



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 : [POJK 16/2023](#)
- Date : 7 August 2023
- Title (Indonesian) : Penyidikan Tindak Pidana di Sektor Jasa Keuangan
- Title (English) : Investigation of Crimes in the Financial Services Sector

Summary

Law Number 21 of 2011 on the Financial Services Authority has given the Financial Services Authority the authority to investigate criminal offenses in the financial services sector and with the enactment of Law Number 4 of 2023 on Financial Sector Development and Strengthening (P2SK Law), has expanded the authority to investigate and resolve violations in the financial services sector to the Financial Services Authority. The current provisions, namely Financial Services Authority Regulation Number 22/POJK.01/2015 concerning Investigation of Criminal Acts in the Financial Services Sector, are revoked with the enactment of this POJK.

Issues regulated in this Financial Services Authority Regulation, among others, are as follows:

- Authority to investigate criminal offenses in the financial services sector
- Reports, notifications, or complaints regarding alleged criminal offenses in the financial services sector
- Settlement of violations of laws and regulations in the financial services sector
- Follow-up of investigation results, request for information from financial service institutions and account blocking
- Adjustment of types of criminal offenses in the financial services sector based on OJK's authority
- Adjustment of OJK Investigator category
- Adjustment of OJK Investigator's authority
- Regulation of Money Laundering Crime that OJK Investigators are authorized to investigate Money Laundering Crime and can request information and/or analysis results regarding financial transactions that indicate Money Laundering Crime in the financial services sector to the Indonesian Financial Transaction Reports and Analysis Center.

2. Regulation : [POJK 14/2023](#)
- Date : 2 August 2023
- Title (Indonesian) : Perdagangan Karbon Melalui Bursa Karbon
- Title (English) : Carbon Trading Through Carbon Exchanges

Summary

Preparation of the Financial Services Authority Regulation on Carbon Trading through Carbon Exchange is carried out in order to follow up on the mandate of Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (P2SK Law) to issue further provisions related to carbon trading through Carbon Exchange. The legal basis of this Financial Services Authority Regulation are Capital Market Law, Financial Services Authority Law, and Financial Sector Development and Strengthening Law.

Issues that could be found in this Financial Services Authority Regulation includes the following:

- Follow-up action related to carbon trading through the Carbon Exchange which substantially regulates the provisions regarding Carbon Units traded through the Carbon Exchange
- Requirements for Carbon Trading through the Carbon Exchange
- Capitalization of the Carbon Exchange Operator
- Shareholders, Members of the Board of Directors, and Board of Commissioners of the Carbon Exchange Operator
- Operations and Control of the Carbon Exchange Operator
- Supervision of the Carbon Exchange

- Requirements and Procedures for Licensing the Carbon Exchange Operator
- Amendments to the Regulations and Articles of Association of the Carbon Exchange Operator
- Annual Work Plan and Budget of the Carbon Exchange Operator
- Report of the Carbon Exchange Operator

3. Regulation : [POJK 13/2023](#)

Date : 20 July 2023

Title (Indonesian) : Kebijakan dalam Menjaga Kinerja dan Stabilitas Pasar Modal Pada Kondisi Pasar yang Berfluktuasi secara Signifikan

Title (English) : Policies in Maintaining Capital Market Performance and Stability in Significantly Fluctuating Market Conditions

Summary

To mitigate and reduce the impact of significantly fluctuating markets that have the potential to put pressure on capital market stability, including the performance of capital market industry players, the Financial Services Authority is authorized to take steps to determine policies for handling volatility, stimulus, and / or relaxation for financial service industry players in the capital market sector. This Financial Services Authority Regulation is issued to maintain good governance in setting policies to improve the performance of Capital Market industry players, maintain Capital Market stability and Indonesia's economic growth.

This Financial Services Authority Regulation regulates the Parties related to policy measures in maintaining the stability of the Capital Market, among others:

- Stock Exchange,
- Clearing and Guarantee Institution,
- Depository and Settlement Institution,
- Public Companies, Issuers, and Investment Managers.

