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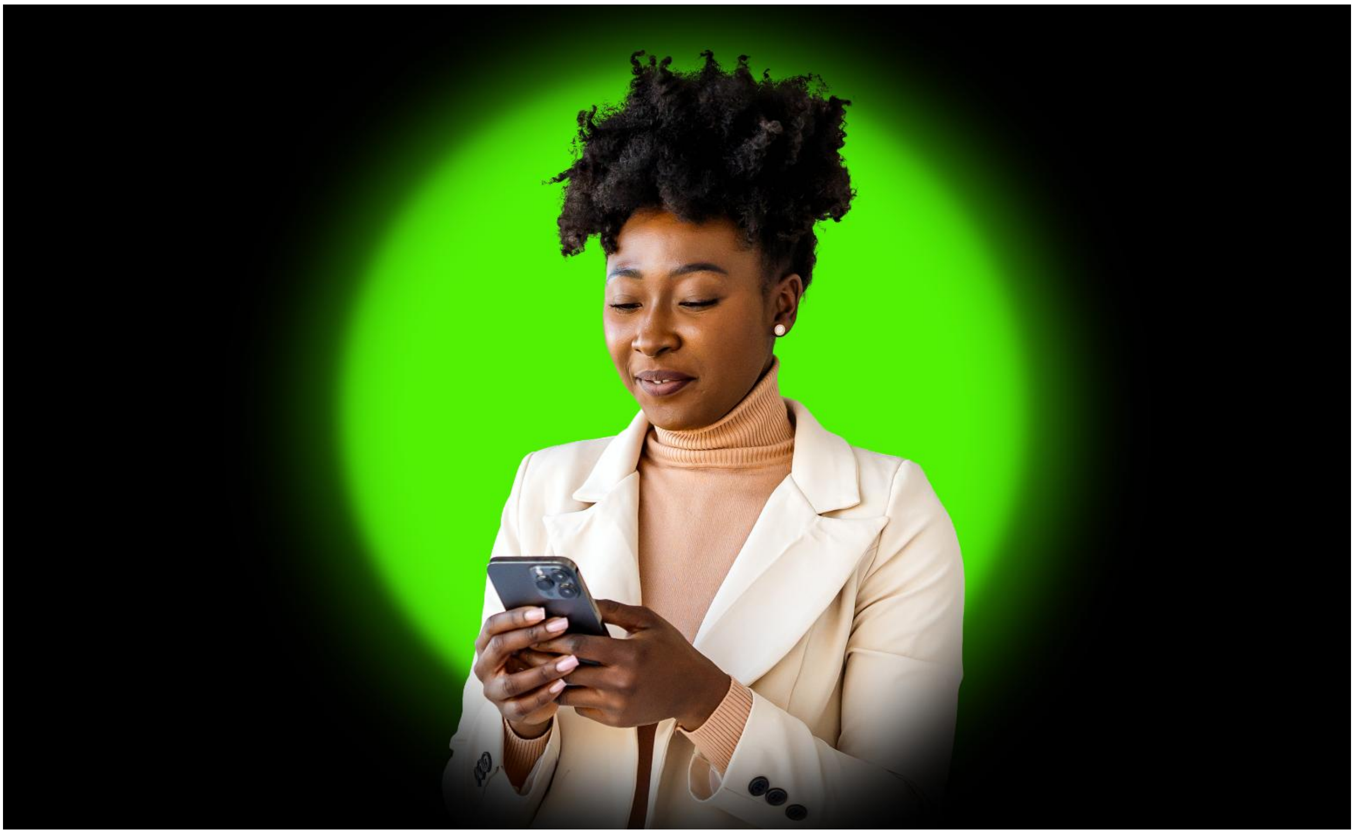
Financial Services Authority (OJK) & Banking Regulations Update
KM No.4/June/2026
30 June 2026



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 : PADK 2/2026

   Date : 4 May 2026

   Title (Indonesian) : Penyelenggaraan Beli Sekarang Bayar Nanti (Buy Now Pay Later) Bagi Perusahaan Pembiayaan dan Perusahaan Pembiayaan Syariah

