



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 : [14/POJK.03/2021](#)
Date : 30 July 2021
Title (Indonesian) : Perubahan atas Peraturan Otoritas Jasa Keuangan Nomor 34/POJK.03/2018 tentang Penilaian Kembali bagi Pihak Utama Lembaga Jasa Keuangan
Title (English) : Amendment of Financial Services Authority Regulation number 34/POJK.03/2018 concerning Revaluation for Principals of Financial Service Institutions

Summary

By looking at the need to accelerate the process of handling problems with financial service institutions, especially related to those who own and manage financial service institutions, which also requires anticipatory efforts so it is necessary to adjust the scope, criteria, procedures, and consequences of the final reassessment result as stipulated in Financial Authority Service Number 34/POJK.03/2018 concerning Reassessment for the Main Parties of Financial Services Institutions (POJK PKPU). This regulation adjusts several provisions as follows. Addition of LJK (Financial Service Institutions) covered by POJK PKPU, namely Infrastructure Financing Company and PT Permodalan Nasional Madani (Persero) and Addition of criteria/coverage of Executive Officers at the Bank. Increase the scope of indications for involvement and/or responsibility for issues of integrity, financial feasibility, financial reputation, and/or competence in the reassessment of the Main Party. Addition of a provision whereby the Financial Services Authority can determine the final result of the reassessment without following all the steps of the reassessment (4 steps) with certain considerations (stipulation of the final result of the reassessment quickly) and the timeframe for submitting a response from the Main Party is less than 10 (ten) working days with certain considerations. Additional regulation that the Main Party determined with the Disqualification predicate in the reassessment is treated as a related party to the LJK as stipulated in the Maximum Limit for Credit Provision (BMPK), Maximum Limit for Provision of Funds or Maximum Limit for Fund Distribution (BMPD), Maximum Limit for Financing (BMPP), with a period of time according to the prohibition period against the Main Party which is determined with the Disqualification predicate and the addition of arrangements for the imposition of the prohibition period in connection with the addition of the scope of the reassessment.

2. Regulation : [13/POJK.03/2021](#)
Date : 30 July 2021
Title (Indonesian) : Penyelenggaraan Produk Bank Umum
Title (English) : Implementation of Commercial Bank Products

Summary

This regulation was issued as an effort to support banks in creating services that suit customer needs dynamically and on target, therefore a product licensing method is needed, the one that prioritizes the prudential principles and the principle of customer protection. This regulation stipulates several provisions as follows. Bank Products are grouped into basic Bank Products consisting of products, services, and/or services which are fund raising activities, fund distribution activities, and/or other simple activities and Advanced Bank Products which are products, services, and/or services other than Bank Products. Information Technology (IT)-based basis, relating to the implementation of activities or products of financial service institutions other than banks, requires approval or licensing from other authorities; and/or complex. Banks include plans for the implementation of new Bank Products in the Bank Product Operation Plan (RPPB). The implementation of risk management, governance, and internal control over the operation of Bank Products is an integral part of the implementation

of risk management, governance, and internal control in general and the Bank's obligation to have, implement, and conduct reviews and updates on policies and procedures. Method for the implementation of New Basic Bank Products, the Bank submits a report on the realization of the implementation of new Basic Bank Products no later than 5 (five) working days after the implementation. As for the method for administering New Advanced Bank Products, namely through permits through limited trial projects (piloting review), permits without going through piloting reviews and permits with notification (instant approval).

