



New OJK (Otoritas Jasa Keuangan) & Banking Regulations

The summary of new OJK and banking regulations

The following is a list of the new OJK and banking regulations. All regulations are available in Indonesian.

The soft copy of the regulations can be accessed by clicking on the regulation number shown in blue.

New OJK regulations

1. Regulation : 19/POJK.03/2017 ([Click here 19/POJK.03/2017](#))
Dated : 8 May 2017
Regarding : Penetapan status dan tindak lanjut pengawasan bank perkreditan rakyat dan bank pembiayaan rakyat syariah
(Determination of status and follow-up on oversight of smallholder credit banks (BPR) and sharia smallholder financing banks (BPRS))

Summary

This regulation clarifies that when a BPR or BPRS is under special supervision, increased oversight actions are needed, emphasizing the efforts to increase capital to fulfil the solvency and liquidity levels in accordance with the specified criteria to support business survival. In practice, a BPR or BPRS may be designated as being under special oversight without going through an intensive determination in the event that its solvency and/or liquidity level, whether under normal oversight or intensive oversight, experiences a drastic decline, including if caused by fraud.

This regulation, which consists of 52 articles, generally discusses the following matters:

- BPR and BPRS that are under intensive oversight if deemed to face potential difficulty that could endanger business survival
- BPR and BPRS that are under special oversight
- BPR and BPRS that cannot be restored to good health and are transferred to the savings guarantee institution
- Reporting that is submitted to OJK by BPR and BPRS that are under oversight, in the form of daily and weekly balance sheet reports.

2. Regulation : 18/POJK.03/2017 ([Click here 18/POJK.03/2017](#))

Dated : 26 April 2017

Regarding : Pelaporan dan permintaan informasi debitur melalui sistem layanan informasi keuangan

(Reporting of and requests for borrower information through the financial information service system)

Summary

The content of this regulation clarifies that based on the laws and regulations, the OJK is given the authority to regulate and develop the operation of information systems between banks, which can be expanded to include other institutions in the financial sector. Therefore, in order to carry out its duties and functions, OJK views that it is necessary to develop a new system to support access to credit information through the Financial Information Service System (SLIK).

Generally the content of this regulation discusses several matters, as follows:

- Parties that must be reporters, such as commercial banks, BPR, BPRS, financing institutions that provide fund provision facilities, and other financial service institutions
- Borrower reports and corrected borrower reports that reporters must submit to OJK
- Periods for submission of borrower reports and corrected borrower reports
- Submission of borrower reports and corrected borrower reports
- Updating of data in borrower reports
- Openness to borrowers of borrower information
- Policies and procedures for reporting, requests for borrower information, and settlement of complaints over borrower information
- Oversight conducted by OJK, directly or indirectly

3. Regulation : 17/POJK.05/2017 ([Click here 17/POJK.05/2017](#))

Dated : 17 April 2017

Regarding : Prosedur dan tatacara pengenaan sanksi administratif di bidang perasuransian dan pemblokiran kekayaan perusahaan asuransi, perusahaan asuransi syariah, perusahaan reasuransi, dan perusahaan reasuransi syariah

(Procedure for imposition of administrative penalties in the field of insurance and blocking of the assets of insurance companies, sharia insurance companies, reinsurance companies, and sharia reinsurance companies)

Summary

This OJK regulation is issued in order to strengthen the insurance industry, as the Insurance Law stipulates administrative penalties as a consequence of violations of the Law and its implementation regulations. It is also clarified in this regulation that the scope of substance of this OJK regulation includes the procedure for imposition of administrative penalties in the field of insurance and the procedure for blocking of assets and revocation of blocking.

