



## 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 Banking Regulation

1. Regulation : [22/17/PBI/2020](#)
- Date : 30 September 2020
- Title (Indonesian) : Perubahan Kedua atas Peraturan Bank Indonesia nomor 20/4/PBI/2018 tentang rasio intermediasi makroprudensial dan penyangga likuiditas makroprudensial bagi bank umum konvensional, bank umum syariah, dan unit usaha syariah.
- Title (English) : Second amendment of Bank Indonesia regulation number 20/4/PBI/2018 concerning macroprudential intermediation ratios and macroprudential liquidity buffers for conventional commercial banks, sharia commercial banks, and sharia business units.

### Summary

In order to fulfill the macroprudential liquidity buffers obligation for conventional commercial banks and sharia commercial banks, Bank Indonesia Regulation Number 20/4/PBI/2018 as amended by Bank Indonesia Regulation Number 21/12/PBI/2019 needs to be adjusted by adding types of open market operation transactions using securities. This regulation amends the following provisions.

- Addition of OPT (open market operations) types of transactions that use securities to fulfill PLM (macroprudential liquidity buffer) obligations for Conventional Commercial Banks (BUK) and Sharia PLM for Sharia Commercial Banks (BUS) so as to include repo transactions and liquidity management transactions based on Bank Indonesia sharia principles to Bank Indonesia.
- Alignment regarding the percentage of PLM and Sharia PLM as follows:
  - The obligation of PLM fulfillment for BUK is set at 6% (six percent) of BUK DPK in rupiah;
  - The obligation of Sharia PLM fulfillment for BUS is set at 4.5% (four point five percent) of BUS DPK in rupiah;
  - The use of securities to fulfill PLM BUK in repo transactions and liquidity management transactions based on Bank Indonesia sharia principles is determined to be a maximum of 6% (six percent) of BUK DPK in rupiah; and
  - The use of securities for fulfillment of Sharia PLM BUS in repo transactions and liquidity management transactions based on Bank Indonesia sharia principles is set at a maximum of 4.5% (four point five) of BUS DPK in rupiah.

2. Regulation : [22/16/PBI/2020](#)
- Date : 29 September 2020
- Title (Indonesian) : Perubahan Ketiga atas Peraturan Bank Indonesia nomor 19/4/PBI/2017 tentang pembiayaan likuiditas jangka pendek syariah bagi bank umum syariah.
- Title (English) : Third amendment of Bank Indonesia Regulation number 19/4/PBI/2017 concerning sharia short-term liquidity financing for sharia commercial banks.

### Summary

In order to maintain financial system stability, various policies have been established by the government and related authorities to anticipate the impact of the Corona Virus Disease 2019 (COVID-19) pandemic, it is necessary to amend Bank Indonesia Regulation Number 19/4/PBI/2017 which has been amended several times, most recently by Bank Indonesia Regulation Number 22/6/PBI/2020. This regulation amends the following provisions.

- Amends the provisions regarding Financing Assets as collateral for PLPS (Sharia Short Term Liquidity Financing) which must meet the stipulated requirements.

- In the event that the Financing Assets that meet the requirements have never been restructured, the Bank may use the restructured Financing Assets during the Corona Virus Disease 2019 (COVID-19) stimulus period with stipulated provisions.
- Amends the method for calculating the collateral value of PLJPS as a consequence of allowing Financing Assets that are not fully secured by land and buildings and/or land, as well as calculating other collateral in the form of land and buildings and/or land owned by banks or other parties with certain conditions.
- Amends the provisions that Banks must maintain and administer a list of collateral that meets the requirements and is allocated as collateral for PLJPS in order to anticipate the needs of PLJPS.
- Removes provisions related to periodic reporting of Financing Assets.

3. Regulation : [22/15/PBI/2020](#)

Date : 28 September 2020

Title (Indonesian) : Perubahan Ketiga atas Peraturan Bank Indonesia nomor 19/3/PBI/2017 tentang pinjaman likuiditas jangka pendek bagi bank umum konvensional.