3. Regulation : [12/POJK.03/2021](#)

Date : 30 July 2021

Title (Indonesian) : Bank Umum

Title (English) : Commercial Banks

Summary

In order to encourage banks to carry out various improvements and adjustments in bank business procedures and processes in order to strengthen the bank's institutional aspect, it is necessary to reform the regulation regarding bank institutions. This regulation stipulates several provisions as follows. Bank BHI (Indonesian Legal Entity) or KCBLN (Branch Office of a Bank Domiciled Abroad) must prepare a corporate plan for a period of 5 (five) years and submit it to the Financial Services Authority (OJK). The paid-up capital for establishing Bank BHI is set at least Rp. 10,000,000,000.00 (ten trillion rupiah) and can be determined differently with certain considerations. Licensing for the establishment of Bank BHI is carried out in 2 (two) stages, namely approval in principle and business license. Digital Bank is a BHI Bank that provides and carries out business activities mainly through electronic channels without a physical office other than the head office, or using limited physical offices that can operate through the establishment of a new BHI Bank as a Digital Bank or transformation from Bank BHI (existing) into a Digital Bank. A bank having its head office and domiciled abroad that intends to open a KCBLN must meet the CEMA (Capital Equivalency Maintained Assets) of at least Rp. 10,000,000,000.00 (ten trillion rupiah) and can be determined differently with certain considerations. A bank having its head office and domiciled abroad that will open a KPBLN (Representative Office of a Bank Domiciled Abroad) must place a deposit in Bank BHI of at least Rp. 3,000,000,000.00 (three trillion rupiah), by stating that the disbursement conducted at the closing of KPBLN and with written approval from OJK. Based on Core Capital, Banks are grouped into 4 (four) KBMI (Bank Group based on Core Capital), namely, KBMI 1: Core Capital up to Rp6,000,000,000,000.00 (six trillion rupiah), KBMI 2: Core Capital more than Rp6. 000,000,000,000.00 (six trillion rupiahs) up to Rp14,000,000,000,000.00 (fourteen trillion rupiahs), KBMI 3: Core Capital more than Rp14,000,000,000,000.00 (fourteen trillion rupiahs) up to Rp70. 000,000,000,000.00 (seventy trillion rupiah) and KBMI 4: Core Capital is more than Rp70,000,000,000,000.00 (seventy trillion rupiah).

4. Regulation : [21/SEOJK.04/2021](#)

Date : 10 August 2021

Title (Indonesian) : Penilaian Kemampuan dan Kepatutan Bagi Calon Pihak Utama Perusahaan Pemeringkat Efek

Title (English) : Fit and Proper Test for Prospective Main Parties of Securities Rating Company

Summary

This regulation is the implementing regulation of the Financial Services Authority Regulation Number 27/POJK.03/2016 concerning Fit and Proper Test for the Main Parties of Financial Services Institutions, which regulates the following provisions. The fit and proper test is carried out by Financial Services Authority (OJK) on the parties nominated as the Main Party of the Securities Rating Company, namely: prospective PSP (Controlling Shareholder); candidate members of the Board of Directors;

and candidates for members of the Board of Commissioners. Setting the factors assessed in the fit and proper test process for the party nominated as the Main Party. Arrangements related to the party submitting the administrative requirements documents including the period of the candidate if the documents are declared incomplete by OJK. Compilation of a list of compliance checklists and submissions by the Securities Rating Company to OJK. Regulations regarding administrative assessment by OJK, self-assessment by Securities Rating Company, clarification by OJK, and termination of fit and proper test. Arrangements regarding the determination of the fit and proper test results by the OJK, as well as the period for determining the fit and proper test results by the GMS (RUPS) of the Securities Rating Company. Provisions for the format of forms, letters, checklists, and other documents related to the fit and proper test application for the Main Party that must be submitted by the Securities Rating Company to OJK as an administrative requirement.

5. Regulation : [20/SEOJK.04/2021](#)
- Date : 10 August 2021
- Title (Indonesian) : Kebijakan Stimulus dan Relaksasi Ketentuan Terkait Emiten atau Perusahaan Publik dalam Menjaga Kinerja dan Stabilitas Pasar Modal Akibat Penyebaran Corona Virus Disease 2019
- Title (English) : Stimulus Policy and Relaxation of Provisions Related to Issuers or Public Companies in Maintaining Capital Market Performance and Stability Due to the Spread of Corona Virus Disease 2019

Summary

In connection with Article 3 paragraph (1) of the Financial Services Authority Regulation Number 7/POJK.04/2021 concerning Policies in Maintaining Capital Market Performance and Stability Due to the Spread of Corona Virus Disease 2019, it is necessary to further regulate stimulus and relaxation policies in maintaining performance and stability of the capital market due to the spread of Corona Virus Disease 2019, especially for issuers or public companies. This regulation stipulates several provisions as follows. Extension of the validity period of financial statements from a maximum of 6 (six) months to a maximum of 8 (eight) months which is used to fulfill the provisions regarding Registration Statement as regulated in several Financial Services Authority Regulations, Quasi Reorganization, Business Mergers or Business Consolidation of Public Companies, Material Transactions and Changes in Business Activities, except for the period of financial statements used to determine the materiality value as referred to in Article 5 of the Financial Services Authority Regulation Number 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities; and Affiliated Transactions and Conflict of Interest Transactions. Extension of the validity period of the report from a maximum of 6 (six) months to a maximum of 8 (eight) months, issued by an appraiser used to fulfill the provisions regarding Registration Statements as regulated in several Financial Services Authority Regulations, Business Mergers or Business Consolidation Companies Open, Material Transactions and Changes in Business Activities; and Affiliated Transactions and Conflict of Interest Transactions. Provisions regarding the time limit for holding a general meeting of shareholders in the context of approving the resignation and/or temporary dismissal of members of the board of directors and/or members of the board of commissioners are extended for 60 (sixty) days after the expiration of the obligations. Provisions that regulate certain conditions for a Public Company to increase capital without granting Pre-emptive Rights (PMTHMETD).

