



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 : [11/POJK.02/2021](#)
Date : 30 June 2021
Title (Indonesian) : Penatalaksanaan Lembaga Sertifikasi Profesi di Sektor Jasa Keuangan
Title (English) : Management of Professional Certification Agency in the Financial Services Sector

Summary

This regulation is issued in order to support the implementation of work competency certification in the financial services sector on an ongoing basis to create a sustainable, stable and contributive Financial Services Institution, it is necessary to regulate the management of professional certification agency (LSP) in the financial services sector. This regulation stipulates several provisions as follows. In order to obtain a BNSP license (National Professional Certification Agency abbreviated) for LSP that will be established and changes to the certification scheme for LSP that have been established and have a BNSP license, each LSP must obtain a letter of recommendation from the Financial Services Authority as a technical agency in the financial services sector. An LSP that has obtained a BNSP license or a party that issues a certificate of proof of competence and/or skills that has received recognition from the Financial Services Authority prior to the enactment of this Financial Services Authority Regulation is still able to carry out work competency certification activities in the financial services sector for up to 6 (six) months after this Financial Services Authority Regulation comes into force and must submit an application for recommendation and registration to the Financial Services Authority. Work competency certificate or certificate of proof of competence and/or skills evidence issued before up to 6 (six) months after this Financial Services Authority Regulation comes into force are declared still valid and recognized.

2. Regulation : [10/POJK.05/2021](#)
Date : 22 June 2021
Title (Indonesian) : Perizinan Usaha dan Kelembagaan Lembaga Keuangan Mikro
Title (English) : Microfinance Institutions and Business Licensing

Summary

This regulation is issued in order to accelerate the licensing process, harmonize policies, and encourage the development of healthy and accountable microfinance institutions related to Microfinance Institutions (LKM) and adapt them to legal developments and needs. This regulation stipulates several provisions as follows. Form of legal entity, ownership, capital, and business licensing which contains regulations related to the form of legal entity and ownership, capital and business licenses. Management and supervision, which regulate provisions related to the board of directors, board of commissioners and Sharia supervisory board. Institutional changes, which include changes in shareholders, directors, board of commissioners, sharia supervisory board, and capital; change of name; and change of office address. Merger and consolidation which includes arrangements for LKM to be able to merge or consolidate with other LKM. Arrangements regarding branch offices that explain the substance related to the opening of branch offices for LKM. Changes in the scope of business areas explain the regulation for LKM that experience changes in the scope of business areas due to regional expansion. The revocation of business license and the dissolution of LKM includes substances related to the revocation of business license by the Financial Services Authority, the dissolution of the LKM's legal entities, the formation of a liquidation team, and the settlement of rights and obligations. LKM Transformation explains the LKM's obligation to transform into a smallholder credit bank or a sharia smallholder financing bank. Enforcement of compliance, including articles which if

violated by the LKM will receive notification and administrative sanctions consisting of written warnings, suspension of business activities or revocation of business license.

3. Regulation : [9/POJK.05/2021](#)
Date : 22 June 2021
Title (Indonesian) : Penetapan Status dan Tindak Lanjut Pengawasan Lembaga Jasa Keuangan Nonbank
Title (English) : Determination of Status and Follow-up Supervision of Non-Bank Financial Services Institutions

Summary

This regulation is issued as part of risk-based supervision, problems that arise in the non-bank financial service sector need to be addressed early by increasing supervision measures against non-bank financial service institutions (LJKNB) since they are under normal supervision which then has the potential to deteriorate their health. This regulation regulates several provisions, namely the supervision status of NBFIs is determined by the Financial Services Authority which consists of normal, intensive, or special supervision. Determination of supervisory status is based on the Composite Rating factor, good corporate governance factor rating, and/or quantitative parameters. The criteria for LJKNB set for intensive supervision are LJKNB with a Composite Rating of 4 (four) or a Composite Rating of 5 (five), LJKNB with a Composite Rating of 3 (three) with a good corporate governance factor rating of 4 (four) or rank 5 (five), or meet certain quantitative parameters according to the type of LJKNB business. Meanwhile, the criteria for LJKNB that are set for special supervision status are LJKNB with the LJKNB Soundness Level set at Composite Rating 5 (five) with a good corporate governance factor rating of 5 (five), or meeting certain quantitative parameters according to the type of LJKNB business. In addition, this regulation also governs provisions regarding the follow-up to the status of supervision and procedures for submitting reports.

