

Parliamentary Joint Committee on Corporations and Financial Services

ANSWERS TO QUESTIONS ON NOTICE

July 2021

Agency: Australian Prudential Regulation Authority
Question No: QoN037-06
Topic: Supply Chain Financing and Greensill
Reference: Written (9 July 2021)
Questioner: Andrew Wallace MP

Question:

To what extent did post GFC prudential regulatory changes apply to or affect supply chain financing, trade finance and trade credit insurance and was there a movement of trade and supply chain financing from the bank to the non-bank sector following those changes?

Answer:

After the GFC, APRA introduced new capital requirements for the banking, general and life insurance sectors. APRA does not believe these changes materially impacted on the provision of trade and supply chain financing.

APRA does not directly regulate supply chain financing and does not have data about the movement of trade or supply chain financing from the regulated to non-regulated banking sector.