   Title (English) : Implementation of Buy Now Pay Later (BNPL) Services by Financing Companies and Sharia Financing Companies

   Summary

   The Regulation of the Board of Commissioners of OJK Number 2 of 2026 establishes a comprehensive regulatory framework for conventional multifinance and Sharia multifinance companies providing Buy Now Pay Later services in Indonesia. This framework prioritizes prudential principles and consumer protection to ensure a stable digital financing ecosystem. Under this mandate, providers must conduct thorough credit and eligibility assessments on prospective debtors before granting lines of credit, minimizing systemic defaults and consumer over-indebtedness. To protect consumers from predatory lending, PADK 2/2026 strictly prohibits the application of compound interest on outstanding balances. Furthermore, finance companies are banned from imposing additional fees or penalties on borrowers who choose to accelerate their loan repayments. The regulation also outlines strict transactional boundaries, explicitly prohibiting the use of BNPL facilities for unlawful activities such as gambling, narcotics, and the purchase of firearms. For Islamic finance providers, Sharia multifinance firms and specialized Sharia business units must rigorously adhere to Islamic principles. Their operations must utilize approved contracts backed by official Sharia fatwa's. Additionally, the regulation enforces high standards for customer data protection, transparent information disclosure, and standardized, ethical debt collection practices across the sector. Overall, PADK 2/2026 curbs industry risks while fostering a transparent, healthy digital financing environment.

2. Regulation : POJK 6/2026

   Date : 26 May 2026

   Title (Indonesian) : Perilaku Penyampai Informasi Sektor Jasa Keuangan

   Title (English) : Conduct of Information Providers in the Financial Services Sector

   Summary

   The supervision of financial information dissemination is comprehensively strengthened through a newly introduced regulatory framework by the Financial Services Authority. This policy sets strict behavioral and operational standards for third-party individuals outside of traditional financial institutions, such as financial influencers, promoters, and independent educators, who provide financial education, marketing, or investment recommendations to the public. By holding these information providers legally accountable, the authority aims to enhance national financial literacy, suppress the spread of deceptive content, and safeguard public consumers from predatory practices. Under this mandate, individual information providers are legally obligated to ensure that all disseminated financial data is clear, accurate, honest, easily accessible, and entirely free of misleading statements. The framework explicitly prohibits these parties from promising guaranteed returns or certain profits on any financial products, extending this restriction to digital assets like cryptocurrencies. Furthermore, information providers are strictly banned from promoting, publishing, or marketing any financial sector products or services that lack official licensing from the authority. To preserve transparency, the regulation demands full disclosure regarding economic interests, requiring financial influencers to clearly state any financial compensation, sponsorships, or affiliate ties related to their content. Pertaining to marketing activities, influencers must operate under formal collaborations with licensed financial services institutions, which bear the responsibility of verifying the influencer's identity and professional alignment. Moreover, giving specific investment recommendations for digital financial assets now strictly requires standardized professional certification. Failure to comply with these rules can result in severe enforcement measures, including written reprimands, hefty financial penalties, and the immediate termination of digital access across public communication platforms.

3. Regulation : **POJK 5/2026**

Date : 29 April 2026

Title (Indonesian) : Penyelenggaraan Kegiatan Usaha Manajer Investasi

Title (English) : Implementation of the Business Activities of Investment Managers

