



## Financial Services Authority (OJK) & Banking Regulations Update

### 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.

### New Financial Services Authority (OJK) Regulations

1. Regulation: [20/POJK.03/2019](#)  
Date : 2 September 2019  
Regarding : Sistem penilaian tingkat kesehatan bank pembiayaan rakyat syariah.  
(*Soundness rating assessment system of sharia smallholder financing banks*)

#### **Summary:**

This regulation is a conversion regulation from Bank Indonesia Regulation Number 9/17/PBI/2007 concerning the Soundness Rating Assessment System of Sharia Smallholder Credit Banks that does not contain changes in substance. This regulation regulates the following matters. The soundness rating of Sharia Smallholder Credit Banks (*Bank Pembiayaan Rakyat Syariah/BPRS*) includes an assessment of: a. capital; b. asset quality; c. profitability; d. liquidity; and e. management. The evaluation of the components of capital, asset quality, profitability, and liquidity factors will be calculated quantitatively. Meanwhile,

the assessment of the management factor components is calculated qualitatively. Qualitative assessment is carried out by considering relevant supporting indicators and/or comparators. The results of the ranking of each component are assessed and the ranking of each factor is determined. Based on the ranking results of each factor, a Composite Rating is determined and that is the final rating of BPRS Soundness Rating. BPRS is required to calculate financial ratios related to the rating of BPRS Soundness on a quarterly basis at the end of March, June, September and December. The Financial Services Authority may request the Board of Directors, the Board of Commissioners, and/or shareholders to submit an action plan if the results of the BPRS Soundness Rating shows certain indicators.

2. Regulation: [19 /POJK.05/2019](#)  
Date : 30 August 2019  
Regarding : Perubahan Atas Peraturan Otoritas Jasa Keuangan nomor 14/POJK.05/2015 tentang retensi sendiri dan dukungan reasuransi dalam negeri.  
(*Amendment of Financial Services Authority Regulation number 14/POJK.05/2015 concerning own retention and domestic reinsurance support*)

**Summary:**

To further provide legal certainty for insurance industry players in obtaining domestic reinsurance support, it is necessary to emphasize business line limits for simple risks. This regulation changes the explanation in Article 7 of OJK regulation number 14/POJK.05/2015 as follows. What is meant by "100% (one hundred percent) reinsurance support from domestic reinsurers" in this provision is the full placement of automatic and/or facultative reinsurance support in domestic reinsurers. The simple risks in this provision are the motor vehicle insurance business line, health insurance, personal accident insurance, credit insurance, death insurance, and suretyship, and liability insurance that is implemented under Law Number 34 of 1964 concerning the Compulsory Liability Insurance. In addition to the aforementioned business lines, it does not include simple risks, namely the commercial line property insurance, freight insurance, boat frame insurance, aircraft frame insurance, satellite insurance, onshore energy insurance, offshore energy insurance, engineering insurance, liability insurance, and various insurance as long as the insurance coverage exceeds the provisions regarding the support limit for minimum domestic reinsurance.

3. Regulation: [18/POJK.04/2019](#)  
Date : 5 August 2019  
Regarding : Perusahaan efek daerah  
(*Regional securities companies*)

**Summary:**

To enhance the role of companies in regional development and increase access of people in the region to invest in the capital market sector, it is necessary to develop a marketing service network marketing infrastructure. In this regulation, it regulates several important things about regional securities companies (*Perusahaan Efek Daerah/PED*) as follows; business activities that can be carried out by the PED, the PED prohibition on creating offices in the DKI Jakarta area and that PED can only meet prospective customers in the same provincial region as the provincial region where the headquarter of the PED is located. It also regulates PED Capital Requirements, i.e. have a paid-up capital of at least 5 billion and adjusted net working capital (*Modal Kerja Bersih Disesuaikan/MKBD*) of 3.75 billion or 6.25% of total liabilities without subordinated debt plus rating liabilities, whichever is higher. PED ownership, can only be owned by Indonesian citizens and/or Indonesian legal entities and PED is not allowed to be controlled by foreign parties directly or indirectly. There is also the PED Capability and Compliance Assessment Requirements of members of the PED Board of Directors and Board

of Commissioners. PED obligations include, among others: owning and carrying out an internal control function; implementing governance; submit business plans and business plan approval plans; implementing the APU-PPT program; submitting periodic reports to OJK; educating the public to improve financial literacy.

