



Financial Services Authority (OJK) & Banking Regulations Update

The following is a list of the new Financial Services Authority (OJK) & banking regulations.

All regulations are available in Indonesian.

New Financial Services Authority (OJK) Regulations

1. Regulation : [POJK 7/2024](#)
Date : 30 April 2024
Title (Indonesian) : Bank Perekonomian Rakyat dan Bank Perekonomian Rakyat Syariah
Title (English) : Rural Banks and Sharia Rural Banks

Summary

Several regulations have been adjusted as mandated by the P2SK Law (Law of Development and Strengthening of the Financial Sector) and aligned with the latest policies. These changes include modifications to the nomenclature and definition of BPR and BPR Syariah, the entities eligible to establish Rural Banks (BPR) or Sharia Rural Banks (BPR Syariah), and the legal entity form of BPR or BPR Syariah, which can now be either a limited liability company or a cooperative. The requirements for BPR or BPR Syariah to conduct public offerings of securities through the capital market have also been updated. Additionally, the types of office networks and locations have been refined, as well as the rules for mergers, consolidations, and takeovers, including the criteria for microfinance institutions (LKM) to connect with BPR or BPR Syariah and for BPR or BPR Syariah consolidation. The paid-up capital requirements for establishing a BPR or Sharia BPR, according to the designated zone, apply to new establishments. BPRs or Sharia BPRs owned and/or controlled by the same Controlling Shareholders within a single main island or archipelagic region must undergo consolidation through a merger or consolidation scheme. This process must be completed within a maximum of two years, or three years for regional government-owned BPRs or Sharia BPRs, from the time this POJK comes into force. The merger or consolidation requirement for BPRs or Sharia BPRs under the same ownership and/or control of the PSP applies to those engaged in the same business activities. In accordance with the P2SK Law, BPRs or Sharia BPRs must complete nomenclature changes within two years of the law's promulgation. This POJK outlines administrative sanctions for BPRs or Sharia BPRs that fail to make the required nomenclature changes within the specified time period.

2. Regulation : [POJK 6/2024](#)
Date : 2 May 2024
Title (Indonesian) : Pembiayaan Transaksi Efek Oleh Perusahaan Efek Bagi Nasabah dan Transaksi Short Selling Oleh Perusahaan Efek
Title (English) : Financing Securities Transactions by Securities Companies for Customers and Short Selling Transactions by Securities Companies

Summary

This Financial Services Authority Regulation also aims to increase liquidity and deepen financial markets through financing margin transactions and/or short selling transactions as well as strengthening risk management for Securities Companies that provide Securities transaction financing to customers or Securities Companies that carry out short selling transactions.

Some of the points contained in this regulation are:

- Added regulatory provisions regarding exceptions to fulfilling obligations for Liquidity Providers conducting Short Selling Transactions
- Adjustment of provisions in order to strengthen the governance of Securities Transaction financing by Securities Companies, including by affirming the prohibition on providing financing other than the financing that is regulated in the POJK.
- The Stock Exchange is mandated to carry out inspections of compliance with requirements by Securities Companies that provide financing for the settlement of Securities transactions and regulate periodic inspection periods; Further regulate the amount of Haircut on Securities that can be used as Financing Collateral; Determine which Securities meet or do not meet the requirements for transactions with Securities transaction settlement financing.

- Securities Companies that carry out Short Selling Transactions on underlying Securities as liquidity providers are exempted if the selling offer price entered in the Stock Exchange trading system is equal to or above the last price on the Stock Exchange; and Securities Companies give a "short selling" sign when executing a sell order on the Stock Exchange trading system.

3. Regulation : [POJK 5/2024](#)

Date : 27 Maret 2024

Title (Indonesian) : Penetapan Status Pengawasan dan Penanganan Permasalahan Bank Umum

Title (English) : Determination of Supervision and Handling Status of Commercial Bank Issues

Summary

The aim of issuing the Financial Services Authority Regulation regarding Financial System Stability Clusters is to realize strong financial system stability through developing and strengthening the financial sector in Indonesia. Changes to the provisions in the Financial System Stability Cluster Regulation as a result of harmonizing and updating the provisions in connection with the issuance of the Financial Sector Development and Strengthening Law, include, among other things, adjustments to the coordination of the determination of systemic banks; adjustment of bank supervisory status and supervisory measures; preparation of a bank recovery action plan (recovery plan) which is also applied to banks other than systemic banks; and adjustments to the mechanisms for establishing and capitalizing intermediary banks. Some of the current provisions in this regulation include:

- In establishing a Systemic Bank, apart from coordinating with Bank Indonesia, OJK also coordinates with the Deposit Insurance Corporation
- The results of the Systemic Bank determination are submitted by OJK to the Financial System Stability Committee
- Confirming the validity period for the establishment of a Systemic Bank and the establishment of a Capital Surcharge
- In the methodology for determining Systemic Banks, adding sub-indicators of interbank transaction linkages in the money market (network analysis of the interbank system) to indicators of linkages with the financial system (interconnectedness).

