



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 : [17/POJK.04/2022](#)
Date : 5 September 2022
Title (Indonesian) : Pedoman Perilaku Manajer Investasi
Title (English) : Investment Manager Code of Conduct

Summary

In order to increase public trust and to protect capital market investors, particularly with affiliation to investment management, it is necessary to adjust pertaining provisions to conform to the behaviour of investment managers prevailing in the capital market community and the international principles, such as follows. Principles that must be applied by the Investment Manager in carrying out business activities; Obligations of Investment Managers to become members of the Association; Investment Manager who manages Securities Portfolio for the benefit of individual clients and has conflict of interest is required to correspond with the clients disclosing the conflict of interest in the Securities being transacted; Disclosure of the interests of the Investment Manager and its Affiliates; Obligation to abstain in Investment Committee meetings for Investment Committee members with an interest in the decisions to be taken at the Investment Committee meeting; The obligation of the Investment Manager to prioritize the interests of the Investment Products over the interests of the Investment Managers and their affiliation; Prohibition of receiving and/or providing benefits to Clients and/or other parties; The obligation of the Investment Manager to observe the principles in the generally accepted anti-bribery management system; Rational reasonings and sufficient work in making investment decisions is part of the obligation of Investment Managers to be independent without interference from other parties in implementing investment policies, investment recommendations, and transactions for the benefit of clients; Investment Managers are obligated to develop and implement policies and procedure with investment research.

2. Regulation : [16/POJK.03/2022](#)
Date : 31 August 2022
Title (Indonesian) : Bank Umum Syariah
Title (English) : Sharia Commercial Bank

Summary

In order to encourage sharia banks to carry out various developments and adjustments in bank business procedures and processes in order to strengthen bank institutional aspects, it is necessary to regulate sharia banking institutions through the following provisions. Banks are required to prepare a corporate plan for a period of 5 (five) years and add it to the OJK; Paid-up capital to determine Bank is set at least Rp.10,000,000,000.00 (ten trillion rupiah), and may be determined differently with certain considerations; Provisions regarding Digital Banks that may operate through the establishment of new Banks as Digital Banks; or transformation from existing Bank to Digital Bank; Regulations related to requirements for parties that may become Bank owners as well as changes in capital and changes in the composition of ownership of Bank shares; Regulations regarding the Bank's office network; Regulations regarding changes to the Bank's name, logo, and primary budget; Provisions regarding Banks with head office and domiciled abroad that will open the Representative Office of a Bank Domiciled Abroad (KPBLN) must place deposits in the bank of at least Rp. 3,000,000,000.00 (three trillion rupiahs), with evidence that the disbursement is done at the closing time of KPBLN and with written approval from OJK and prohibition from conducting Bank business activities; Provisions on banking synergies aimed at supporting efficiency and optimization of bank resources, supporting

investment activities and economic growth, as well as encouraging efforts to strengthen commercial bank consolidation; Submission of Permits and Reports; Provisions regarding bank classification based on Core Capital into 4 (four) Core Capital-Based Bank Classification (KBMI), namely KBMI 1: Core Capital up to Rp 6,000,000,000,000.00 (six trillion rupiahs), KBMI 2: Core Capital more than Rp 6,000,000,000,000.00 (six trillion rupiahs) up to Rp 14,000,000,000,000.00 (fourteen trillion rupiahs), KBMI 3: Core Capital more than Rp 14,000,000,000,000.00 (fourteen trillion rupiahs) up to Rp 70,000,000,000,000.00 (twenty-seven trillion rupiah) and KBMI 4: Core Capital is more than Rp 70,000,000,000,000.00 (seventy trillion rupiah).

3. Regulation : [15/POJK.04/2022](#)
Date : 22 August 2022
Title (Indonesian) : Pemecahan Saham dan Penggabungan Saham oleh Perusahaan Terbuka
Title (English) : Stock Split and Reverse Stock by Public Company

Summary

In order to realize the creation of an orderly, fair, and efficient capital market activity as well as to provide legal certainty and protection to shareholders and to the public, it is necessary to issue regulations regarding stock splits and reverse stock by public companies that stipulate the following provisions. Stock Split and Reverse Stock by Public Company must include all shares of a Public Company in the same share classification and must first obtain approval from the General Meeting of Shareholders (GMS); The Public Company is required to obtain principal approval on the plan for Stock Split and Reverse Stock of Public Company from the Stock Exchange where the shares of the Public Company is listed, as well as list the shares from the Stock Split and Reverse Stock in the Stock Exchange; Public Companies that are not listed in the Stock Exchange must first obtain a stock assessment report prepared by Appraisers; Provisions regarding Prohibition of Stock Split and Reverse Stock; Provisions regarding postponement of the implementation of Stock Split or Reverse Stock; Provisions regarding cancellation of Stock Split and Reverse Stock of Public Companies; Announcement Listed Public Companies must be made through Stock Exchange website, while Unlisted Public Companies must announce it through 1 (one) national daily newspaper in Indonesian or through the website provided by the Financial Services Authority (OJK).

