



## 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 : [37/POJK.04/2020](#)
- Date : 10 June 2020
- Title (Indonesian) : Tata cara pengecualian pemenuhan prinsip keterbukaan bagi emiten atau perusahaan publik yang merupakan lembaga jasa keuangan dalam rangka pencegahan dan penanganan krisis sistem keuangan.
- Title (English) : Procedure for exemption from fulfilling the transparency principle for issuers or public companies that are financial institutions in order to prevent and handle financial system crisis.

### **Summary**

This regulation is set to implement the provisions of Article 23 paragraph (1) letter b of the Government Regulation in Lieu of the Law of the Republic of Indonesia Number 1 of 2020 concerning state financial policy and financial system stability for handling the 2019 Coronavirus Disease pandemic (COVID-19) and/or in the context of facing threats that endanger the country's economy and/or financial system stability. This regulation sets the following provisions:

- OJK can stipulate exemption for the fulfilment of the Transparency Principle for Issuers or Public Companies that are Financial Services Institutions that have permission from OJK to collect and/or manage public funds.
- The determination of exceptions to fulfil the Transparency Principle can be based on:
  - a) OJK's review of Issuers or Public Companies that are certain Financial Services Institutions;
  - b) Application submitted by the Applicant to OJK.
- OJK's review is conducted on Issuers or Public Companies that are Financial Services Institutions that:
  - a) Experiencing problems that can endanger Financial System Stability;
  - b) Receive Written Order from Financial Services Authority to resolve the problems referred to in letter a; or
  - c) Does not experience the problems as referred to in letter a, but based on the Written Order from the OJK to carry out transactions or corporate actions related to efforts to handle other Financial Services Institution problems.
- An application can be submitted by the Applicant to OJK if it meets the following conditions:
  - a) Experiencing problems that can endanger Financial System Stability;
  - b) Does not experience the problems as referred to in letter a, but based on the Written Order from the OJK to carry out

transactions or corporate actions related to efforts to handle problems with other Financial Services Institutions.

2. Regulation : [36/POJK.02/2020](#)
- Date : 2 June 2020
- Title (Indonesian) : Perubahan ketiga atas Peraturan Otoritas Jasa Keuangan nomor 4/POJK.04/2014 tentang tata cara penagihan sanksi administratif berupa denda di sektor jasa keuangan.
- Title (English) : Third amendment of Financial Services Authority Regulation number 4/POJK.04/2014 concerning procedure for collection of administrative penalties in the form of fines in the financial services sector.

### **Summary**

The COVID-19 pandemic has an impact on the financial system which has resulted in decreased productivity of financial service industry players so that it will ultimately reduce the ability of financial service industry players to fulfill obligations in accordance with statutory regulations, including the obligation to pay administrative sanctions in the form of fines and / or flower. Seeing this there are adjustments to the provisions as follows.

- Addition of 2 (two) paragraphs to the provisions of Article 7 POJK 4, namely paragraph (4) and paragraph (5) with the contents of the provisions as follows:
  - To maintain financial system stability amidst the Corona Virus Disease 2019 (Covid-19) pandemic and/or to face the threat of economic crisis and/or financial system stability that occurs outside the 2019 Corona Virus Disease pandemic (Covid-19) , The Financial Services Authority may stipulate delay in issuing letter of warning and the imposition of interest as referred to in this regulation.
  - The period of delay in issuing letter of warning and the imposition of interest as referred to in this regulation is determined by the Financial Services Authority.
- The delay in issuing letter of warning and the imposition of interest due to the occurrence of the 2019 Corona Virus Disease pandemic (Covid-19) applies to the imposition of sanctions set since 1 January 2020.

3. Regulation : [34/POJK.03/2020](#)
- Date : 2 June 2020
- Title (Indonesian) : Kebijakan bagi Bank Perkreditan Rakyat dan Bank Pembiayaan Rakyat Syariah sebagai dampak penyebaran *Coronavirus Disease 2019*.

Title (English) : Policies for Smallholder Credit Banks and Sharia Smallholder Financing Banks as a result of the spread of Coronavirus Disease 2019.