POJK No. 13 of 2023 regulates the parameters of significantly fluctuating market conditions, the form of regulations and/or policies related to the handling of significantly fluctuating market conditions, the requirements for repurchasing shares of public companies in significantly fluctuating market conditions, the transfer of repurchased shares, and administrative sanctions.

4. Regulation : [POJK 12/2023](#)

Date : 12 July 2023

Title (Indonesian) : Unit Usaha Syariah

Title (English) : Sharia Business Unit

Summary

The Financial Services Authority Regulation on Sharia Business Unit (POJK UUS) was issued in the context of institutional strengthening and improving the performance of Sharia Business Unit (UUS). This is in line with the policy direction and development of the financial services sector in accordance with the mandate of Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (P2SK Law), particularly in terms of strengthening the capital and efficiency of UUS, strengthening UUS management, and improving provisions related to the requirements and process of separating UUS which are aligned with the banking consolidation strategy.

This POJK is also issued in order to harmonize with regulations regarding the institutions of conventional commercial banks and Sharia commercial banks, adjustments to regulations regarding bank reporting and licensing, and regulations regarding the implementation of information technology.

The main points that can be found in the POJK No. 12 of 2023 are as follows:

- General provisions
- Capitalization and Licensing
- Board of Directors, Board of Commissioners, Sharia Supervisory Board (DPS), and Executive Officers of Sharia Business Unit
- Sharia Business Unit Office
- Separation and Consolidation of Sharia Business Units
- Revocation of UUS Business License at the Request of conventional commercial bank OJK conducts the revocation of UUS business license, which is carried out in two stages: approval of preparation for revocation of business license and decision on revocation of business license.
- Submission of Licenses and Reports
- Other Provisions

5. Regulation : [POJK 11/2023](#)

Date : 11 July 2023

Title (Indonesian) : Pemisahan Unit Syariah Perusahaan Asuransi dan Perusahaan Reasuransi

Title (English) : Separation of Sharia Business Unit in Insurance Companies and Reinsurance Companies

Summary

The regulation in the POJK regarding the Separation of Sharia Units of Insurance Companies and Reinsurance Companies is aligned with the regulatory direction aimed at encouraging consolidation in the insurance industry, through increasing paid-up capital for the establishment of insurance companies, increasing minimum equity for insurance companies, strengthening governance and risk management, strengthening the insurance industry ecosystem, and implementing international standards.

The main points of this OJK Regulation are as follows:

- Purpose of separation of sharia business unit
- Method of separation of sharia business unit
- Conditions that cause the separation of sharia business unit
- Criteria for the separation of sharia business unit
- Provisions that must be fulfilled in order to implement the separation of sharia business units
- OJK's authority in the separation of sharia business units
- Arrangements related to the capital of Sharia Insurance Companies and Sharia Reinsurance Companies resulting from the Separation of Sharia business Units
- Mechanism and Procedure of Sharia Business Unit Separation
- Sharia business unit separation incentives
- Provision of sanctions

6. Regulation : [POJK 10/2023](#)
- Date : 11 July 2023
- Title (Indonesian) : Pemisahan Unit Usaha Syariah Perusahaan Penjaminan
- Title (English) : Separation of Sharia Business Unit in Guarantee Companies

Summary

The arrangements in the POJK regarding the Separation of UUS Guarantee Companies are also aligned with the regulatory direction which aims to encourage consolidation in the assurance industry, through increasing paid-up capital for the establishment of guarantee companies, increasing minimum equity for guarantee companies, strengthening governance and risk management, strengthening the guarantee industry ecosystem, and implementing international standards.