6. Regulation : [19/SEOJK.04/2021](#)
- Date : 5 August 2021
- Title (Indonesian) : Kebijakan Stimulus dan Relaksasi Ketentuan Terkait Pengelolaan Investasi dalam Menjaga Kinerja dan Stabilitas Pasar Modal Akibat Penyebaran Corona Virus Disease 2019
- Title (English) : Stimulus Policy and Relaxation of Provisions Related to Investment Management in Maintaining Capital Market Performance and Stability Due to the Spread of Corona Virus Disease 2019

Summary

Considering that the pressure on the performance of capital market industry players, capital market stability, and Indonesia's economic growth as a result of the spread of the 2019 corona virus disease affects the investment management industry, especially mutual fund products, the Financial Services Authority (OJK) has relaxed several related provisions and also in connection with the enactment of the provisions of Article 3 paragraph (1) letter g Financial Services Authority Regulation Number 7/POJK.04/2021 concerning Policies in Maintaining Capital Market Performance and Stability Due to the Spread of Corona Virus Disease 2019. This regulation adjusts several provisions as follows. The obligation to adjust the composition of the Mutual Funds portfolio in the form of Collective Investment Contracts which is not caused by transaction actions by the Investment Manager is adjusted to no later than 40 (forty) trading days and no later than 20 (twenty) trading days, for those caused by transactions that occur carried out by the Investment Manager. Provisions regarding the period of obligation of Mutual Funds in the form of Collective Investment Contracts with managed funds of at least Rp. 10,000,000,000 (ten billion rupiahs) within a period of 130 (one hundred and thirty) trading days after the statement of registration of the Mutual Funds becomes effective and within a period of 160 (one hundred and sixty) trading days after the statement that the registration of the Mutual Funds becomes effective for protected Mutual Funds, Mutual Funds with guarantees, and Index Mutual Funds conducting limited Public Offerings. Provisions regarding the period of obligation to liquidate an Investment Fund in the form of a Collective Investment Contract with a total net asset value of the Mutual Fund less than Rp10,000,000,000 (ten billion rupiah) is adjusted to 160 (one hundred and sixty) consecutive trading days. Requirements that must be met for Investment Managers and Selling Agents of Mutual Fund Securities conducting sales activities through an electronic system. Provisions regarding that Investment Managers may request relaxation of the Securities portfolio adjustment period to the Financial Services Authority in the event of a downgrade of debt Securities and/or corporate sukuk that are not offered through Public Offerings on Mutual Funds.

7. Regulation : [18/SEOJK.03/2021](#)
- Date : 27 July 2021
- Title (Indonesian) : Perubahan Atas Surat Edaran Otoritas Jasa Keuangan Nomor 8/SEOJK.03/2019 tentang Laporan Bulanan Bank Perkreditan Rakyat
- Title (English) : Amendment of Financial Services Authority circular number 8/SEOJK.03/2019 concerning Monthly reports of smallholder credit banks

Summary

This regulation was issued in order to improve the efficiency and effectiveness of reporting method in the institutional licensing process for Smallholder Credit Banks with the enactment of Financial Services Authority Regulation Number 62/POJK.03/2020 and alignment with Financial Services Authority Circular Letter Number 3/SEOJK.03/2021. This regulation changes several provisions of the Financial Services Authority Circular Letter Number 8/SEOJK.03/2019 as follows; Adjustments to Form 00.00 – Basic Information of Smallholder Credit Banks, Form 00.02 – Data of Members of the Board of Directors and Members of the Board of Commissioners of Smallholder Credit Banks, Form 00.03 – Data of BPR Implementing Units, Form 00.04 – Data of Smallholder Credit Banks, Form 06.00 – List of Loans Granted, Form 09.00 – Details of Other Assets which is effective as of September 2021 position report and adds Form 00.09 – Data on Members of the Board of Directors and Members of the Board of Commissioners of Smallholder Credit Banks who have resigned, Form 00.10 – Data

of Smallholder Credit Banks Implementing Units that have resigned, Form 00.11 – Data of Cash Offices and Cash Service Activities of Smallholder Credit Banks, Form 00.12 – Data on Office Closures and BPR Cash Service Activities, Form 00.13 – Supporting Documents and Appendix 06 List of Codes for Service Authority Work Areas effective as of September 2021 position report. In addition, this regulation also adjusts Appendix 03 List of Regency or City Codes, Appendix 04 List of Currency Codes Foreign, and Appendix 05 List of Codes for Economic Sector valid from January 2022 position report.

