

Parliamentary Joint Committee on Corporations and Financial Services

ANSWERS TO QUESTIONS ON NOTICE

July 2021

Agency: Australian Prudential Regulation Authority
Question No: QoN037-07
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 provide/use structured financing, such as securitisation in Australia?

- a) What leverage levels are reached?
- b) What additional risks arise?

Answer:

The securitisation market in Australia is predominantly a residential mortgage backed securities (RMBS) market. Any securitisation of supply chain finance would not be considered material for Australian authorised deposit-taking institutions. APRA does not hold data that relates to supply chain financiers more broadly, including their use of structured financing.