwill reported on the balance sheet of the subsidiary, joint venture or associate, net of adjustments to profit or loss reflecting changes arising from any impairment. The amounts reported must be net of any associated deferred tax liability that would be extinguished if the assets involved become impaired or derecognised under Australian Accounting Standards.

(10) Other intangibles

This is the value of intangible assets, other than goodwill, reported on the balance sheet of the subsidiary, joint venture or associate, net of adjustments to profit or loss reflecting changes arising from any impairment and amortisation. The amounts reported must be net of any associated deferred tax liability that would be

extinguished if the assets involved become impaired or derecognised under Australian Accounting Standards.

(11) Adjustment for goodwill / other intangibles

This column reports the amount of regulatory adjustments applied in respect of the goodwill and other intangible assets (net of impairment) in relation to the investment in the subsidiary, joint venture or associate.

This adjustment is calculated automatically as Column 8 divided by 100, multiplied by the sum of Column 9 and Column 10.

(12) Nature of regulatory capital requirement

This column reports the nature of the regulatory capital requirement (if any) of the subsidiary, joint venture or associate. An appropriate category is to be selected from the drop-down box, which is either:

- the prescribed capital amount if the investment is an insurer as defined under the *Insurance Act 1973*; or
- the equivalent amount to the prescribed capital amount if the investment is an entity carrying on insurance business in a foreign jurisdiction; or
- a comparable regulatory capital requirement as agreed with APRA; or
- no regulatory capital requirement.

(13) Regulatory capital requirement

This column reports, where applicable, the regulatory capital requirement of the subsidiary, joint venture or associate.

Where such capital requirements do not exist, this item should be reported as zero.

(14) Adjustment for regulatory capital requirements

This column reports the adjustment for investment in subsidiaries, joint ventures and associates that are subject to regulatory capital requirements.

As per Attachment B of GPS 112, this adjustment is calculated automatically as the lesser of the insurer's share of the regulatory capital requirements and the value of the investment that is recorded on the insurer's balance sheet after adjustment for any intangible component as reported in column (11).

Section 2: Other related party exposures

(1) Name

Column reports the registered business name of the relevant individual related party that the insurer has exposures to.

(2) ACN / ABN

Where relevant, this column reports the Australian Company Number (ACN) of the reported subsidiary, associate or joint venture. In cases where an entity doesn't have an ACN but it does have an Australian Business Number (ABN) or an Australian Registered Body Number (ARBN), the ABN or ARBN should be reported. If an entity does not have an ACN, ABN, or ARBN the column should be left blank.

Input the number without spaces.

(3) Category

This column reports the appropriate descriptive category of the corporate structure of the related party as either parent, subsidiary, associate, joint venture or other related party.

(4) Type of exposure

This column reports the appropriate category for the exposure to the related party.

(5) Fair value of exposure

This column reports the fair value of the exposures reported against the parent or other related party.