



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: 59/POJK.03/2017 ([click here 59/POJK.03/2017](#))
Date : 18 December 2017
Subject : Penetapan tata kelola dalam pemberian remunerasi bagi bank umum syariah dan unit usaha syariah
(Determination of governance in provision of remuneration for sharia commercial banks and sharia business units)

Summary

The OJK has issued this regulation to refine Bank Indonesia regulation number 11/33/PBI/2009 concerning implementation of good corporate governance for sharia commercial banks (BUS) and sharia business units (UUS) with regard to the provision of

remuneration. This refinement is to encourage prudent risk taking, transparency of information, and conformity with sharia principles in the provision of remuneration.

With regard to the substance of the regulation concerning remuneration, several matters are explained in this regulation, among others:

- Banks must apply governance in providing remuneration, which contains duties and responsibilities, application of prudent principles in provisions of remuneration, application of sharia principles in remuneration, and disclosure of remuneration
- A conventional commercial bank that has a UUS must apply governance in the provision of remuneration relating to the Sharia Oversight Board (DPS)
- The members of the remuneration committee shall consist of at least one independent commissioner, one commissioner, and one executive responsible for human resources
- Explanation concerning fixed remuneration and its policies, and also concerning variable remuneration and its policies.
- The bank's policies regarding disclosure of information on remuneration policy in the reports on governance as stipulated in the provisions of the laws and regulations concerning implementation of good corporate governance for BUS and UUS

2. Regulation: 58/POJK.04/2017 ([click here 58/POJK.04/2017](#))

Date : 6 December 2017

Subject : Penyampaian pernyataan pendaftaran atau pengajuan aksi korporasi secara elektronik
(Electronic submission of registration statements or proposal of corporate actions)

Summary

The background to the issuance of this regulation relates to submission of registration statements or proposals for corporate actions electronically through the OJK licensing system. It is hoped that this will ease the registration process, enhance the efficiency and quality of services, provide transparency for parties to be able to follow registration processes that are in process, and grant the public access through the availability of prospectuses electronically.

In addition to the general provisions which provide definitions of registration statement, statement of business combination, statement of merger, statement of voluntary tender, etc., the content of this OJK regulation also discusses several other matters, among others as follows:

- Submission of registration statements or proposal of corporate actions electronically and document retention
- Submission of registration includes: (i) registration statements in the context of public offers of securities, (ii) public registration statements, (iii) registration statements in the context of addition of capital with pre-emptive rights (HMETD)
- Proposal of corporate actions includes: (i) statement of business combination, (ii) statement of merger, (iii) statement of voluntary tender, (iv) mandatory tender
- Procedures for electronic submission of registration statements or proposal of corporate actions
- Provisions on penalties imposed by the OJK for violations of these provisions: written warning, fine in the form of paying a specified amount of money, restriction of business activities, suspension of business activities, revocation of business permit, etc.

The New Banking Regulations

1. Regulation: 19/15/PBI/2017 ([click here 19/15/PBI/2017](#))
Date : 28 December 2017
Subject : Perubahan Kedua atas Peraturan Bank Indonesia Nomor 17/9/PBI/2015 tentang Penyelenggaraan Transfer Dana dan Kliring Berjadwal oleh Bank Indonesia
(Second amendment of Bank Indonesia regulation Number 17/9/PBI/2015 concerning Management of Fund Transfers and Scheduled Clearing by Bank Indonesia)

Summary

The purpose of the issuance of this regulation is to refine the provisions concerning Debit Prefund, which was previously in the form of cash Prefund and collateral Prefund to now be only cash Prefund. With the refinement of these provisions, the use of marketable securities for Prefund is done through a single-door mechanism through the intraday liquidity facility (FLI) in the BI-RTGS System. The provisions on FLI refer to the Bank Indonesia rules on conduct of transactions, administration of marketable securities, and immediate fund settlement, and should also enhance the smooth operation of Bank Indonesia's National Clearing System (SKNBI) and efficiency of fund management by participants.

