



Financial Services Authority (OJK) & Banking Regulations Update

The Summary of the New Financial Services Authority (OJK) & Banking Regulations

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: 17/POJK.04/2019 ([Click here 17/POJK.04/2019](#))
Date : 5 July 2019
Regarding : Perizinan Wakil Agen Penjual Efek Reksa Dana
(*License of Mutual Fund Selling Agents*)

Summary:

To improve the quality of services for mutual fund selling agents, strategic steps are needed to optimize the licensing system of mutual fund selling agents. Considering this, it is necessary to determine the Financial Services Authority Regulation concerning License of Mutual Fund Selling Agents. This regulation covers the requirements and license of mutual fund selling agents in which it requires the agents to have an expertise certificate from Professional Certification Agency (*Lembaga Sertifikasi Profesi*). The regulation also covers procedures to request license for mutual fund selling agents, validity period and extension of the license for mutual fund selling agents. It states that the license of mutual fund selling agents has a

validity period of 3 (three) years according to the birth date and month of the holder of the mutual fund selling agents and the license can be extended. Other provisions are regarding obligations and prohibitions for mutual fund selling agents, reporting, returning the license of mutual fund selling agents; and provisions regarding sanctions.

2. Regulation: 13/SEOJK.03/2019 ([Click here 13/SEOJK.03/2019](#))
Date : 28 June 2019
Regarding : Penerapan Tata Kelola Bagi Bank Pembiayaan Rakyat Syariah
(*Application of Governance for Sharia Smallholder Financing Banks*)

Summary:

This regulation contains provisions to implement POJK Number 24/POJK.03/2018. This regulation regulates the obligation to submit reports regarding the governance to OJK as follows. First, the DPS (Sharia Supervisory Board) supervision report is done per semester with submission deadline at the end of August for the first semester and the end of February for the second semester. This report contains matters regarding report submission letter for the results of DPS supervision; working paper of DPS supervision regarding the development of new BPRS products and activities; working paper of DPS supervision for BPRS activities; and minutes of discussion on the results of DPS examination. Second, the annual report of self-assessment result regarding the implementation of governance shall be submitted no later than 31 March of the following year, consisting of self-assessment working paper and results of self-assessment. Third, the annual report on the implementation of governance shall be submitted no later than 31 March of the following year. This report contains at least the scope of governance, self-assessment results, share ownership of members of the board of directors and board of commissioners. It also has to contain financial relations and/or family relations from members of the board of directors and members of the board of commissioners with other members of the board of directors, board members of other commissioners, and/or shareholders of BPRS, and other matters.

3. Regulation: 12/SEOJK.03/2019 ([Click here 12/SEOJK.03/2019](#))
Date : 28 June 2019
Regarding : Penerapan Fungsi Audit Intern Bagi Bank Pembiayaan Rakyat Syariah
(*Application of Internal Audit Function for Sharia Smallholder Financing Banks*)

Summary:

This regulation contains the provisions to implement POJK Number 24/POJK.03/2018. The Standard Guideline for Implementing the Sharia Smallholder Financing Banks Internal Audit Function (BPRS SPFAI Guidelines) is the minimum standard that shall be fulfilled by BPRS in developing guidelines for the implementation of BPRS internal audit function to fulfil one of the factors in implementing governance, namely the implementation of internal audit function. SRB SPFAI Guidelines consist of organizational structure, functions, duties, and responsibilities, the scope of implementation of internal audit function, relationship between internal audit and internal control system, audit implementation, documentation and administration. In addition, there are several reports that shall be submitted related to internal audit function to OJK. First, report of the appointment/dismissal of the head of SKAI (Internal Audit Work Unit/*Satuan Kerja Audit Intern*)/PEAI (Executive Officer who is responsible for the implementation of internal audit function). There are also reports regarding implementation and the main results of the internal audit, special reports on internal audit findings that could disrupt the BPRS business continuity, and report regarding results of internal audit review by external parties (mandatory for BPRS with core capital \geq Rp50 billion).

4. Regulation: 11/SEOJK.03/2019 ([Click here 11/SEOJK.03/2019](#))
Date : 28 June 2019
Regarding : Penerapan Fungsi Kepatuhan Bagi Bank Pembiayaan Rakyat Syariah
(*Application of compliance function for Sharia Smallholder Financing Banks*)

Summary:

This regulation contains the provisions to implement POJK Number 24/POJK.03/2018. The compliance function is a series of preventative actions/steps to ensure the following matters; policies, provisions, systems and procedures, as well as business activities of BPRS (Sharia Smallholder Financing Banks) in accordance with statutory provisions and sharia principles; and the compliance of BPRS to their commitments to Financial Services Authority and/or other competent authorities in accordance with statutory provisions. Work guidelines, systems and compliance procedures should at least include the following matters; the responsible party for the compliance function, compliance procedure standards at each BPRS work unit; management decision-making procedures related to compliance functions; compliance code of ethics to support the culture of compliance. They also have to contain the coordination flow and monitoring procedures for members of the Board of Directors in charge of the compliance function, other members of the Board of Directors, SKP (Compliance Work Unit), Compliance PE (Executive Officers responsible for implementing compliance functions), and other work units in BPRS. Other matters needed such as internal provisions related to the compliance function that regulates the duties and responsibilities of members of the Board of Directors in charge of the compliance function and the duties and responsibilities of Compliance SKP/PE. In addition, the following are several reports that must be submitted regarding the compliance function to the FSA (Financial Services Authority). First, report on the principal implementation of the duties and responsibilities of the members of the board of directors in charge of the compliance function. Second, special reports on policies and/or decisions of directors that deviate from the provisions. Third, reports on temporary reimbursement of the positions of directors in charge of the compliance function.

