



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 : [31/POJK.03/2019](#)
Date : 2 December 2019
Regarding : Kewajiban pemenuhan rasio pengungkit bagi bank umum
(*Obligation to comply with leverage ratio for commercial bank*)

Summary:

In order to measure bank capital structure, it needs a capital ratio indicator to complete Minimum Capital Adequacy Ratio. Considering this matter, it is necessary for Financial Services Authority to stipulate a Financial Services Authority Regulation concerning the Obligation to comply with Leverage ratio for Commercial Bank. This regulation governs several important matters as follows:

- Banks are required to provide a sufficient Core Capital Bank based on the Total Exposure recorded in statement of financial position and statement of commitment and contingency.
- Core Capital Adequacy is calculated by using Leverage Ratio.
- Banks are required to fulfil Leverage Ratio at least 3% at time.
- To comply with the Leverage Ratio, Banks are required to calculate Core Capital and Total Exposure.
- Banks are required to submit report of obligation to comply with Leverage ratio based on the position at the end of the quarterly report to the Financial Services Authority.
- Report of obligation to comply with Leverage Ratio consists of:
 - a. report of Leverage Ratio Total Exposure; and
 - b. report of the calculation of Leverage Ratio
- Provision concerning administrative sanctions for banks which do not fulfil the provisions as required.

2. Regulation : [30/POJK.04/2019](#)

Date : 29 November 2019

Regarding : Penerbitan efek bersifat utang dan/atau sukuk yang dilakukan tanpa melalui penawaran umum
(*Issuance of debt securities and/or sukuk without public offering*)

Summary:

In order to provide legal certainty and protection to consumers and public, there needs to be a regulation concerning the issuance of debt securities and/or sukuk without public offering. This regulation regulates several important matters as follows:

- Criteria of debt securities and/or sukuk (*Efek Bersifat Utang dan/atau Sukuk/EBUS*) without public offering:
 - Has a maturity of more than 1 (one) year, with the value of its issuance at least Rp1,000,000,000 (one billion rupiahs) or less than Rp1,000,000,000 (one billion rupiahs) which the issuance is done several times therefore in the period of 1 (one) year reaching a value of at least Rp1,000,000,000 (one billion rupiahs); or
 - Has a maturity of not more than 1 (one) year which does not supervised by other authorities, which its issuance is at least Rp1,000,000,000 (one billion rupiahs) or less than Rp1,000,000,000 (one billion rupiahs) which the issuance is done several times therefore in the period of 1 (one) year reaching a value of at least Rp1,000,000,000 (one billion rupiahs)
- Issuer and buyer of EBUS without public offerings:
 - Issuer shall be:
 - Listed companies;
 - Business entity or legal entity in Indonesia other than listed companies
 - Supranational institutions; or
 - Collective investment contract which can issue debt securities and/or sukuk according to the statutory regulations in capital market sector.
 - EBUS without public offerings are prohibited from being sold to other than Professional Investors.
 - Parties who will buy EBUS without a Public Offering must declare that they have met the criteria as Professional Investors to:
 - Issuers; or
 - Manager of issuance for Issuers that use Manager of issuance.
- Manager of issuance and monitoring agent.
- Procedures for issuing EBUS without public offering.
- Documents of the issuance of EBUS without public offering and information memorandum.
- Provision for sanctions.

3. Regulation : [29/POJK.03/2019](#)
Date : 27 November 2019
Regarding : Kualitas aset produktif dan pembentukan penyisihan penghapusan aset produktif bank pembiayaan rakyat syariah
(*Quality of productive assets and formation of provision for write-off of productive assets of sharia smallholder financing banks*)

Summary:

In order to create a productive, healthy, and competitive sharia smallholder financing bank industry and see the dynamic and challenging development of the sharia smallholder financing bank industry in dealing with risks in managing productive assets, it is necessary to improve provisions regarding the quality of productive assets and establish provision for write-off of productive assets of sharia smallholder financing banks.