### **Summary**

In order to encourage the optimization of the performance of the smallholder credit bank and sharia smallholder financing bank industry, it is necessary to create policies for smallholder credit banks and sharia smallholder financing banks as a result of the spread of Coronavirus Disease 2019 (COVID-19) while still observing the prudential principle established through this regulation. This regulation sets the following provisions:

- BPR (Smallholder Credit Banks) and BPRS (Sharia Smallholder Financing Banks) can apply policies to BPR and BPRS provisions in response to the impact of the spread of coronavirus disease 2019 (COVID-19). This policy consists of:
  - a) Allowance for possible losses on earning assets;
  - b) Calculation of collateral value taken over as a deduction factor for core capital in calculating the minimum capital supply obligation;
  - c) Calculation of provision of funds in the form of interbank placement of funds; and/or
  - d) Provision of funding for education and training for human resources.
- BPR and BPRS carry out documentation and administration of each policy applied.
- For BPR and BPRS implementing policy of providing funds in the form of interbank funding at other BPR or BPRS to deal with liquidity problems at other BPR or BPRS, BPR and BPRS submit report on the provision of funds in the form of interbank funds placement to deal with liquidity problems at the latest the 10th (tenth) of the following month after the provision of funds.
- The application of policies for BPR and BPRS related to PPAP and AYDA has been retroactive since 1 April 2020.
- This provision applies from the enactment until 31 March 2021.

4. Regulation : [33/POJK.04/2020](#)

Date : 2 June 2020

Title (Indonesian) : Penyusunan laporan keuangan produk investasi berbentuk kontrak investasi kolektif.

Title (English) : Preparation of financial statement for investment products in the form of collective investment contract.

### **Summary**

In order to protect the interests of investors in obtaining reliable quality information from financial statement of investment products in the form of

collective investment contract, it is necessary to stipulate this regulation. This regulation sets the following provisions:

- The financial statements of KIK Investment Products (collective investment contract), both financial statement of one entity and Consolidated Financial Statement, must be prepared in accordance with SAK (Financial Accounting Standards).
- If the KIK Investment Product has Control over another entity, the KIK Investment Product must consolidate the financial statement of the other entity in the Consolidated Financial Statement.
- The Investment Manager and Custodian Bank are responsible for the preparation of the KIK Investment Product financial statement.
- In preparing financial statement, KIK Investment Products are required to prepare financial statement based on the accounting approach guidelines for KIK Investment Products stipulated by the Financial Services Authority.
- In the event that the accounting approach is not regulated in the accounting guidelines for KIK Investment Products, the unregulated accounting approach is required to follow SAK.
- In the event that there is a change in SAK after the enactment of the KIK Investment Product accounting approach guidelines, the accounting approach of the KIK Investment Product must follow the latest SAK provisions, as long as it is not stated otherwise by the Financial Services Authority.
- Preparation of financial statement in the form of KIK investment products in this POJK is for the period of the financial year beginning on or after 1 January 2020.

5. Regulation : [31/POJK.07/2020](#)

Date : 29 April 2020

Title (Indonesian) : Penyelenggaraan layanan konsumen dan masyarakat di sektor jasa keuangan oleh Otoritas Jasa Keuangan.

Title (English) : Implementation of consumer and community services in the financial services sector by the Financial Services Authority.

### **Summary**

In order to carry out the authority of the Financial Services Authority in preventing acts of consumer loss and performing consumer complaints services, this regulation needs to be established, in which it contains the following provisions:

- Various media that can be used by consumers/community in conveying information or questions;
- Obligation of financial service institutions in supporting services provided by OJK along with the time period to fulfil the obligation;
- The formal and material requirements of the complaint indicating a dispute;

- Requirements that must be met by the consumer/community when submitting a complaint indicating a violation;
- Complaint resolution mechanism indicating dispute/violation;
- The integrated customer service system in the financial services sector and the time it is applied; and
- Sanctions for PUJK (Financial Service Business Actors) who violate the provisions in this POJK.

6. Regulation : [8/SEOJK.04/2020](#)

Date : 26 May 2020

Title : Kontribusi dana jaminan berdasarkan nilai transaksi.  
(Indonesian)

Title (English) : Contribution of guarantee fund based on transaction value.

#### **Summary**

In order to provide incentives within the framework of revitalizing Securities derivative product in the Capital Market, it is necessary to make adjustments to the amount of the clearing contributions guarantee fund of the clearing member based on the transaction value. This regulation adjusts the following conditions:

- Provisions regarding the definition of Guarantee Fund and Guarantee Fund Contribution, which are as follows:
  - Guarantee Fund is collection of funds and/or securities administered and managed by the Clearing Guarantee Institution used to guarantee the completion of Exchange Transactions by the Clearing Guarantee Institution.
  - Collateral Fund Contribution Based on Transaction Value is the amount of funds paid by the Clearing Member as a contribution of the Guarantee Fund, the value of which is based on the transaction value of the Clearing Member, the settlement of which is guaranteed by the Clearing Guarantee Institution.
- The Amount of Guarantee Fund Contribution based on Transaction Value in the Exchange Transaction, which is:
  - Contribution of Guarantee Fund Based on Transaction Value for Exchange Transaction of 0.01% (one per ten thousand) of the value of each Exchange Transaction.
  - Contribution of Guarantee Fund Based on Transaction Value specifically for:
    - a) Exchange Transaction on Futures Contract, amounting to 0.0003% (three per one million) of the value of each Futures Contract transaction;
    - b) Exchange Transactions on Option contract, 0.01% (one per ten thousand) of the value of Option contracts; and