The determination of the Bank's supervisory status in the resolution is declared to have ended in the event that the Deposit Insurance Corporation has released all of its ownership in the Intermediary Bank; or Banks that accept temporary capital placements from the Deposit Insurance Corporation to investors and/or other parties as new Bank owners. In the event that the decision to handle issues of a Bank designated as a Bank in the resolution is carried out by transferring part or all of the Bank's assets and/or liabilities to the recipient bank; or transfer some or all of the Bank's assets and/or liabilities to the Intermediary Bank.

4. Regulation : [POJK 4/2024](#)

Date : 28 February 2024

Title (Indonesian) : Laporan Kepemilikan atau Setiap Perubahan Kepemilikan Saham Perusahaan Terbuka dan Aktivitas Menjaminkan Saham Perusahaan Terbuka

Title (English) : Report of Ownership or Change in Ownership of Public Company Shares and Activities of Pledging Public Company Shares

Summary

The issuance of this regulation was carried out to improve the quality of information disclosure by certain shareholders and supervision carried out on share ownership reports, adjustments to international standards/comparative study results in other countries and expanding the scope of regulations. Some points in this regulation are:

- The parties subject to the obligation to report Ownership or Change in Ownership are members of the Board of Directors or members of the Board of Commissioners who own shares with voting rights; Parties who own shares with voting rights of at least 5% (five percent); and the party who is the controller of the Public Company
- The party subject to the obligation to report Pledging Activities for Public Company Shares is a shareholder who undertakes the activity of pledging Public Company shares for at least 5% of the voting rights calculated from one accumulation of several processes of pledging Public Company shares.
- Reporting of ownership or any change in ownership of shares in a Public Company must be made immediately no later than 5 (five) working days from the occurrence of ownership of voting rights over shares or any change in ownership of voting rights in shares in a Public Company
- Reporting activities for pledging Public Company shares immediately, no later than 5 (five) working days from the signing of the activity agreement for pledging Public Company shares which results in the fulfillment of the share pledge amount of 5% (five percent) of the voting rights.

5. Regulation : [POJK 3/2024](#)

Date : 19 February 2024

Title (Indonesian) : Penyelenggaraan Inovasi Teknologi Sektor Keuangan

Title (English) : Implementation of Financial Sector Technology Innovation

Summary

This regulation concerning the Implementation of Technological Innovation in the Financial Sector was created to implement regulatory and supervisory authority as well as provisions regarding digital financial innovation as regulated in POJK Number 13/POJK.02/2018 concerning Digital Financial Innovation in the Financial Services Sector which is no longer in accordance with needs and therefore needs to be changed. Parties who can apply to become participants are parties who will carry out activities within the scope of Financial Sector Technology Innovation, namely securities transaction settlement activities; raising capital; investment management; risk management; collecting and/or distributing funds; market support; activities related to digital financial assets, including crypto assets; and other digital financial services activities. Some of the changes contained in this regulation include:

- Addition of eligibility criteria in the form of various innovations that provide an element of novelty or differentiation, that provide benefits and various other innovations;
- Addition of test plan requirements where the Implementation of Financial Sector Technology Innovation requires participants to submit a test plan concept;
- Determination of Financial Sector Technology Innovation test room results and exit policy. The Financial Services Authority determines the results of graduation and the steps that need to be taken by those who pass and do not pass;

6. Regulation : [POJK 2/2024](#)

Date : 16 February 2024

Title (Indonesian) : Penerapan Tata Kelola Syariah Bagi Bank Umum Syariah dan Unit Usaha Syariah

Title (English) : Implementation of Sharia Governance for Sharia Commercial Banks and Sharia Business Units

