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.

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New Financial Services Authority (OJK) Regulations

1. Regulation : **POJK 7/2025**

   Date : 27 March 2025

   Title (Indonesian) : Laporan Bank Umum Sebagai Kustodian

   Title (English) : Commercial Bank Report as Custodians

   Summary

   Financial Services Authority Regulation (POJK) Number 7 of 2025 on Commercial Bank Report as Custodians was enacted to enhance the quality, integration, and transparency of data management within Indonesia's financial sector. This regulation mandates that commercial banks acting as custodians submit periodic and incidental reports to the Financial Services Authority (OJK), aiming to streamline reporting processes and reduce redundancy. The regulation outlines the types of reports required, the procedures for submission, and the mechanisms for correcting any inaccuracies. It also emphasizes the importance of compliance with reporting obligations to ensure the integrity and reliability of the financial system. POJK 7/2025 serves as an integration of previous regulations concerning custodian bank reporting, consolidating them into a unified framework. This consolidation aims to simplify the reporting landscape for custodian banks and enhance the efficiency of regulatory oversight. This regulation aims to provide institutions with a transition period to align their reporting systems with the new requirements. By implementing POJK 7/2025, the OJK seeks to foster a more robust and transparent financial environment, ensuring that custodian banks contribute effectively to the stability and growth of Indonesia's financial markets.

2. Regulation : **POJK 6/2025**

   Date : 27 March 2025

   Title (Indonesian) : Laporan Agen Penjual Efek Reksa Dana

   Title (English) : Mutual Fund Selling Agents (APERD) Report

   Summary

   This regulation on Reports of Mutual Fund Selling Agents (APERD) aims to improve the quality, integration, and transparency of data management across Indonesia’s financial sector. Furthermore, it mandates that mutual fund selling agents submit periodic reports to the Financial Services Authority (OJK), aiming to streamline reporting processes and reduce redundancy. The regulation outlines the types of reports required, the procedures for submission, and the mechanisms for correcting any inaccuracies. It also emphasizes the importance of compliance with reporting obligations to ensure the integrity and reliability of the financial system. POJK 6/2025 serves as an integration of previous regulations concerning mutual fund selling agent reporting, consolidating them into a unified framework. This consolidation aims to simplify the reporting landscape for mutual fund selling agents and enhance the efficiency of regulatory oversight. It will assist in providing institutions with a transition period to align their reporting systems with the new requirements. The OJK seeks to ensure that mutual fund selling agents contribute effectively to the stability and growth of Indonesia's financial markets.

3. Regulation : **POJK 5/2025**

Date : 3 March 2025

Title (Indonesian) : Profesi Penunjang di Sektor Jasa Keuangan

Title (English) : Supporting Professions in Financial Services Sector

Summary

The Financial Services Authority issued Regulation Number 5 of 2025 (POJK 5/2025) to form a framework for the registration, administration, and supervision of supporting professions operating within Indonesia's financial services sector. This regulation aligns with Article 259 of Law Number 4 of 2023 on the Development and Strengthening of the Financial Sector (UU P2SK). Several points found in POJK 5/2025 include:

- Expanded Scope of Supporting Professions: The regulation encompasses a broad range of supporting professions, including actuaries, public accountants, appraisers, legal consultants, notaries, and sharia financial experts. These professionals are required to register with the OJK to legally offer services within the financial sector.
- Mandatory Registration and Compliance: Supporting professionals must obtain licenses from relevant authorities and maintain active registration with the OJK. They are also obligated to comply with ongoing reporting requirements and adhere to professional standards.
- Consolidation of Previous Regulations: POJK 5/2025 supersedes several earlier regulations, including POJK 38/POJK.05/2015 on the registration and supervision of actuaries, public accountants, and appraisers in the non-bank financial industry; POJK 66/POJK.04/2017 on legal consultants in the capital market; and POJK 67/POJK.04/2017 on notaries in the capital market.
- Administrative Oversight and Sanctions: The regulation outlines procedures for administrative management, including the suspension or revocation of services for non-compliance. It also details mechanisms for the termination of services and the imposition of sanctions to uphold the integrity of the financial sector.