- Purpose of separation of sharia business unit
- Method of separation of sharia business unit
- Conditions that cause the separation of sharia business unit
- Criteria for the separation of sharia business unit
- Provisions that must be fulfilled in order to implement the separation of sharia business unit
- OJK's authority in the separation of sharia business unit
- Arrangements related to the capital of Sharia Guarantee Companies resulting from the Separation of sharia business unit
- Mechanism and Procedure of Sharia Business Unit Separation
- Sharia business unit separation incentives
- Provision of sanctions

7. Regulation : [POJK 9/2023](#)
- Date : 11 July 2023
- Title (Indonesian) : Peraturan Penggunaan Jasa Akuntan Publik dan Kantor Akuntan Publik dalam Kegiatan Jasa Keuangan
- Title (English) : Regulation on the Use of Public Accountant Services and Public Accounting Firm in Financial Services Activities

Summary

This Financial Services Authority Regulation regulates the role of the audit committee, restrictions on the use of audit services, audit scope, submission of reports from relevant parties to the Financial Services Authority, administrative management of Public Accountant (AP) and/or Public Accounting Firm (KAP), publication of the list of Public Accountant and Public Accounting Firm at the Financial Services Authority, resignation of Public Accountant and Public Accounting Firm, independence of Public Accountant and Public Accounting Firm from Parties, communication of Public Accountant and Public Accounting Firm to the Financial Services Authority, submission of reports from Public Accountant and Public Accounting Firm to the Financial Services Authority, media for submitting applications and reports of Public Accountant and Public Accounting Firm to the Financial Services Authority, follow-up supervision of the use of Public Accountant and/or Public Accounting Firm services, and transitional provisions.

- Affirmation that the Party must use Public Accountant and Public Accounting Firm that are registered and listed in the list of active Public Accountant and Public Accounting Firm at the Financial Services Authority and have competence in accordance with the complexity of the Party's business.
- Adjustment of restrictions on the use of audit services (rotation) of Public Accountant, namely for commercial banks, issuers, and public companies is limited to a maximum of 7 (seven) cumulative years with a pause period according

to the type of Public Accountant role in the engagement, namely 5 (five) years, 3 (three) years, or 2 (two) years; while other entities are limited to a maximum of 5 (five) consecutive years with a pause period of 2 (two) consecutive years.

- Regulating the scope of audits for banks, investment managers, insurance companies and reinsurance companies, pension funds, and financing institutions in the context of implementing prudential principles and transparency.
- Strengthening the role of foreign public accounting firms or foreign audit organizations through the inclusion of quality review and training obligations from foreign public accounting firms or foreign audit organizations to Public Accounting Firm in cooperation agreements between foreign public accounting firms or foreign audit organizations with Public Accounting Firm.
- Affirmation that for Public Accountants and/or Public Accounting Firms listed in the list of temporarily inactive Public Accountants and Public Accounting Firms or listed in the list of permanently inactive Public Accountants and Public Accounting Firms, all registered letters of Public Accountants and/or Public Accounting Firms will be frozen or terminated at OJK.

8. Regulation : [11/SEOJK.03/2023](#)

Date : 15 August 2023

Title (Indonesian) : Batas Maksimum Pemberian Kredit BPR dan Batas Maksimum Penyaluran Dana BPRS

Title (English) : Maximum Lending Limit of Rural Banks and Maximum Fund Disbursement Limit of Sharia Rural Banks

Summary

To support the issuance of POJK No. 23 of 2022 concerning the Maximum Lending Limit of Rural Banks (BPR) and the Maximum Fund Disbursement Limit of Sharia Rural Banks (BPRS), it is necessary to improve the implementing provisions in the context of alignment with laws and regulations, the application of prudential principles and risk management for the provision or distribution of funds and efforts to maintain stability and encourage improved performance of Rural Banks (BPR) and Sharia Rural Banks (BPRS), among others, through overcoming potential and/or liquidity problems of BPR and BPRS.

