



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 18/2023](#)
Date : 10 October 2023
Title (Indonesian) : Penerbitan dan Persyaratan Efek Bersifat Utang dan Sukuk Berlandaskan Keberlanjutan
Title (English) : Issuance and Terms of Debt Securities and Sustainability-Based Sukuk

Summary

Financial Services Authority (OJK) Regulation Number 18 of 2023 is a regulation issued in the context of developing a sustainable capital market industry. This regulation replaces the previous regulation, OJK Number 60/POJK.04/2017, which initially only covered Green Bonds. However, the new regulation expands its scope to include Green Sukuk, Social Bonds and/or Sukuk, Sustainability Bonds, Waqf Sukuk, and Sustainability-Linked Bonds. The legal basis for this regulation is the Capital Market Law, the OJK Law, and the amendments to both laws that have been enacted. This OJK regulation covers a number of provisions, including those relating to the types of sustainability-linked debt securities, issuance requirements, registration documents, prospectus, use of proceeds, and reporting. There are terms regarding changes in the status of environmental, social, sustainability and waqf sukuk debt securities that could be found in this regulation. Furthermore, it oversees the issuance of sustainability-related debt securities and related aspects such as external revision providers, incentives, administrative sanctions, and transitions. Issuers that have issued Environmentally Sound Debt Securities previously continue to follow the provisions of the previous regulation until maturity, and issuers that have conducted a phased public offering of debt securities and/or Sukuk in accordance with the previous regulation cannot conduct subsequent offerings in the remaining time in the public offering period after this regulation takes effect.

2. Regulation : [17/SEOJK.03/2023](#)
Date : 19 October 2023
Title (Indonesian) : Persyaratan Margin untuk Transaksi Derivatif yang Tidak Dikliringkan melalui Lembaga Central Counterparty
Title (English) : Margin Requirements for Non-Cleared Derivative Transactions through Central Counterparty Institutions

Summary

This circular letter details the management of initial and variation margins, specifying their calculation, collection, and administration. It mandates the inclusion of margin-related procedures in bilateral agreements between transacting parties and requires banks to maintain and manage all relevant information related to NCCD transactions and exchanged margins adequately. There are principles established in this circular letter for the the implementation of margin requirements for NCCD transactions, including Coverage of Derivative Transactions; Entities Subject to Margin Requirements; Minimum Amount and Methodology for Calculating Initial and Variation Margins; Eligible Margin Assets; Treatment of Received Margin; Transactions with Affiliates; Cross-Border Transactions; and Margin Requirement Implementation. Banks with a consolidated average notional amount of NCCD transactions meeting or exceeding IDR 10 trillion must calculate initial margin for their NCCD transactions with each counterparty. Initial margin calculation is based on a one-year period from September of the current year to August of the following year. If the notional amount decreases to the point where the bank no longer meets the specified conditions, the bank is exempt from calculating initial margin for new contracts.

3. Regulation : [16/SEOJK.03/2023](#)
Date : 19 October 2023
Title (Indonesian) : Perhitungan Permodalan Untuk Eksposur Bank Terhadap Lembaga Central Counterparty
Title (English) : Capital Calculation for Bank Exposure to Central Counterparty Institutions

Summary

There is a need for standards in Indonesia that can serve as the basis for the regulation and calculation of exposure to derivative transactions cleared through CCP institutions; therefore, this SEOJK is mandated. This SEOJK addresses the calculation of capital for a bank's exposure to a Central Counterparty (CCP). Key points found in this regulation including Calculation of capital requirements for exposures to CCP, such as over-the-counter (OTC) derivatives, exchange-traded derivatives, long settlement transactions, and securities financing transactions (SFT) that involve credit risk. These exposures are essential for determining the minimum capital required for the bank. Another point is that Banks must maintain sufficient capital to cover their exposure to both qualifying CCP (QCCP) and non-QCCP. Furthermore, banks acting as CCP members should conduct sufficient stress testing and risk assessments to ensure capital adequacy for exposures to CCP, considering potential future exposure or contingent exposure arising from default fund commitments.

4. Regulation : [15/SEOJK.05/2023](#)
Date : 21 September 2023
Title (Indonesian) : Laporan Pengelolaan Program Jaminan Kesehatan Bulanan Bagi Badan Penyelenggara Jaminan Sosial Kesehatan
Title (English) : Monthly Health Insurance Program Management Report for Health Social Security Providers

Summary

The main purpose of OJK Circular Letter No. 15/SEOJK.05/2023 is to encourage OJK's supervision of the Health Social Security Organizing Agency (BPJS Kesehatan) and to ensure that BPJS Kesehatan submits monthly reports regularly and on time so that OJK can effectively monitor and supervise BPJS Kesehatan's operations in accordance with applicable regulations. OJK wants to understand the factual conditions of BPJS in running the health insurance program and integrate the regulations applicable to BPJS with the current examination process of financial services institutions. This circular letter is based on Article 16 paragraph (10) of OJK Regulation No. 5/POJK.05/2013 on the Supervision of Social Security Organizing Bodies by OJK. The legal basis has been amended by OJK Regulation No. 1 of 2023 concerning Amendments to OJK Regulation No. 5/POJK.05/2013.

