



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 : [57/POJK.04/2020](#)
Date : 13 December 2020
Title (Indonesian) : Penawaran efek melalui layanan urun dana berbasis teknologi informasi
Title (English) : Securities offering through information technology-based crowdfunding service

Summary

In order to accommodate the needs of Small and Medium Enterprises in utilizing crowdfunding service as a source of funding in the Capital Market, namely by expanding Securities instruments that can be offered through crowdfunding service so that they are not only in the form of shares (Equity Securities) but can also be in the form of Debt Securities or Sukuk, it is necessary to replace Financial Services Authority Regulation number 37/POJK.04/2018. This regulation regulates the following provisions. First, regarding the criteria for organizers, namely ownership of shares of organizers by foreign citizens and/or foreign legal entities, either directly or indirectly at a maximum of 49% and the Organizer must have paid-up capital or own capital of at least IDR 2.5 billion when applying for a license. Second, regarding the securities that can be offered through the Crowdfunding Service, the maximum limit for raising funds through the Crowdfunding Service by each Issuer within 12 months is a maximum of IDR 10 billion with Securities offering period of 45 days. Third, with regard to issuers which are Indonesian business entities, whether in the form of legal entities or other business entities that issue Securities through Crowdfunding Service. Finally, the obligations of investors who are able to buy Securities through the Crowdfunding Service include limitations.

2. Regulation : [48/POJK.03/2020](#)
Date : 03 December 2020
Title (Indonesian) : Perubahan atas Peraturan Otoritas Jasa Keuangan nomor 11/POJK.03/2020 tentang stimulus perekonomian nasional sebagai kebijakan *countercyclical* dampak penyebaran *coronavirus disease* 2019
Title (English) : Amendment of Financial Services Authority Regulation number 11/POJK.03/2020 concerning national economic stimulus as a countercyclical policy on the impact of coronavirus disease 2019

Summary

In order to optimize banking performance, especially the intermediation function, maintain financial system stability, and support economic growth related to the direct and indirect impacts of the spread of Coronavirus Disease 2019 (COVID-19), it is necessary to take anticipatory and further steps in the form of adjustments to the following related regulations. First, in implementing policies that support the stimulus of economic growth, banks apply risk management. Second, the restructured credit/financing of COVID-19 is exempted from the calculation of low quality assets (KKR) in the assessment of bank soundness for BUK (Conventional Commercial Bank)/BUS (Sharia Commercial Bank)/UUS (Sharia Business Unit). Third, banks can implement liquidity and capital policies as a result of the spread of COVID-19. Finally, the addition of the Credit Stimulus Recapitulation Report or Restructuring Financing which is submitted monthly since the position of the data at the end of November 2020.

3. Regulation : [47/POJK.05/2020](#)
- Date : 26 November 2020
- Title (Indonesian) : Perizinan usaha dan kelembagaan perusahaan pembiayaan dan perusahaan pembiayaan syariah
- Title (English) : Business licensing and institutional financing companies and sharia financing companies

Summary

This regulation is issued in order to increase the resilience and competitiveness of the industry as well as support the development of the financing business of sharia financing companies and the improvement of the regulations on Financial Services Authority Regulation Number 28/POJK.05/2014 concerning Business Licensing and Institutional Financing Companies. This regulation provides the following conditions.

- The company must be established in the form of a limited company legal entity and have paid up capital at the time of establishment of at least Rp. 250,000,000,000.00 (two hundred and fifty billion rupiah).
- Foreign ownership in the Company, either directly or indirectly, is prohibited from exceeding 85% of the Company's paid-up capital.
- The company must have at least 1 Controlling Shareholder (PSP) and be registered as a member of the organization responsible for the Company in Indonesia and must be registered as a member of the asset registry.
- Companies whose 25% or more shares are owned by citizens and/or legal entities, either directly or indirectly, can employ foreign workers, namely as directors, board of commissioners, experts, or consultants.
- Financing Companies that carry out Financing activities based on Sharia Principles are required to form UUS (sharia business unit)
- Financing Companies can separate UUS into a Sharia Financing Company and convert into a Sharia Financing Company.
- Companies can open offices outside the head office inside the country or overseas.
- Companies that make changes to certain articles of association are obliged to report to the OJK no later than 15 working days from the approval or receipt of a notification letter from the authorized agency.