This Circular Letter of the Financial Services Authority regulates further explanations, among others:

- The addition of control criteria to the definition of related parties in the calculation of the Maximum Lending Limit and Maximum Fund Disbursement Limit,
- Adjustment of reference coding in BPR Maximum Lending Limit reporting related to changes in the definition of related parties,
- Calculation of violations and exceedances of Maximum Lending Limit and Maximum Fund Disbursement Limit,
- Determination of group categories based on financial relationships between borrowers or customers receiving facilities,
- Reporting output based on information on violations and exceedances of Maximum Lending Limit and Maximum Fund Disbursement Limit submitted by BPR and BPRS through monthly reports.

9. Regulation : [10/SEOJK.03/2023](#)

Date : 27 July 2023

Title (Indonesian) : Penyelenggaraan Produk Bank Perekonomian Rakyat Syariah

Title (English) : Product Implementation of Sharia Rural Banks

Summary

Circular Letter of the Financial Services Authority (SEOJK) regarding the Implementation of Sharia Rural Bank Products (BPRS Products) is issued in order to realize a highly competitive Sharia Rural Bank and contribute significantly to the national economy and social development, as well as alignment with the provisions of laws and regulations to encourage the development of the implementation of Sharia Rural Bank products while taking into account the principles of adequate capital, effective risk management and the application of the prudential principle.

This Circular Letter of the Financial Services Authority regulates the following:

- Sharia Rural Bank product grouping
- Principle of Sharia Rural Bank Product Implementation
- Mechanism of New Product Implementation
- Adjustment of New Product Implementation Plan
- Sharia Rural Bank Product Discontinuation
- Consumer Protection
- Reporting
- Transitional Provisions

New Banking Regulation

1. Regulation : [PBI 7/2023](#)
- Date : 1 August 2023
- Title (Indonesian) : Devisa Hasil Ekspor dan Devisa Pembayaran Impor
- Title (English) : Foreign Exchange from Export Proceeds and Foreign Exchange for Import Payments

Summary

Foreign Exchange Earnings (DHE) can be a sustainable source of funds for national economic development and support the creation of stronger financial markets and macroeconomic stability if it is placed through the Indonesian financial system. Therefore, regulations are needed to ensure the inclusion, placement, and utilization of Foreign Exchange Earnings from Natural Resources (DHE SDA) in the Indonesian financial system, the accuracy of Import Payment Foreign Exchange (DPI) reporting, and the effectiveness of its supervision. The regulation is still based on the principle that every Resident can freely own and use foreign exchange as referred to in Law Number 24 of 1999 concerning Foreign Exchange Traffic and Exchange Rate System. Bank Indonesia Regulation (PBI) of Foreign Exchange from Export Proceeds and Foreign Exchange for Import Payments will revoke and replace PBI Number 21/14/PBI/2019 concerning Foreign Exchange of Export Proceeds and Foreign Exchange of Import Payment as amended several times, most recently by PBI Number 24/18/PBI/2022 concerning the Second Amendment to PBI Number 21/14/PBI/2019.

- Obligations of Exporters. Among them are those related to DHE such as obligations related to DHE income, submission of DHE information and reports by exporters, obligations in export activities by Custody Service Company (PJT) and Parties in Oil & Gas Contracts (PDKM), as well as input, placement, and utilization of DHE SDA.
- Importer's obligation to report the receipt of DPI no later than the end of the third month after the month of Import Customs Notice.
- Bank Obligations include Bank Obligations towards DHE, submitting Non-Telegraphic Transfer Transaction Reports; Bank Obligations related to the entry, placement, and utilization of DHE SDA; and Bank Obligations related to DPI.
- Indonesian Export Financing Institution's (LPEI's) obligations, including submitting information and reports regarding the entry of DHE and the placement of DHE to Bank Indonesia in a complete, correct and timely manner; Ensuring the implementation of the utilization of DHE SDA by Exporters; Ensuring debtors who will open DHE SDA Mutual Funds are Natural Resources Exporters.
- Supervision by Bank Indonesia on Exporters, Importers, Goods Owners, Parties to Oil and Gas Contracts, Banks, and LPEI related to DHE obligations. Furthermore, Bank Indonesia submits the results of DHE SDA supervision to the ministry that organizes government affairs in the field of state finance using an integrated information system.