New Banking Regulation

1. Regulation : [23/11/PBI/2021](#)
Date : 13 August 2021
Title (Indonesian) : Standar Nasional Sistem Pembayaran
Title (English) : National Standard of Payment System

Summary

This regulation is issued in order to create a healthy, competitive and innovative payment system industry by encouraging integration, interconnection, interoperability, security and reliability of payment system infrastructure, as well as improving healthy, efficient, and fair market practices in payment system operations. This regulation stipulates several provisions as follows. The scope of the National Standard includes aspects of governance, risk management, information system security standards, interconnection, and interoperability; and/or other aspects determined by BI (Bank Indonesia). National Standards may contain technical specifications, operational specifications; and/or implementation guidelines (code of practice). In setting National Standards, BI may consider standard proposals submitted by the Self-Regulatory Organization (SRO) or other parties. If there is a standard proposed by the SRO or another party, the ownership of the standard shall be transferred to BI at the time the standard is determined as a National Standard. PJP (Payment Service Provider) and PIP (Payment System Infrastructure Provider) are required to comply with the policies and arrangements for the implementation of the National Standard. The obligation to comply with the policies and arrangements for the application of the National Standard is also applied to the Supporting Providers and other parties who cooperate with PJP/or PIP. In addition, the National Standard can be applied in cross-border payment transactions but must be based on BI policy.

2. Regulation : [23/10/PBI/2021](#)
Date : 30 July 2021
Title (Indonesian) : Pasar Uang
Title (English) : Money Market

Summary

In order to create a money market that is liquid, efficient, transparent, and with integrity, it is necessary to regulate money market that is adaptive, pays attention to industry needs, is innovative, and complies with international rules. In view of this, Bank Indonesia issued a regulation that stipulates the following provisions. The scope of money market development carried out by Bank Indonesia is arrangement, license, supervision, and imposition of sanctions on products, market participants (participants), prices (pricing) and/or Financial Market Infrastructure in the Money Market. The scope and activities in the Money Market are Money Market Products which are Financial Instruments that meet the criteria and/or requirements to

be transacted in the Money Market and activities in Money Market products consist of issuance of Rupiah Money Market instruments and/or Foreign Exchange Money Market instruments; and/or Transactions in the Money Market; and activities in Money Market products can be carried out based on sharia principles. Parties conducting activities in the Money Market are Money Market players and Money Market Supporting Institutions. The reference price in the Money Market includes the Interest Rate; and/or Exchange rate. The determination of the reference price in the Money Market can be carried out based on sharia principles. Financial Market Infrastructure which includes transaction & clearing, administration, and transaction settlement facilities; settlement of funds; reporting and management of data and/or information; and other infrastructure determined by Bank Indonesia. Obligations of Money Market players and/or Financial Market Infrastructure operators in managing and reporting on data and/or information. Supervision and risk management in the Money Market. Consumer protection in the Money Market by referring to the Bank Indonesia Regulation concerning consumer protection and coordination in the development of the Money Market.

3. Regulation : [23/9/PBI/2021](#)
- Date : 19 July 2021
- Title (Indonesian) : Perubahan atas Peraturan Bank Indonesia Nomor 22/12/PBI/2020 tentang Penyelesaian Transaksi Bilateral Menggunakan Mata Uang Lokal melalui Bank
- Title (English) : Amendment of Bank Indonesia Regulation number 22/12/PBI/2020 concerning Bilateral Transaction Settlement Using Local Currency (Local Currency Settlement) Through Banks