Summary

OJK Regulation Number 5 of 2026 (POJK 5/2026) regarding the Business Activities of Investment Managers serves as a comprehensive legal framework designed to elevate governance, integrity, and operational standards within Indonesia's capital market. This regulation replaces previous outdated rules to adapt to a highly digitalized and sophisticated financial landscape. The primary goal is to provide institutional clarity for Investment Managers (*Manajer Investasi*) while maximizing protection for public investors. Under POJK 5/2026, Investment Managers face stricter licensing, institutional infrastructure, and minimum capital requirements to ensure market stability. The framework places heavy emphasis on the independence and competence of key executives, mandating that board members and investment committees meet robust fit-and-proper criteria. Operationally, firms must implement rigorous internal controls, detailed risk management protocols, and clear compliance policies to aggressively prevent conflicts of interest and fraudulent product marketing. Furthermore, the regulation institutionalizes modern standards for portfolio management, digital distribution, and transparent reporting. Investment Managers are legally bound to deliver accurate, easily understandable disclosures to the public regarding investment risks, fund performances, and fee structures. For Sharia-based fund managers, the regulation enforces continuous alignment with Islamic financial principles under the supervision of dedicated Sharia boards. By implementing these structured requirements, OJK intends to cultivate a resilient investment climate, mitigate systemic capital market failures, and significantly bolster investor trust across the nation.

4. Regulation : **POJK 4/2026**

Date : 29 April 2026

Title (Indonesian) : Penyelenggaraan Produk Investasi Perbankan Syariah

Title (English) : Implementation of Sharia Banking Investment Products

Summary

OJK Regulation Number 4 of 2026 (POJK 4/2026) regarding the Issuance of Sharia Banking Investment Products marks a pivotal shift in Indonesia's Islamic finance sector by strictly separating investment products from savings products.

Issued as a follow-up to the Financial Sector Development and Strengthening Law (UU P2SK) and the Sharia Banking Roadmap (RP3SI), this regulation aims to highlight the unique, equity-based nature of Islamic banking. It shifts away from old models where investments mirrored traditional deposit schemes, ensuring that transactions strictly uphold core Sharia tenets like risk-sharing and proportional profit distribution. Under POJK 4/2026, Sharia banking investment products are legally classified as bound investments recorded directly on the bank's balance sheet. Since these are true investments linked to specific underlying assets, they are not guaranteed by the Indonesia Deposit Insurance Corporation (LPS), meaning investor clients bear the inherent investment risks unless losses stem from bank negligence. The framework introduces a strict ring-fencing mandate, requiring institutions to separate the bookkeeping, management, and rate-of-return calculations of investment funds from regular third-party deposit funds. Additionally, these investment funds and their underlying assets are excluded from the bank's Financing to Deposit Ratio (FDR) calculations. To maintain market integrity, the regulation enforces stringent governance, internal controls, and risk management systems tailored to tracking underlying asset performance. Consumer protection is heavily integrated through a mandated customer suitability assessment, preventing banks from selling complex products to misaligned risk profiles. Banks must provide absolute transparency regarding underlying assets, investment risks, and historical returns while maintaining active engagement with investors.

5. Regulation	:	**POJK 3/2026**
Date	:	29 April 2026
Title (Indonesian)	:	Penyelenggaraan Kegiatan Usaha Perusahaan Efek yang Melakukan Kegiatan Usaha sebagai Penjamin Emisi Efek dan Perantara Pedagang Efek
Title (English)	:	Implementation of the Business Activities of Securities Companies Acting as Underwriters and Broker-Dealers

Summary

This regulation outlines the comprehensive operational, governance, and capital guidelines for Indonesian securities companies operating as Underwriters (*Penjamin Emisi Efek*) and Broker-Dealers (*Perantara Pedagang Efek*). Recognizing the expanding scale and technological evolution of the domestic capital market, this regulation is designed to fortify market integrity, improve corporate governance, and ensure optimal investor protection. It mandates higher entry barriers and ongoing compliance hurdles to secure a resilient systemic infrastructure for securities institutions. Under this framework, securities firms must meet stringent capital adequacy requirements and establish robust institutional infrastructure to properly manage operational risks. The regulation introduces stricter corporate governance practices, placing heavier emphasis on the continuous professional competency of board members, committees, and licensed representatives. To prevent market manipulation and safeguard public clients, underwriters and broker-dealers must enforce comprehensive conflict-of-interest policies, separate institutional proprietary trading from client transactions, and establish heavily guarded internal firewalls across different business functions. Furthermore, POJK 3/2026 demands unparalleled structural transparency, specifying clear protocols for transaction execution, clearing, and customer reporting. Securities companies are obligated to optimize customer onboarding protocols through thorough suitability assessments while aggressively preventing fraudulent asset placement or misleading investment advice. Operational systems must adhere to strict digital standards, incorporating state-of-the-art cyber security and data privacy safeguards. By imposing these rigorous structural criteria, the Financial Services Authority aims to institutionalize high standards of accountability, mitigate potential market defaults, and cultivate deep trust among national and global investors in Indonesia's capital market.