2. Regulation : [PBI 6/2023](#)
- Date : 27 June 2023
- Title (Indonesian) : Pasar Uang dan Pasar Valuta Asing
- Title (English) : Money Market and Foreign Exchange Market

Summary

In line with the Government of the Republic of Indonesia's efforts to reform the financial sector, the Government has issued Law No. 4 of 2023 on Financial Sector Development and Strengthening (PPSK Law). The PPSK Law confirms Bank Indonesia's authority to regulate, develop, and supervise the money market and foreign exchange market.

The regulation in Bank Indonesia Regulation concerning Money Market and Foreign Exchange Market (PBI PUVA) covers 4 (four) aspects, namely: products, pricing, market participants, and financial market infrastructure (3P+1I). The regulatory material in PBI PUVA is harmonized with the scope of market-related regulations including GPA contained in the PPSK Law, but the substance of the regulation in the Money Market PBI (existing) will still be regulated as long as it does not conflict.

Matters regulated in this Bank Indonesia Regulation No. 6 2023 include:

- Regulatory Framework, Development and Supervision of Money Market and Foreign Exchange Market
- Money Market and Foreign Exchange Market Products
- Reference Price
- Money Market and Foreign Exchange Market Participants
- Financial Market Infrastructure
- Self Regulatory Organization (SRO)
- Product Licensing, Money Market and/or Foreign Exchange Market Actors, and Financial Market Infrastructure
- Data and/or Information
- Supervision and Implementation of Governance and Risk Management
- Consumer Protection

3. Regulation : [PBI 5/2023](#)
- Date : 27 June 2023
- Title (Indonesian) : Pembiayaan Likuiditas Jangka Pendek berdasarkan Prinsip Syariah bagi Bank Umum Syariah (PBI PLJPS BUS)
- Title (English) : Short-term Liquidity Financing based on Sharia Principles for Sharia Commercial Banks (PBI PLJPS BUS)

Summary

The enactment of Law No. 4 of 2023 on Financial Sector Development and Strengthening has led to changes in several provisions of laws and regulations in the financial sector, including strengthening the handling of bank problems through arrangements for short-term liquidity financing based on sharia principles (PLJPS).

The strengthening of the policy is outlined in PBI PLJPS BUS which revokes Bank Indonesia Regulation Number 19/4/PBI/2017 concerning Sharia Short-Term Liquidity Financing for Sharia Commercial Banks as amended several times, most recently by Bank Indonesia Regulation Number 22/16/PBI/2020 concerning the Third Amendment to Bank Indonesia Regulation Number 19/4/PBI/2017 concerning Sharia Short-Term Liquidity Financing for Sharia Commercial Banks.

The points contained in PBI regarding Short-term Liquidity Financing based on Sharia Principles for Sharia Commercial Banks include the following:

- Adjustment to the definition of liquidity difficulty

- Strengthening of Short-term Liquidity Financing based on Sharia Principles (PLJPS) requirements
- Short-term Liquidity Financing based on Sharia Principles collateral
- Strengthening Bank Indonesia's coordination with OJK regarding the provision of Short-term Liquidity Financing based on Sharia Principles.
- Coordination between Bank Indonesia and OJK
- Strengthening supervision of BUKs that receive Short-term Liquidity Financing based on Sharia Principles.

4. Regulation : [PBI 4/2023](#)

Date : 27 June 2023

Title (Indonesian) : Pinjaman Likuiditas Jangka Pendek bagi Bank Umum Konvensional

Title (English) : Short-term Liquidity Loans for Conventional Commercial Banks

Summary

To carry out Bank Indonesia's function as lender of the last resort, including through the provision of PLJP funds to conventional commercial banks (BUK) experiencing liquidity difficulties, Bank Indonesia needs to strengthen BUK's PLJP policy in line with the law. Strengthening includes requirements for BUK to obtain Short-term Liquidity Loans for Conventional Commercial Banks (PLJP), PLJP collateral, time period, and Bank Indonesia's coordination with OJK regarding the provision of PLJP.