The points contained in this Circular Letter include:

- This circular letter regulates the submission of monthly reports on program management by BPJS Kesehatan. The report includes information on the profile and recapitulation of the health insurance program.
- The monthly report on health insurance program management must be submitted no later than 10 working days after the end of the relevant month.
- Submission of the report must be done online through OJK's data communication network system. However, if the communication network experiences technical disruptions or force majeure, the monthly report can be submitted via OJK's official electronic mail. If BPJS is unable to make online submission, the report can be submitted in the form of an electronic copy and sent through a letter signed by the BPJS Board of Directors.

5. Regulation : [14/SEOJK.08/2023](#)
- Date : 20 September 2023
- Title (Indonesian) : Tata Cara Wawancara Atas Kemampuan dan Kepatutan Calon Pengurus dan Calon Pengawas Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan
- Title (English) : Procedures for Interviews on the Fit and Properness of Management and Supervisory Candidates of Alternative Dispute Resolution Institutions in the Financial Services Sector

Summary

The Circular Letter of the Financial Services Authority (OJK) regarding the Interview Procedure for Management and Supervisory Candidates of Alternative Dispute Resolution Institutions in the Financial Services Sector aims to explain the interview procedures that need to be followed by prospective management and supervisory candidates for dispute resolution institutions in the financial services sector, in accordance with OJK Regulation Number 61/POJK.07/2020. Various aspects are included in this circular letter, such as the prospective administrators and supervisors who must undergo interviews, factors that will be assessed during the interviews, administrative requirements that must be met by prospective administrators and supervisors, and procedures for submitting applications for approval as prospective administrators and supervisors. This circular letter also details the interview mechanism, the results of the interview, and the transitional provisions that need to be considered by prospective board members and supervisors who are undergoing the interview process. The documents that form the basis of the interview process are also set out in separate attachments to the circular letter, including curriculum vitae, administrative requirement documents, and procedures for submitting an application for approval. With this circular letter, OJK provides clear and structured guidelines for prospective administrators and supervisors of financial services sector dispute resolution institutions, to ensure that they meet the qualifications and integrity required for the position in accordance with applicable regulations.

6. Regulation : [13/SEOJK.04/2023](#)
- Date : 6 September 2023
- Title (Indonesian) : Pembelian Kembali Saham Perusahaan Terbuka Sebagai Akibat Dibatalkannya Pencatatan Efek oleh Bursa Efek Karena Kondisi atau Peristiwa yang Signifikan Berpengaruh Negatif Terhadap Kelangsungan Usaha
- Title (English) : Buyback of Public Company Shares as a Result of Cancellation of Securities Listing by the Stock Exchange Due to Significant Conditions or Events that Negatively Affect Business Continuity

Summary

The preparation of the Circular Letter of the Financial Services Authority regarding the Procedures for Implementing Carbon Trading through the Carbon Exchange was carried out in order to follow up on the mandate of the provisions of the Financial Services Authority Regulation Number 14 of 2023 concerning Carbon Trading through the Carbon Exchange. This Circular Letter of the Financial Services Authority regulates provisions regarding Carbon Units traded through the Carbon Exchange and Capitalization of the Carbon Exchange Operator; Report of the Carbon Exchange Operator; Annual Work Plan and Budget of the Carbon Exchange Operator; Requirements for Shareholders; Fit and Proper Assessment of Shareholders, Members of the Board of Directors, and Members of the Board of Commissioners of the Carbon Exchange Operator; Operations and Internal Control; Procedure for Application for Licensing of Carbon Exchange Operator; Amendments to the Regulations and Articles of Association of the Carbon Exchange Operator.

New Banking Regulation

1. Regulation : [PBI 11/2023](#)
Date : 18 September 2023
Title (Indonesian) : Kebijakan Insentif Likuiditas Makroprudensial
Title (English) : Macroprudential Liquidity Incentive Policy

Summary

Bank Indonesia issued Bank Indonesia Regulation Number 11 of 2023 on Macroprudential Liquidity Incentive Policy. This decision is based on considerations to support sustainable economic growth and face the challenges of slow-growing bank credit and financing. The essence of the regulation are as follows:

- Bank Indonesia provides Macroprudential Liquidity Policy (KLM) for banks that channel credit or financing to certain sectors determined by Bank Indonesia, inclusive credit or financing based on the achievement of the macroprudential inclusive financing ratio (RPIM), credit or financing to ultra-micro businesses (UMi), environmentally sound credit or financing, and/or other financing determined by Bank Indonesia.
- KLM is provided in the form of a reduction in the Bank's current account at Bank Indonesia as a fulfillment of the minimum reserve requirement (GWM) that must be met on average.
- Data used as the basis for granting KLM includes data on lending or financing to certain sectors, achievement of RPIM, credit or financing to Ultra Micro Enterprises, credit or financing with an environmental perspective, and/or other financing determined by Bank Indonesia.
- Banks are required to submit data and reports as a source of KLM granting to Bank Indonesia accurately.
- Bank Indonesia supervises banks receiving KLM through surveillance and/or examination. If there are data inaccuracies, Bank Indonesia will conduct a re-examination of the fulfillment of the KLM recipient bank criteria and the amount of KLM received.