4. Regulation: [16/SEOJK.03/2019](#)  
Date : 29 August 2019  
Regarding : Perubahan atas surat edaran otoritas jasa keuangan nomor 39/SEOJK.03/2017 tentang laporan tahunan dan laporan keuangan publikasi bank perkreditan rakyat.  
(*Amendment of Financial Services Authority Circular number 39/SEOJK.03/2017 concerning annual reports and published financial statements of smallholder credit banks*)

**Summary:**

This Financial Services Authority Circular Letter (*Surat Edaran Otoritas Jasa Keuangan/SEOJK*) is amended in accordance with the stipulation of POJK Number 13/POJK.03/ 2019 concerning Reporting of Small-holder Credit Banks (*Bank Perkreditan Rakyat/BPR*) and Sharia Small-holder Credit Banks (*Bank Perkreditan Rakyat Syariah/BPR*) through the OJK Reporting System, as well as harmonization with applicable provisions including POJK Number 33 POJK.03/2018 concerning the Quality of Earning Assets and Establishment of Loan Loss Provision of Small-holder Credit Banks (*Kualitas Produktif Aset dan Pembentukan Penyisihan Penghapusan Aset Produktif Bank Perkreditan Rakyat/KAP dan PPAP BPR*). A sufficient basic change from this SEOJK is related to the format and guidelines for filling BPR Published Financial Report. The preparation of the Published Financial Report aims to improve the transparency of financial conditions and performance of BPR through the submission of information on financial statements, other information, the composition of the Directors and Commissioners and the composition of shareholders including the quarterly ultimate shareholders to various parties with the interest in the development of the BPR business. There are 5 (five) types of reports that are covered by the Published Financial Report with several format adjustments in line with the BPR Monthly Report, including: a. Balance Sheet Format; b. Income Statement Format; c. Quality of Earning Assets Report Format; d. Commitment and Contingency Report Format; and e. Other Information Report Format. In addition, this SEOJK also removes the obligation to submit Published Financial Report through data recording along with the sanction, because BPRs submit data and information in the Published Financial Reports online as part of the monthly BPR report, so BPRs are not obliged to submit the recorded data of the Published Financial Report separately to OJK.

5. Regulation: [15/SEOJK.05/2019](#)  
Date : 22 July 2019  
Regarding : Penilaian kembali bagi pihak utama lembaga jasa keuangan non-bank.  
(*Revaluation for principals of non-bank financial service institutions*)

**Summary:**

This regulation is formed in accordance with the mandate of Article 23 of the Financial Services Authority Regulation Number 34/POJK.03/2018. This regulation regulates several important matters as follows; first, about the scope of revaluation. Reassessment of the Main Party is carried out at any time if based on evidence, data, and/or information obtained based on the results of indirect supervision (off site supervision), and/or other information, there are indications of involvement and/or responsibility for issues of integrity and/or financial feasibility to the Main Controlling Party; or issues of integrity, financial reputation, and/or competence with the Main Management and/or Main Officials of Non-Bank Financial Service Institutions (*Lembaga Jasa Keuangan Non-Bank/LJKNB*). There is also the procedure for

reevaluation. The Financial Services Authority conducts a reevaluation with these steps: clarification of evidence, data, and/or information to the Main Party which is revalued; the determination and delivery of the provisional results of the reevaluation to the Main Party which is revalued; responses from the Main Party which are reassessed on the provisional results of the reevaluation; and the determination and notification of the final reevaluation results to the Main Party that is revalued. Furthermore, regarding the final results of the reevaluation. The Financial Services Authority determines the final results of the reevaluation of the Main Party whether it is pass or not pass. This regulation also regulates the consequences of the reevaluation final results. Next, regarding the request for reconsideration, the Main Party who does not pass the reevaluation can submit a request for a review of their current predicate before the period of consequence is exceeded. Finally, about the data update report and domicile information of the Main party. LJKNB is obliged to submit data update report and domicile information update from the Main Party and/or contact person.