4. Regulation : [17/SEOJK.04/2021](#)
Date : 30 June 2021
Title (Indonesian) : Pengembalian Keuntungan Tidak Sah dan Dana Kompensasi Kerugian Investor di Bidang Pasar Modal
Title (English) : Refund of Illegal Profits and Compensation Fund for Investors' Losses in the Capital Market Sector

Summary

With the stipulation of the Financial Services Authority regulation number 65/POJK.04/2020 concerning Refund of Illegal Profits and Compensation Fund for Investors' Losses in the Capital Market Sector, through this regulation, it is more specifically regulated regarding the mechanism for Refund of Illegal Profits and Compensation Fund for Investors' Losses with several provisions as follows. Funds collected from the imposition of Refund of Illegal Profits and/or Compensation Fund for Investors' Losses are not part of the assets belonging to the Fund Account Provider. Charging fees for account opening, bank administration, book-entry, and account closing of Illegal Profits and Compensation Fund for Investors' Losses account. The authority of the Financial Services Authority to instruct the Depository and Settlement Institution and/or financial service institution to block Securities accounts, block other accounts, and/or book-entry assets of Parties subject to Illegal Return of Profits, including prohibiting changes to the registration of share ownership of Parties subject to Refund of Illegal Profits in the list of shareholders of the Issuer or Public Company in the event that the shares are in the form of a Coordination script between the Fund Account Provider and the Administrator regarding the mechanism for payment of claims to investors. The report that must be submitted by the Fund Account Provider to the Financial Services Authority along with the reporting period and the report that must be submitted by the party managing the capital market industry development fund to the Financial Services Authority.

5. Regulation : [16/SEOJK.04/2021](#)
- Date : 30 June 2021
- Title (Indonesian) : Bentuk dan Isi Laporan Tahunan Emiten atau Perusahaan Publik
- Title (English) : Annual Report Form and Content for Issuers or Public Companies

Summary

This regulation was issued to adjust the regulatory concept regarding information disclosure in the Social and Environmental Responsibility (TJSL) section of the Annual Report of Issuers or Public Companies in order to accommodate the content substance of the Sustainability Report as referred to in Financial Services Authority Number 51/POJK.03/2017 concerning the Application of Sustainable Finance for Financial Service Providers, Issuers and Public Companies and to improve provisions regarding information disclosure in the Annual Report of Issuers or Public Companies in accordance with the Asean Corporate Governance Scorecards (ACGS) criteria. This regulation stipulates several provisions as follows. The contents of the Annual Report at least contain an overview of important financial data, stock information (if any), the Board of Directors report, the Board of Commissioners report, profile of the Issuer or Public Company, management discussion and analysis, governance of the Issuer or Public Company, social and environmental responsibility of the Issuer or Public Company, Public Company audited annual financial report and statement letters from members of the Board of Directors and members of the Board of Commissioners regarding the responsibility for the Annual Report. The information disclosed in the social and environmental responsibility section is a Sustainability Report, which at least contains an explanation of the sustainability strategy, an overview of sustainability aspects (economic, social, and environmental), a brief profile of the Issuer or Public Company, an explanation from the Board of Directors, sustainability governance, sustainability performance, written verification from an independent party (if any), feedback sheet for readers (if any) and the response of the Issuer or Public Company to the previous year's report feedback. In addition, this regulation also regulates the necessity of preparing a Sustainability Report in accordance with the Technical Guidelines for the Preparation of a Sustainability Report (Sustainability Report) for Issuers and Public Companies.

