

Indonesian Response on Legal Barriers to Reporting of and Access to OTC Derivatives Transaction Data

According to the Indonesian Banking Act, bank secrecy is anything related to information regarding depositor and his deposits. In addition, Bank Indonesia only regulates mandatory derivatives transaction reporting (for foreign exchange and interest rate) to Bank Indonesia in pursuant to domestic requirements. Bank Indonesia currently does not issue any regulation for domestic banks to report their OTC derivative transactions to offshore Trade Repositories (TRs). Hence, there is a possibility that banks may report their derivatives transactions with offshore counterparts to offshore TRs, without eliminating mandatory reporting to Bank Indonesia.

Furthermore, third parties are allowed to obtain direct access of derivative transactions data reported to Bank Indonesia in aggregated form by applying membership access to bank daily reporting information system. There is a potential for foreign authority to access trade-by-trade data of domestic banks derivative transactions with offshore counterparts, should the domestic banks report their transaction with foreign parties to offshore TR.

In practice, Bank Indonesia has not received any complaints of legal barriers to reporting of, and access to, OTC derivatives transaction data that involves domestic banks from market participants and foreign authorities. Hence, Bank Indonesia is of the view that action plan is not urgently required. Nevertheless, Bank Indonesia will take consideration of issuing such plan upon receiving reports of legal barriers from any of the aforementioned parties.