6. Regulation: [14/SEOJK.05/2019](#)

Date : 22 July 2019

Regarding : Pembentukan, susunan keanggotaan, dan masa kerja komite pada dewan komisaris perusahaan asuransi, perusahaan asuransi syariah, perusahaan reasuransi, dan perusahaan reasuransi syariah.

*(Formation, membership composition, and tenure of committees at the board of commissioners of insurance companies, sharia insurance companies, reinsurance companies, and sharia reinsurance companies)*

**Summary:**

This regulation is formed in accordance with the mandate of article 53 in Financial Services Authority Regulation number 73/POJK.05/2016. This regulation regulates several important matters as follows. First, in order to support the effectivity of the implementation of the duties and responsibilities of the Board of Commissioners, the Board of Commissioners must establish an Audit Committee and a Risk Monitoring Committee. In addition, the Company's Board of Commissioners may form other Committees to support the performance of the Board of Commissioners' duties. Furthermore, this regulation regulates the composition, membership requirements, and duties of the committee. Third, it also regulates the working period of the committee. The working period of members of the Committee who are not members of the Company's Board of Commissioners is the same as the working period of office of members of the Board of Commissioners stipulated in the articles of association of the Company, without prejudice to the right of the Board of Commissioners to dismiss them at any time. Committee members who are members of the Board of Commissioners stop automatically if their term of office as a member of the Board of Commissioners ends. Next, regarding the report, the Committee submits a report to the Board of Commissioners on each task implementation, accompanied by recommendations if needed by the committee. The Committee's report is submitted at least quarterly to the Board of Commissioners. Furthermore, regarding the independent parties. An Independent Party may become a member of the Committee at the Company if they fulfil several requirements. Finally, regarding the committee meeting, the Audit Committee and the Risk Monitoring Committee conduct Committee meetings at least 1 (one) time in 3 (three) months. Other Committees hold Committee meetings as needed by the Company.

## New Banking Regulation

1. Regulation: [21/10/PBI/2019](#)  
Date : 6 September 2019  
Regarding : Pengelolaan uang rupiah.  
(*Rupiah notes management currency*)

### **Summary:**

This Bank Indonesia Regulation (*Peraturan Bank Indonesia/PBI*) is a complete and comprehensive arrangement related to the management of Rupiah Currency by Bank Indonesia, the processing of rupiah currency by banks and the provision of rupiah money processing services by Rupiah-Currency Handling Service Provider (*Penyelenggara Jasa Pengolahan Uang Rupiah/PJPUR*). This regulation regulates the following matters. Bank Indonesia determines the types of Rupiah Currency, Rupiah Currency denominations, Rupiah Currency features, Rupiah Currency designs, and Rupiah Currency raw materials. Bank Indonesia conducts Rupiah Printing by appointing state-owned enterprises as the executors of Rupiah Printing. Bank Indonesia is the only authorized institution to conduct Rupiah Expenditures, including Special Rupiah Currency with Bank Indonesia Regulation placed in the State Gazette of the Republic of Indonesia and announced through mass media. Bank Indonesia is the only authorized institution to circulate Rupiah through the distribution of Rupiah and cash service activities. Bank Indonesia may receive deposits from certain parties determined by Bank Indonesia that will be deposited in the treasury of Rupiah owned by Bank Indonesia. Banks can use PJPUR services in processing Rupiah Currency. Bank Indonesia may cooperate with the Bank in carrying out Bank Indonesia cash service activities in the form of cash for safekeeping. Bank Indonesia may revoke and withdraw Rupiah from circulation by stipulating that the Rupiah is no longer a legal payment instrument in the territory of the Unitary State of the Republic of Indonesia. Bank Indonesia may eradicate Rupiah which is unfit for circulation, Rupiah that is still fit for circulation which with certain considerations no longer has economic benefits and/or is less attractive to the public, and/or Rupiah which is no longer valid. This regulation also regulates the obligation to submit report by Banks and PJPUR to Bank Indonesia, provision on Bank Indonesia conducting supervision through direct supervision and indirect supervision of the Bank and PJPUR, as well as monitoring the depositor's cash manager, coordination and cooperation between Bank Indonesia in planning, printing and destroying Rupiah, as well as cooperation with agencies that coordinate the eradication of counterfeit Rupiah and/or authorized agencies to support in handling counterfeit Rupiah and regarding imposing administrative sanctions to Banks and PJPUR.