4. Regulation : [14/POJK.04/2022](#)
Date : 22 August 2022
Title (Indonesian) : Penyampaian Laporan Keuangan Berkala Emiten atau Perusahaan Publik
Title (English) : Submission of Periodic Financial Report of Issuers or Public Companies

Summary

In order to comply with related regulations and improve the efficiency of delivering information presented in financial reports to the public, it is necessary to adjust the regulations regarding the submission of periodic financial report of issuers or public companies through the following provisions. Issuers or Public Companies whose registration statements have become effective must submit Periodic Financial Reports to the Financial Services Authority and announce the Periodic Financial Reports to the public; Submission of Periodic Financial Reports must be done through the electronic reporting system of the Financial Services Authority; The annual financial report must be submitted to the Financial Services Authority and announced to the public no later than the end of the third month after the date of the annual financial report; Issuers or Public Companies are required to prepare and present Periodic Financial Reports in accordance with the provisions of laws and regulations in the capital market regarding the presentation and disclosure of financial statements of Issuers or Public Companies, however, this does not apply to small-scale Issuers; The annual financial report has to be audited by a public accountant registered with the Financial Services Authority and has to include a public accountant's opinion as a result of the audit of the financial report;

Periodic Financial Reports must be presented in Indonesian and foreign language, however this does not apply to small-scale Issuers and Medium-scale Issuers. Issuers or Public Companies whose securities are listed in the Stock Exchange are required to publish Periodic Financial Statements through the Stock Exchange website; Issuers or Public Companies whose securities are not listed in the Stock Exchange are required to publish Periodic Financial Statements through 1 (one) Indonesian daily newspaper circulated nationally or on a website provided by the Financial Services Authority; Issuers or Public Companies are required to provide Periodic Financial Reports on the Issuer's or Public Company's website.

5. Regulation : [12/POJK.05/2022](#)
- Date : 7 July 2022
- Title (Indonesian) : Perubahan atas Peraturan Otoritas Jasa Keuangan Nomor 4/POJK.05/2018 tentang Perusahaan Pembiayaan Sekunder Perumahan
- Title (English) : Amendment of Financial Services Authority Regulation number 4/POJK.05/2018 concerning Secondary Mortgage Facility Companies

Summary

In order to support the government's policy in developing the Secondary Mortgage Facility Market (*Pasar Pembiayaan Sekunder Perumahan/PPSP*) without compromising the prudential aspect, it is necessary to make adjustments to the relevant regulations. Completion of provisions related to organizational structure by adding compliance functions and PPSP business activities; Adding provisions regarding criteria and record of financial asset collection; Changes in provisions regarding basic assets of credit/financing and report on the implementation of special tasks from the government; Improvement of the provisions regarding direct participation; Improvement of provisions related to allowance for possible losses on assets and allowance for impairment losses; Addition of provisions related to the implementation of soundness level for PPSP business activities based on sharia principles; Adjustment in the reporting time for the implementation of good corporate governance for PPSP and period for submitting the results of risk level assessment; Improvement of provisions regarding business plans; Adjustment in the reporting period for changes in office address; Improvement of provisions regarding risk-based supervision; and Adjustment of provisions related to administrative sanctions.

6. Regulation : [11/POJK.03/2022](#)
- Date : 7 July 2022
- Title (Indonesian) : Penyelenggaraan Teknologi Informasi oleh Bank Umum
- Title (English) : Implementation of Information Technology by Commercial Banks