Summary

This regulation was issued in order to realize the Strengthening of Sharia Banking Characteristics, especially for the strategy of Strengthening Sharia Governance, as well as in order to complete the governance framework in BUS/UUS (Banks) which will include general governance and sharia governance. This POJK regulates the implementation of the sharia governance

framework which is realized through the implementation of the duties and responsibilities of the Sharia Supervisory Board; implementation of sharia compliance functions; implementation of sharia risk management functions; implementation of the sharia internal audit function; implementation of external reviews of sharia governance; arrangements regarding reports on the implementation of sharia governance; follow-up on non-compliance with sharia principles; and enforcement of provisions. The sharia compliance function, sharia risk management function and sharia internal audit function are part of the implementation of the compliance function, risk management function and internal audit function within the Bank and each function is responsible to the Directors who supervise it. These sharia governance functions can be formed into separate work units or be part of related work units. In carrying out its duties in implementing sharia governance, sharia compliance functions, sharia risk management functions, and sharia internal audit functions, it receives input, consults, and coordinates with the Sharia Supervisory Board.

7. Regulation : [4/SEOJK.05/2024](#)

Date : 5 April 2024

Title (Indonesian) : Dasar Penilaian Investasi Dana Pensiun

Title (English) : Basis for Pension Fund Investment Assessment

Summary

In this Financial Services Authority Circular, there are 2 (two) new types of investment that were not previously regulated in SEOJK 9/2016, namely regional bond investment and infrastructure investment funds in the form of collective investment contracts. Provisions regarding investment appraisal also apply to types of investment that use sharia principles. Improvements made include the elimination of the assessment basis for savings; adding alternative valuations for investment types in government securities, corporate bonds and regional bonds in the form of market value or fair value; and adjustments to the calculation of investment types that use amortized acquisition value, which previously only used effective interest rates. The types of investment regulated in SEOJK to serve as a basis for the industry in conducting assessments include, among others, deposits on call; time deposit; certificate of deposit; securities; Government Securities; share; corporate bonds; mutual funds; MTN; asset-backed securities; real estate investment funds in the form of collective investment contracts; options contracts and futures contracts for traded securities; REPO; direct participation; land and/or buildings; regional bonds; and infrastructure investment funds in the form of collective investment contracts.

New Banking Regulation

1. Regulation : [PBI 3/2024](#)
Date : 7 May 2024
Title (Indonesian) : Lembaga Alternatif Penyelesaian Sengketa di Sektor Keuangan
Title (English) : Alternative Dispute Resolution Institutions in the Financial Sector

Summary

The basis for establishing this regulation is to manage and supervise alternative dispute resolution institutions in the financial sector in order to implement the provisions of Article 246 paragraph (2) of Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector and to meet consumer needs for dispute resolution outside of court. Alternative Dispute Resolution Institution in the Financial Sector (LAPS-SK) is an institution that resolve disputes (disputes between consumers and providers that have gone through a complaint resolution process by the provider) between consumers and providers in the financial sector outside of court. LAPS-SK has the aim of resolving disputes between consumers and organizers in an easily accessible, independent, fair, effective, efficient manner and trusted by consumers and organizers. LAPS-SK functions to provide integrated dispute resolution services in the financial sector. In its implementation, LAPS-SK applies the principles of accessibility, independence, fairness, effectiveness and efficiency. LAPS-SK's duties and authorities include, among others, carrying out dispute handling and resolution; providing consultation on Dispute resolution in the financial sector; conducting research and development of Dispute resolution services in the financial sector; make regulations in the context of resolving disputes in the financial sector; collaborate with national and international consumer protection institutions and/or agencies; and developing the competence of mediators and arbitrators registered with LAPS-SK.

2. Regulation : [PBI 2/2024](#)
Date : 18 April 2024
Title (Indonesian) : Keamanan Sistem Informasi dan Ketahanan Siber bagi Penyelenggara Sistem Pembayaran, Pelaku Pasar Uang dan Pasar Valuta Asing, serta Pihak Lain yang Diatur dan Diawasi Bank Indonesia
Title (English) : Information System Security and Cyber Resilience for Payment System Operators, Money Market and Foreign Exchange Market Players and Other Parties Regulated and Supervised by Bank Indonesia

Summary

As an effort by Bank Indonesia to mitigate Cyber Risk in the financial sector which can cause financial losses and disrupt the stability of the Financial System, as an impact of increasing digitalization in the financial sector and as an effort to strengthen supervision and collaboration in preventing and handling Cyber Incidents in the financial sector. Information System Security and Cyber Resilience (KKS) is the condition of maintaining the confidentiality, integrity and availability of information and/or the Organizer's Information System from Cyber Attacks and maintaining the continuity of the Organizer's business through anticipatory, adaptive and proactive actions against Cyber Threats as well as the Organizer's ability to respond and rapid recovery from Cyber Incidents. The points regulated in this regulation include, among others, Organizer Governance in implementing KKS Strategy and Policy and KKS Culture; Prevention by the Operator in anticipating Cyber Incidents which includes Identification, Protection and Detection; Cyber Incident Handling by the Organizer which includes Response and Recovery; Supervision which includes the Supervision Mechanism by Bank Indonesia and Submission of Data and/or Information from the Operator to Bank Indonesia; as well as collaboration between Bank Indonesia and the organizers.