Summary

To encourage the use of local currency in settling bilateral transactions between Indonesia and partner countries, it is necessary to expand the types of transactions using local currencies, therefore Bank Indonesia Regulation number 22/12/PBI/2020 concerning Settlement of Bilateral Transactions Using Local Currency through Banks needs to be adjusted, therefore it is amended as follows. Prohibition of Domestic Non-Deliverable Forward Transactions, within the framework of certain LCS (Local Currency Settlement) cooperation, Indonesian ACCD (Appointed Cross Currency Dealer) Banks are prohibited from conducting domestic non-deliverable forward (DNDF) transactions in Partner Countries in rupiah against other currencies of Partner Countries. Indonesian AACD Bank that violates the prohibition provisions will be subject to administrative sanctions in the form of a written warning. Further provisions regarding certain SCS cooperation frameworks and procedures for imposing sanctions are regulated in the Regulation of the Board Members of Governors. In addition, there is a revocation of provisions in Bank Indonesia Regulation (PBI) number 20/10/PBI/2018 concerning Domestic Non-Deliverable Forward Transactions, namely the provisions of Article 8 paragraph (2); and administrative sanctions for violations of Article 8 paragraph (2) in Article 18 paragraph (1).

4. Regulation : [23/8/PBI/2021](#)
- Date : 16 July 2021
- Title (Indonesian) : Perubahan Kedua atas Peraturan Bank Indonesia Nomor 21/9/PBI/2019 tentang Laporan Bank Umum Terintegrasi
- Title (English) : Second amendment of Bank Indonesia Regulation number 21/9/PBI/2019 concerning Integrated reports of commercial banks

Summary

Considering that the ongoing Corona Virus Disease 2019 (COVID-19) pandemic has an impact on the readiness to submit reports and the quality of reports submitted by banks to Bank Indonesia and banks cannot submit reports in a complete, accurate, current, complete, and timely manner, it is necessary to adjust the provisions regarding the implementation time of LBUT (Integrated Commercial Bank Report) as follows. The LBUT submission period consists of a parallel run period for

report submission and/or report correction from the end of December 2019 data to the end of December 2021 data and a full implementation period, namely report submission and/or report correction since January 2022 data. In addition, written notification is given to banks that are late and do not submit report and/or report correction from the end of March 2021 data to the end of December 2021 data.

5. Regulation : [23/15/PADG/2021](#)
Date : 16 August 2021
Title (Indonesian) : Standar Nasional Open Application Programming Interface Pembayaran
Title (English) : National Standard of Open Application Programming Interface Payment

Summary

In order to ensure interconnection, interoperability, and efficiency in the operation of the payment system, it is necessary to establish a national standard for payment open application programming interface (SNAP) through this regulation which stipulates the following provisions. Provisions regarding the scope of SNAP consist of aspects of interconnection and interoperability, Information system security standards, governance, and risk management in the Payment Open API. SNAP contains technical specifications, operational specifications, and implementation guidelines. SNAP content is contained in technical and security standards documents, data standards, and SNAP technical specifications and SNAP governance guidelines. Technical and security standards, data standards, and SNAP technical specifications are applied in the API with categories of Registration, balance information, transaction history information, credit transfers, debit transfers and other categories determined by Bank Indonesia. The management of SNAP includes the management of the SNAP Developer Site system, the operation of the SNAP Developer Site, the implementation of verification and/or providing recommendations related to the implementation of SNAP, the evaluation and/or update of the SNAP periodically and/or at any time; and SNAP publications. Service Providers and PJP Service Users are required to implement SNAP-based Payment Open APIs on Payment Open APIs organized by Service Providers and Service User PJPs. Service Providers conducting activity development, product development, and/or Open API Payment cooperation are required to apply for approval or report to Bank Indonesia. PJP may cooperate with foreign parties to carry out activity development, product development, and/or Open API Payment cooperation. Service Providers and PJP Service Users are required to submit transaction data and/or other data in the Payment Open API in accordance with the procedures and methods stipulated by Bank Indonesia. In addition, non-PJP Service Users and/or other parties are also required to submit transaction data and/or other data in the Payment Open API in accordance with the procedures and methods stipulated by Bank Indonesia.