This regulation, which consists of 27 articles, explains several matters as follows:

- Types of administrative penalties in the field of insurance, in the form of written warning, restriction of business activities, prohibition on marketing insurance products, revocation of business license, etc.
- Procedure for imposition of administrative penalties
- Administrative penalties in the form of administrative fine
- Procedure for submission of objection to administrative penalty
- Procedure for termination and revocation of administrative penalties
- Procedure for blocking the assets of insurance companies, sharia insurance companies, reinsurance companies, and sharia reinsurance companies

4. Regulation : 20/SEOJK.04/2017 ([Click here 20/SEOJK.04/2017](#))

Dated : 23 May 2017

Regarding : Penyelenggaraan program pendidikan berkelanjutan bagi anggota direksi dan anggota dewan komisaris perusahaan efek yang melakukan kegiatan usaha sebagai penjamin emisi efek dan/atau perantara pedagang efek
(Operation of continuing education programs for members of Board of Directors and members of Board of Commissioners of securities companies that carry on business activities as securities underwriters and/or securities broker/traders)

Summary

This circular is issued in connection with the provision of article 73 paragraph (5) of OJK Regulation number 20/POJK.04/2016, such that it is necessary to stipulate provisions concerning the operation of continuing education programs for members of Board of Directors and members of Board of Commissioners of securities companies that carry on business activities as securities underwriters and/or securities broker/traders in the form of an OJK Circular. The main points discussed in this Circular include:

- Parties that are operators of continuing education programs and have received recognition from OJK
- Methods of operating continuing education programs, which may be done face to face in the form of training, workshops, and seminars and may also be done through non-face-to-face methods through electronic media, such as web-based seminar
- Obligations of participants of continuing education program, whereby participants are obliged to submit a report to OJK no later than 30 days after the participant receives the certificate or charter of proof of participation in the education program
- Audit of operation of continuing education programs, which is under the authority of OJK.



New banking regulations

1. Regulation : 19/7/PBI/2017 ([Click here 19/7/PBI/2017](#))
Dated : 3 May 2017
Regarding : Pembawaan uang kertas asing ke dalam dan keluar daerah pabean Indonesia
(Carrying foreign paper currency into and out of the Indonesian customs territory)

Summary

The background to the issuance of this Bank Indonesia Regulation (PBI) is the trend of an increasing volume of domestic transactions of foreign paper currency (UKA) and the high rate of carrying UKA across borders, which is not yet balanced by availability of sufficient data and information for the monetary authority, especially concerning the underlying transactions for bringing UKA into and out of the customs territory. Given this situation, Bank Indonesia feels it is necessary to regulate the traffic of UKA in order to minimize activities of transport of UKA that could potentially disturb the stability of the value of the rupiah. Through this regulation it is also hoped that Bank Indonesia can properly monitor the domestic supply of and need for UKA.

The objectives of the issuance of this regulation are as follows:

- To support the effectiveness of monetary policies in order to minimize speculation that could have a psychological effect on the market and trigger volatility in the Rupiah exchange rate.
- To obtain information regarding the underlying motive, quantity, and frequency of transactions of transporting UKA.
- To support the effectiveness of the Law on use of Rupiah Currency within the Unitary State of the Republic of Indonesia.
- To support Bank Indonesia policies in the Payment System (cashless society).

2. Regulation : 19/6/PBI/2017 ([Click here 19/6/PBI/2017](#))
Dated : 12 April 2017
Regarding : Perubahan kelima atas peraturan Bank Indonesia nomor 15/15/PBI/2013 tentang giro wajib minimum bank umum dalam rupiah dan valuta asing bagi bank umum konvensional
(Fifth amendment of Bank Indonesia Regulation number 15/15/PBI/2013 concerning statutory reserve of commercial banks in rupiah and foreign currency for conventional commercial banks)

Summary

Bank Indonesia has issued this regulation as in order to improve the effectiveness of transmission of monetary policies, steps are needed to strengthen the operational framework of monetary policy and strengthen the management of banks' liquidity through a revised calculation of fulfilment of statutory reserve. This revised calculation is aimed at providing flexibility, enhancing the efficiency of management of bank's liquidity, and reducing interest rate volatility. In order to achieve these objectives, regulation is needed on fulfilment of part of the primary statutory reserve in a pro-rated way.

This Bank Indonesia Regulation discusses the Statutory reserve (GWM). GWM is the minimum quantity of funds that must be maintained by a bank, the amount of which is set by Bank Indonesia as a certain percentage of third-party funds (DPK). The obligation to fulfil GWM in rupiah as mentioned is as follows:

- Primary GWM at an average of 6.5% (six point five percent) of the DPK in rupiah during a certain reporting period that is fulfilled;
- Daily Secondary GWM at 4% (four percent) of the DPK in rupiah; and
- Daily statutory reserve of Loan to Funding Ratio (GWM LFR) equal to the result of calculation between the lower disincentive parameter or upper disincentive parameter against the difference between bank LFR and target LFR, with attention to the difference between the bank's Minimum Capital Adequacy Ratio (CAR) and the incentive CAR.