New Banking Regulations

1. Regulation : **UU 4/2026**

   Date : 17 June 2026

   Title (Indonesian) : Perubahan atas Undang-Undang Nomor 4 Tahun 2023 tentang Pengembangan dan Penguatan Sektor Keuangan

   Title (English) : Amendment to Law Number 4 Year 2023 regarding Development and Strengthening of The Financial Sector

   Summary

   Law Number 4 of 2026 is enacted to amend Law Number 4 of 2023 regarding the Development and Strengthening of the Financial Sector. This legislative update introduces pivotal regulatory adjustments to deepen the national financial industry, enhance governance, and optimize operations across multiple critical institutions. A primary aspect of this law focuses on strengthening the Deposit Insurance Corporation as an independent legal state entity. It updates regulations regarding the composition, selection, and dismissal of its Board of Commissioners, while simultaneously reinforcing its independent budget preparation mechanisms. Furthermore, the law expands the duties of the Financial Services Authority to include the supervision and regulation of the mineral and strategic commodity exchange, along with other public fund management activities. To boost investor confidence and broaden stakeholder interests, the Indonesian capital market is reinforced through the formal demutualization of the Indonesia Stock Exchange. The legislation also introduces an official legal framework for special bonds issued by the Danantara Investment Management Agency, such as the Patriot and Merah Putih Bonds, providing dedicated legal and tax protections for buyers in the primary market. Additionally, the regulation refines legal enforcement within the financial services sector by aligning investigations, inquiries, and restorative justice mechanisms directly with the Criminal Procedure Code. It updates structural frameworks for resolving failing insurance companies under state supervision and introduces permanent policies for banks to execute debt write-offs for micro, small, and medium enterprises.

2. Regulation : **PBI 5/2026**

   Date : 29 May 2026

   Title (Indonesian) : Perubahan Kedua atas Peraturan Bank Indonesia Nomor 7 Tahun 2023 tentang Devisa Hasil Ekspor dan Devisa Pembayaran Impor

   Title (English) : Second Amendment to Bank Indonesia Regulation No. 7 of 2023 concerning Export Proceeds and Foreign Exchange for Import Payments

   Summary

   The management of export proceeds and import payment revenues is modified under Bank Indonesia Regulation Number 5 of 2026 (PBI 5/2026). This regulation acts as the second amendment to PBI 7/2023, refining monetary controls over foreign exchange earnings derived from natural resources (*Devisa Hasil Ekspor*) and standardizing foreign currency flows used for international trade payments (*Devisa Pembayaran Impor*). The central bank introduces these strategic changes to optimize foreign exchange liquidity within the domestic market, reinforcing national financial resilience against intensifying global economic shifts. A key component of this amendment clarifies the technical and administrative parameters surrounding foreign exchange placements. Exporters are required to channel their foreign currency revenue into specialized domestic bank accounts, ensuring that macroeconomic resource yields directly support the country's local financial system. Concurrently, the policy defines the exact procedures for utilizing foreign currencies to cover international import costs. This structure minimizes speculative transaction disruptions and provides local authorities with clear visibility into capital flows entering and exiting the cross-border trading sector. Furthermore, PBI 5/2026 expands the jurisdictional authority of Bank Indonesia regarding the designation of financial institutions for international commerce. The regulation empowers the central bank to formally appoint commercial banks to execute specialized provisions emerging from bilateral trade agreements, memorandums of understanding, or other institutionalized global trade accords. This adjustment aligns foreign exchange bookkeeping with regional trade integration efforts and standardizes cross-border settlement processes.