New Banking Regulation

1. Regulation: 21/17/PADG/2019 ([Click here 21/17/PADG/2019](#))
Date : 31 July 2019
Regarding : Perusahaan Pialang Pasar Uang dan Pasar Valuta Asing
(*Broker companies of money market and foreign exchange market*)

Summary:

This regulation contains provisions to implement Bank Indonesia regulation number 21/5/PBI/2019 as a guideline for broker companies of money market and foreign exchange market and market players in financial market. The provisions regulate the following matters; first, the party who intends to carry out activities as a Broker Company is required to obtain a permit from Bank Indonesia and permission granting will be carried out in 2 (two) stages, approval on principal and business license. Second, Broker Companies that will make adjustments to facilities, instruments, transactions, ownership structures, business entity names, the board of commissioners and directors, are required to submit a request for adjustments to Bank Indonesia. Third, Broker Companies shall submit a request letter for approval to Bank Indonesia in regard of taking corporate action. In the event when the corporate action produces a new Broker Company, the Broker Company resulting from the corporate action shall submit a permit request to Bank Indonesia. Fourth, Bank Indonesia may revoke license if the Broker Company is declared bankrupt based on court decision and request from shareholders of the Broker Company. Fifth, there are coverage types of instruments and transactions that can be offered by Broker Companies included in the regulation. Sixth, there

are also provisions regarding obligations of Broker Companies which include the following matters; Broker Companies are required to deliver incidental information, maintain a total equity of at least IDR 5,000,000,000 (five billion rupiah), implement the prudential principles and risk management, submit periodic reports and incidental reports. Finally, if a Broker Company commits a violation, sanctions will be given in the form of written warning, temporary suspension of 6 (six) months, and/or revocation of business license.

2. Regulation: 21/16/PADG/2019 ([Click here 21/16/PADG/2019](#))
Date : 19 July 2019
Regarding : Pemantauan Kegiatan Lalu Lintas Devisa Bank dan Nasabah
(*Monitoring of foreign exchange traffic activities*)

Summary:

To improve the quality of information obtained to do a more effective monitoring on DHE, it is necessary to rearrange the submission of information, data, and supporting documents related to Foreign Exchange Traffic Activities by the Bank. This regulation regulates the following matters; first, the Foreign Exchange Report that shall be submitted by the Bank consists of transaction reports, position reports, supporting reports. Second, it also regulates the LLD (Foreign Exchange Traffic Activities) Report Submission and LLD Report Correction. Foreign Exchange Reports shall be submitted monthly in which it includes data for 1 (one) Report Period (PL), which is from the 1st to the end of the month concerned. Third, there are provisions regarding Acceptance Orders for Outgoing Transfers and Administration of Supporting Outgoing Transfer Documents. In the event when the Customer conducts an Outgoing Transfer transaction with the equivalent value of above USD 100,000.00 (one hundred thousand United States dollars), the Customer must submit the Supporting Document for Outgoing Transfer to the Bank. This provision also applies to Exporters of Natural Resources (SDA) who carry out Outgoing Transfer transactions through Special Accounts for DHE SDA. Fourth, procedures for obtaining and verifying information from customers. Fifth, the research regarding the authenticity of the report. Sixth, the existing sanctions in this regulation including administrative sanctions to banks, administrative sanctions to customers, and exemption from administrative sanctions in the form of fines. Seventh, there are provisions regarding the submission of DHE SDA Monitoring Results. Bank Indonesia delivers information on the results of supervision and violations committed by the Customer in the form of SDA Exporters who make Outgoing Transfers through Reksus DHE SDA to: Ministry of Finance c.q. Directorate General of Customs and Excise (DJBC); and related ministries and/or technical institutions, to be followed up in accordance with their respective authorities.

3. Regulation: 21/15/PADG/2019 ([Click here 21/15/PADG/2019](#))
Date : 19 July 2019
Regarding : Penerimaan Devisa Hasil Ekspor dari Kegiatan Perusahaan, Pengelolaan, dan/atau Pengolahan Sumber Daya Alam.
(*Acceptance of Foreign Exchange Derived from Exports from Activities of Exploitation, Management, and/or Processing of Natural Resources*)

Summary:

To support the optimization of DHE (Foreign Exchange Derived from Exports) utilization and to improve the quality of information obtained for more effective monitoring of DHE compliance, it is necessary to compile implementation provisions regarding SDA (Natural Resources) of DHE, which regulates the obligation to receive DHE SDA through Special Accounts (*Rekening Khusus/Reksus*) of SDA DHE in banks. These provisions govern the following matters: first, the obligation of DHE SDA acceptance through a bank in the Reksus DHE SDA which regulated as follows; all natural resources of DHE must be received through

the bank at Reksus DHE SDA, approximately at the end of the third month after the registration month for Export Customs Notification (PPE). The DHE SDA value received through Reksus DHE SDA in banks must be in accordance with the free-on-board export value stated in PPE. The type of exported goods with the obligation of DHE SDA acceptance refers to the Decree of the Minister of Finance regarding the list of natural resource exported goods. Other arrangements related to the obligation of DHE SDA acceptance are in line with PBI Number 16/10/PBI/2014 concerning Receipt of Foreign Exchange Export Results and Withdrawal of Foreign Exchange from Foreign Loan. Second, arrangements related to opening, transferring incoming funds, and transferring funds to Reksus DHE SDA. Third, submission of information, reports and supporting documents. Fourth, supervision of DHE SDA obligations.

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