ABSTRACT

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INDONESIAN BANKING REGULATIONS TOWARDS UPHOLDING THE SECURITY OF BANK’S SECRETS IN ORDER FOR CUSTOMER PROTECTION

Banking is the core of all nations’ monetary system due to the fact that banking is one of the few systems propelling the development of a country. In order to prevent the abuse of data regarding a bank’s customer, therefore a certain set of regulations has been produced to prevent banks sharing their customer’s savings information with any party else as regulated in Law No. 10 of the Year 1998 about Banking. However, this law provides an exception for special conditions on which these information can be shared which is clearly stated in said law. This is what is then called by the term “Bank’s Secret”. This dissertation will explain the problems regarding the banking system’s effort in maintaining the security of banks’ secrets, as well as the penalties resulting from the breach of such banks’ secrets.

The method used in writing this dissertation is normative research accompanied with some research focusing on law books (library research) to provide for the conceptual approach used in this dissertation. Other resources include related regulations, magazine articles, internet articles, as well as other selected sources to support the production of this dissertation.

The people’s trust towards banking institutions grows and develops solely because of the presence of Banks’ Secrets within the institutions. A bank’s secrets refers to every information regarding the monetary information and other information of a bank’s customer which according to the prevalence of the banking community are not allowed to be openly shared with other members of the society. Law No. 10 of the Year 1998 has required the application of the Bank’s Secret concept throughout the Indonesian Republic, however putting it into practice begs the national understanding of which information must be categorized as a bank’s secret. The breach of this regulation is categorized as a banking crime which can be penalized both in criminal law and in private law.

The conclusion of this dissertation is that the concept of Banks’ Secrets is a very crucial concept because banks as institutions based on trust are required to classify every information regarding their customers or the savings of their customers.

Reference: 43 (1985-2013)