3. Regulation : **PADG 13/2026**

Date : 18 June 2026

Title (Indonesian) : Perubahan Keempat atas Peraturan Anggota Dewan Gubernur Nomor 21/28/PADG/2019 tentang Pemantauan Kegiatan Lalu Lintas Devisa Bank dan Nasabah

Title (English) : Fourth Amendment to the Regulation of the Members of the Board of Governors Number 21/28/PADG/2019 concerning Monitoring of Foreign Exchange Flow Activities of Banks and Customers

Summary

This regulation is a comprehensive adjustment to the country's financial architecture is established by merging the regulatory frameworks governing digital payment systems and cross-border fund transfers. This unified policy approach from the central bank simultaneously optimizes regional payment linkages while strengthening the monitoring of foreign exchange traffic (LLD) among banking institutions and their clients. By consolidating these dual pillars of monetary oversight, the regulation aims to advance regional financial integration, enhance consumer security, and ensure that large-scale capital movements strictly reflect genuine underlying economic activities to preserve macroeconomic stability. The framework introduces a stricter threshold for outward foreign currency fund transfers, lowering the limit that triggers mandatory documentation from USD 100,000 to above USD 50,000 equivalent per transaction. Customers, including natural resource exporters using specialized accounts, must submit verified supporting documents before banks can execute transfers, though internal bank transactions and domestic same-owner transfers remain exempt. To offset administrative burdens, the policy allows the reuse of identical, previously submitted foreign exchange documentation. Furthermore, a temporary transitional provision permits customers to use a statement letter for transactions between USD 50,000 and USD 100,000 executed during April 2026, provided full documentation is finalized by July 31, 2026. Concurrently, the regulation drives digital modernization by enforcing technical and operational compliance for cross-border QR code payments and electronic funds transfers. Payment service providers must implement unified data communication standards, rigorous cybersecurity protocols, and highly competitive, transparent exchange rate conversion mechanisms. To ensure complete market transparency, licensed operators are legally bound to submit routine transaction volumes and data directly to the central bank. Backed by mandatory dispute resolution systems to protect retail consumers, this combined strategy successfully fortifies domestic foreign exchange liquidity while building a safe, interconnected regional payment ecosystem.

4. Regulation : **[PADG 12/2026]**

Date : 2 June 2026

Title (Indonesian) : Perubahan atas Peraturan Anggota Dewan Gubernur Nomor 16 Tahun 2024 Tentang Transaksi Pasar Valuta Asing Berdasarkan Prinsip Syariah

Title (English) : Amendment to Board of Governors Regulation No. 16 of 2024 concerning Foreign Exchange Market Transactions Based on Sharia Principles

Summary

Bank Indonesia Regulation Number 12 of 2026 (PADG 12/2026) serves as an amendment to the regulatory framework governing Islamic foreign exchange transactions. By updating the rules set out in PADG 16/2024, the central bank aims to reinforce the stability of the Rupiah, enhance risk management, and adapt to the rapid dynamics of the Sharia financial market. The regulation ensures that Islamic foreign exchange activities remain fully aligned with broader national monetary policies while continuously upholding Sharia principles. A key adjustment introduced by this amendment is the refinement of transaction thresholds that require underlying documentation. For spot cash purchases of foreign exchange against the Rupiah, the threshold is adjusted to harmonize seamlessly with conventional foreign exchange rules. Meanwhile, specialized limits are fine-tuned for Sharia compliant hedging mechanisms. For simple hedging transactions (*transaksi lindung nilai sederhana*), a specific threshold is applied to selling transactions, ensuring proper oversight over currency flows. The updated framework also introduces detailed operational parameters for coverage hedging (*cover hedging*). It outlines strict guidelines for banks executing these transactions, whether managing foreign exchange positions derived from direct client activities or performing interbank re-hedging operations. Additionally, the amendment streamlines the publication timing for reference exchange rates (*kurs acuan*), bringing them into complete uniformity with the standard national foreign exchange schedule. By formalizing these structural adjustments, the central bank suppresses speculative pressures, mitigates systemic transaction risks, and increases overall transparency and liquidity across the domestic Sharia foreign exchange market.