New Banking Regulation

1. Regulation : **PBI 6/2025**

   Date : 27 March 2025

   Title (Indonesian) : Pengelolaan Likuiditas untuk Mendukung Pertumbuhan Ekonomi yang Berkelanjutan

   Title (English) : Liquidity Management to Support Sustainable Economic Growth

   <u>Summary</u>

   Bank Indonesia Regulation (PBI) Number 6 of 2025 on Liquidity Management to Support Sustainable Economic Growth focuses on managing liquidity in alignment with the nation's economic objectives. This regulation integrates monetary, macroprudential, and payment system policies to maintain the stability of the rupiah, ensure the smooth functioning of the payment system, and uphold financial system stability, all aimed at fostering sustainable economic growth. This regulation emphasizes the importance of balancing liquidity supply and demand in the money market, foreign exchange market, banking sector, and the broader economy. Bank Indonesia employs various instruments, including open market operations, adjustments to reserve requirements, and macroprudential liquidity incentives, to achieve this balance. These tools are designed to ensure sufficient liquidity, thereby supporting credit expansion to priority sectors such as micro, small, and medium enterprises (MSMEs) and the green economy. To enhance the effectiveness of liquidity management, the regulation mandates regular data collection and reporting from financial institutions. Bank Indonesia is authorized to conduct surveys and obtain necessary information to monitor and assess liquidity conditions. This data-driven approach enables timely and informed policy decisions, ensuring that liquidity management strategies are responsive to evolving economic dynamics. Furthermore, the regulation underscores the importance of coordination and synergy between Bank Indonesia and other relevant authorities. By fostering collaboration, the regulation aims to create a cohesive policy environment that supports the overarching goal of sustainable economic growth. Transparency and accountability are also highlighted, with Bank Indonesia committed to openly communicating its liquidity management policies and their outcomes to the public. Concisely, this regulation provides a structured approach to liquidity management, aligning it with Indonesia's broader economic goals. Through a combination of policy instruments, data-driven decision-making, and inter-agency collaboration, the regulation seeks to ensure that liquidity conditions effectively support the nation's pursuit of sustainable economic development.

2. Regulation : **PBI 5/2025**

   Date : 27 March 2025

   Title (Indonesian) : Kebijakan Moneter

   Title (English) : Monetary Policy

   <u>Summary</u>

   Bank Indonesia issued PBI Number 5 of 2025 on Monetary Policy that establishes a comprehensive framework to achieve the central bank's mandate of maintaining the stability of the rupiah's value, therefore supporting sustainable economic growth. This regulation integrates monetary policy within the broader Bank Indonesia Policy Mix (BKBI), ensuring coherence with other key policies and supporting measures. The primary objectives of the monetary policy under this regulation are to maintain low and stable inflation, ensure a stable exchange rate for the rupiah, and maintain adequate foreign exchange reserves. These goals are pursued through a balanced approach that considers both economic stability (pro-stability) and growth (pro-growth). Bank Indonesia employs various instruments to achieve this objective, including open market operations in the money and foreign exchange markets, adjustments to reserve requirements in both rupiah and foreign currencies, and the use of macroprudential liquidity incentives. These tools are applied in a measured and cautious manner, taking into account global economic developments, domestic economic forecasts, and potential spillover effects on the national economy. The regulation emphasizes the importance of a forward-looking and preemptive approach in formulating monetary policy. It also highlights the need for synergy with fiscal policy and other government policies to enhance the effectiveness of monetary measures. Regular assessments of economic and financial cycles over a two to three-year horizon are conducted to inform policy decisions. Transparency and accountability are integral to the implementation of monetary policy. Bank Indonesia commits to clear communication strategies to enhance public understanding and manage economic actors' expectations, thereby increasing the policy's effectiveness. In summary, PBI 5 of 2025 provides a structured and integrated approach to monetary policy, aligning it with Indonesia's broader economic goals.

3. Regulation : **PBI 4/2025**

Date : 27 March 2025

Title (Indonesian) : Kebijakan Sistem Pembayaran

Title (English) : Payment System Policy

Summary

This regulation focuses on Payment System Policy to maintain the stability of Indonesia's payment systems, ensuring they are efficient, secure, and supportive of sustainable economic growth. This regulation aligns with Bank Indonesia's mandate to uphold monetary stability and financial system integrity, as outlined in Law Number 23 of 1999 and its subsequent amendments. The regulation delineates the scope of payment system policies, encompassing payment service providers, infrastructure operators, and other entities authorized by Bank Indonesia. It emphasizes principles such as forward-looking strategies, clear objectives, best practices, inter-agency synergy, and robust governance to guide the formulation and implementation of payment system policies. Key targets of the policy include achieving fast, easy, and affordable payment services; fostering a healthy and efficient payment service industry structure; ensuring secure and stable payment system infrastructure; and maintaining the availability of high-quality and trustworthy rupiah currency. To attain these objectives, Bank Indonesia employs various instruments, optimizing their scope, magnitude, timing, and application as necessary. This regulation mandates regular monitoring and evaluation of payment system policies, with findings presented in the weekly Board of Governors meetings. Bank Indonesia conducts both direct and indirect supervision to ensure compliance and effectiveness of the policies. Furthermore, the regulation underscores the importance of transparency and accountability, with Bank Indonesia committed to openly communicating its payment system policies and their outcomes to the public. In essence, this regulation serves as a strategic guide for managing Indonesia's payment systems, integrating them within the broader policy mix to support the nation's economic objectives. Through this regulation, Bank Indonesia aims to foster a resilient, inclusive, and innovative payment ecosystem that meets the evolving needs of the digital economy.