Title (English) : Third amendment of Bank Indonesia Regulation number 19/3/PBI/2017 concerning short-term liquidity loans for conventional commercial banks.

#### **Summary**

In order to maintain financial system stability, various policies have been established by the government and related authorities to anticipate the impact of the Corona Virus Disease 2019 (COVID-19) pandemic, it is necessary to amend Bank Indonesia Regulation Number 19/3/PBI/2017 which has been amended several times, most recently by Bank Indonesia Regulation Number 22/5/PBI/2020. This regulation amends the following provisions.

- Adjustment related to PLJP interest rate to the rupiah lending facility rate that applies on the activation date of the grant of PLJP (Short-Term Liquidity Financing) plus a margin of 100 (one hundred) basis points.
- Adjustments related to PLJP collateral
  - Adjusted the provisions regarding Credit Assets and/or Financing Assets as collateral that must meet the requirements.
  - In the event that the Credit Assets and/or Financing Assets that meet the requirements have never been restructured are insufficient, the Bank can use the restructured Credit Assets and/or Financing Assets during the Corona Virus Disease 2019 (COVID-19) stimulus period with the stipulated provisions.
- Adjusts the method of calculating the PLJP collateral value as a consequence of allowing Credit Assets and/or Financing Assets that are not fully secured by land and buildings and/or land, as well as calculating other collateral in the form of land and buildings and/or land owned by banks or other parties with certain conditions.
- Adjusts the provisions that the Bank must maintain and administer a list of collateral that meets the requirements and is allocated as collateral for the PLJP in order to anticipate the needs of the PLJP.
- Removes provisions related to periodic reporting of the list of Credit Assets or Financing Assets.

4. Regulation : [22/14/PBI/2020](#)

Date : 28 September 2020

Title (Indonesian) : Operasi moneter.

Title (English) : Monetary operations.

#### **Summary**

This regulation is issued in order to meet the objective of Bank Indonesia to achieve and maintain the stability of the rupiah value, by exercising monetary control, one of which is carried out through the implementation of monetary operations, both conventional and based on sharia principles and also to fulfil the need for strengthening sustainable monetary operations. This regulation contains the following provisions.

- Monetary operations are carried out through:
  - Open Market Operations (OPT), which can be carried out on every Business Day; and
  - Standing Facilities, which are implemented on every business day.
- Bank Indonesia shall administer SBI, SDBI, SBBI in foreign currency, SBIS, and SukBI in an electronic administration system at Bank Indonesia. Bank Indonesia may appoint other parties to support the administration implementation.
- Provisions regarding Participants and intermediary institutions in Monetary Operations, applications for license to participate in Monetary Operations and requirements for obtaining license as participant and intermediary institution in Monetary Operations.
- Bank Indonesia may appoint OPT participants who meet the requirements set by Bank Indonesia to support the implementation of Monetary Operation transactions, among others as bank agents and/or primary dealers.
- Monetary Operation participants must have:
  - Rupiah current account at Bank Indonesia and foreign currency at Bank Indonesia related to OPT transaction settlement on the foreign exchange market
  - Securities account at Bank Indonesia and/or at custodian institution stipulated by Bank Indonesia.
- During the period of providing short-term liquidity loans or sharia short-term liquidity financing, BUK, BUS, or UUS can only participate in expansionary OMK or OMS.

5. Regulation : [22/13/PBI/2020](#)

Date : 28 September 2020

Title (Indonesian) : Perubahan Kedua atas Peraturan Bank Indonesia nomor 20/8/2018 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) : Second 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 motor vehicle financing.

### **Summary**

In order to stimulate economic growth amid mitigated credit or financing risks, accommodative macroprudential policies are needed through policy adjustments, particularly regarding advances for credit or motor vehicle financing. This regulation amends the following provisions.

