



12 October 2012

To all Australian-resident banks and registered financial corporations

APRA DETERMINES INTERNATIONAL EXPOSURES DATA NON-CONFIDENTIAL

On 4 July 2012, APRA released a consultation letter outlining a proposal to determine data provided in the International Exposures forms to be non-confidential. The letter gave the 81 banks and registered financial corporations (RFCs) that submit these data the opportunity to make representations about the proposed determinations. APRA specifically requested that any representations that sought to have the data remain confidential include:

- specifications on exactly which data items should be considered confidential; and
- justification on why these specific data items should be considered confidential.

The consultation period closed on 31 July 2012.

APRA received submissions from seven banks and one from the Australian Financial Markets Association (AFMA) in response to the consultation letter. Four banks either supported or had no objections to the proposal while three banks and AFMA raised concerns with the proposed determinations. Three of these submissions are publicly available as they have not been marked as confidential and are available on APRA's website at: <http://www.apra.gov.au/adi/PrudentialFramework/Pages/Consultation-on-confidentiality-of-international-exposures-data-July-2012.aspx>

Some submissions raised concerns with the proposal, including:

- the ability of a data user to assess an entity's performance outside of Australia; and
- the potential that the disclosure of the data would reveal the identification of an entity and its clients.

Other submissions supported the proposal, noting that the disclosure of aggregate industry data would enhance transparency and ensure the data collections remain useful and relevant.

The submissions that raised concerns did not demonstrate how determining the international exposures data non-confidential would be of detriment to an entity. Indeed, a substantial amount of information on entities' overseas performance is already publicly available. After taking all representations into account, APRA has determined the data provided in the International Exposures forms to be non-confidential under section 57 of the *Australian Prudential Regulation Authority Act 1998* (APRA Act). These determinations took effect on 3 October 2012 and are available on ComLaw's website at:

Banks: <http://www.comlaw.gov.au/Details/F2012L01992>

RFCs: <http://www.comlaw.gov.au/Details/F2012L01994>

The determinations will improve transparency and public access to aggregated international banking statistics published by the Bank for International Settlements (BIS) and the Reserve Bank of Australia (RBA) as previous masking of the statistics published by these agencies will be removed. By releasing complete datasets, third parties interested in this data such as central banks, monetary authorities, international organisations, academics and researchers will be able to conduct more in-depth analysis on cross-border financial linkages in the global financial system.

The proposed determinations will also assist Australia to fulfil its responsibilities as a G-20 member. In particular, the determinations will address the International Monetary Fund's comments that Australia is one of the most restrictive BIS reporting countries in terms of availability of detailed international banking statistics, noted in its G-20 data gaps initiative report on Australia of March 2011.

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Yours sincerely

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