This regulation regulates several important matters as follows:

- Sharia Smallholder Financing Banks (*Bank Pembiayaan Rakyat Syariah/BPRS*) are required to conduct standing facilities in Productive Assets based on prudential principles and sharia principles.
- BPRS is required to form commercial Provision for Write-off of Productive Assets (*Penyisihan Penghapusan Aset Produktif/PPAP*) and special PPAP for each Productive Asset.
 - Commercial PPAP as intended is determined at least 0.5% (zero point five percent) of Productive Assets that have current quality.
 - Special PPAP as intended is determined at least:
 - 3% (three percent) from Productive Assets with special mention quality after reducing the collateral value;
 - 10% (ten percent) from Productive Assets with sub-standard quality after reducing the collateral value;
 - 50% (fifty percent) from Productive Assets with doubtful quality after reducing the collateral value
 - 100% (one hundred percent) from Productive Assets with lost quality after reducing the collateral value
- In the case for deposit funds in conventional banks, BPRS is prohibited to deposit funds in conventional banks.
- In the case for deposit in banks that meets the insurance criteria requirement from Indonesia Deposit Insurance Corporation, part of the deposit in other banks and deposit in commercial conventional banks that meets the insurance criteria requirement from Indonesia Deposit Insurance Corporation can be used as a deduction factor in forming commercial PPAP and special PPAP
- Provisions concerning financing restructuring.
- Provisions concerning taken over collateral.
- Provisions concerning write-off and haircut.

4. Regulation: [28/POJK.03/2019](#)
Date : 25 November 2019
Regarding : Sinergi perbankan dalam satu kepemilikan untuk pengembangan perbankan syariah
(*Banking synergy in sole ownership for sharia banking development*)

Summary:

In order to improve the efficiency of the national banking industry and the development of Islamic banking, banking synergy is needed to make cooperation between sharia commercial banks and commercial banks that have partnerships related to optimizing commercial bank resources to support the implementation of sharia commercial banks activities that provide

added value to sharia commercial banks and commercial banks. This regulation regulates the following matters:

- Banking synergy can be conducted by Sharia Commercial Banks (*Bank Umum Syariah/BUS*) and Commercial Banks (*Bank Umum/BU*) which have partnership relation as follows:
 - Commercial Banks as controlling shareholders of Sharia Commercial Banks; or
 - Commercial Banks owned by the same controlling shareholders of Sharia Commercial Banks.
- Sharia Commercial Banks and Commercial Banks cannot conduct Banking Synergy for the capital and management.
- In conducting Banking Synergy, Sharia Commercial Banks can carry out business activities based on the grouping of Commercial Banks based on Commercial Bank Business Activities (*Bank Umum berdasarkan Kegiatan Usaha/BUKU*) and/or Commercial Bank's core capital. The implementation of Sharia Commercial Banks business activities based on the grouping of BUKU and/or the core capital of the Commercial Banks do not include Banking Synergy for capital.
- Independent party who become the member of committee formed by Sharia Commercial Banks are allowed to concurrently hold position as independent party who is also a member of committee.
- In carrying out its functions, committee that are required to be formed by BUS can use the human resources of Commercial Banks as committee members other than those required by statutory regulations.
- Sharia Commercial Banks are responsible for the risk from the synergized activities with Commercial Banks in Banking Synergy.
- Sharia Commercial Banks and Commercial Banks shall create a written cooperation contract of Banking Synergy.
- The integrated governance committee monitors the implementation of Banking Synergy and the results of its monitoring must be reported by the Main Entity to OJK.

5. Regulation: [27/POJK.04/2019](#)

Date : 5 November 2019

Regarding : Persetujuan bank umum sebagai kustodian
(*Approval of commercial bank as a custodian*)

Summary:

In order to provide clarity and certainty concerning the approval of commercial bank as a custodian, the provisions of the laws and regulations in the capital market sector regarding the approval of commercial bank as a custodian issued before the formation of the Financial Services Authority need to be changed into a Financial Services Authority Regulation.

This regulation governs the following matters:

- Request for approval of Commercial Bank as a custodian by including certain supporting documents and information as required.
- Other provisions.
- Administrative sanctions.
- Transitional provisions.
- Closing provisions.

6. Regulation: [24/SEOJK.03/2019](#)
Date : 13 November 2019
Regarding : Perubahan atas SEOJK nomor 8/SEOJK.03/2016 tentang kewajiban penyediaan modal minimum dan pemenuhan modal inti minimum bank perkreditan rakyat. (*Amendment of financial services authority circular number 8/SEOJK.03/2016 concerning obligations for capital adequacy ratio and fulfilment of minimum core capital for smallholder credit banks*)

Summary:

Amendment of Financial Services Authority Circular concerning obligations for capital adequacy ratio and fulfilment of minimum core capital for Smallholder Credit Banks is stipulated in order to align with Financial Services Authority Regulation number 33/POJK.03/2018 and Financial Services Authority Regulation number 13/POJK.02/2019. This regulation adjusts several important matters as follows:

- There are adjustments concerning the calculation format of Obligations for Minimum Capital Adequacy (*Kewajiban Penyediaan Modal Minimum/KPMM*) and Risk-weighted Assets (*Aset Tertimbang Menurut Risiko/ATMR*) taking into account the alignment with Financial Services Authority Regulation concerning Productive Assets Quality (*Kualitas Aset Produktif/KAP*) and Provision for Write-off of Productive Assets (*Penyisihan Penghapusan Aset Produktif/PPAP*) of Smallholder Credit Banks (*Bank Perkreditan Rakyat/BPR*) as related to the calculation of Foreclosed Collateral (*Agunan yang Diambil Alih/AYDA*), the types of collateral considered as the formation deduction of the PPAP of BPR, addition of credit quality classes in the calculation of ATMR.
- There are adjustments regarding several terms in matrix calculation of KPMM and ATMR referring to Financial Services Authority Circular concerning Monthly Report for the adjustment of terms, for example the term of "Balance Sheet (Neraca)" changed to "Statement of Financial Position (Laporan Posisi Keuangan)", "time deposit" changed to "deposit", and "asset revaluation surplus" still termed as "asset revaluation surplus".

7. Regulation: [23/SEOJK.05/2019](#)
Date : 11 November 2019
Regarding : Rencana bisnis perusahaan pembiayaan dan perusahaan pembiayaan syariah (*Business plan of finance companies and sharia finance companies*)

Summary:

In order to set the scope of a business plan, format and composition of business plan realization report, format and composition of business plan supervision report, and procedures of submitting business plan, adjustments in business plan, change of business plan, business plan realization report, and business plan supervision report of multifinance company and sharia multifinance company, regulated in Financial Services Authority Circular as follows:

- More detailed provisions and a minimum standard format for the scope of business plan for multifinance company, including:
 - a) executive summary;
 - b) evaluation for the implementation of business plan in the previous period;
 - c) vision, mission, and business strategy;
 - d) management's policies and plans
 - e) projection of financial report and the assumptions used;
 - f) projection of certain ratios and posts; and
 - g) other information, including
- More detailed provisions and a minimum standard format for business plan realization report.
- More detailed provisions and a minimum standard format for business plan supervision report.
- Provisions for procedures to submit:

- a) business plan;
- b) adjustment of business plan;
- c) change of business plan;
- d) business plan realization report; and
- e) business plan supervision report,
- f) which is submitted online through Financial Services Authority's data communication network or submitted offline.

New Banking Regulation

1. Regulation: [21/14/PBI/2019](#)

Date : 29 November 2019

Regarding : Devisa hasil ekspor dan devisa pembayaran impor.

(Foreign exchange derived from exports and foreign exchange import payment)

Summary:

This regulation is issued in order to improve the efficiency of monitoring Foreign Exchange Derived from Exports (*Devisa Hasil Ekspor/DHE*) revenue and foreign exchange expenditure for import payments through banks in Indonesia to support the optimization of the use of foreign exchange derived from exports and monitoring foreign exchange import payments.

This regulation regulates these following matters:

- Main points of the regulation.
 1. Exports of non-natural resources.
 - All of foreign exchange derived from exports shall be received through Banks no later than the end of the third month after the month of Export Customs Notification (*Pemberitahuan Pabean Ekspor/PPE*).
 - The procedure of DHE reporting
 - The submission of DHE is done for export value that is more than the equivalent of US\$10,000.00.
 - Exporters submit the supporting documents via online to Bank Indonesia no later than the next five months after the month of PPE registration and/or the month for DHE revenue, in case there are certain matters.
 - Exporters submit the transaction proof concerning netting to Bank Indonesia no later than the next five months after the month of DHE revenue.
 2. Imports.
 - Foreign Exchange Import Payments (*Devisa Pembayaran Impor/DPI*) is shall be reported to Bank Indonesia no later than the end of the third month after the month of Import Customs Notification (*Pemberitahuan Pabean Impor/PPI*).
 - Importers submit DPI report via online to Bank Indonesia no later than 5 months after the month of PPI registration and/or the month of DPI expenditure
 - The submission of Report of DPI for Import Value more than the equivalent of US\$10,000.
 - Importers submit the supporting documents online to BI no later than the 5th of the following month after the month for PPI registration and/or the month for DPI expenditure, in case there are certain matters.
 3. Special Account (*Rekening Khusus/Reksus*) for DHE of Natural Resources (*Sumber Daya Alam/SDA*).
 - All of DHE SDA shall be received through Banks of Reksus DHE SDA no later than the third month after the month of PPE.
 - Regulation concerning the opening, incoming funds transfer, and outcoming funds transfer in Reksus DHE SDA
- Supervision and administrative sanctions.
- Closing provisions.

