



New Financial Services Authority (OJK) & Banking Regulations

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.

The New Financial Services Authority (OJK) Regulations

1. Regulation: 55/SEOJK.04/2017 ([click here 55/SEOJK.04/2017](#))
Date : 6 December 2017
Subject : Laporan penerapan tata kelola perusahaan efek yang melakukan kegiatan usaha sebagai penjamin emisi efek dan perantara pedagang efek (Reports on application of governance of securities companies that carry on business activities as securities underwriters and securities broker/traders)

Summary

This circular is issued in the context of implementation of article 55 of OJK Regulation number 57/POJK.04/2017 concerning application of governance of securities companies that carry on business activities as securities underwriters and securities broker/traders. In connection with

this matter, it is necessary to stipulate implementation provisions regarding the reports on application of governance of securities companies that carry on business activities as securities underwriters and securities broker/traders, in the form of an OJK Circular.

The general provisions in this circular explain about the definition of a securities company, good governance of securities companies, business plans, websites, and so on. In addition, broadly the content of this circular discusses the following:

- Governance of securities companies, based on 5 principles of governance: openness, accountability, responsibility, independence, fairness
- Reports on application of governance, covering at least transparency, results of self-assessment, and action plan
- With regard to transparency, covering at least disclosure of forms of application of governance, share ownership, financial relationships, conflicts of interest and/or related-party transactions, etc.
- The self-assessment is used as a measure to assess the extent to which the securities company applies governance based on the principles of governance
- The action plan comprises corrective action that is needed, target or time for resolution, and constraints or obstacles to the resolution, if there are shortcomings in the application of governance
- Procedure for submission of reports on application of governance

2. Regulation: 54/SEOJK.04/2017 ([click here 54/SEOJK.04/2017](#))

Date : 12 October 2017

Subject : Laporan penerapan tata kelola perusahaan yang baik bagi lembaga penjamin
(Reports on application of good corporate governance for guarantor institutions)

Summary

The issuance of this circular relates to OJK Regulation number 3/POJK.05/2017 concerning good corporate governance for guarantor institutions. Therefore, it is necessary to stipulate concerning the format, arrangement, and procedure for submission of reports on application of good corporate governance for guarantor institutions, in the form of an OJK Circular.

The general provisions in this circular explain about the definition of guarantor institution, guarantor company, sharia oversight board, independent commissioners, etc. In addition, this content of this circular also discusses several matters as follows:

- Application of good corporate governance, which includes transparency, accountability, responsibility, independence, justice
- Format and arrangement of reports on application of good corporate governance
- Explanation about transparency in application of good corporate governance, covering (i) implementation of duties and responsibilities of board of directors, board of commissioners, sharia oversight board (DPS), (ii) completeness and performance of duties, (iii) transparency of financial and non-financial conditions of guarantor institutions, etc.
- Explanation concerning independent evaluation of application of good corporate governance
- Explanation concerning the action plan that is prepared to refine the implementation of good corporate governance as follow-up to the result of the independent evaluation
- Time for submission of reports on application of good corporate governance
- Procedure for submission of reports on application of good corporate governance

The New Banking Regulations

1. Regulation: 19/12/PBI/2017 ([click here 19/12/PBI/2017](#))

Date : 30 November 2017

Subject : Penyelenggaraan teknologi finansial (Operation of financial technology)

Summary

The purpose of the issuance of this regulation is to encourage innovation in the financial field by applying principles of consumer protection, risk management and prudence in order to maintain monetary stability, stability of the financial system, and a payment system that is efficient, smooth, safe, and reliable.

This content of this BI Regulation also explains about the categories of operation of financial technology, viz.:

- Payment system;
- Market support;
- Investment management and risk management;
- Loans, financing, and provision of capital;
- Other financial services.

Several other matters are also explained in this regulation, such as the scope of regulation of operation of financial technology, which includes:

- Registration;
- Regulatory Sandbox;
- Licensing and approval; and
- Monitoring and oversight.

