



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 : [3/POJK.04/2021](#)
Date : 22 February 2021
Title (Indonesian) : Penyelenggaraan Kegiatan di Bidang Pasar Modal
Title (English) : Implementation of Activities in the Capital Market Sector

Summary

With the transfer of functions, duties and authority to regulate and supervise financial services activities in the capital market sector from the Capital Market Supervisory Agency and Financial Institutions to the Financial Services Authority, it is necessary to stipulate a Financial Services Authority Regulation concerning the Implementation of Activities in the Capital Market Sector. In addition, this regulation also adjusts several provisions, namely the increase in the paid-up capital of the Stock Exchange to a minimum of IDR 100,000,000,000.00 (one hundred billion rupiah) and for Clearing and Insurance Institutions or Depository and Settlement Institutions to be at least IDR 200,000,000,000 (two hundred billion rupiah); Provisions regarding Securities Companies that are no longer members of the Stock Exchange; Changes in the term of members of the board of directors and commissioners of the Stock Exchange, Clearing Insurance Institution, and Depository and Settlement Institution to 4 (four) years and may be reappointed; Provisions regarding the capitalization of retained earnings into paid-up capital by the Stock Exchange, Clearing Insurance Institution, and Depository and Settlement Institution; and Depository and Settlement Institutions are required to establish regulations regarding electronic registration of Securities that are not part of collective custody of Securities.

2. Regulation : [2/POJK.03/2021](#)
Date : 18 February 2021
Title (Indonesian) : Perubahan Atas Peraturan Otoritas Jasa Keuangan Nomor 34/POJK.03/2020 tentang Kebijakan bagi Bank Perkreditan Rakyat dan Bank Pembiayaan Rakyat Syariah Sebagai Dampak Penyebaran Coronavirus Disease 2019
Title (English) : Amendment of Financial Services Authority Regulation number 34/POJK.03/2020 concerning policies for Smallholder Credit Banks and Sharia Smallholder Financing Banks as a result of the spread of Coronavirus Disease 2019.

Summary

This regulation amends several provisions contained in the Financial Services Authority Regulation Number 34/POJK.03/2020, namely extending the policy period for (Smallholder Credit Banks) BPR/ (Sharia Smallholder Financing Banks) BPRS as a result of COVID-19 until 31 March 2022; policy adjustment as a result of the spread of coronavirus disease 2019 (COVID19) consisting of Provision for Earning Asset Losses (PPAP), Percentage of Foreclosed Collateral value (AYDA), Provision of funds in the form of placement of funds between banks at other BPR or BPRS to overcome liquidity problems and Provision of education and training funds for human resource development (HR) in 2021; in the event that a BPR or BPRS applies such policies, it is necessary to adjust the guidelines for all implemented policies, adequate documentation and administration of all implemented policies and a simulation of the calculation of the impact of policy implementation on the capital adequacy and liquidity of the BPR and BPRS on a periodic basis; in the event that the BPR or BPRS is going to distribute dividends and/or tantiem the BPR or BPRS is obliged to ensure that the distribution of dividends and/ r tantiem does not have an impact on the capital adequacy of the BPR and BPRS by taking into account at least the application of policies for the formation of PPAP and AYDA that will mature and OJK can provide sanctions for BPR and BPRS that do not comply with the provisions related to the distribution of dividends and/ or tantiem.

3. Regulation : [10/SEOJK.05/2021](#)
- Date : 1 March 2021
- Title (Indonesian) : Bentuk dan Susunan Laporan Berkala Perusahaan Asuransi Syariah, Perusahaan Reasuransi Syariah, dan Unit Syariah
- Title (English) : Form and Composition of Periodic Reports of Sharia Insurance Companies, Sharia Reinsurance Companies, and Sharia Units

Summary

This regulation is issued in connection with the mandate of Article 6 POJK number 55/POJK.05/2017 concerning Insurance Company Periodic Reports and Article 7 paragraph 3, Article 14 paragraph 5, and Article 19 POJK number 24/POJK.05/2019 concerning Business Plans for Institutions of Nonbank Financial Services which regulates the provisions for the coverage, form, structure, and procedures for submitting periodic reports of sharia insurance companies, sharia reinsurance companies, and sharia units. Some of the provisions in this regulation are Company Periodic Reports consisting of Monthly, Quarterly, Annual and Other reports and the submission of Periodic Reports are conducted online through the Financial Services Authority data communication network system.

4. Regulation : [9/SEOJK.05/2021](#)
- Date : 1 March 2021
- Title (Indonesian) : Bentuk dan Susunan Laporan Berkala Perusahaan Asuransi dan Perusahaan Reasuransi
- Title (English) : Form and Composition of Periodic Reports of Insurance Companies and Reinsurance Companies

Summary

This regulation is issued in connection with the mandate of Article 6 POJK number 55/POJK.05/2017 concerning Insurance Company Periodic Reports and Article 7 paragraph 3, Article 14 paragraph 5, and Article 19 POJK number 24/POJK.05/2019 concerning Business Plans for Institutions of Nonbank Financial Services which regulates the provisions concerning the coverage, form, structure, and procedures for submitting periodic reports to insurance companies and reinsurance companies. Some of the provisions in this regulation are Company Periodic Reports consisting of Monthly, Quarterly, Annual Reports and other reports and the submission of Periodic Reports is done online through the Financial Services Authority data communication network system.