4. Regulation : **PADG 9/2025**

Date : 27 March 2025

Title (Indonesian) : Lembaga Pendukung Pasar Uang dan Pasar Valuta Asing dan Profesi Penunjang Pasar Uang dan Pasar Valuta Asing

Title (English) : Money Market and Foreign Exchange Market Supporting Institutions and Money Market and Foreign Exchange Market Supporting Professions

Summary

Bank Indonesia Regulation (PADG) Number 5 of 2025 introduces structured regulations for institutions and professional roles within the money market and foreign exchange market sectors. This regulation aims to enhance the effectiveness of monetary policy, ensure financial system stability, and foster collaboration in national economic financing. Furthermore, it delineates the scope of supporting institutions, referred to as Lembaga Pendukung PUVA, and supporting professions, known as Profesi Penunjang PUVA. It outlines their respective duties, obligations, and registration requirements. Supporting institutions encompass entities that provide services related to the issuance of money market instruments, transaction facilitation, and settlement processes. Supporting professions include individuals offering specialized services such as public accounting, legal consultancy, and notarial services within the money and foreign exchange markets. To ensure transparency and accountability, the regulation mandates the registration of both supporting institutions and professions. It specifies the criteria and procedures for registration, including the submission of relevant data and information. In addition, the regulation establishes monitoring and supervisory mechanisms to oversee compliance and performance standards. It also details the procedures for imposing sanctions and revoking registration status in cases of non-compliance or misconduct. Transitional provisions are included to facilitate the adjustment of existing entities and professionals to the new regulatory requirements. Applications for registration submitted prior to the enactment of this regulation will be processed under the previous guidelines. Additionally, a transition period is provided for banks acting as supporting institutions in money market transactions to align with the new standards. By implementing PADG 5 of 2025, Bank Indonesia seeks to modernize and advance the money and foreign exchange markets through comprehensive regulation, development, and supervision. This initiative is part of a broader strategy to create a resilient, inclusive, and innovative financial ecosystem that supports Indonesia's economic objectives.

5. Regulation : **PADG 8/2025**

Date : 27 March 2025

Title (Indonesian) : Perubahan Ketiga 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) : Third Amendment to the Regulation of the Member of the Board of Governors Number 24/8/PADG/2022 on the Implementing Regulations for Fulfilment of Minimum Reserve in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units

Summary

Bank Indonesia's Regulation Number 8 of 2025 (PADG 8/2025) introduces the third amendment to the guidelines governing the fulfillment of Minimum Reserve Requirements (GWM) in both Rupiah and foreign currencies for conventional commercial banks, Sharia commercial banks, and Sharia business units. This amendment aims to enhance the effectiveness of monetary policy implementation and ensure financial system stability. Several main points found in the regulation are as follows.

- Adjustment of Reserve Requirement Proportions: The regulation modifies the proportions of the reserve requirements that banks must fulfill, particularly focusing on the portions that can be met through average reserves. This adjustment

is designed to provide banks with greater flexibility in liquidity management while maintaining the overall effectiveness of monetary policy.

- Clarification of Compliance Calculations: The amendment provides clearer guidelines on how banks should calculate their compliance with reserve requirements, especially concerning the average mechanism. This clarity aims to reduce ambiguities and ensure uniform application across different banking institutions.
- Enhanced Monitoring and Reporting: To support the implementation of the adjusted reserve requirements, the regulation emphasizes the importance of accurate and timely reporting by banks. Enhanced monitoring mechanisms are put in place to ensure compliance and to facilitate prompt corrective actions when necessary.

Bank Indonesia seeks to strengthen the monetary policy transmission mechanism, support financial system resilience, and provide banks with the necessary tools to manage liquidity effectively in a dynamic economic environment.