4. Regulation : [24/SEOJK.03/2020](#)
- Date : 14 December 2020
- Title (Indonesian) : Perubahan atas Surat Edaran Otoritas Jasa Keuangan nomor 5/SEOJK.03/2016 tentang penerapan tata kelola bagi Bank Perkreditan Rakyat
- Title (English) : Amendment of Financial Services Authority circular number 5/SEOJK.03/2016 concerning application of governance for Smallholder Credit Banks

Summary

In order to improve efficiency and effectiveness in monitoring the implementation of Smallholder Credit Banks (BPR) governance, it is necessary to make several changes in the Financial Services Authority Circular Letter Number 5/SEOJK.03/2016. This regulation amends the following provisions. BPR submits reports on the implementation of Governance to Financial Services Authority via online every year through APOLO, where the first submission is made for the December 2021 position report and for the December 2020 position report and its corrections, submission is in the form of electronic copies (softcopy) via official electronic mail or hard copy addressed to the KR (Regional Office)/local Financial Services Authority Office according to the area of domicile of the BPR head office. In addition, BPR discloses all aspects of governance transparency in the format as stated in the Appendix of this regulation. If needed, the BPR may add explanation regarding the summary of the implementation of governance transparency within the reporting period of 1 (one) year or

other matters deemed significant (further explanation on each aspect), in accordance with the conditions and policies of each BPR.

5. Regulation : [UU 13 Tahun 2020](#)
- Date : 02 November 2020
- Title (Indonesian) : Pengesahan *protocol to implement the seventh package of commitments on financial services under the ASEAN framework agreement on services* (protokol untuk melaksanakan paket komitmen ketujuh bidang jasa keuangan dalam persetujuan kerangka kerja ASEAN di bidang jasa)
- Title (English) : Ratification of the protocol to implement the seventh package of commitments on financial services under the ASEAN framework agreement on services

Summary

This regulation is issued in order to ratify the protocol for implementing the seventh commitment package in the financial services sector in the agreement of the ASEAN framework on services. The objective of the Seventh Protocol is to open opportunities for domestic financial service providers to expand markets in ASEAN region and create healthy competition in the domestic financial services market so as to create efficiency and competitiveness in the trade of goods and services. Through the ratification of this Protocol, Indonesia is expected to benefit in the form of increased availability of affordable and quality financial service products in the country, Indonesian financial service providers can operate in the financial markets of ASEAN member countries, and increased investment from ASEAN member countries in Indonesia to encourage industrial development and development of domestic business actors.

6. Regulation : [Perpres 114 Tahun 2020](#)
- Date : 07 December 2020
- Title (Indonesian) : Strategi Nasional Keuangan Inklusif
- Title (English) : National Strategy for Financial Inclusion

Summary

Considering that Presidential Regulation Number 82 of 2016 concerning the National Strategy for Financial Inclusion (SNKI) has achieved the set targets, new targets and sustainable efforts are needed in an effort to improve inclusive finance for all people through this regulation. The SNKI in this regulation serves as a guideline for ministries/institutions that are members of the DNKI in formulating sectoral policies related to financial inclusion as outlined in strategic plan documents in their respective areas of duty, as a means of synergizing the National Medium-Term Development Plan, Development Plan documents. Medium Term Regional, Government Work Plans, Regional Government Work Plans, and related Sustainable Development Goals (SDGs) in Indonesia and as materials for the formulation and adjustment of regional policies by taking into account the duties and functions of Regional Government in achieving the national targets contained in the SNKI.

7. Regulation : [Perpres 110 Tahun 2020](#)
- Date : 17 November 2020
- Title (Indonesian) : Pencabutan Peraturan Presiden nomor 9 Tahun 2009 tentang lembaga pembiayaan
- Title (English) : Revocation of Presidential Regulation number 9 Year 2009 regarding financing institutions

Summary

With the establishment of the Financial Services Authority through Law Number 21 of 2011 concerning the Financial Services Authority, the implementation of an integrated regulatory and supervisory system for all activities in the financial sector is carried out by the Financial Services Authority. In accordance with the given authority, the Financial Services Authority has stipulated regulation regarding Financing Institutions which consist of provisions regarding Financing Companies, Venture Capital Companies, and Infrastructure Financing Companies. Thus, the regulation regarding Financing Institutions regulated by Presidential Regulation Number 9 of 2009 concerning Financing Institutions which have subsequently been regulated by the Financial Services Authority needs to be revoked.