5. Regulation : [8/SEOJK.05/2021](#)
- Date : 5 February 2021
- Title (Indonesian) : Penerapan Manajemen Risiko bagi Perusahaan Asuransi, Perusahaan Asuransi Syariah, Perusahaan Reasuransi, dan Perusahaan Reasuransi Syariah
- Title (English) : Implementation of Risk Management for Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies

Summary

This regulation is an implementing regulation of the Financial Services Authority Regulation number 44/POJK.05/2020. This regulation regulates several provisions related to the Implementation of Risk Management for the following Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies. First, the

implementation of Risk Management must be adjusted to the objectives, business policies, size and complexity of the company's business by taking into account developments in conditions and potential problems faced. Second, the company must have and implement a written Risk Management strategy, policy and procedure which can be set forth in the form of the Company's internal guidelines for Risk Management. Third, the implementation of Risk Management for Companies refers to the standard guidelines for the implementation of Insurance Risk Management which includes 4 (four) pillars of Risk Management Implementation, Risk Management implementation for each type of Risk, namely Strategic, Operational, Insurance, Credit, Market, Liquidity, Legal Risk. , Compliance and Reputation, and Risk profile Assessment, which includes an assessment of inherent risk and an assessment of the quality of Risk Management implementation. Finally, the Company's obligation to have an organizational structure that includes the Risk Management committee, the Risk Management Function, and the relationship between business and operational functions with the Risk Management function and has written policies and procedures to manage inherent risks in the development or expansion of business activities.

New Banking Regulation

1. Regulation : [23/2/PBI/2021](#)
Date : 26 February 2021
Title (Indonesian) : Perubahan ketiga 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
Title (English) : Third 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 Vehicle Financing

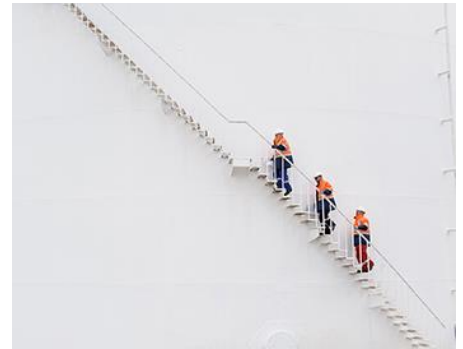
Summary

In order to support national economic recovery, accommodative macroprudential policies are needed to encourage the banking sector to carry out a balanced and qualified intermediary function, among others, through the distribution of KP (Property Credit)/PP (Property Financing) and the distribution of KKB (Vehicle Loans)/PKB (Vehicle Financing). This regulation adjusts the limit of the LTV (Loan to Value)/FTV (Financing to Value) ratio for KP/ PP for Banks that meet the requirements for the ratio of Non-Performing Loan (NPL)/Non-Performing Financing (NPF) to a maximum of 100% for all kinds and types of property as well as all KP/PP facilities. For Banks that do not meet the requirements for the NPL/NPF ratio, the LTV/FTV ratio limits for the KP/PP of Landed Houses and Flats are for types > 70, 95% maximum for the first facility and 90% maximum for the second facility and so on; type > 21-70, 95% maximum for the first facility and so on; and type ≤ 21, a maximum of 100% for the first facility and a maximum of 95% for the second facility and so on. As for the office house, 95% for the first facility and 90% for the second facility and so on. In addition, there is an adjustment in the limit of Down Payment for KKB/PKB for Banks that meet the NPL/NPF ratio requirement to be at least 0% for all types of vehicles, both for productive and non-productive activities. For Banks that do not meet the requirements for the NPL/NPF ratio, the down payment limit for KKB/PKB for two-wheeled vehicles will be at least 10% and for three-wheeled vehicles or more to be at least 10% (non-productive) and 5% (productive).

2. Regulation : [23/3/PADG/2021](#)
- Date : 2 March 2021
- Title (Indonesian) : Perubahan Atas Peraturan Anggota Dewan Gubernur nomor 22/3/PADG/2020 tentang Pelaksanaan Standardisasi Kompetensi Di Bidang Sistem Pembayaran Dan Pengelolaan Uang Rupiah
- Title (English) : Amendment of Regulation of the Members of the Board of Governors Number 22/3/PADG/2020 concerning implementation of competency standardization in the sector of payment system and rupiah money management

Summary

In order to improve the competence of industrial human resources of payment system players and rupiah money management through the implementation of effective and efficient competency-based training to suit industry needs, it is necessary to adjust the relevant regulations. This regulation amends several provisions, namely the improvement of guidelines for competency-based training programs and materials by the ministry in charge of manpower affairs which has an impact on the need to adjust provisions regarding training materials in the field of payment systems and rupiah money management. In addition, there was also improvement in competency standardization in the payment system and rupiah money management for non-bank fund transfer operators.



Contact

Clients & Markets

Deloitte Indonesia

Email: IDMarcomm@deloitte.com

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