



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 8/2023](#)
Date : 14 June 2023
Title (Indonesian) : Penerapan Program Anti Pencucian Uang, Pencegahan Pendanaan Terorisme, dan Pencegahan Pendanaan Proliferasi Senjata Pemusnah Massal di Sektor Jasa Keuangan (POJK APU PPT dan PPSPM di SJK)
Title (English) : Implementation of Anti-Money Laundering, Countering the Financing of Terrorism, and Countering the Financing of Proliferation of Weapons of Mass Destruction Programs in the Financial Services Sector (POJK APU PPT and PPSPM in Financial Services)

Summary

In the Regulation of the Financial Services Authority No. 8 of 2023 concerning the Implementation of Anti-Money Laundering (APU), Countering the Financing of Terrorism (PPT), and Countering the Financing of Proliferation of Weapons of Mass Destruction (PPSPM) in the Financial Services Sector (POJK APU PPT and PPSPM in Financial Services), several things are explained in the regulation, such as follows:

- addition of Financial Services Providers (PJK) that are required to implement APU, PPT and PPSPM programs
- assessment obligations, policies, and procedures, PPSPM risk mitigation, Suspicious Financial Transaction (LTKM) reports and attempted transactions related to PPSPM
- PJK have an obligation to ensure that the supporting professions used have implemented APU, PPT and PPSPM programs, and are registered with the reporting information system managed by the Financial Transaction Reports and Analysis Centre (PPATK), GoAML.

This regulation also introduces examples of countermeasures to be taken by PJK in high-risk countries in accordance with the publication issued by the Financial Action Task Force (FATF); The requirements and procedures for cooperation between PJK and Third Parties in face-to-face and non-face verification through electronic means have also been improved; For administrative sanctions, there are improvements aimed at providing effectiveness, proportionality, and an effect that prevents violations of APU, PPT and PPSPM; The regulation also covers the suspension or temporary suspension of transactions related to money laundering, terrorism financing and/or PPSPM.

2. Regulation : [POJK 7/2023](#)
Date : 11 May 2023
Title (Indonesian) : Tata Kelola dan Kelembagaan Perusahaan Asuransi Berbentuk Usaha Bersama
Title (English) : Governance and Institutionalization of Insurance Companies in the Form of Joint Venture

Summary

To implement the provisions of Law No. 4 of 2023 on Financial Sector Development and Strengthening, as well as Law Number 40 of 2014 on Insurance as amended by Law Number 4 of 2023 on Financial Sector Development and Strengthening, it is necessary to stipulate the Regulation of the Financial Services Authority on the Governance and Institutionalization of Insurance Companies in the Form of Joint Venture, as drafted in the Regulation of the Financial Services Authority No. 7 of 2023.

The background and objectives of the Financial Services Authority Regulation on the Governance and Institutionalization of Insurance Companies in the Form of Joint Venture are as follows:

- Mandate from Law No. 4 of 2023 concerning Development and Strengthening of the Financial Sector in carrying out supervision of joint ventures;
- It is necessary to regulate the provisions on governance and institutionalization of joint venture insurance companies; and
- Enforcement of compliance with joint ventures.

While the main points of regulation in this POJK include General Provisions; Good Corporate Governance for Joint Ventures; Utilization of Profits and Expensing of Losses; Dissolution, Liquidation, and Bankruptcy; Transitional Provisions; and Closing.

3. Regulation : [POJK 6/2023](#)

Date : 6 April 2023

Title (Indonesian) : Perubahan Kedua Atas Peraturan Otoritas Jasa Keuangan Nomor 72/POJK.05/2016 Tentang Kesehatan Keuangan Perusahaan Asuransi dan Perusahaan Reasuransi Dengan Prinsip Syariah

Title (English) : Second Amendment to the Regulation of the Financial Services Authority No. 72/POJK.05/2016 concerning Financial Health of Insurance and Reinsurance Company with Sharia Principles

Summary

In order to revise the regulations regarding Financial Health of Insurance and Reinsurance Company with Sharia Principles, second amendment to the Regulation of the Financial Services Authority No. 72/POJK.05/2016 is stipulated in the Regulation of the Financial Services Authority No. 6 of 2023. Several main points of amendment to this regulation are as follows:

- adjustments to several definitions aiming to be more general and to broaden the scope, including: *Tanahud* Fund, Participant Investment Fund, Medium Term Notes (MTN)
- addition of 3 (three) new definitions, among others: Related Party, Investment Recipient Group, and Subfund
- adjustment of the provisions on the separation of assets and liabilities
- changes in provisions related to the types of investments categorized as Permitted Assets and the basis for investment valuation
- addition of requirements for the placement of Permitted Assets in the form of Sharia MTNs
- addition of requirement options for the placement of Permitted Assets in the form of pure gold so that it can be stored in the Company under the condition that it is insured to another Company
- adjustment of the provisions of the maximum investment limit on assets other than Participant Investment Funds
- addition of provisions regarding ownership, management, and/or financial relationships in the group of investees and calculation of the amount of investment in related parties
- addition of provisions regulating that the Company may conduct transactions in the form of debt securities with an agreement to repurchase at a predetermined time and price (repurchase agreement)
- adjustment of provisions regarding subordinated *qardh* in the context of calculating the solvency level of corporate funds by adding a provision that subordinated *qardh* is given in cash.

4. Regulation : [POJK 5/2023](#)
- Date : 6 April 2023
- Title (Indonesian) : Perubahan Kedua Atas Peraturan Otoritas Jasa Keuangan Nomor 71/POJK.05/2016 Tentang Kesehatan Keuangan Perusahaan Asuransi Dan Perusahaan Reasuransi
- Title (English) : Second Amendment to the Regulation of Financial Services Authority No. 71/POJK.05/2016 concerning Financial Health of Insurance and Reinsurance Company

Summary

The Second Amendment to the Regulation of Financial Services Authority No. 71/POJK.05/2016 concerning Financial Health of Insurance and Reinsurance Company stipulated in the Regulation of the Financial Services Authority No. 5 of 2023, in the broad outline, encloses the adjustment to the POJK that is intended to maintain the company's financial health and optimize investment performance including in Insurance Products Linked to Investment (PAYDI). The main points of amendment to this OJK Regulation are as follows:

- Addition of some definition provisions
- Changes to several provisions related to investment funds from PAYDI to investment funds from Subfunds.
- Changes in provisions related to the types of investments categorized as Permitted Assets and the basis for investment valuation.
- Addition of requirements for the placement of Permitted Assets in the form of MTNs
- Adjustment of the requirements for insurance companies and reinsurance companies that can place Permitted Assets in the form of REPO and the requirements for finance companies that can cooperate with insurance companies for financing
- Addition of requirement options for the placement of Permitted Assets in the form of pure gold so that it can be stored in the Company under the condition that it is insured to another Company.

5. Regulation : [POJK 4/2023](#)
- Date : 31 March 2023
- Title (Indonesian) : Perubahan Kedua Atas Peraturan Otoritas Jasa Keuangan Nomor 23/POJK.04/2016 Tentang Reksa Dana Berbentuk Kontrak Investasi Kolektif
- Title (English) : Second Amendment to the Regulation of Financial Services Authority No. 23/POJK.04/2016 concerning Mutual Funds in the Form of Collective Investment Contracts

Summary

In this second amendment to the Regulation of Financial Services Authority concerning Mutual Fund Collective Investment Contract, additions and/or adjustments to the regulatory matters are made. Said additions and adjustments are as follows:

- The policy of resolving issues in a number of Mutual Funds through asset settlement with their customers through an in-kind redemption mechanism, as well as the dissolution-liquidation of Mutual Funds.
- Provisions relating to the application of the "share class" feature in Mutual Funds.
- Provisions relating to the calculation of Net Asset Value for Foreign Securities-Based Mutual Funds.
- Implementation of Mutual Fund redemptions through Investor Fund Unit Account (IFUA) and other accounts in accordance with laws and regulations.
- The use of virtual accounts in electronic transactions of Mutual Funds.
- Relaxation of investment portfolio downgrade and restructuring of Protected Mutual Funds and Limited Participation Mutual Funds.