2. Regulation: [21/9/PBI/2019](#)  
Date : 30 August 2019  
Regarding : Laporan bank umum terintegrasi.  
(*Integrated reports of commercial banks*)

### **Summary:**

To improve data quality, the effectivity of reporting, and to reduce the burden in submitting commercial bank report to Bank Indonesia, Bank Indonesia issued Bank Indonesia regulation concerning integrated commercial bank report. This regulation regulates several important matters as follows. First, the reporter's obligations and responsibilities. Second, the preparation and submission of report. Report preparation should refer to the metadata established by the authorities. The report is divided into 4 (four) groups of information. In addition, this provision also regulates the obligation to submit corrections for misinformation found by bank, public accountant, Bank Indonesia, and/or other authorities. Third, in this provision the reporting period consists of daily, weekly, monthly, and quarterly periods. Fourth, the Bank is obliged to submit the report online, both the report and report corrections,



except if there are technical problems at the bank and/or Bank Indonesia. Fifth, Bank Indonesia has the authority to supervise bank report through indirect supervision and/or inspection to banks individually or jointly with the Financial Services Authority (*Otoritas Jasa Keuangan/OJK*). Sixth, violation of the provisions of this PBI are subjected to administrative sanctions in the form of written warning and/or payment obligations. Penalty sanctions are excluded from correction of reports from audit results by public accountant, force majeure, and technical problems at Bank Indonesia. Finally, in the case of transitional provisions, the obligation to submit Commercial Bank Daily Report, Commercial Bank Periodic Report, Sharia Commercial Bank Periodic Report, Commercial Bank Headquarter Report, Commercial Bank Monthly Report, and Report of Monetary Stability and Monthly Financial System Sharia Commercial Bank and Sharia Business Units, is still valid for 9 (nine) months, from the end of December 2019 to the end of August 2020.

3. Regulation: [21/18/PADG/2019](#)

Date : 21 August 2019

Regarding : Implementasi standar nasional quick response code untuk pembayaran.  
(*Implementation of national quick response code standard for payment*)

**Summary:**

The domestic retail payment system in the economy and digital finance has improved rapidly along with the development of technological innovations and business models, which are supported by how the community is adapting towards digital retail payment services through the use of various technologies such as quick response code, optimizing the potential of quick response code in digital economic and financial ecosystem. Considering this development, Bank Indonesia needs to set a national standard quick response code for payments to ensure efficiency and minimize fragmentation. This regulation regulates several important matters as follows. Management of the QRIS (Quick Response Code Indonesian Standard) is carried out by a Standard Institution that has been established by Bank Indonesia as a Standard Institution in GPN (NPG) for the technology of quick response code. QRIS must be used in every payment transaction in Indonesia which is facilitated by QR Code Payment. QRIS transactions use funding sources in the form of deposit and/or payment instruments such as debit card, credit card, and/or electronic money that uses server-based storage media. QRIS Transaction Nominal is limited to a maximum of Rp 2,000,000 (two million rupiah) per transaction. The scheme and fee for processing QRIS Transaction are determined by Bank Indonesia. The parties in processing QRIS Transaction consist of: Payment System Service Providers; Switching Institutions; Merchant Aggregator; and manager of NMR (National Merchant Repository).

## Contact

### Clients & Markets Deloitte Indonesia

Email: [IDMarcomm@deloitte.com](mailto:IDMarcomm@deloitte.com)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax & legal and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Shanghai, Singapore, Sydney, Taipei, Tokyo and Yangon.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.