

## SCHEDULE 5 FEE SCHEDULE AND PAYMENT ARRANGEMENTS AND REPORTING ARRANGEMENTS

### A. Large Deposit Guarantee

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- A.1.1. Eligible Institutions offering guaranteed large deposits are required to pay the relevant Eligibility Certificate Fee on a monthly basis, in arrears.
- A.1.2. Eligible Institutions are required to report monthly to the Scheme Administrator regarding the average daily value of deposits on which the Eligibility Certificate Fee is payable (see Guaranteed Deposits – Fee Reporting Form available on [www.guaranteescheme.gov.au](http://www.guaranteescheme.gov.au)). The Scheme Administrator may require more frequent reporting of the value of those guaranteed deposits.
- A.1.3. For Australian-owned ADIs and Australian-incorporated ADIs which are subsidiaries of foreign banks, no fee applies to the first \$1 million held by each entity in accounts with the institution. As an illustration, if an individual had a single guaranteed deposit of \$1.5 million for the entire month, the ADI should report a figure of \$0.5 million; if the balance was \$1.5 million for one half of the month and \$0.3 million for the remainder of the month, the reported figure would be \$0.25 million. For joint accounts, each account holder is considered to have an equal share of the balance of that account. As an illustration, if an individual had a single guaranteed deposit of \$1.5 million, and a joint account of \$0.5 million, the reported figure would be \$0.75 million.
- A.1.4. For foreign ADIs, the total value of guaranteed deposits is to be reported (i.e. there is no fee-free threshold).
- A.1.5. Guaranteed foreign currency deposits are to be converted into Australian dollar equivalents on a daily basis at 4pm exchange rates published on the RBA's website. These liabilities are to be shown separately to liabilities in Australian dollars.
- A.1.6. The report must be signed by the Treasurer / Chief Financial Officer (or equivalent officer) of the Eligible Institution or a senior officer of the Eligible Institution appointed by the Treasurer / Chief Financial Officer (or equivalent officer) of the Eligible Institution for the express purpose of signing the report and sent by email to [administrator@guaranteescheme.gov.au](mailto:administrator@guaranteescheme.gov.au).
- A.1.7. The figures reported on the forms must be subject to the Eligible Institution's usual audit practices and subject to an external audit at least annually. A copy of the external audit reports must be provided to the Guarantor upon request.
- A.1.8. In calculating the value of guaranteed deposits, the balance of the account at the end of the day is to be used (i.e. accrued interest, not yet credited to the account, need not be included).

- A.1.9. On the day the report is submitted, the Eligible Institution must remit the relevant Eligibility Certificate Fee to the specified account at the RBA. This payment should preferably be made through SWIFT, or by direct credit.
- A.1.10. The report is to be submitted, and the Eligibility Certificate Fee paid, within 7 Business Days of the last calendar day of each month.
- A.1.11. The Eligibility Certificate Fee is to be calculated by the Eligible Institution using the following formula:

$$\text{Eligibility Certificate Fee Payable} = \text{Guaranteed deposits} \times \text{Relevant Fee} \times \frac{\text{Number of calendar days in month}}{365}$$

where the Relevant Fee is as prescribed below.

## **B. Wholesale Funding Guarantee**

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### **B.1. Short-term liabilities (initial maturity <15 months)**

- B.1.1. Eligible Institutions issuing guaranteed short-term wholesale liabilities are required to pay the relevant Eligibility Certificate Fee on a monthly basis, in arrears.
- B.1.2. Eligible Institutions are required to report monthly to the Scheme Administrator the average daily value of guaranteed short-term wholesale liabilities on issue (see Guaranteed Short-term Liabilities – Fee Reporting Form available on [www.guaranteescheme.gov.au](http://www.guaranteescheme.gov.au)). A separate figure must be reported for each broad instrument type. The Scheme Administrator may require more frequent reporting.
- B.1.3. Guaranteed foreign currency wholesale liabilities are to be converted into Australian dollar equivalents on a daily basis at 4pm exchange rates published on the RBA's website. These liabilities are to be shown separately to liabilities in Australian dollars.
- B.1.4. The report must be signed by the / Chief Financial Officer (or equivalent officer) of the Eligible Institution or a senior officer of the Eligible Institution appointed by the Treasurer / Chief Financial Officer (or equivalent officer) of the Eligible Institution for the express purpose of signing the report and sent by email to [administrator@guaranteescheme.gov.au](mailto:administrator@guaranteescheme.gov.au).
- B.1.5. The figures reported on the form must be subject to the Eligible Institution's usual audit practices and subject to an external audit at least annually. A copy of the external audit reports must be provided to the Guarantor upon request.

- B.1.6. In calculating the value of liabilities on which the Eligibility Certificate Fee is payable, the gross proceeds of the fund raising are to be used.
- B.1.7. On the day the report is submitted, the Eligible Institution must remit the relevant Eligibility Certificate Fee to the specified account at the RBA. This payment should preferably be made through SWIFT, or by direct credit.
- B.1.8. The report is to be submitted, and the Eligibility Certificate Fee paid, within 7 Business Days of the last calendar day of each month.
- B.1.9. The Eligibility Certificate Fee is to be calculated by the Eligible Institutions using the following formula:

$$\text{Eligibility Certificate Fee Payable} = \text{Guaranteed Short-term Liabilities} \times \text{Relevant Fee} \times \text{Number of calendar days in month} / 365$$

where the Relevant Fee is as prescribed below.