- c) Securities and Sukuk Securities Exchange Transactions, amounting to 0.00125% (one hundred twenty-five per ten million) of the value of each securities and Sukuk transaction.

7. Regulation : [7/SEOJK.03/2020](#)
- Date : 20 May 2020
- Title (Indonesian) : Perubahan atas Surat Edaran Otoritas Jasa Keuangan nomor 1/SEOJK.03/2017 tentang kewajiban penyediaan modal minimum dan pemenuhan modal inti minimum Bank Pembiayaan Rakyat Syariah.
- Title (English) : Amendment of Financial Services Authority circular number 1/SEOJK.03/2017 concerning capital adequacy ratio and fulfilment of minimum core capital for Sharia Smallholder Financing Banks.

### **Summary**

With the stipulation of OJK Regulation number 13/POJK.03/2019 and OJK Regulation number 29/POJK.03/2019, it is necessary to make some changes in Financial Services Authority Circular Letter number 1 / SEOJK.03 / 2017 concerning Minimum Capital Requirements and Capital Fulfillment Core Minimum Sharia Rural Bank in order to harmonize with applicable regulations. This regulation adjusts the following provisions:

- There are adjustments to the calculation format for KPMM (Minimum Capital Requirement) and Risk Weighted Assets (ATMR), taking into account alignment with the provisions of POJK KAP (Earning Asset Quality) and PPAP BPRS (Allowance for Earning Assets of Sharia Bank Financing Assets), among others related to the calculation of AYDA (Foreclosed Collateral), collateral type calculated as a deduction from the formation of BPRS PPAP, and additional financing quality classes in the calculation of ATMR.
- Adjustments to several terms in the KPMM and ATMR calculation matrices refer to the Financial Services Authority Circular concerning Monthly Report, including changes in the term Balance Sheet to Statement Financial Position, time deposit to deposit, and fixed asset revaluation surplus is still become the deviation in revaluation of fixed assets.

## New Banking Regulation

1. Regulation : [22/14/PADG/2020](#)
- Date : 28 May 2020
- Title (Indonesian) : Tata cara perizinan dan penyelenggaraan *Central Counterparty* untuk transaksi derivatif suku bunga dan nilai tukar *Over-the-Counter*.
- Title (English) : Procedures for licensing and administering Central Counterparties for interest-rate derivatives and Over-the-Counter exchange rates.

### **Summary**

In order to establish a central counterparty institution that has good governance and effective risk management, rules are needed governing the licensing and operation of a central counterparty institution for over-the-counter derivative transactions of interest rates and exchange rates. This regulation sets the following provisions:

- Central Counterparty for Over-the-Counter Derivative and Exchange Rates Transactions, hereinafter referred to as CCP SBNT, are institutions that place themselves among the parties conducting SBNT Derivative Transactions so that they act as buyers for sellers and as sellers for buyers.
- Any party wishing to conduct business as a CCP SBNT must first obtain a license from Bank Indonesia conducted in 2 (two) stages, namely:
  - a) Approval in principle; and
  - b) Business license
- In the event that the CCP SBNT intends to make amendments to the Independent Commissioner and/or Director in charge of the CCP SBNT and corporate actions must obtain Bank Indonesia approval.
- In terms of capital maintenance, CCP SBNT is required to maintain a minimum capital of Rp400,000,000,000.00 (four hundred billion rupiah).
- Obligations that must be fulfilled by the CCP SBNT.
- In terms of connectivity, CCP SBNT is required to interconnect with Financial Market Infrastructure, transaction operators, and/or other infrastructure at the request of Bank Indonesia.
- In the case of indirect members, CCP SBNT is required to manage risks arising from members and customers who are indirect clearing members.
- In terms of procedures for the submission of report, the CCP SBNT must submit periodic reports and submit incidental reports in the event that there is information that needs to be reported.
- In the event that SBNT CCP commits violation, the sanction will be in the form of a written warning, temporary suspension for 6 (six) months, and/or revocation of business license.



- This Member of the Board of Governors Regulation comes into force on 1 June 2020.



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