New Banking Regulation

1. Regulation : [23/7/PBI/2021](#)
- Date : 1 July 2021
- Title (Indonesian) : Penyelenggara Infrastruktur Sistem Pembayaran
- Title (English) : Operator of Payment System Infrastructure

Summary

With the development of payment system infrastructure operations, it is necessary to strengthen the functions of infrastructure operations carried out by authorities and industry, regulate access to industry, administration, termination of activities, supervision, and processing payment system data and/or information through the reformation of payment system regulatory. This regulation regulates several provisions, namely PIP (Operator of Payment System Infrastructure) activities including clearing and/or final settlement and supporting operator activities including technology provision for payment transaction processing, provision of supporting services for other SP (Payment System) operations. In the case of institutional aspects in the form of ownership for PIP in the form of LSB (Institutions Other than Banks) the composition of share ownership is regulated that at least 80% (eighty percent) of the shares are owned by Indonesian citizens and/or Indonesian legal entities, while for the institutional aspect in the form of control for PIP in the form of LSB, the composition of shares

with voting rights of at least 80% (eighty percent) for PIP LSB must be owned by domestic parties, namely Indonesian citizens and/or Indonesian legal entities. In terms of capital and financial aspects, the minimum paid-up capital (initial capital) for the party to be determined as PIP is at least Rp100,000,000,000.00 (one hundred billion rupiah). Fulfillment of the minimum paid-up capital requirement for PIP in the form of a Bank considers the provisions for the fulfillment of capital determined by the supervisory authority and must be supported by the fulfillment of documents. PIP with a global network in Indonesia is exempted from the provision of the minimum amount of paid-up capital (initial capital) as long as it can show written guarantees from the majority shareholder, the controlling party, and/or the party responsible for PIP operations to ensure capital adequacy and only carry out PIP activities that have been determined by BI (Bank Indonesia).

2. Regulation : [23/6/PBI/2021](#)

Date : 1 July 2021

Title (Indonesian) : Penyedia Jasa Sistem Pembayaran

Title (English) : Provider of Payment System Service

Summary

With the development of payment system service provision activities, it is necessary to strengthen the function of regulating access to industry, implementation, termination of activity implementation, supervision, and processing of payment system data and/or information through the reformation of payment system regulatory. This regulation regulates several provisions, namely the activities of PJP (Provider of Payment System Service) covering the provision of information on Sources of Funds, payment initiation and/or acquiring services, administration of Sources of Funds and/or remittance services and Activities of Supporting Providers. The granting of PJP license is based on the category of licenses consisting of license category one, namely the provision of information on sources of funds, payment initiation and/or acquiring services, administration of sources of funds and remittance services; license category two, namely the provision of information on sources of funds and payment initiation and/or acquiring services; and third license category, namely remittance and/or other services determined by BI (Bank Indonesia). In terms of the institutional aspect in the form PJP ownership in LSB form, the composition of share ownership is regulated that at least 15% (fifteen percent) of its shares are owned by Indonesian citizens and/or Indonesian legal entities, while the institutional aspect in the form of control for PJP in the form of LSB is regulated by the composition of shares with the voting rights of at least 51% (fifty one percent) for PJP LSB must be owned by domestic parties, namely Indonesian citizens and/or Indonesian legal entities. In terms of capital and financial aspects, the minimum paid-up capital (initial capital) for a PJP candidate for the first license category is at least Rp. 15,000,000,000.00 (fifteen billion rupiah); category two license at least Rp.5,000,000,000.00 (five billion rupiah); and category three license at least Rp. 500,000,000.00 (five hundred million rupiah) for PJP candidates who do not provide a system that can be used by other Providers or Rp. 1,000,000,000.00 (one billion rupiah) for PJP candidates who provide a system that can be used by other Providers. Fulfillment of the minimum paid-up capital (initial capital) for PJP candidates in the form of a Bank takes into account the provisions on the fulfillment of capital that is regulated by the competent authority and BI may determine changes in the amount of the minimum paid-up capital (initial capital). In addition, license requirements related to institutional aspects must be supported by document fulfillment.