New Banking Regulation

1. Regulation : [22/33/PADG/2020](#)
Date : 01 December 2020
Title (Indonesian) : Perubahan Ketiga atas Peraturan Anggota Dewan Gubernur nomor 20/15/PADG/2018 tentang penyelenggaraan setelmen dana seketika melalui sistem Bank Indonesia-Real Time Gross Settlement
Title (English) : Third amendment of Regulation of the Members of the Board of Governors number 20/15/PADG/2018 concerning implementation of the Real time Gross Settlement (BI – RTGS)

Summary

This regulation is issued due to a change in the policy for setting fees and evaluating the setting of priority numbers for fund settlement in real time fund settlement through the Bank Indonesia Real Time Gross Settlement (BI-RTGS) System. This is part of Bank Indonesia's efforts to create a smoother and more efficient payment system operated by Bank Indonesia. Thus, in order to support Bank Indonesia's efforts to create a steadier and efficient payment system, it is necessary to improve regulations regarding:

- The maximum limit of funds transfer fees through the BI-RTGS System that may be imposed by BI-RTGS System participants on their customers.
- Adjustments to the determination of fees to be charged to BI-RTGS System participants and setting priority numbers on the transaction type code for fund settlement operation through the BI-RTGS System.

2. Regulation : [22/32/PADG/2020](#)
Date : 17 November 2020
Title (Indonesian) : Perubahan Ketiga atas Peraturan Anggota Dewan Gubernur nomor 19/8/PADG/2017 tentang pembiayaan likuiditas jangka pendek syariah bagi Bank Umum Syariah
Title (English) : Third amendment of Regulation of the Members of the Board of Governors number 19/8/PADG/2017 concerning sharia short-term liquidity financing for Sharia Commercial Banks

Summary

This regulation is issued in order to adjust the mechanism and technical matters for the implementation of provision for short-term sharia liquidity financing for sharia commercial banks. This regulation adjusts the provisions regarding Financing Assets as collateral that must meet the requirements. In the event that the Financing Assets that meet the requirements have never been restructured as referred to be insufficient, the Bank may use the restructured Financing Assets during the Corona Virus Disease 2019 (COVID-19) stimulus period. Then, this regulation adjusts the method of calculating the PLJPS collateral value as a consequence of allowing Financing Assets that are not fully secured by land and buildings and/or land,

as well as calculating other collateral in the form of land and buildings and/or land owned by banks or other parties with certain conditions. In addition, this regulation removes provisions related to periodic reporting for the list of Financing Assets.

3. Regulation : [22/31/PADG/2020](#)

Date : 16 November 2020

Title (Indonesian) : Perubahan Ketiga atas Peraturan Anggota Dewan Gubernur Nomor 19/6/PADG/2017 tentang pinjaman likuiditas jangka pendek bagi Bank Umum Konvensional

Title (English) : Third amendment of Regulation of the Board of Governors Number 19/6/PADG/2017 concerning short-term liquidity loans for Conventional Commercial Banks

Summary

This regulation is issued in order to adjust the mechanism and technical matters for the implementation of provision for short-term liquidity loan (PLJP) for conventional commercial banks. This regulation adjusts the PLJP interest rate to the rupiah lending facility rate that applies on the date of activation of PLJP granting plus a margin of 100 (one hundred) basis points, so the formula for calculating the amount of PLJP interest becomes $X = P \times R \times t / 360$. Then this rule adjusts the provisions regarding credit assets and/or financing assets as collateral that must meet the requirements. In the event that the Credit Assets and / or Financing Assets that meet the requirements have never been restructured as referred to be not sufficient, Banks may use the restructured Credit Assets and/or Financing Assets during the Corona Virus Disease 2019 (COVID-19) stimulus period. Furthermore, this regulation adjusts the method of calculating the PLJP collateral value as a consequence of allowing Credit Assets and/or Financing Assets that are not fully secured by land and buildings and/or land, as well as calculating other collateral in the form of land and buildings and/or land owned by banks or other parties with certain requirements. In addition, this regulation removes provisions related to periodic reporting for list of Credit Assets and/or Financing Assets.



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