

**Parliamentary Joint Committee on Corporations and Financial Services**

**ANSWERS TO QUESTIONS ON NOTICE**

July 2021

**Agency:** Australian Prudential Regulation Authority  
**Question No:** QoN037-09  
**Topic:** Supply Chain Financing and Greensill  
**Reference:** Written (9 July 2021)  
**Questioner:** Andrew Wallace MP

**Question:**

How common is it for supply chain financiers to finance future or prospective invoices/receivables and does that affect whether the finance is classified as debt?

**Answer:**

Providing supply chain finance is common market practice. APRA-regulated entities that offer supply chain financing are required to meet relevant accounting and auditing standards.

The issue of future or prospective invoices/receivables is an aspect that we understand is being reviewed in the case of Greensill as to whether it is an appropriate accounting treatment. This is a question best directed to ASIC as the accounting regulator.