

IFRS 9, APRA and Tax Compliance Branch of foreign bank (Asian G-SIB)

The Challenge

Branches of Foreign Banks are required to comply with Australian prudential, accounting and reporting standards & guidelines. Foreign branches often rely on regional or global systems which cater well to Head Office requirements but require workarounds outside of the system to adjust to local requirements.

Moreover, foreign branches have limited resources within the business and IT to monitor regulatory changes and implement them in a timely manner. This Asian bank, a global G-SIB, implemented a regulatory solution to cater to its regulatory needs in Australia.

The Solution

The client acquired a regulatory platform from a leading global vendor which was implemented to:

- Calculate Expected Credit Loss provisions using AASB 9 standards.
- Convert the GL from Head-Office GAAP to Australian GAAP.
- Calculate local tax obligations.
- Automate all their APRA reporting obligations.

RegCentric worked together with the bank's project team and the international software vendor to integrate and configure the regulatory platform in line with the client's and APRA's requirements.

RegCentric contributed to the full project implementation lifecycle from project initiation, build, SIT and UAT through to production deployment, user training, go-live and production support.

The project was delivered on time and within budget, leading to other countries across the region selecting the same vendor solution to cater for their local Finance, Risk and Reporting needs.

The Outcome

The branch significantly improved their Finance, Risk and Reporting processes. The platform was integrated with the bank's core, loan application and treasury systems to create a single source of truth for Finance & Risk. The end of month reporting cycle now runs in hours as opposed to days. In the process, 50+ spreadsheets were decommissioned. The bank's team members now focus on value-adding tasks and controls instead of processing data through spreadsheets. The branch has significantly reduced their operational and compliance risks and now has the capability to efficiently navigate future regulatory changes.