2. Regulation: [21/13/PBI/2019](#)
Date : 26 November 2019
Regarding : Perubahan atas Peraturan Bank Indonesia nomor 20/8/PBI/2018 tentang rasio loan to value untuk kredit properti, rasio financing to value untuk pembiayaan properti, dan uang muka untuk kredit atau pembiayaan kendaraan bermotor. (*Amendment of Bank Indonesia Regulation number 20/8/PBI/2018 concerning loan to value ratio for property credit, financing ratio to value for property financing and down payment for credit or motor vehicle financing*)

Summary:

In line with the macroprudential policies that are accommodative and the effort to encourage green economy, it is necessary to have the support from central bank through the loan to value ratio policy, financing to value ratio, and down payment for credit or financing of green property and motor vehicle, therefore Bank Indonesia amends the Bank Indonesia Regulation number 20/8/PBI/2018.

This regulation amends these following matters:

- Improving the policy concerning the Loan to Value (LTV)/Financing to Value (FTV) for Property Credit (*Kredit Properti/KP*)/Property Financing (*Pembiayaan Properti/PP*) for green property.
 - a. The adjustment of maximum ratio limit of LTV/FTV for KP/PP is the addition of 5% from the LTV/FTV ratio which was set by Bank Indonesia in the previous regulation.
 - b. The provision for maximum ratio limit of LTV/FTV for KP/PP of green economy property is added by 5% from the maximum ratio limit of LTV/FTV which has been loosened. Specifically for the ration of LTV/FTV that have reached 100%, it will not be determined by Bank Indonesia but will be left to the bank's policy by observing the prudential principles.
 - c. The adjustment of requirements for ration of Non-Performing Loan and ratio of Non-Performing Financing from net to gross.
 - d. The adjustment for one of the house types from "22m² to 70m²" type to ">21m² to 70m²" type.
- Improving the policy concerning Down Payment for Motor Vehicle Credit (*Kredit Kendaraan Bermotor/KKB*)/Motor Vehicle Financing (*Pembiayaan Kendaraan Bermotor/PKB*)
- The other provisions including:
 - a. Offline reporting for KP/PP for green property and KKB/PKB for green motor vehicle.
 - b. The adjustment for the previous amendment issued through PADG is in accordance with the mandate of delegation in Bank Indonesia Regulation which is the amendment of the maximum limit of KP/PP using an independent appraiser for collateral valuation from Rp5 billion to Rp10 billion.

3. Regulation: [21/12/PBI/2019](#)
Date : 25 November 2019
Regarding : Perubahan atas Peraturan Bank Indonesia nomor 20/4/PBI/2018 tentang rasio intermediasi makroprudensial dan penyangga likuiditas makroprudensial bagi bank umum konvensional, bank umum syariah, dan unit usaha syariah (*Amendment of Bank Indonesia Regulation number 20/4/PBI/2018 concerning macroprudential intermediation ratios and macroprudential liquidity buffers for conventional commercial banks, sharia commercial banks, and sharia business units*)

Summary:

In order to strengthen the banking intermediation function through accommodative macroprudential policies, it is made through adjustments to the formulation of macroprudential intermediation ratios and sharia macroprudential intermediation ratios by

considering the increasingly broad alternative sources of funding for banks, especially in the form of loans or financing received.

This regulation amended several following matters:

- Addition of loan component accepted by Conventional Commercial Banks (*Bank Umum Konvensional/BUK*) as component of funding sources in calculation of Macroprudential Intermediation Ratio (*Rasio Intermediasi Makroprudensial/RIM*)
- Addition of financing components received for Sharia Commercial Banks (*Bank Umum Syariah/BUS*) and Sharia Business Units (*Unit Usaha Syariah/UUS*) as funding sources components in calculationg Sharia Macroprudential Intermediation Ratio (Sharia RIM)
- Criteria for loans received and financing received which are used as a basis for Sharia RIM/RIM calculation.
- In the event that the Sharia RIM/RIM falls below the Sharia RIM/RIM target range, the bank is subject to the obligation to fulfill the Sharia RIM/RIM Giro.
- Adjustment of the interest rate reference used as the basis for calculating the financial penalty for banks that cannot meet the RIM/RIM Sharia Giro, adjusted from JIBOR Overnight to Indonesia Overnight Index Average (IndONIA).

4. Regulation: [21/23/PADG/2019](#)

Date : 6 December 2019

Regarding : Laporan bank umum terintegrasi

(*Integrated reports of commercial banks*)

Summary:

This regulation is issued as an implementation regulation from Bank Indonesia Regulation concerning integrated reports of commercial banks that regulates the implementation procedures and technical matters related to integrated reports of commercial banks.

