



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 : [46/POJK.05/2020](#)
- Date : 10 November 2020
- Title (Indonesian) : Perusahaan Pembiayaan Infrastruktur
- Title (English) : Infrastructure Financing Companies

Summary

In order to increase the role of infrastructure financing companies in the national economy and improve prudential arrangements, it is necessary to improve the regulations regarding infrastructure financing companies (PPI). This regulation regulates the following provisions.

- Business activities that can be carried out by PPI, include direct lending for Infrastructure Financing, refinancing of Infrastructure that has been financed by other parties, providing subordinated financing related to Infrastructure Financing, activities or other facilities related to Infrastructure Financing after obtaining OJK approval and/or not related to Infrastructure Financing based on government assignments.
- Apart from these business activities, PPI can also provide credit support and consulting services, equity participation and/or efforts to find a swap market related to Infrastructure Financing.
- Such business activities can be carried out based on Sharia Principles by PPI, which all business activities are based on Sharia Principles or part of their business activities by establishing UUS.
- PPI must be established in the form of a limited liability company.
- PPI must have paid-up capital at the time of establishment of at least Rp1,000,000,000,000.00 (one trillion rupiah).
- Foreign ownership in PPI, either directly or indirectly, is prohibited from exceeding 85% of the paid-up capital of PPI, but does not apply to PPI which is a public company and trades its shares on the stock exchange.
- PPI conducts business activities after obtaining a business license from OJK.

2. Regulation : [45/POJK.03/2020](#)
- Date : 16 October 2020
- Title (Indonesian) : Konglomerasi Keuangan
- Title (English) : Financial conglomerates

Summary

In order to create a healthy and highly competitive financial services industry and to increase efficiency and monitor risk control, it is necessary to adjust regulation regarding financial conglomerates. This regulation adapts the following provisions.

- Additional criteria for groups categorized as Financial Conglomerate, namely LJK (financial services institution) that is in one group or group due to linkages in ownership and/or control that have the criteria for the group's total assets or groups greater than or equal to IDR 100 trillion and have business activities in more than 1 (one) type of LJK.
- OJK may designate a group/group of LJK as a Financial Conglomerate outside of the criteria specified above.
- Types of LJK that are included in the Financial Conglomerate are Banks, insurance companies and reinsurance companies, finance companies and/or securities companies.
- The Main Entity of the Financial Conglomerate is required to prepare and have a corporate charter which is signed by the directors of the main entity and the directors of LJK members of the Financial Conglomerate. The contents

and scope of the Corporate Charter are tailored to the needs and business complexity of the Financial Conglomerate.

3. Regulation : [22/SEOJK.05/2020](#)
- Date : 06 November 2020
- Title (Indonesian) : Penilaian Tingkat Kesehatan Dana Pensiun
- Title (English) : Pension Fund Soundness Level Assessment

Summary

With the issuance of POJK number 28 / POJK.05 / 2020, it is necessary to further regulate the assessment of the soundness level of pension funds. This regulation regulates the following provisions.

- General principles of risk-oriented assessment of the soundness level of Pension Funds; proportionality; materiality and significance; and comprehensive and structured;
- The procedure for assessing the soundness level of Pension Funds individually using a risk-based nonbank rating, with the scope of assessment of the factors of good corporate governance for Pension Funds; risk profile; profitability; and Funding, for Employer Pension Funds;
- Assessment of factors of good corporate governance for Pension Funds which is carried out based on an analysis of the application of the principles of good corporate governance for Pension Funds; Adequacy of governance over the structure, process and results of the implementation of good corporate governance for Pension Funds in Pension Funds; and other information related to good corporate governance for Pension Funds based on relevant data and information.
- Assessment of risk profile factors, on inherent risks and the quality of risk management implementation.
- Stages in determining the risk profile factor rating.
- Assessment of Risk Profile Factors for the operation of some pension fund businesses based on sharia principles.
- Assessment of profitability factors, which at least includes an assessment of the performance of the Pension Fund in generating investment income (profitability); resources that support profitability; continuity of prospects for future profitability; and profitability management.
- Assessment of funding factors, which at least includes an assessment of the condition of funding and additional funding.
- Assessment of the composite rating of the soundness level of the Pension Fund;
- Procedures for assessing the soundness level of the Pension Fund in a consolidated manner,
- Reporting is made at least annually for the position at the end of December.

4. Regulation : [21/SEOJK.05/2020](#)
- Date : 06 November 2020
- Title (Indonesian) : Rencana Bisnis Penyelenggara Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi
- Title (English) : Business Plan for Information Technology-Based Lending and Borrowing Services

Summary

With the issuance of POJK number 24/POJK.05/2019, it is necessary to further regulate the business plan of the providers of information technology-based lending and borrowing services. This rule regulates the following provisions.