The strengthening of the policy is outlined in PBI PLJP BUK which revokes Bank Indonesia Regulation Number 10/35/PBI/2008 concerning Short-Term Funding Facilities for Rural Banks and Bank Indonesia Regulation Number 19/3/PBI/2017 concerning Short-Term Liquidity Loans for Conventional Commercial Banks as amended several times, most recently by Bank Indonesia Regulation Number 22/15/PBI/2020 concerning the Third Amendment to Bank Indonesia Regulation Number 19/3/PBI/2017 concerning Short-Term Liquidity Loans for Conventional Commercial Banks.

- Strengthening of Short-term Liquidity Loans for Conventional Commercial Banks requirements that must be met by Conventional Commercial Banks
- Short-term Liquidity Loans for Conventional Commercial Banks Collateral
- Time period
- Strengthening Bank Indonesia's coordination with OJK regarding the provision of Short-term Liquidity Loans for Conventional Commercial Banks
- Strengthening supervision of Conventional Commercial Banks that receive Short-term Liquidity Loans for Conventional Commercial Banks

5. Regulation : [PBI 3/2023](#)

Date : 27 June 2023

Title (Indonesian) : Pelindungan Konsumen Bank Indonesia

Title (English) : Bank Indonesia Consumer Protection

Summary

Law No. 4 of 2023 on Financial Sector Development and Strengthening (P2SK Law) regulates various aspects that have not previously been specifically regulated in Bank Indonesia regulations, such as Bank Indonesia Consumer Protection Number 22/20/PBI/2020 concerning Bank Indonesia Consumer Protection. In addition, the issuance of the Personal Data Protection Law (PDP Law) also encourages a review of data protection arrangements and follows the G20/OECD High Level Principles on Financial Consumer Protection. For this reason, Bank Indonesia needs to adjust and re-regulate aspects of consumer

protection that are within the scope of Bank Indonesia's authority, so that they can be in line with and support the implementation of the Law.

The points contained in Bank Indonesia Regulation No. 3 of 2023 concerning Bank Indonesia consumer protection include the following:

- Scope of Consumer Protection
- Principles of Consumer Protection
- Handling of Consumer Complaints by Bank Indonesia
- Imposition of Sanctions for Organizers who do not fulfill their obligations, which can be in the form of written warnings, product restrictions or suspension, administrative sanctions, etc.
- Supervision Activities, both direct and indirect supervision to the Organizer
- Coordination Mechanism. Bank Indonesia may coordinate with relevant authorities, ministries, and/or institutions in the implementation of Consumer Protection.

6. Regulation : [PBI 2/2023](#)
- Date : 27 June 2023
- Title (Indonesian) : Transaksi *Domestic Non Deliverable Forward* Non Dolar Amerika Serikat terhadap Rupiah Lindung Nilai kepada Bank Indonesia
- Title (English) : Non United States Dollar Domestic Non Deliverable Forward Hedging Transactions Against Rupiah to Bank Indonesia

Summary

Bank Indonesia aims to achieve rupiah stability, one of which is reflected in the stability of the rupiah exchange rate. In achieving this goal, Bank Indonesia developed a Non-US Dollar domestic non deliverable forward transaction against rupiah which is a hedging instrument in an effort to mitigate the movement of the rupiah exchange rate as part of monetary control. Some of the points listed in this Bank Indonesia Regulation No. 2 of 2023 are:

- Transaction Characteristics Domestic Non Deliverable Forward (DNDF) Non USD/IDR Hedging to Bank Indonesia
- Requirements for banks applying for Domestic Non Deliverable Forward Non USD/IDR Hedging Transactions to Bank Indonesia
- Requirements of underlying transactions used in Domestic Non Deliverable Forward Non-USD to Rupiah Hedging Transactions to Bank Indonesia
- Banks must prove the existence of underlying transaction documents whose types are determined by Bank Indonesia with several provisions
- The Bank is responsible for the correctness of the submission data of Domestic Non Deliverable Forward Non USD/IDR Hedging Transaction to Bank Indonesia and cannot cancel the Domestic Non Deliverable Forward Non USD/IDR Hedging Transaction to Bank Indonesia that has been submitted.
- Bank Indonesia may cancel the Non USD/IDR Domestic Non Deliverable Forward Hedging Transaction to Bank Indonesia except for the extension of the transaction.
- The Bank may propose an extension of Non USD/IDR Domestic Non Deliverable Forward Hedging Transaction to Bank Indonesia by using the valid hedging contract, with the transaction extension period in accordance with the remaining term of the hedging contract (maximum 12 months) and the nominal value of the extension at most equal to the initial nominal value of Non USD/IDR Domestic Non Deliverable Forward Hedging Transaction to Bank Indonesia.
- In the event that the Bank does not fulfill the obligation to fulfill the underlying transaction and prove the existence of underlying transaction documents, the Bank is subject to administrative sanctions in the form of written warnings and the obligation to pay

- In the event that the Bank does not fulfill the obligation to settle the transaction, the Bank is subject to administrative sanctions in the form of a written warning, obligation to pay and temporary suspension to participate in Non USD/IDR Domestic Non Deliverable Forward Hedging Transactions to Bank Indonesia.

7. Regulation : [PADG 5/2023](#)

Date : 1 August 2023

Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur Nomor 21/28/PADG/2019 tentang Pemantauan Kegiatan Lalu Lintas Devisa Bank dan Nasabah

Title (English) : Second Amendment to the Regulation of Members of the Board of Governors Number 21/28/PADG/2019 concerning Monitoring of Foreign Exchange Activities of Banks and Customers

Summary

In order to support the monitoring of the entry and placement of Foreign Exchange Proceeds from Export of Natural Resources (DHE SDA) funds through banks, it is necessary to make adjustments to the relevant implementing regulations, by issuing Member of the Board of Governors Regulation Number 5 of 2023 concerning the Second Amendment to Member of the Board of Governors Regulation Number 21/28/PADG/2019 concerning Monitoring of Foreign Exchange Traffic Activities of Banks and Customers.

Changes to the report are in the form of adjustments to the supporting reports in the Bank's Foreign Exchange Traffic (LLD) Report which include:

- Adjustment of provisions related to how to report LLD transactions up to US\$ 10,000 that can be reported in a combined manner.
- The addition of a regulation that the adjustment of the report will be submitted in the Bank Indonesia reporting system.
- Omitting reporting and submission of DHE supporting documents from Banks to Bank Indonesia.
- Omitting articles regarding the submission of the results of supervision of natural resource exporters related to the use of DHE SDA.
- Adjustment of helpdesk contact.
- Adjustments to Appendix II - Technical Guidelines for Reporting LLD Activities by Banks, namely, to accommodate reporting needs in the context of BI supervision of the obligation to enter and place DHE SDA, which includes Export information (PPE) in the DHE SDA Mutual transaction report and detailed DHE SDA Mutual transaction reports and DHE SDA Mutual position reports and DHE fund placement instruments.