With regard to the total funds held by participants to increase credit prefund sources should come from:

- Confirmed incoming, i.e. DKE fund Transfer or DKE incoming payment from another Participant which can be fulfilled with funds owned by that other Participant
- Cash prefund provided in the credit prefund

2. Regulation: 19/14/PBI/2017 ([click here 19/14/PBI/2017](#))
Date : 28 December 2017
Subject : Penyelenggaraan Transaksi, Penatausahaan Surat Berharga, dan Setelmen Dana Seketika
(Conduct of Transactions, Administration of Marketable securities, and Immediate Fund Settlement)

Summary

The purpose of the issuance of this regulation is to operation of a payment system that is smoother, safer, more efficient, and more reliable through revision of the regulations on obligations to provide sufficient funds when sending an instruction for fund settlement and refinement of the provisions concerning intraday liquidity facility. In addition, this regulation is also aimed at creating market discipline by encouraging participants of the BI-RTGS system to provide sufficient funds for each fund settlement instruction. Any fund settlement instruction that is not supported with sufficient funds will be rejected by the BI-RTGS system.

Broadly, the matters regulated in this PBI include the following:

- Delivery of a fund settlement instruction must be supported with sufficient funds,
- Change to the scope of the intraday liquidity facility, and
- Change to the rules on FLI, which previously had to be covered with priced and collateralized collateral but now must still be covered with free but collateralized collateral.

3. Regulation: 20/1/PADG/2018 ([click here 20/1/PADG/2018](#))
Date : 2 January 2018
Subject : Penerbitan dan Transaksi Surat Berharga Komersial di Pasar Uang
(Issuance and Transactions of Commercial Marketable Securities in the Money Market)

Summary

The purpose of the issuance of this regulation is as the implementing provisions which stipulate regarding issuance of commercial marketable securities in the primary market, transparency of information by issuers of commercial marketable securities, and implementation of commercial marketable securities transactions in the secondary market. In addition, the issuance of this circular is also an effort to improve the effectiveness of monetary and macroprudential policies, stability of the financial system, and fluidity of the payment system and management of rupiah.

This Bank Indonesia circular regulates the following matters:

- Registration requirements for issuance of commercial marketable securities for a non-bank corporation that intends to issue commercial marketable securities,
- Obligation for a non-bank corporation as issuer of commercial marketable securities to provide transparency of information to prospective investors and investors in the commercial marketable securities at the time of issuance and post issuance,
- Execution of offers of commercial marketable securities, issuance and administration of commercial marketable securities,
- Reporting obligations to Bank Indonesia for non-bank corporations as issuers of commercial marketable securities
- Execution of transactions of commercial marketable securities in the secondary market by parties performing commercial marketable securities transactions

4. Regulation: 19/21/PADG/2017 ([click here 19/21/PADG/2017](#))
Date : 29 December 2017
Subject : Penyediaan Prefund dalam Penyelenggaraan Transfer Dana dan Kliring Berjadwal oleh Bank Indonesia
(Provision of Prefund in Operation of Fund Transfers and Scheduled Clearing by Bank Indonesia)

Summary

The purpose of the issuance of this regulation is to stipulate the provisions on Prefund in operation of the Bank Indonesia National Clearing System (SKNBI), including the type, provision, addition, refund, and administration of Prefund as well as imposition of penalties for violation of the provisions regarding provision of Prefund. The determination of the types of prefund that are provided by participants and formulas for calculation of minimum provision of debit prefund will support the smooth, safe, and efficient operation of the SKNBI.

The matters regulated in this circular include the following:

- Provision of Credit Prefund and Debit Prefund,
- Regulation concerning time for provision of Prefund,
- Types of Participants that must provide Prefund,
- Administration of Prefund,
- Regulation on provision of Debit Prefund,
- Regulation concerning minimum value of Debit Prefund,
- Regulation on provision of Credit Prefund and addition of Credit Prefund,

- Regulation on provision of Prefund for new participants and participants resulting from business combination or merger,
- Regulation on refund of Prefund, and
- Regulation on imposition of penalties for violation of the provisions on Prefund.

5. Regulation: 19/20/PADG/2017 ([click here 19/20/PADG/2017](#))

Date : 29 December 2017

Subject : Rekening Giro di Bank Indonesia
(Demand deposit accounts at Bank Indonesia)

Summary

Bank Indonesia has issued this regulation to support BI's monetary, macroprudential, and payment system policies. With regard to BI Regulation number 17/24/PBI/2015 concerning demand deposit accounts, this circular also serves as implementing rules for administration of demand deposit accounts. It covers the classification of categories of parties that may open demand deposit accounts at BI and the authority of BI to debit from a demand deposit account based on request from the relevant authority.