## **B.2. Long-term liabilities (with initial maturities of 15 to 60 months)**

- B.2.1. Eligible Institutions issuing guaranteed wholesale liabilities with initial maturities of 15 to 60 months are required to pay the relevant Eligibility Certificate fee on a monthly basis, in arrears.
- B.2.2. Institutions are required to report monthly to the Scheme Administrator the average daily value of guaranteed term wholesale liabilities on issue (see Guaranteed Term Liabilities – Fee Reporting Form available on [www.guaranteescheme.gov.au](http://www.guaranteescheme.gov.au)). A separate figure must be reported for each security for which a guarantee has been issued. The Scheme Administrator may require more frequent reporting.
- B.2.3. Guaranteed foreign currency long-term wholesale liabilities are to be converted into Australian dollar equivalents on a daily basis at 4pm exchange rates published on the RBA's website. These liabilities are to be shown separately to liabilities in Australian dollars.
- B.2.4. The report must be signed by the Treasurer / Chief Financial Officer (or equivalent officer) of the Eligible Institution or a senior officer of the Eligible Institution appointed by the Treasurer / Chief Financial Officer (or equivalent officer) of the Eligible Institution for the express purpose of signing the report and sent by email to [administrator@guaranteescheme.gov.au](mailto:administrator@guaranteescheme.gov.au).
- B.2.5. The figures reported on the form must be subject to the Eligible Institution's usual audit practices and subject to an external audit at least annually. A copy of the external audit reports must be provided to the Guarantor upon request.

- B.2.6. In calculating the value of liabilities on which the relevant Eligibility Certificate Fee is payable, the face value of the securities issued is to be used.
- B.2.7. On the day the report is submitted, the Eligible Institution must remit the relevant Eligibility Certificate Fee to the specific account at the RBA. This payment should preferably be made through SWIFT, or by direct credit.
- B.2.8. The report is to be submitted, and the Eligibility Certificate Fee paid, within 7 Business Days of the last calendar day of each month.
- B.2.9. The Eligibility Certificate Fee is to be calculated by the Eligible Institution using the following formula.

$$\text{Eligibility Certificate Fee Payable} = \text{Guaranteed Long-term Liabilities} \times \text{Relevant Fee} \times \text{Number of calendar days in month} / 365$$

where the Relevant Fee is as prescribed below.

- B.2.10. Eligible Institutions that have obtained an Eligibility Certificate for an issuance program must notify the Scheme Administrator within 5 Business Days of the first issuance under the program.

## C. Relevant Fees

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- C.1.1. Unless otherwise advised by the Scheme Administrator, institutions are required to use the following Fee Schedules when calculating fees.

Fee Schedule for the Large Deposit Guarantee

Long Term Credit Rating of ADI <sup>1</sup>	Fee (in basis points per annum)
AAA to AA-	70
A+ to A-	100
BBB+ and below and Unrated	150

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<sup>1</sup> The credit ratings expressed are those supplied by Standard & Poors and Fitch. For those ADIs rated by Moody's the equivalent rating scale will apply.

Fee Schedule for the Guarantee in respect of Short-term Liabilities (initial maturity <15 months)

<b>Long Term Credit Rating of ADI<sup>1</sup></b>	<b>Fee (in basis points per annum)</b>
AAA to AA-	70
A+ to A-	100
BBB+ and below and Unrated	150

Fee Schedule for the Guarantee in respect of Long-term Liabilities (with initial maturities of 15 to 60 months)

<b>Long Term Credit Rating of ADI<sup>2</sup></b>	<b>Fee (in basis points per annum)</b>
AAA to AA-	70
A+ to A-	100
BBB+ and below and Unrated	150

- C.1.2. Where an institution has different ratings from two or more rating agencies, the predominant rating will be used. If there is no predominant rating, the lowest rating is to be used.
- C.1.3. For deposit and short-term wholesale liabilities, the Eligibility Certificate Fee applying for each month will be determined by the relevant credit rating as at the last Business Day of the month.
- C.1.4. For long-term liabilities, the Eligibility Certificate Fee applying will be determined by the relevant credit rating as at the day of issuance of securities, not the day of Application, with the Eligibility Certificate Fee being fixed for the term of the securities. As a result, if an Eligible Institution's rating changes, different fee rates may be applicable to different securities.
- C.1.5. In the event that the fees were to change, the Scheme Administrator would write to the Eligible Institution notifying the change.

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<sup>1</sup> The credit ratings expressed are those supplied by Standard & Poors and Fitch. For those ADIs rated by Moody's the equivalent rating scale will apply.

<sup>2</sup> The credit ratings expressed are those supplied by Standard & Poors and Fitch. For those ADIs rated by Moody's the equivalent rating scale will apply.

## **D. Reporting and Identification: General Requirements**

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- D.1.1. The first monthly fee report is due by 12 January 2009. This will cover the period from 28 November to 31 December 2008.
- D.1.2. As an interim reporting requirement, until 21 January 2009, Eligible Institutions must report the value of all Guaranteed Liabilities on a weekly basis. (The interim report for the week ending 31 December 2008 is not required as it will be covered in the monthly fee report). These weekly reports, covering Guaranteed Liabilities as at end Wednesday, must be submitted within 5 Business Days. This interim arrangement will be reviewed in January 2009.
- D.1.3. Eligible Institutions must have in place systems to identify separately Guaranteed Liabilities and other liabilities. For wholesale liabilities, systems must be in place before the Guaranteed Liabilities are issued. For deposits, the necessary systems must be in place before end February 2009. Until that time, existing systems must be able to provide soundly based estimates of the value of Guaranteed Liabilities on which an Eligibility Certificate Fee is payable.

## **E. Calculations**

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- E.1.1. The Scheme Administrator will notify an Eligible Institution of any error in the calculation of the Eligibility Certificate Fee. Such notice may, at the discretion of the Scheme Administrator:
- a. require payment of any underpayment within 7 Business Days or with the next monthly report; or
  - b. remit any overpayment; or
  - c. advise of an overpayment and direct that the overpaid amount be deducted from future monthly payments.