



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 : [18/POJK.03/2020](#)
- Date : 20 April 2020
- Title : Perintah tertulis untuk penanganan permasalahan bank.
(Indonesian)
- Title (English) : Written orders for bank issues handling.

Summary

In order to implement the provisions of Article 23 paragraph (2) of the Government Regulation in Lieu of Law Number 1 of 2020, it is necessary to stipulate a Financial Services Authority Regulation concerning Written Orders for Bank Issues Handling. This regulation contains provisions that govern the following matters:

- The scope of regulation applies to banks, namely conventional commercial banks (BUK), sharia commercial banks (BUS), smallholder credit banks (BPR), sharia smallholder financing banks (BPRS), and branch offices of banks domiciled overseas.
- OJK's authority to give Written Orders to Banks to:
 - Merging, consolidations, acquisitions, and/or integrations; and/or
 - Accepting mergers, consolidations, acquisitions and/or integrations.
- Written Orders are given to Banks that meet the criteria based on OJK assessment.
- Obligations to Bank that is given Written Orders to draw up an action plan, and to carry out and maintain a smooth process of merging, consolidation, acquisition, and/or integration in accordance with the action plan.
- Banks with a public company status that are given a Written Order to conduct or accept a Merger, Consolidation, Acquisition, and/or Integration can be exempted from the obligation regarding openness to a Bank with a public company status with the approval of the Financial Services Authority.
- For BUK or BUS, based on OJK approval, it can be excluded from the provisions regarding sole ownership in Indonesian banks, ownership of commercial bank shares, and/or a minimum deadline for fulfilling core capital.
- For BPR or BPRS, office network can still be maintained in accordance with the BPR or BPRS office network area that has been established.

2. Regulation : [17/POJK.04/2020](#)
- Date : 20 April 2020
- Title : Transaksi material dan perubahan kegiatan usaha.
(Indonesian)
- Title (English) : Material transactions and change of business activities.

Summary

In order to provide protection for shareholders and improve the quality of information disclosure for public companies that will conduct material transactions and changes in business activities and considering related regulations that currently apply are no longer in accordance with the needs of dynamic markets and international best practices therefore it needs to be amended. Seeing this, it is necessary to stipulate a Financial Services Authority Regulation as a complement to the regulation. This regulation contains the following provisions:

- Completion of the scope of Material Transactions so as to include among others:
 - Material transactions that disrupt business continuity;
 - BUMN restructuring transactions;
 - Transactions carried out by financial service institutions under certain conditions; and
 - Dilution with material value.
- Expanding limits on the value of Material Transactions:
 - Initially: the transaction value is equal to 20% or more of the Public Company's equity.
 - Becoming: The transaction value is equal to 20% or more of the equity of the Public Company and if the Public Company has negative equity, the calculation of the transaction value is equal to 10% or more of the total assets of the Public Company.
- Financial Services Institutions under certain conditions conducting Material Transactions are exempt from the obligation to disclose information to the public, but are still required to report to OJK.
- Arrangement of approval of independent shareholders in the GMS (General Meeting of Shareholders), if:
 - Material Transactions with value limits required to obtain GMS approval containing affiliated transactions;
 - Material transactions containing conflicts of interest; and / or
 - Material Transactions have the potential to cause disruption to the business continuity of the Public Company.
- Improving the definition of Business Activities of Public Companies.

3. Regulation : [16/POJK.04/2020](#)
- Date : 20 April 2020
- Title : Pelaksanaan rapat umum pemegang saham perusahaan terbuka secara elektronik.
(Indonesian)
- Title (English) : Implementation of electronic general meeting of shareholders of public company.

Summary

Seeing the size of the number of shareholders and the geographical distribution of shares of public companies creates obstacles in the implementation of the general meeting of shareholders (GMS), both in determining the location of the general meeting of shareholders, meeting the quorum of attendance, quorum for decision making and the minutes of decision of the general meeting of shareholders. In addition, in order to implement the provisions of Article 23 paragraph (1) letter c of the Government Regulation in Lieu of Law Number 1 of 2020, it is necessary to stipulate a Financial Services Authority Regulation concerning the Implementation of

Electronic General Meeting of Shareholders of Public Company. This regulation regulates the following provisions:

- Provisions regarding the implementation of the GMS of the public company electronically through e-RUPS.
- Provisions regarding the obligations of e-RUPS providers.
- Provisions regarding the procedure for the implementation of the GMS electronically.
- Provisions regarding administrative sanctions.

