

[APRA confirms its regulatory approach to the Term Funding Facility announced by the Reserve Bank of Australia](#)

Source: [Australian Prudential Regulatory Authority](#)  (APRA)

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Abstract:

APRA has confirmed its regulatory approach to the [Term Funding Facility](#) (TFF) announced by the Reserve Bank of Australia (RBA) on 19 March 2020.

A key element of the TFF is the RBA's commitment to make funding available to ADIs equivalent to 3% of an ADI's total credit outstanding to Australian resident households and (non-related) businesses (the Initial Allowance). APRA confirms it will allow ADIs to include the benefit of the Initial Allowance in the calculation of the Liquidity Coverage Ratio, Minimum Liquidity Holdings Ratio and Net Stable Funding Ratio from 31 March 2020, to the extent that they have the necessary unencumbered collateral to access the facility.

APRA will provide further details to ADIs once the RBA has finalised its operational requirements for the TFF.

Further information is available on [APRA](#) 's website.