3. Regulation : [PADG 3/2024](#)
- Date : 17 April 2024
- Title (Indonesian) : Perubahan Keempat atas Peraturan Anggota Dewan Gubernur Nomor 22/23/PADG/2020 tentang Pelaksanaan Operasi Pasar Terbuka
- Title (English) : Fourth Amendment to Regulation of Members of the Board of Governors Number 22/23/PADG/2020 concerning Implementation of Open Market Operations

Summary

Bank Indonesia is developing OPT instruments in the form of repo transactions and domestic non-deliverable forward transactions with non-auction mechanisms in line with strengthening monetary operations strategies that are integrated with the development of the money market and foreign exchange market. This regulation regulates the implementation of conventional OPT repo transactions using a non-auction mechanism which consists of several stages, namely the announcement of plans for conventional OPT repo transactions using a non-auction mechanism; Submission of repo transactions using a non-auction mechanism; Announcement of results of conventional OPT repo transactions using a non-auction mechanism; and First leg settlement. Implementation of Domestic Non-Deliverable Forward transactions in a non-auction manner is carried out through the stages of announcing the plan, submitting the transaction and confirming it.

4. Regulation : [PADG 2/2024](#)
- Date : 17 April 2024
- Title (Indonesian) : Dealer Utama
- Title (English) : Main Dealer

Summary

To support the implementation of monetary operations strategies as well as the development of modern and advanced money markets and foreign exchange markets, Bank Indonesia is implementing the role of primary dealer. Bank Indonesia has made improvements to regulations relating to primary dealers to strengthen the role of primary dealers in the development of the money market and foreign exchange market. Some of the points contained in this regulation include:

- Changes in primary dealer criteria. In general, it includes size, interconnectedness, complexity and substitutability; while specifically covering transactions, interconnections, competencies, risk management, and infrastructure;
- Changes in supporting documents for applications submitted by the Bank and/or parties determined by Bank Indonesia (BI) to become the main dealer;
- Adjustment of primary dealer monitoring and evaluation periods;
- Adjustment of monitoring and evaluation of main dealer performance with changes in main dealer criteria; And
- Additional arrangements starting from the start of the main dealer monitoring and evaluation period.

5. Regulation : [PADG 1/2024](#)
- Date : 17 April 2024
- Title (Indonesian) : Peraturan Pelaksanaan Pembiayaan Likuiditas Jangka Pendek berdasarkan Prinsip Syariah bagi Bank Umum Syariah (PADG PLJPS BUS)
- Title (English) : Regulations for Implementing Short-Term Liquidity Financing based on Sharia Principles for Sharia Commercial Banks (PADG PLJPS BUS)

Summary

This Implementation Regulation for Sharia Short-Term Liquidity Financing was issued as a follow-up to the issuance of Bank Indonesia Regulation (PBI) Number 5 of 2023 concerning Short-Term Liquidity Financing Based on Sharia Principles for Sharia Commercial Banks. This regulation explains in more detail the mechanisms and technical matters for implementing the provision of Short-Term Liquidity Financing. Changes in this regulation include:

- Adjusting the collateral value to the ceiling for State Sharia Securities (SBSN) according to the tenor by referring to the SBSN haircut in sharia monetary operations;
- Adjustment of the restructuring period for financing assets that can be accepted as Short Term Liquidity Financing Based on Sharia Principles (PLJPS) collateral during the "COVID-19 stimulus period" in accordance with the extension of the restructuring relaxation policy time by the OJK;
- Additional pension financing as PLJPS collateral with several criteria that must be met, including being guaranteed by life insurance and financing insurance;
- Elimination of the regulation of not being able to use sharia securities as fulfillment of prefund debit for Sharia Business Unit (BUS) that default when the PLJPS matures;
- Adjustment of the service level agreement (SLA) from the PLJPS application stage up to disbursement from working days to calendar days to speed up handling of BUS liquidity problems;
- In the event that the BUS checking account is insufficient for PLJPS repayment on the due date and beyond, follow-up will be carried out on the BI-FAST BUS account.



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