4. Regulation : [15/POJK.04/2020](#)

Date : 20 April 2020

Title : Rencana dan penyelenggaraan rapat umum pemegang saham perusahaan terbuka.
(Indonesian)

Title (English) : Plans and execution of general shareholders meetings of public company.

Summary

In order to increase shareholder participation in general meeting of shareholders, it is necessary to improve efficiency and effectiveness in the implementation of general meeting of shareholders (GMS) through the use of information technology developments. Considering this issue, it is necessary to replace the existing provisions in the Financial Services Authority Regulations governing these matters as follows:

- Provisions regarding the holding of a GMS, including:
 - The obligation of the Public Company to hold an Annual GMS at the latest 6 (six) months after the end of the financial year;
 - Request for holding a GMS;
 - Procedures for holding a GMS;
- Electronic authorization, including:
 - Electronic authorization through the Electronic GMS Implementation System (e-RUPS);
 - Provisions regarding parties who can be the endorsee and the requirements for being the endorsee;
 - Provisions regarding e-RUPS providers;
- Provisions regarding the leader of the GMS, and the rules of the GMS;
- Resolutions, attendance quorum, and GMS decision quorum, including:
 - GMS Quorum on Material Transactions and/or changes in business activities;
 - Provisions regarding GMS Independent Shareholders;
- Provisions regarding GMS minutes of meeting and summary of GMS minutes of meeting;
- Media announcements and language of announcements.

5. Regulation : [14/POJK.05/2020](#)
- Date : 14 April 2020
- Title (Indonesian) : Kebijakan Countercyclical dampak penyebaran Coronavirus Disease 2019 bagi lembaga jasa keuangan nonbank.
- Title (English) : Countercyclical policy for impacts of Coronavirus Disease 2019 spread for non-bank financial service institutions.

Summary

In order to encourage the optimization of the performance of non-bank financial service institutions, maintain financial system stability, and support economic growth, countercyclical policies of the spread of COVID-19 need to be taken while still observing the precautionary principle. This regulation contains provisions as follows:

- The deadline for submitting periodic reports;
- Conducting fit and proper test;
- Determination of asset quality in the form of financing and financing restructuring;
- Calculation of the solvency level of insurance companies, sharia insurance companies, reinsurance companies, and sharia reinsurance companies;
- Calculation of the quality of pension fund funding that provides a defined benefit of pension plan;
- Implementation of asset management provisions according to the age group of participants (life cycle fund) for pension fund that carry out defined contribution pension plans; and
- Other policies determined by the financial services authority through the chief executive of the insurance supervisory, pension funds, financing institutions, and other financial services institutions.

6. Regulation : [13/POJK.03/2020](#)
- Date : 24 March 2020
- Title (Indonesian) : Perubahan atas Peraturan Otoritas Jasa Keuangan nomor 38/POJK.03/2016 tentang penerapan manajemen risiko dalam penggunaan teknologi informasi oleh bank umum.
- Title (English) : Amendment of Financial Services Authority Regulation number 38/POJK.03/2016 concerning the application of risk management in the use of information technology by commercial banks.

Summary

In order to support the use of an integrated electronic system, it is necessary to adjust policies on the application of risk management in the use of information technology by commercial banks. This regulation adjusts the following provisions:

- Elimination of restrictions on the use of data in electronic systems placed outside the territory of Indonesia.

- Addition of electronic system criteria that can be placed outside the territory of Indonesia, namely electronic systems in the context of service to global customers
- The authority of OJK to request banks to place electronic systems in Indonesian territory
- The obligation of the permanent bank to implement the action plan that has been submitted to OJK in accordance with the POJK MRTI (Risk Management in the use of Information Technology)
- The bank's obligation to ensure data used in electronic systems placed outside the territory of Indonesia is not used for purposes other than the criteria that have been set.
- Violations of these obligations may be subject to administrative sanctions.