8. Regulation : [PADG 4/2023](#)

Date : 1 August 2023

Title (Indonesian) : Devisa Hasil Ekspor dan Devisa Pembayaran Impor

Title (English) : Foreign Exchange from Export Proceeds and Foreign Exchange for Import Payments

Summary

In order to maintain the continuity of development and increase and resilience of the national economy through optimizing the utilization of natural resources that are used to the greatest extent for the prosperity of the people, the Government has issued a policy regarding the entry and placement of foreign exchange export proceeds (DHE) derived from the activities of exploitation, management, and / or processing of natural resources into the Indonesian financial system (Government Regulation No. 36 of 2023). To support the implementation of PP No. 36 of 2023, Bank Indonesia issued PBI No. 7 of 2023 concerning Foreign Exchange Proceeds from Exports and Foreign Exchange for Import Payments, which among others

regulates the principles and instruments for the placement of DHE SDA, as well as monitoring the entry, placement, and utilization of DHE SDA in the Indonesian financial system. The obligation to enter, place, and utilize DHE into the Indonesian financial system needs to be monitored to support the optimization of its utilization. Matters regulated in the Regulation of the Members of the Board of Governors Number 4 of 2023 include:

- Obligations of Exporters, including arrangements regarding the entry, placement, and utilization of DHE SDA, including types of instruments for the placement and utilization of DHE SDA, as well as the obligations of Exporters related to DHE, among others related to the submission of DHE information and reports.
- Importer Obligations.
- Bank obligations related to DHE, DHE SDA Special Accounts, instruments for the entry, placement and utilization of DHE SDA, and DPI.
- Obligations of LPEI.
- Supervision.
- Procedures for Imposition of Administrative Sanctions.
- Procedures for Reporting, Correspondence, and Helpdesk.

9. Regulation : [PADG 3/2023](#)

Date : 27 June 2023

Title (Indonesian) : Peraturan Pelaksanaan Transaksi Domestic Non Deliverable Forward Non Dolar Amerika Serikat Terhadap Rupiah Lindung Nilai kepada Bank Indonesia

Title (English) : Implementing Regulation of Non US Dollar Domestic Non Deliverable Forward Hedging Transaction Against Rupiah to Bank Indonesia

Summary

Bank Indonesia aims to achieve and maintain rupiah exchange rate stability. In achieving this goal, Bank Indonesia develops domestic non-deliverable forward non-US dollar transactions against the rupiah which is a hedging instrument in an effort to mitigate the movement of the rupiah exchange rate as part of monetary control. The domestic non-deliverable forward US dollar to rupiah hedging instrument to Bank Indonesia is required to support the development of money market and forex market.

The points contained in Board of Governors Regulation No. 3 of 2023 concerning Implementing Regulation of Non US Dollar Domestic Non Deliverable Forward Hedging Transaction Against Rupiah to Bank Indonesia include the following:

- Requirements for banks applying for Domestic Non Deliverable Forward (DNDF) Non-USD/IDR Hedging Transactions to Bank Indonesia
- Non-USD/IDR Domestic Non Deliverable Forward Hedging Transaction to Bank Indonesia is conducted based on a hedging contract.
- Non-USD/IDR Domestic Non Deliverable Forward Hedging Transactions to Bank Indonesia are conducted with underlying transactions that fulfill the following requirements
- Bank Indonesia imposes administrative sanctions for violations related to transaction underlying obligations
- Domestic Non Deliverable Forward Non-USD/IDR Hedging Transactions to Bank Indonesia are conducted on business days, with a window time of 08.00 WIB until 16.00 WIB or other times set by Bank Indonesia.
- The Bank submits Domestic Non Deliverable Forward Non-USD/IDR Hedging transactions to Bank Indonesia directly without going through intermediaries through the dealing system established by Bank Indonesia.
- The Bank is responsible for the correctness of data submission of Hedging Contract and Domestic Non Deliverable Forward Non-USD/IDR Hedging Transaction to Bank Indonesia.
- The Bank may not cancel the Domestic Non Deliverable Forward Non-USD/IDR Hedging Transaction to Bank Indonesia that has been submitted.

- Bank Indonesia does not continue the process of Non-USD/IDR Domestic Non Deliverable Forward Hedging Transaction to Bank Indonesia in the event that the Bank does not fulfill the transaction submission requirements.



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