5. Regulation : **[PADG 11/2026]**

Date : 26 May 2026

Title (Indonesian) : Perubahan Kedua atas Peraturan Anggota Dewan Gubernur Nomor 11 Tahun 2024 tentang Transaksi Pasar Valuta Asing

Title (English) : Second Amendment to Board of Governors Regulation No. 11 of 2024 concerning Foreign Exchange Market Transactions

Summary

This Bank Indonesia regulation serves as the Second Amendment to the Regulation of the Board of Governors Number 11 of 2024 concerning Foreign Exchange Market Transactions. This regulation introduces strategic policy revisions aimed at stabilizing the Rupiah amid persistent global financial uncertainty and rising domestic demands for foreign currencies. By adjusting transaction guidelines, Bank Indonesia intends to curb speculative currency activities, optimize the availability of domestic foreign exchange liquidity, and maintain long-term macroeconomic stability. The core adjustment under PADG 11/2026 focuses on reducing the transaction threshold that triggers the mandatory submission of underlying transaction documents. Specifically, the maximum threshold for cash purchases of foreign exchange against the Rupiah that can be executed without an underlying document has been tightened to USD 25,000 or its equivalent per month per transaction participant. This lowers previous thresholds to restrict unbacked cash purchases, thereby easing speculative pressures on the local currency. Meanwhile, threshold requirements for derivative transactions remain unchanged under this regulatory update. The limit for derivative buying transactions, such as forward and domestic non-deliverable forward contracts, is maintained at USD 100,000 per month per participant, while the limit for derivative selling transactions stands at USD 10 million or its equivalent per transaction. The threshold for swap transactions is also retained at USD 10 million per transaction. Through these tailored adjustments, Bank Indonesia tightens loose spot cash conversions while keeping derivative hedging channels accessible for legitimate economic activities. Ultimately, this regulation provides the central bank with an improved mechanism to oversee foreign exchange flows, mitigate systemic financial risks, and reinforce investor confidence in the Indonesian economy.

6. Regulation : **PADG 10/2026**

Date : 12 May 2026

Title (Indonesian) : Penyelesaian Transaksi Bilateral antara Indonesia dan Jepang Menggunakan Rupiah dan Yen melalui Bank

Title (English) : Settlement of Bilateral Transactions between Indonesia and Japan Using Rupiah and Yen through Banks

Summary

Bank Indonesia Regulation Number 10 of 2026 (PADG 10/2026) governs the Settlement of Bilateral Transactions between Indonesia and Japan Using Rupiah and Yen through Banks. This framework regulates the operational mechanics of the Local Currency Settlement (LCS) or Local Currency Transaction (LCT) framework, a strategic financial initiative designed to reduce reliance on the US dollar for cross-border trade and investment activities between the two nations. By utilizing local currencies, the regulation aims to minimize currency conversion costs, mitigate exchange rate volatility, and further strengthen macroeconomic and financial stability in Indonesia. The provisions in PADG 10/2026 primarily detail the operational guidelines for Appointed Cross Currency Dealers (ACCD), which are commercial banks officially selected by both central banks to facilitate these bilateral transactions. These designated banks are authorized to open and maintain non-resident accounts in Rupiah or Yen and provide specialized foreign exchange services tailored explicitly for trade, direct investments, and other permitted economic activities between Indonesian and Japanese counterparties. Furthermore, the framework outlines rigid guidelines for risk management, underlying documentation validation, and mandatory transaction reporting to Bank Indonesia. ACCD banks are required to ensure that all transactions processed through this mechanism are backed by legitimate economic undertakings to prevent speculation. Overall, PADG 10/2026 acts as a vital tool to support the expansion of bilateral economic cooperation, diversify international transaction risks, and bolster the usage of the Rupiah in the regional market.

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