New Banking Regulation

1. Regulation : [22/4/PBI/2020](#)
 Date : 26 March 2020
 Title (Indonesian) : Insentif bagi bank yang memberikan penyediaan dana untuk kegiatan ekonomi tertentu guna mendukung penanganan dampak perekonomian akibat wabah Virus Corona.
 Title (English) : Incentives for banks providing provision of funds for specific economic activities to support handling of economic impacts due to Corona Virus outbreak.

Summary

In order to mitigate the impact of the increasing global uncertainty risks on the domestic economy and to consider the impact of the corona virus outbreak risk which has the potential to disrupt domestic production activities which may impact the financial cycle, it is necessary to strengthen the banking intermediation function through accommodative macroprudential policies in the form of support for certain economic activities.

This regulation outlines several things as follows:

- Bank Indonesia provides incentives for banks that provide funds for certain economic activities in the form of:
 - Export activities;
 - Import activities;
 - UMKM activities; and / or
 - Economic activities in other priority sectors determined by Bank Indonesia
- The scope of providing funds for certain economic activities consists of:
 - Export credit or export financing;
 - Productive import credit or productive financing of imports;
 - Letter of Credit;
 - UMKM credit or UMKM financing; and/or
 - Credit or other financing determined by Bank Indonesia.

2. Regulation : [22/3/PBI/2020](#)
- Date : 24 March 2020
- Title (Indonesian) : Perubahan atas Peraturan Bank Indonesia nomor 20/3/PBI/2018 tentang giro wajib minimum dalam rupiah dan valuta asing bagi bank umum konvensional, bank umum syariah, dan unit usaha syariah.
- Title (English) : Amendment of Bank Indonesia Regulation number 20/3/PBI/2018 concerning statutory reserve in rupiah and foreign currency for conventional commercial banks, sharia commercial banks, and sharia business units.

Summary

In maintaining macroeconomic and financial system stability, it is necessary to provide incentives for the fulfillment of the statutory reserve requirement (GWM) for macroprudential policies, for that several provisions contained in Bank Indonesia Regulation number 20/3/PBI/2018 need to be adjusted.

This regulation adjusts the following provisions:

- Addition of Article concerning the authority to grant leniency for the obligation to fulfill Statutory Reserves in rupiah which must be fulfilled daily for Conventional Commercial Banks (BUK) in the context of macroprudential policy. The regulation regarding the grant of leniency of the statutory reserve requirement will be regulated in another PBI concerning incentives for banks for macroprudential policy.
- Addition of Article concerning the authority to grant leniency for the obligations in fulfillment of Statutory Reserves in rupiahs which must be fulfilled daily for Sharia Commercial Banks (BUS) and Sharia Business Units (UUS) in the context of macroprudential policy. The regulation regarding the provision of leniency of the statutory reserve requirement will be regulated in another PBI concerning incentives for banks for macroprudential policy.

3. Regulation : [22/5/PADG/2020](#)
- Date : 20 April 2020
- Title (Indonesian) : Lelang Surat Utang Negara dan/atau Surat Berharga Syariah Negara di pasar perdana untuk menjaga kesinambungan pengelolaan keuangan negara sebagai pelaksanaan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang kebijakan keuangan negara dan stabilitas sistem keuangan untuk penanganan pandemi Corona Virus Disease 2019 (COVID-19) dan/atau dalam rangka menghadapi ancaman yang membahayakan perekonomian nasional dan/atau stabilitas sistem keuangan.
- Title (English) : Auction of Government Securities and/or Government Sharia Securities in the Primary Market to Maintain Continuity in Management of State Finances as an Implementation of Government Regulations in Lieu of Law No. 1 of 2020 concerning State Financial Policies and Financial System Stability in Handling Corona Virus Disease 2019 (COVID- 19) and/or In the Context of Facing Threats that Endanger the National Economy and/or Financial System Stability.