- Changes in the minimum down payment limit for motor vehicle credit/financing (KKB/PKB) in the context of purchasing green motor vehicles so that the details become:
  - For the purchase of two-wheeled motor vehicles, at least 0% (zero percent);
  - For the purchase of three-wheeled motor vehicles or more which are not intended for productive activities, at least 0% (zero percent); and
  - For the purchase of three-wheeled motor vehicles or more intended for productive activities, at least 0% (zero percent).
- The provisions referred to are applied to Banks that meet the requirements for the gross non-performing loan/financing ratio and the non-performing KKB/PKB ratio on a net basis.

6. Regulation : [22/29/PADG/2020](#)
- Date : 05 October 2020
- Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur nomor 20/15/PADG/2018 tentang penyelenggaraan setelmen dana seketika melalui sistem Bank Indonesia-real time gross settlement.
- Title (English) : Second amendment of Regulation of the Members of the Board of Governors number 20/15/PADG/2018 concerning implementation of the real time gross settlement (BI – RTGS).

**Summary**

With the issuance of Bank Indonesia policies related to the development of sharia monetary operation instruments and to maintain the smooth operation of the payment system operated by Bank Indonesia. For this reason, in order to support the development of sharia monetary operation instruments and efforts to maintain the smooth operation of the payment system, it is necessary to refine regulations regarding the use of securities to obtain intraday liquidity facilities, additional instruments that can be used to obtain intraday liquidity facilities in the BI-RTGS System, and adjust the priority order transactions in fund settlement operation through the BI-RTGS System.

7. Regulation : [22/28/PADG/2020](#)
- Date : 05 October 2020
- Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur nomor 20/4/PADG/2018 tentang penyelenggaraan penatausahaan surat berharga melalui Bank Indonesia-scripless securities settlement system.
- Title (English) : Second amendment of Regulation of the Members of the Board of Governors number 20/4/PADG/2018 concerning securities administration operations through Bank Indonesia-scripless securities settlement system (BI-SSSS).

**Summary**

With the issuance of Bank Indonesia policies related to the development of sharia monetary operation instruments and the interbank money market based on sharia principles and the government's plan to issue government securities intended for the Indonesian diaspora. For this reason, in order to support the policy in developing sharia monetary operation instruments as well as government plans related to the Indonesian diaspora, it is necessary to improve regulations regarding the administration of securities for sharia monetary operation transactions, the interbank money market based on sharia principles, and the mechanism for submitting customer data by the Sub-Registry in the operation securities through the BI-SSSS.

8. Regulation : [22/27/PADG/2020](#)
- Date : 05 October 2020
- Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur nomor 20/2/PADG/2018 tentang tata cara penggunaan fasilitas likuiditas intrahari.
- Title (English) : Second amendment of Regulation of the Members of the Board of Governors number 20/2/PADG/2018 concerning procedure for use of intraday liquidity facility.

**Summary**

With the issuance of Bank Indonesia policies related to the development of sharia monetary operation instruments. For this reason, in order to support the policy of developing sharia monetary operation instruments, it is necessary to refine the regulations regarding the requirements for securities that can be used to obtain intraday liquidity facilities, the mechanism for using intraday liquidity facilities, and implement the conversion of intraday liquidity facilities that do not pay off into lending facility or financing facility transactions with Bank Indonesia.

9. Regulation : [22/26/PADG/2020](#)

Date : 01 October 2020

Title (Indonesian) : Kepesertaan operasi moneter.

Title (English) : Participation in monetary operations.

#### **Summary**

In order to improve service aspects and governance that are transparent, accountable, effective, and efficient, in terms of licensing related to participation in monetary operations carried out through integrated licensing services through the licensing front office, Bank Indonesia needs to refine regulations related to participation in monetary operations. This regulation regulates the following provisions.