3. Regulation : [23/5/PBI/2021](#)

Date : 2 June 2021

Title (Indonesian) : Sistem Monitoring Transaksi Valuta Asing terhadap Rupiah

Title (English) : Foreign Exchange Transaction Monitoring System Against Rupiah

Summary

In order to improve the implementation of a fast and appropriate exchange rate management strategy in accordance with market development, it is necessary to strengthen the foreign exchange transaction monitoring system (SISMONTAVAR) against rupiah through this regulation which regulates the following provisions. Bank Indonesia applies SISMONTAVAR on Interbank foreign exchange transactions against rupiah for all foreign currency transactions against rupiah conducted through the Foreign Exchange Transaction System. Foreign exchange transactions against rupiah conducted Between Banks and Customers for spot transactions with a value of at least USD 250,000 or its equivalent and derivative transactions with a value of at least USD 1,000,000 or its equivalent. If necessary, Bank Indonesia may change the amount of the limit on the value of foreign exchange transactions against rupiah conducted between the Bank and the Customer. Banks conducting foreign exchange transactions against the rupiah between Banks through the Foreign Exchange Transaction System are required to connect the Foreign Exchange Transaction System with SISMONTAVAR and Banks conducting foreign exchange transactions against rupiah with customers are required to connect the Foreign Exchange Transaction System and/or the support system for foreign exchange transactions used in transactions with SISMONTAVAR. Banks must perform Confirmation Procedure on the Foreign Exchange Transaction System and/or foreign exchange transaction support system that has been connected to SISMONTAVAR, for foreign exchange transactions against rupiah conducted Interbank and Between Banks and Customers, including those conducted through Money Market Brokers. In the event that there is an error in data on foreign exchange transactions against rupiah after the Confirmation Procedure, the Bank must submit corrections on the transaction data to Bank Indonesia.

4. Regulation : [23/11/PADG/2021](#)

Date : 2 July 2021

Title (Indonesian) : Sistem Monitoring Transaksi Valuta Asing terhadap Rupiah

Title (English) : Foreign Exchange Transaction Monitoring System Against Rupiah

Summary

This regulation is the implementing regulation of Bank Indonesia regulation number 23/5/PBI/2021 concerning the Foreign Exchange Transaction Monitoring System Against Rupiah, which regulates several important provisions as follows. The connection mechanism with SISMONTAVAR for Interbank transactions, the Bank submits information on the connection status of the Foreign Exchange Transaction System with SISMONTAVAR by letter to Bank Indonesia no later than 5 working days after the Foreign Exchange Transaction System is connected to SISMONTAVAR. Meanwhile, for transactions between Banks and Customers, the Foreign Exchange Transaction System and/or support system for foreign exchange transactions connected to SISMONTAVAR must meet the predetermined specifications. The Bank submits the application for connection of the Foreign Exchange Transaction System and/or the support system for foreign exchange transactions with SISMONTAVAR to Bank Indonesia. When the connection application is declared complete and correct, Bank Indonesia shall submit information to establish a connection with SISMONTAVAR within 15 working days from the receipt of the application letter from the Bank. The information includes client ID, client secret, username, and other information. The Bank submits information on the connection status of the Foreign Exchange Transaction System and/or the support system for foreign exchange transactions with SISMONTAVAR by letter to Bank Indonesia no later than 5 working days after receiving the information from Bank Indonesia. Banks violating the connection requirements are subject to administrative sanctions in the form of a written warning and submission of an action plan. Submission of the action plan must be made no later than 5 working days after the written warning letter is received by the Bank. The action plan shall at least contain information on the Bank's commitments and plans to fulfill the connection obligations with SISMONTAVAR, submitted by letter signed by an authorized director-level official, subject to approval from Bank Indonesia; and must be implemented no later than 6 months after the action plan is approved by Bank Indonesia.



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