2. Regulation : [PADG 13/2023](#)
Date : 29 September 2023
Title (Indonesian) : Penguatan Kualitas Pelaku dan Penyelenggaraan Self Regulatory Organization di Pasar Uang dan Pasar Valuta Asing
Title (English) : Strengthening the Quality of Participants and Implementation of Self-Regulatory Organization in Money Market and Foreign Exchange Market

Summary

Board of Governors Regulation No. 13 Year 2023 aims to strengthen the quality of market participants and the implementation of the Self Regulatory Organization (SRO) in the money market and foreign exchange market. This regulation is issued by Bank Indonesia to support the development of a more liquid, efficient, and transparent financial market in accordance with the Financial Market Development and Strengthening Act. The focus is on ensuring the role of market participants and SROs in supporting Bank Indonesia's monetary policy transmission. This regulation governs the procedures for registration and delisting of treasury dealers, the prohibition of the use of treasury dealer services that are not registered with Bank Indonesia, as well as the role of professional associations in the treasury field. In addition, the regulation covers treasury certification requirements, competency management, and the requirement to understand and apply the market code of ethics. The

organization of the SRO is also regulated, including its establishment mechanism, duties and powers, and funding sources. There are reporting provisions that bind market participants, treasury certification providers, and SROs, as well as provisions for Bank Indonesia's authority to supervise.

3. Regulation : [PADG 12/2023](#)
- Date : 27 September 2023
- Title (Indonesian) : Perubahan Kedua 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) : Second Amendment to the Regulation of the 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

Member of the Board of Governors Regulation Number 12 of 2023 concerning the second amendment to Member of the Board of Governors Regulation Number 24/8/PADG/2022 relating to the fulfillment of Statutory Reserves (GWM) in Rupiah and foreign currencies by conventional commercial banks, sharia commercial banks, and sharia business units in Indonesia.

- The motivation of this change is related to Bank Indonesia's policy to support national economic recovery. One aspect is to improve the financial intermediary function, including credit and financing growth. Bank Indonesia enforces the Macroprudential Liquidity Incentive Policy (KLM) to stimulate lending to certain sectors, including those that are inclusive, ultra-micro, and environmentally sound.
- The changes mainly affect the incentives given to banks in fulfilling their Rupiah-denominated reserve requirements. The total incentive amount was increased to a maximum of 4% from the previous 2.8%. This adjustment has an impact on the remuneration or GWM incentive given to banks. Previously, the incentive amount was 6.2% - 7% for conventional commercial banks (BUK) and 4.7% - 5.5% for sharia commercial banks (BUS) and sharia business units (UUS). Now, the incentive amount is 5% - 7% for BUK and 3.5% - 5.5% for BUS and UUS.
- This change is intended to optimize the incentive mechanism and encourage banks to meet their reserve requirement obligations, thus supporting the role of banking in sustainable economic growth. Thus, this regulation contributes to Bank Indonesia's efforts in maintaining the momentum of national economic recovery.

4. Regulation : [PADG 11/2023](#)
- Date : 27 September 2023
- Title (Indonesian) : Peraturan Pelaksanaan Kebijakan Insentif Likuiditas Makroprudensial (PADG KLM)
- Title (English) : Implementation Regulation of Macroprudential Liquidity Incentive Policy (PADG KLM)

Summary

In order to support Indonesia's economic growth, Bank Indonesia has issued Member of the Board of Governors Regulation Number 11 of 2023 concerning Implementation Regulation of Macroprudential Liquidity Incentive Policy (PADG KLM). This regulation aims to support the implementation of Bank Indonesia Regulation Number 11 regarding the mechanisms and technical aspects related to the provision of macroprudential liquidity incentives. The regulation covers various aspects, such as regulating the mechanism of providing liquidity incentives to banks that meet specific criteria, such as the fulfillment of Net

Open Position (NOP) and Macroprudential Indicators Compliance Ratio (RPIM) where banks that meet these criteria will receive KLM as an incentive; Requiring banks to submit accurate data and reports to Bank Indonesia and if a bank violates this provision, it may be subject to administrative sanctions in the form of penalties or written warnings; Requiring Bank Indonesia to submit information regarding the provision of KLM to the bank at the latest at the beginning of the KLM granting period, the information includes the value of KLM granted to the bank; as well as permitting Bank Indonesia to conduct a re-study of the KLM granting to the bank if necessary, and if there are data inaccuracies or the amount of KLM is not appropriate, the bank may not meet the criteria for granting KLM or the amount of KLM that has been given can be adjusted.



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