- Monetary Operation membership arrangements, which consist of:
  - The scope and types of licenses in Monetary Operation membership, namely:
  - Aspects of Requirements for Obtaining Licenses for Parties that will be Participants in Monetary Operations and Intermediary Agencies
  - Licensing Procedures to become Participants in Monetary Operations and Intermediary Agencies.
  - Procedures for Granting Licenses and Revoking Licenses for Monetary Operations Participants and/or Intermediary Agencies Taking Strategic and Fundamental Steps.
  - Procedures for Participation License Revocation in Monetary Operations.
  - Reporting Mechanism for Changes in Data, Information and/or Information from Monetary Operation Participants or Intermediary Agencies.
  - Sanctions for violations in Monetary Operations participation.
  - Supervision of Monetary Operation participants and Intermediary Agencies.
- Change in participation in Monetary Operations related to bank management (bank status as a Monetary Operation participant).
- Provisions for abnormal conditions and/or force majeure in the licensing of the Monetary Operations participants.
- Provisions regarding correspondence address with the implementation of an integrated licensing service through the licensing front office at Bank Indonesia.

10. Regulation : [22/25/PADG/2020](#)

Date : 01 October 2020

Title (Indonesian) : Kriteria dan persyaratan surat berharga dalam operasi moneter.

Title (English) : Criteria and requirements of marketable securities in monetary operations.

#### **Summary**

In the context of implementing conventional and sharia-based monetary operations, Bank Indonesia needs to increase the effectiveness of monetary policy transmission by strengthening monetary operations on an ongoing basis in line with the dynamics of both conventional and sharia-based financial market. This regulation regulates the following provisions.

- Criteria for securities that can be used in Conventional Monetary Operations (OMK) and Sharia Monetary Operations (OMS)
- Types of securities that meet the criteria for use in OMK and OMS.
- Requirements for the remaining tenure of securities in OMK and OMS.
- SBN obtained by Monetary Operation participants from Bank Indonesia in Conventional OPT (Open Market Operation) Reverse Repo Transactions or Sharia OPT Reverse Repo Transactions can be reused in transactions on the secondary market by still following the provisions issued by the competent authority.
- Bank Indonesia determines the price and haircut of securities used in Monetary Operations.
- Bank Indonesia determines the calculation of settlement value for transactions using securities as referred to above, including conventional OPT Repo Transaction, Conventional OPT Reverse Repo Transaction, Lending Facility, Sharia OPT Repo Transaction, Sharia OPT Reverse Repo Transaction, PaSBI Transaction, and Financing Facility either in the form of a repo or FLiSBI.

11. Regulation : [22/24/PADG/2020](#)

Date : 01 October 2020

Title (Indonesian) : Standing facilities.

Title (English) : Standing facilities.

### **Summary**

In order to carry out monetary operations, Bank Indonesia needs to regulate the instruments used in standing facilities both conventionally and based on sharia principles. This regulation regulates the following provisions.

- Bank Indonesia implements conventional Standing Facilities through:
  - Lending Facility Transaction conducted by mechanism of a securities repurchase agreement (repo)
  - Conventional Deposit Facility Transaction conducted by the mechanism of placing rupiah funds by conventional Standing Facility Participants periodically at Bank Indonesia by provision without accompanied by the issuance of securities and are not traded, cannot be collateralized, and cannot be cashed out before maturity/due.
- Bank Indonesia implements sharia Standing Facility through:
  - Financing Facility Transaction with securities repo mechanism
  - Financing Facility Transactions through the provision of Liquidity Facility Based on Bank Indonesia Sharia Principles (FLiSBI), are carried out on the principle of collateralized borrowing with securities as collateral in the form of SBIS, SukBI, or SBSN.
  - Sharia Deposit Facility Transaction is carried out in the form of the Bank Indonesia Sharia Deposit Facility (FASBIS) using a ju'alah contract.
- Transaction window time starts from 16.00 WIB up to 18.00 WIB or other time determined by Bank Indonesia for Lending Facility and Financing Facility transactions, while for Deposit Facility transaction is until 17.30 WIB or other times determined by Bank Indonesia.

12. Regulation : [22/23/PADG/2020](#)
- Date : 01 October 2020
- Title (Indonesian) : Pelaksanaan operasi pasar terbuka.
- Title (English) : Implementation of open market operations.

**Summary**

This regulation is the implementing regulation of PBI number 22/14/PBI/2020 which regulates the implementation of monetary operations, both conventional and based on sharia principles. This regulation regulates the following provisions.