Summary

Seeing that the use of information technology has the potential in increasing risk exposure for banks, they need to strengthen governance in the implementation of information technology so that the implementation of bank information technology may provide added value for banks through optimizing resources to mitigate risks faced by banks, which is regulated in this regulation by the following conditions. Bank has the obligation to implement IT governance by considering certain factors and explaining the authorities and responsibilities of the board of directors, board of commissioners, IT supervisory committee, and Bank officials related to the implementation of IT governance; Implementing IT architecture is a factor that needs to be considered in the preparation and designing a long-term IT strategic plan that supports the Bank's corporate plan; Implementation of risk management and information security in IT operations; In maintaining cyber security, the Bank conducts its own assessment of the cybersecurity preparedness level on an annual basis for the final term in December by conducting cyber security testing and establishes a unit or function in charge of handling the Bank's cyber security and resilience; Banks are required to have proper policies and procedures in the use of IT service providers; The obligation to place

electronic systems in data centers and disaster recovery centers in Indonesian territory as well as processing IT-based transactions in the Indonesian territory; Provisions regarding data management and personal data protection in the implementation of IT in Banks; Banks can only provide IT services to other financial service institutions supervised by OJK and/or other financial service institutions outside of Indonesia which are supervised by the supervisory and regulatory authorities of local financial services institutions; and the Bank implements an effective internal control system in IT operations.

7. Regulation : [15/SEOJK.05/2022](#)
Date : 7 September 2022
Title (Indonesian) : Penilaian Tingkat Kesehatan Lembaga Pembiayaan Ekspor Indonesia
Title (English) : Assessment of the Soundness of Indonesian Export Financing Institution

Summary

This regulation was issued in order to further regulate the assessment of the soundness of the Indonesian Export Financing Institution (LPEI) with the following provisions. General principles in assessing the LPEI Soundness Level; Individual Soundness Assessment is carried out with a scope of assessment of several factors, namely good corporate governance, risk profile, profitability and capital; Assessment of good corporate governance factors is an assessment of the implementation of good corporate governance principles by LPEI; Assessment of risk profile factors is an assessment of the inherent risk and quality of risk management implementation in LPEI operations; Assessment of the profitability factor must at least include an assessment of performance (profitability), sources that support profitability, sustainability of components that support profitability, management of profitability and implementation of social functions by UUS (Sharia Business Unit); Assessment of the capital factor must at least include an assessment of the level of capital adequacy and capital management; The Company's Soundness Level is determined based on a comprehensive and structured analysis of the ranking of each factor and by taking into account the general principles of LPEI's Soundness Level assessment; Provisions regarding consolidated valuation; LPEI submits the results of the Company's Soundness Level self-assessment to the Financial Services Authority.

8. Regulation : [14/SEOJK.07/2022](#)
Date : 7 September 2022
Title (Indonesian) : Tentang Tata Cara Evaluasi dan Penyusunan Peraturan Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan
Title (English) : Evaluation and Preparation Procedure of Regulations for Alternative Dispute Settlement Institution for Financial Services Sector

Summary

This regulation is issued to further regulate the provisions concerning the implementation of evaluation and formulation of regulations for Alternative Dispute Settlement Institution (LAPS) of Financial Services Sector with the enactment of Financial Services Authority Regulation Number 61/POJK.07/2020, through several provisions as follows. The procedure of evaluation and formulation of Financial Services Sector LAPS by the administrator in terms of evaluation result will be perfected and the procedure of application submission for approval of Financial Services Sector LAPS regulation outline through electronic reporting system provided by the Financial Services Authority (OJK) as well as offline reporting if electronic reporting system is unavailable or inoperable. Additionally, authority and duration for the OJK to review and to give approval for the Financial Services Sector LAPS regulation outlines are explained.

New Banking Regulation

1. Regulation : [24/13/PADG/2022](#)
Date : 4 August 2022
Title (Indonesian) : Peraturan Pelaksanaan Transaksi di Pasar Valuta Asing Berdasarkan Prinsip Syariah
Title (English) : Regulations for the Implementation of Transactions in the Foreign Exchange Market Based on Sharia Principles

Summary

To encourage the development of the foreign exchange market based on sharia principles, it is necessary to regulate the foreign exchange market based on integrated sharia principles and to provide flexibility to market participants while still paying attention to prudential principles and Sharia principles through the following provisions. Provisions regarding transactions in the foreign exchange market based on sharia principles that covers the scope of transactions in the foreign exchange market, types of transactions in the foreign exchange market; the use of forward agreements in conducting hedging transactions based on Sharia principles, the timing of foreign exchange transactions against rupiah and foreign currency against other foreign currencies; Provisions regarding underlying Rules related to a threshold and underlying transaction; Provisions regarding transactions through third parties include, among others, functional economic activities and underlying transactions; Provisions regarding transaction limits; Provisions regarding rupiah transfers to non-residents regarding the obligation to use underlying transactions for rupiah transfers to non-resident accounts; Provisions regarding transaction settlement, transaction documents, reference rates that can be used in transactions in the foreign exchange market, reporting and sanctions.



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