This regulation, which consists of 83 articles, broadly regulates the following matters:

- General provisions.
- Ownership of demand deposit accounts.
- Opening of demand deposit accounts.
- Obligations and responsibilities of holders of demand deposit accounts.
- Deposit and withdrawal facilities.
- Use of deposit facilities and withdrawal facilities.
- Deposits to demand deposit accounts.
- Withdrawals from demand deposit accounts.
- Specimen signatures.
- Changes to demand deposit accounts.
- Restrictions on activities related to demand deposit accounts.
- Closing of demand deposit accounts.
- Fees
- Reports
- Abnormal and/or emergency situations.
- Closing provisions

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

Date : 29 December 2017

Subject : Penyetoran dan Penarikan Uang Rupiah oleh Bank di Bank Indonesia
(Deposit and Withdrawal of Rupiah cash by Banks at Bank Indonesia)

Summary

The purpose of the issuance of this regulation is as a guideline for the banking industry in performing activities of deposit and withdrawal of cash Rupiah at Bank Indonesia. The existence of this rule is also an effort by BI in provision of Rupiah currency in circulable condition to the public, and also as part of BI's transformation toward management of cash Rupiah that applies good governance and is effective and efficient for the banking industry.

The content of this circular regulates the following matters:

- General principles and requirements for deposit and withdrawal of cash Rupiah.

- Plans for deposit and withdrawal of cash Rupiah.
- Procedures for deposit and withdrawal of cash Rupiah.
- Interbank cash transactions.
- Submission of reports and information regarding deposit and withdrawal of cash Rupiah.
- Oversight of activities of deposit and withdrawal of cash Rupiah.
- Procedures for imposition of penalties for banks that commit violations.

7. Regulation: 19/18/PADG/2017 ([click here 19/18/PADG/2017](#))

Date : 28 December 2017

Subject : Laporan Harian Bank Umum
(Daily Reports of Commercial Banks)

Summary

The purpose of the issuance of this regulation is as a technical implementation regulation of Bank Indonesia regulation No.13/8/PBI/2011. The refinement of these provisions relates to the implementation of changes in the reports as follow-up to the issuance of Bank Indonesia regulation (PBI) Number 19/11/PBI/2017 and PBI No.18/42/PBI/2016. In addition, the issuance of this regulation is also aimed at enhancing the effectiveness and efficiency of the administration system for daily reports of commercial banks to generate information that is more complete, comprehensive, and of higher quality, such that it is necessary to expand the scope of content of information that is reported, refinement of the system, and the reporting procedure for daily reports of commercial banks (LHBU).

It is also clarified in this circular that the refinements in this circular do not alter the substance of the previous provisions, as they only add exception codes for Foreign Loans (PLN), and the banks that are required to report PLN exception type codes for codes are bank that have been designated by Bank Indonesia as executors of currency transactions and which perform Local Currency Settlement (LCS) transactions.

8. Regulation: 19/17/PADG/2017 ([click here 19/17/PADG/2017](#))

Date : 28 December 2017

Subject : Kriteria dan Persyaratan Surat Berharga, Peserta, dan Lembaga Perantara dalam Operasi Moneter Syariah
(Criteria and Requirements for Marketable Securities, Participants, and Broker Institutions in Sharia Monetary Operations)

Summary

The purpose of the issuance of this regulation is to simplify the regulation and unify the substance concerning the criteria and requirements for marketable securities, participants and broker institutions in Sharia Monetary Operations, which are currently regulated in various provisions related to Sharia Monetary Operation transactions. This regulation is an implementation regulation of PBI Number 16/12/PBI/2014 concerning Sharia Monetary Operations which stipulates the criteria and requirements of marketable securities that can serve as the underlying transactions in Sharia Monetary Operation transactions, as well as the criteria and requirements to be participants and broker institutions Sharia Monetary Operation transactions.

It is also clarified in this regulation that the marketable securities that satisfy the criteria to be used in sharia monetary operations consist of Sharia Bank Indonesia Certificates (SBIS), Sharia State Securities (SBSN), whereby such marketable securities must fulfil the requirements on remaining term as stipulated by BI. In addition, the criteria for marketable securities that may be used in sharia monetary operations include the following:

- Issued in compliance with sharia principles
- Issued by BI and/or the state of the Republic of Indonesia
- Issued in Rupiah currency
- Recorded in BI-SSSS
- Not currently pledged as collateral

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