- The stages of each transaction in the implementation of conventional OPT and Sharia OPT, both transactions in rupiah and foreign currency.
- Special stages that must be taken by Conventional OPT participants and Sharia OPT participants before the implementation of transactions (auction) for several transactions in foreign currency in the form of registration and updating of information to participate in transactions (auction).
- Scope of Conventional OPT Transactions
- Implementation of Sharia OPT and OPT Transactions in Abnormal Conditions
- Early Termination of Outstanding OPT Transactions.
- Imposition of Sanctions in OPT Transactions.

13. Regulation : [22/22/PADG/2020](#)
- Date : 01 October 2020
- Title (Indonesian) : Instrumen operasi pasar terbuka.
- Title (English) : Open market operation instruments.

**Summary**

In the context of conducting monetary control, one of which is through the implementation of monetary operations, Bank Indonesia needs to regulate instruments used in open market operations (OPT) both conventionally and based on sharia principles. Bank Indonesia implements OPT as an effort to support the achievement of monetary stability, which is implemented on the money market and foreign exchange market in an integrated manner. This regulation regulates the following provisions.

- OPT includes Conventional OPT and Sharia OPT which can be done on a business day determined by Bank Indonesia.
- OPT window time can be conducted between 08.00 WIB up to 16.00 WIB or other time determined by Bank Indonesia.
- Bank Indonesia conducts OPT through the BI-ETP System, automated system for auction of foreign currency monetary operations, dealing system facilities, and/or other facilities determined by Bank Indonesia.
- Bank Indonesia conducts OPT using an auction and/or non-auction mechanism, where:
  - The auction mechanism can be done using the fixed rate tender method or the variable rate tender method; and
  - The non-auction mechanism is carried out bilaterally between Bank Indonesia and OPT participants directly or through intermediary institution.
- Instruments in the implementation of conventional and sharia OPT along with their characteristics.

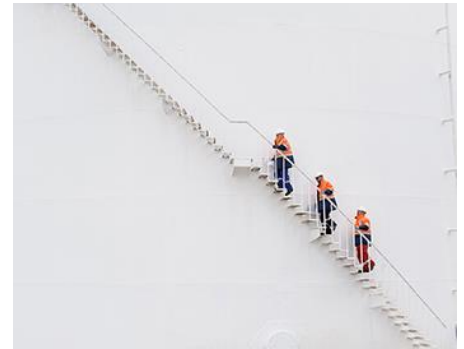


14. Regulation : [22/21/PADG/2020](#)
- Date : 30 September 2020
- Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur nomor 21/25/PADG/2019 tentang rasio loan to value untuk kredit properti, rasio financing to value untuk pembiayaan properti, dan uang muka untuk kredit atau pembiayaan kendaraan bermotor.
- Title (English) : Amendment of Regulation of the Members of the Board of Governors number 21/25/PADG/2019 concerning loan to value ratio for property credit, financing ratio to value for property financing and down payment for credit or motor vehicle financing.

### **Summary**

With the issuance of the amendment of Bank Indonesia Regulation concerning the loan to value ratio for property credit, the financing to value ratio for property financing, and down payment for motor vehicle credit or financing, it is necessary to regulate the adjustment of calculation and determination of advances for motor vehicle loans or financing. This regulation amends the following provisions.

- Calculation and determination of minimum down payment limit for Banks that meet the requirements for gross non-performing credit/financing ratio and net non-performing KKB/PKB (motor vehicle credit/financing) ratio to provide KKB or PKB for purchasing green motor vehicles. :
  - For the purchase of two-wheeled motor vehicles, at least 0% (zero percent);
  - For the purchase of three-wheeled motor vehicles or more which are not intended for productive activities, at least 0% (zero percent); and
  - For the purchase of three-wheeled motor vehicles or more intended for productive activities, at least 0% (zero percent).
- In addition to the changes in the above regulations, there are adjustments to the attachments of PADG LTV/FTV and Down Payment, namely in Appendix VI which contains information on example of calculation and stipulation of Down Payment for KKB and PKB.



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