2. Regulation: 19/16/PADG/2017 ([click here 19/16/PADG/2017](#))

Date : 27 November 2017

Subject : Klarifikasi atas uang Rupiah yang diragukan keasliannya (Clarification on Rupiah currency whose authenticity is doubted)

Summary

The purpose of the issuance of this regulation is to provide guidance for members of the public in requesting clarification on Rupiah currency whose authenticity is doubted by Bank Indonesia. Clarification on Rupiah currency whose authenticity is doubted is an implementation Bank Indonesia Regulation No. 14/7/PBI/2012 concerning Management of Rupiah currency.

This Bank Indonesia Circular, which consists of 31 articles, generally regulates the following matters:

- Parties that may request clarification from BI.
- Way to treat Rupiah currency whose authenticity is doubted.
- Requests for clarification by a bank or PJPUR [Rupiah currency processing service operator].
- Requests for clarification by a party other than a bank or PJPUR.
- Examination of Rupiah currency whose authenticity is doubted.
- Rupiah currency that is declared genuine or not genuine.

3. Regulation: 19/15/PADG/2017 ([click here 19/15/PADG/2017](#))

Date : 30 November 2017

Subject : Cara pendaftaran, penyampaian informasi, dan pemantauan penyelenggara teknologi finansial (Procedures for registration, submission of information, and monitoring of financial technology operators)

Summary

The purpose of the issuance of this regulation is as guidance in implementation of registration, submission of information, and monitoring of financial technology operators as follow-up to the issuance of Bank Indonesia Regulation No.19/12/PBI/2017 concerning Financial Technology Operations.

This content of this circular explains the scope of regulation of financial technology, which includes:

- Registration procedure for financial technology operators;
- Procedure for submission of information for financial technology operators in the form of payment system service operators;
- List of documents to be submitted, as well as format of the documents;
- Procedures for processing of registration or submission of information;
- Procedures for publication and deletion of Financial technology operators from the List of Financial technology operators at Bank Indonesia; and
- Monitoring of Financial technology operators that have been included in the List of Financial technology operators by Bank Indonesia.

4. Regulation: 19/14/PADG/2017 ([click here 19/14/PADG/2017](#))

Date : 30 November 2017

Subject : Ruang uji coba terbatas (*regulatory sandbox*) teknologi finansial (Space for limited trial (*regulatory sandbox*) of financial technology)

Summary

The purpose of the issuance of this circular is as guidance in the implementation of space for limited trial (*regulatory sandbox*) as follow-up to the issuance of Bank Indonesia Regulation No.19/12/PBI/2017 concerning Operation of Financial technology. In this circular it is explained that a *regulatory sandbox* is a space for a safe, limited trial to test yang safe financial technology operators and their products, services, technology, and/or business models, to be able to provide space for financial technology operators to further ensure that their products, services, technology, and/or business models have satisfied the criteria of financial technology.

The types of financial technology that can be trialled in the *regulatory sandbox* are financial technology which:

- contains an element that can be categorized into the payment system;
- contains an element of innovation;
- is beneficial or can provide benefit to consumers and/or the economy;
- is non-exclusive;
- can be used on a mass scale; and
- is equipped with identification and mitigation of risks and based on other considerations considered important by Bank Indonesia.

5. Regulation: 19/13/PADG/2017 ([click here 19/13/PADG/2017](#))
Date : 30 November 2017
Subject : Penukaran uang Rupiah (Exchange of Rupiah currency)

Summary

The purpose of the issuance of this regulation is to fulfil the public's need for Rupiah currency in an adequate nominal amount, appropriate denominations, and in circulatable condition through activities of Rupiah currency services, particularly for communities in remote areas.

This circular stipulates the following matters:

- General principles for exchange of Rupiah currency;
- Requirements for replacement of Rupiah currency;
- Replacement of damaged Rupiah currency that is suspected of being deliberately damaged or has been deliberately damaged;
- Rupiah currency that does not receive replacement;
- Implementation of exchange of Rupiah currency;
- Mechanism for exchange Rupiah currency at an exchange window;
- Official handover of result of exchange of Rupiah currency;
- Examination of damaged Rupiah currency;
- Exchange of Rupiah currency by post;
- Exchange of Rupiah currency with another party appointed by Bank Indonesia.