This regulation governs several important matters as follows:

- Reporters' obligations and responsibilities
 - a. Obligation to arrange and submit the report to Bank Indonesia
 - b. Obligation to appoint employees/staffs and person in charge for the report
 - c. Process to register the employees/staffs and person in charge for the report to Bank Indonesia
- Preparing and submitting the report and/or correcting the report
 - a. Report Preparation refers to the metadata established by the authority, which is Bank Indonesia, Financial Services Authority, and Indonesia Deposit Insurance Corporation.
 - b. Procedure to request opening and closing of report's password
 - c. Information details for each Information Group.
 - d. Procedure to submit report and/or correcting report centrally and procedure to submit report for banks which are still not able to submit their report centrally.
 - e. Obligation to submit correction of misinformation found by banks, public accountants, Bank Indonesia and/or other authorities.
- Report periodization
 - a. The reporting period consists of daily, weekly, monthly and quarterly.
 - b. Details of the obligation in submitting information for each report period for Commercial Conventional Banks, Sharia Commercial Banks, and Sharia Business Units.
 - c. Details of the obligation in submitting Reporter Main Information and Opposing Party Information.
 - d. Details of information submitted for each scope of Report Submission, that is submitted individually for each of reporting branch office, a combination of all reporting offices and consolidation of banks and subsidiaries.
- Deadline for report submission and/or correction of report.
- Procedure of report submission

- a. It is the bank obligation to submit the report online, both the report and its corrections, except if there is any technical problem at the bank and/or at Bank Indonesia.
- b. Procedure in submitting report online and offline.
- Procedure for imposing administrative sanctions.
- Other provisions.
- Transitional provisions.
- Closing provisions.

5. Regulation: [21/22/PADG/2019](#)

Date : 28 November 2019

Regarding : Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah (*Macroprudential Intermediary Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units*)

Summary:

In relation with the issuance of Bank Indonesia Regulation concerning macroprudential intermediary ratio and macroprudential liquidity buffer for conventional commercial banks, sharia commercial banks, and sharia business units, it needs to be supported by implementing regulations governing the implementation mechanism and technical matters.

This regulation regulates the following matters:

- General provisions
- Obligations of Giro RIM and Sharia Giro RIM
- Fulfilment procedures of PLM and Sharia PLM
- Fulfilment procedures of Giro RIM, Sharia Giro RIM, PLM, and Sharia PLM for amalgamation of merger of Conventional Commercial Banks (*Bank Umum Konvensional/BUK*) or Sharia Commercial Banks (*Bank Umum Syariah/BUS*), change of business activities of a BUK to become a BUS, and spinoff of a Sharia Business Unit (Unit Usaha Syariah/UUS) to become a BUS.
- Procedures for imposing sanctions.
- Transitional provisions.
- Closing provisions.

6. Regulation: [21/21/PADG/2019](#)

Date : 27 November 2019

Regarding : Perubahan atas Peraturan Anggota Dewan Gubernur nomor 19/5/PADG/2017 tentang pelaksanaan sertifikasi tresuri dan penerapan kode etik pasar (*Amendment of regulation of the Members of The Board of Governors number 19/5/PADG/2017 concerning implementation of treasury certification and application of market code of ethics*)

Summary:

In order to encourage a fair market competition among market players in money market and foreign exchange market, it is necessary to strengthen the implementation of the market code of ethics by refining internal procedures for market players related to market code of ethics.

This regulation adjusts several matters as follows:

- Addition of guidelines for directors and employees from market players related to the unfair competition prevention act that is issued by Global Foreign Exchange Committee

(GFXC), for directors and employees from market players that are based on conventional principles and sharia principles.

- Addition of regulation for submitting internal procedures to ensure that directors and employees of market players understand the Market Code of Ethics to Bank Indonesia no later than 14 April 2020.
- Adjustment for explanation concerning the scope for internal procedures in implementing Market Code of Ethics.
- Addition of regulation to submit statement of understanding and implementing the market code of ethics from market players to be published on the official website of Bank Indonesia
- Addition of regulation for submitting report of treasury ownership by market players no later than 14 April 2020 in the case of directors and employees from market players:
 - 1) based on respectable conventional principles and/or conducting treasury activities in the form of selling products on the money market and foreign exchange market and their derivatives (sales); and
 - 2) based on respectable sharia principles and/or conducting treasury activities, have not met the provisions concerning certificate ownership as of 13 April 2020.
- Addition of regulation for submitting report through Bank Indonesia online reporting system.

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