Summary

In order of the issuance of government securities and/or government sharia securities by the government as a follow-up to Government Regulation in Lieu of Law Number 1 of 2020, Bank Indonesia is given the authority to carry out activities as auction agents for government securities and/or government sharia securities in primary market. In connection with the granting of such authority, it is necessary to issue provisions governing this matter, namely as follows:

- Bank Indonesia holds auctions of SUN (Government Securities) and/or SBSN (Government Sharia Securities) and additional SUN and/or SBSN auctions for SUN and/or long-term SBSN on the primary market as a follow-up to the implementation of Perppu Number 1 of 2020
- Provisions regarding submission of bids and bidders for SUN and/or SBSN and additional SUN and/or SBSN auctions refer to the prevailing Minister of Finance Regulation concerning SUN and/or SBSN auctions on the domestic primary market.
- Bank Indonesia may submit long-term bids for SUN and/or SBSN purchases in SUN and/or SBSN auctions and additional SUN and/or SBSN auctions through:
 - The offer is made directly without going through the main dealer and/or SBSN main dealer;
 - Non-competitive bid.
- SUN and/or SBSN auction and additional SUN and / or SBSN auction refer to the applicable Bank Indonesia provisions concerning auction of government securities on the primary market, as long as they do not conflict with this regulation.

4. Regulation : [22/4/PADG/2020](#)
- Date : 15 April 2020
- Title (Indonesian) : Pelaksanaan Peraturan Bank Indonesia nomor 22/4/PBI/2020 tentang insentif bagi bank yang memberikan penyediaan dana untuk kegiatan ekonomi tertentu guna mendukung penanganan dampak perekonomian akibat wabah Virus Corona.
- Title (English) : Implementation of Bank Indonesia Regulation number 22/4/PBI/2020 concerning incentives for banks that provide funds for certain economic activities to support handling economic impacts due to Corona Virus outbreak.

Summary

This regulation is an implementing regulation and contains technical matters related to incentives for banks that provide funds for certain economic activities to support the handling of economic impacts due to the corona virus outbreak. In this regulation Bank Indonesia provides incentives in the form of:

- Export activities;
- Import activities;
- MSME Activities (Micro Enterprises, Small and Medium Enterprises); and/or
- Economic activities in other priority sectors determined by Bank Indonesia.

The incentive for the Bank as referred to in the form of a relaxation of the obligation to fulfill the Statutory Reserves in the rupiah which must be fulfilled daily, is 0.5% (zero point five percent) determined by Bank

Indonesia. In addition, the scope of the provision of funds for certain economic activities as referred to consists of:

- Export credit or export financing;
- Productive or Financing Import Credit
- productive imports;
- L/C (Letter of Credit);
- MSME Credit or MSME Financing; and/or
- Credit or other Financing determined by Bank Indonesia, in rupiah and foreign currencies to non-bank third parties.

In the case of MSME Credit or MSME Financing as referred to include MSME Credit or MSME Financing with the type of use:

- Capital; and/or
- Investment

5. Regulation : [22/3/PADG/2020](#)
- Date : 30 March 2020
- Title (Indonesian) : Pelaksanaan standardisasi kompetensi di bidang sistem pembayaran dan pengelolaan uang rupiah.
- Title (English) : Implementation of competency standardization in the sector of payment system and rupiah money management.

Summary

This regulation is an implementing regulation that regulates the implementation mechanism and technical matters related to the standardization of competencies in the payment system and rupiah money management. This regulation sets the following provisions:

- SPPUR Competency Standardization (Payment System Competency Standardization and Rupiah Money Management).
- SKKNI (Indonesian National Work Competency Standards in Payment System and Rupiah Money Management) Sector of SPPUR for SPPUR Activities as stipulated by the Minister of Manpower of the Republic of Indonesia.
- SPPUR Qualification Levels for SPPUR Activities.
- The scope of SPPUR operational activities.
- SPPUR certificate.
- Obligations for SPPUR Executors.
- SPPUR PBK (Competency Based Training) and SPPUR Competency Certification Provider.
- Other arrangements regarding supervision, imposition of administrative sanctions, and correspondence for the implementation of SPPUR Competency Standardization.

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