6. Regulation : **PADG 7/2025**

Date : 26 March 2025

Title (Indonesian) : Perubahan Ketiga atas Peraturan Anggota Dewan Gubernur Nomor 11 Tahun 2023 tentang Peraturan Pelaksanaan Kebijakan Insentif Likuiditas Makroprudensial

Title (English) : Third Amendment to the Regulation of the Members of the Board of Governors Number 11 of 2023 concerning the Implementation Regulation of the Macroprudential Liquidity Incentive Policy

Summary

This Bank Indonesia issued regulation introduces the third amendment to the guidelines for implementing the Macroprudential Liquidity Incentive Policy (KLM), aiming to enhance the effectiveness of monetary policy transmission and support sustainable economic growth. This amendment increases the maximum KLM incentive from 4% to 5% of third-party funds (DPK), providing banks with additional liquidity to encourage lending to priority sectors. This regulation expands the scope of eligible sectors for KLM incentives, including labor-intensive industries such as agriculture, trade, housing, manufacturing, and tourism. By broadening the coverage, the policy seeks to stimulate credit distribution across various economic segments, thus fostering job creation and economic development. Furthermore, the amendment outlines specific criteria for banks to qualify for KLM incentives, emphasizing the importance of accurate and timely reporting. Banks are required to submit relevant data and reports to Bank Indonesia, ensuring transparency and accountability in the implementation of the policy. In short, PADG 7 of 2025 strengthens the framework for macroprudential liquidity incentives, aligning with Bank Indonesia's commitment to maintaining financial stability and promoting inclusive economic growth. By providing additional liquidity to banks and encouraging lending to key sectors, the regulation supports the broader objectives of monetary policy and financial system resilience.

7. Regulation : **PADG 6/2025**

Date : 21 March 2025

Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur Nomor 22/34/PADG/2020 tentang Penyelesaian Transaksi Bilateral antara Indonesia dan Thailand Menggunakan Rupiah dan Baht melalui Bank

Title (English) : Amendment to the Regulation of the Member of the Board of Governors Number 22/34/PADG/2020 concerning Settlement of Bilateral Transactions between Indonesia and Thailand Using Rupiah and Baht through Banks

Summary

Bank Indonesia Regulation (PADG) Number 6 of 2025 introduces amendments to the guidelines governing bilateral transactions between Indonesia and Thailand using Rupiah and Baht through designated banks. These changes aim to enhance the efficiency and stability of local currency settlement (LCS) mechanisms, facilitating smoother cross-border trade and investment between the two nations. The regulation specifies procedures for opening and designating Sub-Nostro Accounts (sub-SNA) and Standard Nostro Accounts (SNA) in Baht. Banks can either open new accounts or designate existing ones to serve these functions, provided they meet the necessary criteria. This flexibility allows for streamlined operations and better liquidity management. To maintain financial stability, the regulation sets daily balance limits for these accounts. Thai Authorized Cross Currency Dealers (ACCDs) are required to cap their Rupiah SNA balances in Indonesian ACCD banks at IDR 800 billion by the end of each day. Conversely, Indonesian ACCDs must limit their Baht SNA balances in Thai ACCD banks to THB 2 billion daily. However, exceptions are permitted if the excess balances are intended for underlying transactions or investments in Rupiah-denominated financial instruments on the following day, provided appropriate documentation is submitted. The regulation also mandates that any Rupiah-to-Baht transaction equal to or exceeding the equivalent of USD 500,000 must be substantiated with underlying transaction documents. Eligible underlying transactions include trade in goods and services, primary income transactions such as compensation for labor and investment income, and secondary income transactions like government transfers and remittances. By refining these operational guidelines, PADG 6 of 2025 seeks to bolster the use of local currencies in bilateral transactions, reduce dependency on third-party currencies, and promote greater financial integration between Indonesia and Thailand. These measures are part of a broader strategy to enhance regional economic cooperation and monetary stability.

8. Regulation : **PADG 5/2025**

Date : 21 March 2025

Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur Nomor 23/12/PADG/2021 tentang Penyelesaian Transaksi Bilateral antara Indonesia dan Malaysia Menggunakan Rupiah dan Ringgit melalui Bank

Title (English) : Amendment to the Regulation of the Member of the Board of Governors Number 23/12/PADG/2021 concerning Settlement of Bilateral Transactions between Indonesia and Malaysia Using Rupiah and Ringgit through Banks

Summary

This regulation introduces amendments to the guidelines governing bilateral transactions between Indonesia and Malaysia using Rupiah and Ringgit through designated banks. These changes aim to enhance the efficiency and stability of local currency settlement (LCS) mechanisms, facilitating smoother cross-border trade and investment between the two nations. This regulation also specifies procedures for opening and designating Sub-Nostro Accounts (sub-SNA) and Standard Nostro Accounts (SNA) in Ringgit. Banks can either open new accounts or designate existing ones to serve these functions, provided they meet the necessary criteria. This flexibility allows for streamlined operations and better liquidity management. To

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Contact

Growth

Deloitte Indonesia

iddttl@deloitte.com