



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 : [44/POJK.05/2019](#)
Date : 27 December 2019
Title (Indonesian) : Perubahan atas Peraturan Otoritas Jasa Keuangan nomor 41/POJK.05/2015 tentang tata cara penetapan pengelola statuter pada lembaga jasa keuangan
Title (English) : Amendment of Financial Services Authority Regulation number 41/POJK.05/2019 concerning procedure for designation of statutory managers in financial service institutions

Summary

In order to protect the Consumers' interests, OJK can take actions deemed necessary, including assigning and determining the use of Statutory Managers. In order for the authority in assigning and using Statutory Managers to be carried out with good governance, therefore OJK Regulation No. 41/POJK.05/2015 was issued. However, this regulation does not yet regulate the assignment and determination of appropriate and transparent statutory managers, therefore they need to be amended. This regulation changes the specific provisions related to the procedure for the assignment of Statutory Managers as well as the fulfilment of the candidates' capability and suitability for Statutory Managers.

2. Regulation : [43/POJK.05/2019](#)
Date : 31 December 2019
Title (Indonesian) : Perubahan atas Peraturan Otoritas Jasa Keuangan Nomor 73/POJK.05/2016 tentang tata kelola perusahaan yang baik bagi perusahaan perasuransian
Title (English) : Amendment of Financial Services Authority Regulation number 73/POJK.05/2016 concerning good corporate governance for insurance companies

Summary

In order to implement good governance, companies are required to have a compliance function to ensure the implementation of business activities that are in accordance with the provisions of the laws and regulations in the insurance field. However, the compliance function in the insurance sector as regulated in the Financial Services Authority Regulation Number 73/POJK.05/2016 is not in accordance with the regulations in the financial services sector, therefore it needs to be amended. This regulation changes the provisions related to the Company's obligation to assign 1 (one) member of the Board of Directors who carries out a compliance function that is not concurrently held by a member of the Board of Directors who carries over the insurance, financial or marketing functions.

New Banking Regulation

1. Regulation : [22/1/PBI/2020](#)
Date : 4 February 2020
Title (Indonesian) : Peraturan Bank Indonesia tentang jumlah dan nilai nominal uang rupiah yang dimusnahkan tahun 2019
Title (English) : Amount and nominal value of exterminated rupiah currency in 2019

Summary

This Bank Indonesia regulation is a provision that is issued to carry out the mandate of Law Number 7 of 2011 concerning Currency which is established in State Gazette of the Republic of Indonesia (Lembaran Negara Republik Indonesia/LNRI). This regulation regulates several matters as follows:

- a. The criteria for rupiah currency exterminated by Bank Indonesia
- b. How to exterminate the rupiah currency
- c. The information on amount sand nominal value of exterminated rupiah currency; and
- d. Information period for rupiah currency extermination is 1 January 2019 until 31 December 2019.

The provisions in this regulation is in force on the date of promulgation.

2. Regulation : [22/1/PADG/2020](#)
Date : 4 February 2020
Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur Nomor 19/20/PADG/2017 tentang rekening giro di Bank Indonesia
Title (English) : Amendment of Regulation of the Members of the Board of Governors Number 19/20/PADG/2020 concerning demand deposit accounts at Bank Indonesia

Summary

In order to support the implementation of Bank Indonesia policies in the monetary, macroprudential, and payment system sectors and the implementation of its function as the holder of government cash, Bank Indonesia implements the current account administration through regulation 19/20/PADG/2017. However, some provisions need to be clarified in order to implement effective and accountable checking account administration by still prioritizing the implementation of good governance principles. This regulation changes the provisions related to the type, amount, and exclusion of fees, especially for Foreign Currency Account transactions.

3. Regulation : [PP 3/2020](#)
- Date : 20 January 2020
- Title (Indonesian) : Perubahan atas Peraturan Pemerintah nomor 14 tahun 2018 tentang kepemilikan asing pada perusahaan perasuransian
- Title (English) : Amendment of Government Regulation number 14 of 2018 concerning foreign ownership in insurance companies

Summary

The development of the insurance industry market potential in Indonesia, cannot be conducted only by depending on the role of local insurance companies or local financiers, but also needs the role of foreign insurance companies or foreign financiers that own capital, experience, and technology in developing insurance industry. In this case, the government regulates this matter through PP 14 of 2018. However, in order to support the effort in developing and the increasing growth of insurance industry in Indonesia, it is necessary to do several improvements in the regulation. This regulation generally improves the provision concerning the limit of foreign ownership in Insurance Company.

Contact:

Clients & Markets Deloitte Indonesia

Email: IDMarcomm@deloitte.com



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