



31 July 2012

Manager, Banking Statistics
Australian Prudential Regulation Authority
GPO Box 9836
Sydney NSW 2001

Email: adi_rfc@apra.gov.au

Dear Mr Connolly

Confidentiality of International Exposures Data

I refer to the APRA letter of 4 July addressed to Australian-resident banks and selected registered financial corporations concerning the proposal to determine that data provided in the International Exposures forms are non-confidential. The Australian Financial Markets Association (AFMA) is taking the opportunity of your consultation to present a collective view on behalf of our members on the proposal.

The reasoning behind the proposed the determination of non-confidentiality is noted. Every quarter APRA releases the data collected in the International Exposures returns, in summary form, to the Reserve Bank of Australia (RBA) and Bank of International Settlements (BIS) for publication in various statistical forms. Currently, between 25% - 50% of the data provided by APRA is masked at an aggregate level. By making the determination that this information is non-confidential, APRA will be able to release complete datasets, which would have the following claimed benefits:

- Users of the datasets, the BIS and the RBA would not need to mask data for publication purposes, allowing third parties interested in the IBS statistics (such as central banks, monetary authorities, international organisations etc) to conduct more detailed analysis.
- Assist Australia in fulfilling its responsibilities as a G-20 member, addressing the IMF's comments that Australia is one of the most restrictive BIS reporting countries in terms of availability of detailed international banking statistics.

It is also noted that there are no current plans to publish individual entity data or analysis based on that data locally, although the determination of non-confidentiality

would give APRA the authority power to publish these complete datasets should it choose to do so.

AFMA takes the position that release of unmasked user datasets to other jurisdiction regulators and international authorities is accepted in support of their official responsibilities. However, release to the public, which would include academics and researchers, of Australian user datasets should only be on a masked basis unless consent has been given by the provider of the dataset. This position is based on the fundamental principle of public reporting; that it should not be possible, from the information provided, for any party to calculate or imply any positional or trade related information pertaining to a particular market participant, either directly or indirectly.

In summary AFMA's position is to support the dissemination through confidential channels of unmasked datasets to third parties such as central banks, monetary authorities and international organisations to conduct more detailed analysis for official purposes without user consent. However, consent should be required for release for unofficial uses and public release of the datasets.

Please contact me at dlove@afma.com.au or on (02) 9776 7995 if further clarification or elaboration is desired.

Yours sincerely

A handwritten signature in blue ink that reads "David Love". The signature is written in a cursive, flowing style.

David Love
Director – Policy & International Affairs