3. Regulation : 19/5/PBI/2017 ([Click here 19/5/PBI/2017](#))
Dated : 12 April 2017
Regarding : Sertifikat tresuri dan penerapan kode etik pasar
(Treasury certificates and application of market code of ethics)

Summary

This Bank Indonesia Regulation (PBI) is issued because in order to achieve and maintain a stable value for the rupiah, Bank Indonesia sets and implements monetary policy, macroprudential policy, payment system and management of rupiah, which needs to be supported among other matters by an effective, efficient, and healthy financial market. To create such a financial market, especially the money market and the foreign currency market together with those for their derivatives which is effective, efficient, and healthy, efforts are needed to develop the financial market. Development of a developing financial market must be balanced with efforts to enhance the credibility of the financial market through increased competence and integrity of market players by applying an obligation for treasury certification and a market code of ethics. Through this PBI, Bank Indonesia intends to improve the integrity and standardization of competency of directors and employees of market players who are responsible for and carry out treasury activities.

The regulatory material contained in this regulation is as follows:

- Scope
- Market code of ethics
- Association membership
- Treasury certificates
- Maintenance of competency
- Professional certification institutions
- Reporting and oversight
- Penalties
- Transitional provisions
- Closing provisions

4. Regulation : 19/5/PADG/2017 ([Click here 19/5/PADG/2017](#))

Dated : 28 April 2017

Regarding : Pelaksanaan sertifikasi tresuri dan penerapan kode etik pasar

(Implementation of treasury certification and application of market code of ethics)

Summary

The background to the issuance of this regulation is that to strengthen the credibility of the financial market, it is necessary to enhance the competency and integrity of market players through application of an obligation for treasury certification and a market code of ethics. The operation of treasury certification shall be done by a professional certification institution recognized by Bank Indonesia. The application of the market code of ethics shall be done by the market players based on guidelines issued by the professional association, and/or financial service industry association/ committee.

The internal procedure of a market player concerning application of the market code of shall contain at least the following:

- Activities to understand the market code of ethics;
- Application of the market code of ethics;
- Control of application of the market code of ethics; and
- Procedure for resolution of problems in application of the market code of ethics.

5. Regulation : 19/4/PADG/2017 ([Click here 19/4/PADG/2017](#))

Dated : 12 April 2017

Regarding : Giro wajib minimum bank umum dalam rupiah dan valuta asing bagi bank umum konvensional

(Statutory reserve of commercial banks in rupiah and foreign currency for conventional commercial banks)

Summary

Bank Indonesia has issued this Circular because in order to improve the efficiency of transmission of monetary policy, changes are made in the policy for calculation of Statutory reserve (GWM). This change in calculation is intended to provide flexibility, increase the efficiency of management of bank liquidity, and reduce interest rate volatility. To achieve these objectives, regulation is needed on fulfilment of the primary statutory reserve on average as well as other adjustments relating to statutory reserve.

In this regulation, various matters are adjusted, i.e.:

- General Provisions
- Procedure for calculation of primary GWM
- Procedure for calculation of secondary GWM
- Procedure for calculation of statutory reserve for Loan to Funding (GWM LFR).
- Procedure for calculation of GWM in foreign currency.
- Fulfilment of GWM for banks that perform merger or consolidation, banks that change their business activities to become sharia commercial banks, and newly established banks that carry on business activities in foreign currency.
- Fulfilment of GWM for banks that receive short-term liquidity loans.
- Reporting.
- Imposition of penalties.
- Samples of calculation of GWM.
- Correspondence regarding GWM.
- Closing provisions.

Contact

Clients & Markets Deloitte Indonesia

Email: IDMarcomm@deloitte.com

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 225,000 professionals are committed to making an impact that matters. Deloitte serves 4 out of 5 Fortune Global 500® companies.

About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising 270 partners and over 7,300 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

About Deloitte Indonesia

In Indonesia, services are provided by Satrio Bing Eny & Rekan.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, any of its member firms, or any of the foregoing's affiliates (collectively the "Deloitte Network") are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

© 2017 Satrio Bing Eny & Rekan