6. Regulation : [9/SEOJK.04/2023](#)
- Date : 15 March 2023
- Title (Indonesian) : Perubahan atas SEOJK Nomor 19/SEOJK.04/2018 tentang Laporan Penerapan Tata Kelola Manajer Investasi
- Title (English) : Amandment to SEOJK Number 19/SEOJK.04/2018 concerning Implementation Report of Investment Manager Procedures

Summary

In the amendment of Financial Services Authority Circular Letter Number 19/SEOJK.04/2018 concerning Implementation Report of Investment Manager Procedures stipulated in the Financial Services Authority Circular Letter Number 19/SEOJK.04/2023, there are several additions and/or adjustments made, including:

- addition of a new appendix, namely Appendix IA;
- the addition of disclosure of the form of implementation of Governance, namely the implementation of the duties and responsibilities of the Board of Directors related to policies and the implementation of meetings of the Board of Directors with the Sharia Supervisory Board including the number of meetings held in 1 (one) year;
- the addition of disclosure of the form of implementation of Governance related to the Sharia Supervisory Board for Sharia Investment Managers or Investment Managers that have sharia investment management units;
- transparency related to the disclosure of financial relationships and/or family relationships of members of the Board of Directors and members of the Board of Commissioners with other members of the Board of Directors and/or members of the Board of Commissioners, members of the Sharia Supervisory Board, and/or shareholders of the Investment Manager;
- transparency related to the disclosure of other important matters, namely the resignation or dismissal of members of the Board of Directors, members of the Board of Commissioners, and members of the Sharia Supervisory Board;

New Banking Regulation

1. Regulation : [PP 34/2023](#)
Date : 16 June 2023
Title (Indonesian) : Besaran Bagian Premi untuk Pendanaan Program Restrukturisasi Perbankan
Title (English) : Premium Share for Banking Restructuring Program Funding

Summary

To implement the provisions of Article 39 paragraph (4) of Law Number 9 of 2016 on Financial System Crisis Prevention and Management as amended by Law Number 4 of 2023 on Financial Sector Advancement and Enhancement, it is necessary to stipulate a Government Regulation on the Amount of Premium Share for Banking Restructuring Program Funding. The legal basis of this Government Regulation is Article 5 paragraph (2) of the 1945 Constitution of the Republic of Indonesia; Law Number 24 of 2004; and Law Number 9 of 2016. The Banking Restructuring Program (PRP) is a program organized to deal with banking problems that endanger the national economy. Matters stipulated in this Government Regulation include:

- Preparation for the implementation of the banking restructuring program;
- Participation and objective of collection of the banking restructuring program premiums;
- Payment for the banking restructuring program premiums;
- Amount of the banking restructuring program premiums;
- Calculation, verification, and management of premium funds for the banking restructuring program;
- Reviewing the target of collection for the banking restructuring program premiums, bank groups, and the amount of the banking restructuring program premiums;
- Reporting;
- Sanctions.

2. Regulation : [PADG 2/2023](#)
Date : 1 April 2023
Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur Nomor 24/8/PADG/2022 tentang Peraturan Pelaksanaan Pemenuhan Giro Wajib Minimum dalam Rupiah dan Valuta Asing bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah
Title (English) : Amendment to the Regulation of Members of the Board of Governors Number 24/8/PADG/2022 concerning Implementation Regulations for Fulfillment of Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units

Summary

Policies of Bank Indonesia are directed at maintaining the momentum of national economic recovery, one of which is through strengthening macroprudential policies by providing incentives for banks that provide funds for certain and inclusive economic activities as stipulated in the Regulation of Members of the Board of Governors Number 24/8/PADG/2022. In line with this enhancement, the amount of a certain part of the fulfillment of the reserve requirement in rupiah that is given remuneration or gift (*'athaya*) to the Bank is also adjusted.

The regulatory changes in this PADG include adjustments to the amount of certain parts of the fulfillment of GWM obligations in rupiah that are given remuneration/gifts (*'athaya*) after considering incentives in the context of macroprudential policy with the following details:

- Conventional Commercial Banks have a minimum reserve requirement (GWM) obligation of 9%, with the amount of Macroprudential Incentives changed to a maximum of 2.8%, whereas previously it was 2%. The amount of GWM that receives remuneration/gift (*'athaya*) from the fulfillment of average GWM is changed to 6.2%-7%, whereas previously it was 7%.
- Sharia Commercial Banks/Sharia Business Units have a minimum reserve requirement of 7.5%, with the amount of macroprudential incentives changed to a maximum of 2.8%, whereas previously it was 2%. The amount of GWM that receives remuneration/gift (*'athaya*) from the fulfillment of average GWM is changed to 4.7%-5.5%, whereas previously it was 5.5%.



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