6. Regulation : [23/14/PADG/2021](#)
Date : 5 August 2021
Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur Nomor 22/20/PADG/2020 tentang Penyelesaian Transaksi Bilateral antara Indonesia dan Jepang Menggunakan Rupiah dan Yen melalui Bank
Title (English) : Amendment of Regulation of the Members of the Board of Governors number 22/20/PADG/2020 concerning Settlement of Bilateral Transactions between Indonesia and Japan using Rupiah and Yen through Banks

Summary

In order to increase the use of the rupiah and yen in the settlement of bilateral transactions between Indonesia and Japan, it is necessary to increase flexibility in conducting local currency settlement (LCS) transactions, therefore the Regulation of the Board Members of Governors Number 22/20/PADG/2020 concerning the Settlement of Bilateral Transactions between Indonesia and Japan Using Rupiah and Yen through Banks needs to be adjusted. This regulation adjusts several provisions as

follows. Addition of Cross Currency Swap (CCS) transactions and Domestic Non-Delivery Forward (DNDF) transactions for the purpose of implementing LCS rupiah and yen that can be carried out by Indonesian ACCD (Appointed Cross Currency Dealer) Banks. Threshold for Transactions of Rupiah against Yen between Indonesian ACCD Banks and Indonesian LCS Customers. The threshold for financial transactions that must be proven by the Underlying Transaction documents is changed, which was originally the equivalent of above USD25,000 to the equivalent of above USD500,000. Addition of Cross Currency Swap (CCS) transactions and Domestic Non-Delivery Forward (DNDF) transactions within the scope of transactions for the implementation of squaring positions. The Indonesia-Japan LCS framework is exempt from the ban on DNDF transactions in Japan in rupiah against yen. The addition of an estimated Underlying Transaction document which was originally only allowed for current transactions is now allowed for current transactions and/or direct investment. Addition of CCS transactions and DNDF transactions as rupiah transactions against yen which must be supported by final or approximate Underlying Transaction documents. The type of periodic report form is simplified from 7 forms to 4 forms. Provisions for incidental reports that are required to be submitted are changed to Bank Indonesia at any time may request incidental reports. Deletion of editorial "incidental reports" so that it becomes "refer to Appendix IV" which contains only periodic reports. Changes in attachment IV, which originally contained 7 periodic report forms and 1 incidental report form, is changed to only contain 4 periodic report forms.

7. Regulation : [23/13/PADG/2021](#)
- Date : 2 August 2021
- Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur Nomor 21/23/PADG/2019 tentang Laporan Bank Umum Terintegrasi
- Title (English) : Second amendment of Regulation of the Members of the Board of Governors number 21/23/PADG/2019 concerning Integrated reports of commercial banks

Summary

With the issuance of the second amendment to the Bank Indonesia Regulation concerning integrated commercial bank reports and in its implementation it is necessary to be supported by implementing regulations regarding the implementation methods and technical matters related to integrated commercial bank reports that adjust the following provisions. Adjustment of settings regarding the implementation time of the Integrated Commercial Bank Report (LBUT), namely the LBUT submission period consisting of a parallel run of report submission and/or report correction from the end of December 2019 data to the end of December 2021 data and full implementation: submission of reports and/or correction reports since January 2022 data. In addition, written notification is given to banks that are late and do not submit reports and/or report corrections from the end of March 2021 data to the end of December 2021 data.

8. Regulation : [23/12/PADG/2021](#)
- Date : 2 August 2021
- Title (Indonesian) : Penyelesaian Transaksi Bilateral antara Indonesia dan Malaysia Menggunakan Rupiah dan Ringgit melalui Bank
- Title (English) : Settlement of Bilateral Transactions between Indonesia and Malaysia Using Rupiah and Ringgit through Banks

Summary

This regulation is issued in the context of Bank Indonesia and Bank Negara Malaysia having agreed to establish a cooperation framework to encourage the settlement of bilateral transactions using rupiah and ringgit in financial activities and transactions through banks, which stipulates the following provisions. Criteria and mechanism for appointing Indonesian ACCD (Appointed Cross Currency Dealer) Banks. Financial activities and transactions for the purpose of implementing the

LCS. Rupiah and Ringgit LCS are exempted from the prohibition in conducting domestic non-deliverable forward transactions in Malaysia in rupiah currency against ringgit currency. Types and documents of Underlying Transactions. Payment system operators that provide cross border payment facilities use Indonesia ACCD Bank to open Sub-SNA Ringgit and conduct ringgit transactions against rupiah. In carrying out spot and forward transactions, Indonesian ACCD Bank is required to issue and display ringgit price quotes against rupiah on information provider facilities at least 1 (one) time per day with price quotes that reflect fair prices and can be transacted or executed. Bank Indonesia may terminate the appointment of a Bank as Indonesia ACCD Bank and Indonesia ACCD Bank that plans to take Corporate Action or are in the process of revocation of business license are required to submit a notification letter to Bank Indonesia. In addition, Indonesia ACCD Bank is required to compile and submit periodic reports related to the interest in implementing the Rupiah and Ringgit LCS to Bank Indonesia.



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