6. Regulation: 19/12/PADG/2017 ([click here 19/12/PADG/2017](#))
Date : 20 November 2017
Subject : Penyelesaian transaksi perdagangan bilateral antara Indonesia dan Malaysia menggunakan Rupiah dan Ringgit melalui bank (Settlement of bilateral trade transactions between Indonesia and Malaysia using Rupiah and Ringgit through banks)

Summary

The purpose of the issuance of this regulation is as an implementation regulation of PBI No.19/11/PBI/2017 in order to encourage the use of local currency for settlement of bilateral trade transactions between Indonesia and Malaysia. This is part of the effort to reduce dependency on certain currencies, which is expected to support the performance of Bank Indonesia's duties in maintaining stability of the exchange rate. To support the implementation of this agreement, Bank Indonesia has issued Bank Indonesia Regulation Number 19/12/PBI/2017 concerning Settlement of Bilateral trade transactions using local currency (Local Currency Settlement) through Banks. The guidelines for implementation of these provisions include opening of special accounts in rupiah and ringgit, execution of transactions of rupiah or foreign currency against ringgit, and granting of Trade Financing facilities in rupiah and ringgit.

An ACCD Bank (Appointed Cross Currency Dealer Bank) may conduct the following financial transactions:

- Opening of SNA rupiah and SNA Ringgit;
- Opening of Sub-SNA Ringgit and Sub-SNA Rupiah;
- Transactions of rupiah and foreign currency against ringgit;
- Settlement of transactions;
- Trade Financing;
- Management of SNA Ringgit and SNA Rupiah;
- Management of Sub-SNA Ringgit and Sub-SNA Rupiah;

- Prohibition on withdrawal and deposit of Sub-SNA Ringgit and Sub-SNA Rupiah in cash;
- Fund transfer;
- Price quotations;
- Open position of ringgit transactions; and
- Prohibition on conducting non-deliverable forward transactions.

7. Regulation: 19/11/PADG/2017 ([click here 19/11/PADG/2017](#))

Date : 20 November 2017

Subject : Penyelesaian transaksi perdagangan bilateral antara Indonesia dan Thailand menggunakan Rupiah dan Baht melalui bank (Settlement of bilateral trade transactions between Indonesia and Thailand using Rupiah and Baht through banks)

Summary

The purpose of the issuance of this regulation is as an implementation regulation of PBI No.19/11/PBI/2017 in order to encourage the use of local currency for settlement of bilateral trade transactions between Indonesia and Thailand. This is part of the effort to reduce dependency on certain currencies, which is expected to support the performance of Bank Indonesia's duties in maintaining stability of the exchange rate. To support the implementation of this agreement, Bank Indonesia has issued Bank Indonesia Regulation Number 19/11/PBI/2017 concerning Settlement of Bilateral trade transactions using local currency (Local Currency Settlement) through Banks. The guidelines for implementation of these provisions include opening of special accounts in rupiah and baht, execution of transactions of rupiah or foreign currency against baht, and granting of Trade Financing facilities in rupiah and baht.

An ACCD Bank (Appointed Cross Currency Dealer Bank) may conduct the following financial transactions:

- Opening of SNA rupiah and SNA Baht;
- Opening of Sub-SNA Baht and Sub-SNA Rupiah;
- Transactions of rupiah and foreign currency against baht;
- Settlement of transactions;
- Trade Financing;
- Management of SNA Baht and SNA Rupiah;
- Management of Sub-SNA Baht and Sub-SNA Rupiah;
- Prohibition on withdrawal and deposit of Sub-SNA Baht and Sub-SNA Rupiah in cash;
- Fund transfer;
- Price quotations;
- Open position of baht transactions; and
- Prohibition on conducting non-deliverable forward transactions.

Contact

Clients & Markets Deloitte Indonesia

Email: IDMarcomm@deloitte.com

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