- General provisions, explaining the definition of terms used in SEOJK;
- The scope of the business plan, describes the scope of the business plan which consists of, among others; evaluation of the previous period's business plan, vision, mission and business strategy, management policies and plans, and other information.
- Form and structure of the business plan realization report and business plan supervision report, explaining the format for the preparation of the business plan realization report and the business plan supervision report;
- Procedures for submitting business plan, adjusting business plan, changing business plan, business plan realization report, and business plan supervision report, explaining the procedures and mechanisms for submitting various reports related to business plan.

5. Regulation : [20/SEOJK.05/2020](#)

Date : 13 October 2020

Title (Indonesian) : Rencana Bisnis Lembaga Pembiayaan Ekspor Indonesia

Title (English) : Indonesian Export Financing Institution Business Plan

Summary

With the issuance of the Financial Services Authority regulation number 24/POJK.05/2019 concerning the Business Plan of Non-Bank Financial Services Institutions, it is necessary to stipulate further provisions regarding the Business Plan of Indonesian Export Financing Institution. This regulation regulates the following provisions.

- The scope of the business plan, describes the scope of the business plan consisting of an executive summary; evaluation of the implementation of the previous period's business plan; vision, mission and business strategy; management policies and plans; financial report projection and assumptions used; projection of certain ratios and items; and other information.
- Form and structure of the business plan realization report and business plan supervision report, explaining the format for the preparation of the business plan realization report and the business plan supervision report;
- Procedures for submitting business plan, adjusting business plan, changing business plan, business plan realization report, and business plan supervision report, explaining the procedures and mechanisms for submitting various reports related to business plans.

6. Regulation : [19/SEOJK.05/2020](#)

Date : 02 October 2020

Title (Indonesian) : Saluran Pemasaran Produk Asuransi

Title (English) : Insurance Product Marketing Channels

Summary

With the issuance of Financial Services Authority regulation number 23 / POJK.05 / 2015 concerning Insurance Products and Marketing of Insurance Products, it is necessary to set further provisions regarding the marketing channels for insurance products. This regulation regulates the following provisions.

- General requirements in marketing insurance products.
- Arrangements for delivery of insurance product information.
- Direct marketing requirements, through insurance agents and through BUSB (Non-Bank Business Entities).

- Application of risk management in the context of marketing insurance products.
 - Carry out risk control at least in the categories of strategic risk, operational risk, legal risk, compliance risk and reputation risk and in the process of selecting channel types and marketing methods.
 - Maintain the confidentiality and security of consumer data and/or personal information.
 - Implement selection and accountability standards for insurance agents and business entities that employ insurance agents.
 - Implementing selection and accountability standards for BUSB.
- Marketing that uses electronic system must have electronic system operator register, have and implement information technology risk management, meet all the requirements required by the OJK and authorized institutions in the context of electronic system operation.
- Aspects of consumer protection.
- Request for approval of marketing of insurance products.

New Banking Regulation

1. Regulation : [22/30/PADG/2020](#)

Date : 05 October 2020

Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur Nomor 21/22/PADG/2019 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah

Title (English) : Second amendment of Regulation of the Members of the Board of Governors number 21/22/PADG/2019 concerning macroprudential intermediary ratio and macroprudential liquidity buffer for conventional commercial banks, sharia commercial banks, and sharia business units

Summary

This regulation enhances the provisions related to technical matters of the macroprudential liquidity buffer regulations in the Bank Indonesia Regulation concerning the macroprudential intermediation ratio and the macroprudential liquidity buffer for conventional commercial banks, sharia commercial banks and sharia business units. This regulation adapts the following provisions.

- Adjustment of Macroprudential Liquidity Buffer (PLM) settings, namely the addition of types of Open Market Operations (OPT) transactions that use securities to fulfill PLM obligations for Conventional Commercial Banks (BUK) so that they include repo transactions and Liquidity Management transactions based on Bank Indonesia Sharia Principles (PaSBI) , with the following settings:
 - The use of securities for fulfillment of PLM BUK in repo transactions and pasbi transactions is set at a maximum of 6% (six percent) of DPK BUK in rupiah;
 - For BUK that owns a Sharia Business Unit (UUS), the amount of securities that is taken into account includes the securities used in repo transactions and pasbi transactions by UUS in the Sharia OPT; and
 - For BUK that owns UUS, the amount of DPK BUK in rupiah includes UUS DPK in rupiah.
- Adjustment of Sharia PLM settings, namely the addition of types of Sharia OPT transactions using securities to fulfill PLM Sharia obligations for Sharia Commercial Banks (BUS) so that they include repo transactions and PaSBI transactions. The use of securities for fulfillment of PLM Syariah BUS in repo transactions and PaSBI transactions is determined to be a maximum of 4.5% (four point five percent) of DPK BUS in rupiah.

- The maximum amount of securities use is 6% (six percent) for PLM and a maximum of 4.5% (four point five percent) for PLM Sharia.
- Adjustments to Appendix V regarding Examples of Fulfillment of RIM Giro, RIM Sharia Giro, PLM, and Sharia PLM, as well as Sanctions for Payment Obligations, namely adjustments in particular related to calculation of obligations and calculation of fulfillment of PLM and PLM Syariah.



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