



## Client Alert February 2026

Strengthening financial stability through enhanced risk-based supervision

**Regulation of Financial Services Authority Number 37 of 2025 regarding determination of supervisory status and follow-up measures for insurance companies, guarantee institutions, and pension funds**

### Background

The Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* (OJK)) has further strengthened its supervisory framework for the nonbank financial sector through the issuance of OJK Regulation Number 37 of 2025 regarding determination of supervisory status and follow-up measures for insurance companies, guarantee institutions, and pension funds (*perusahaan perasuransian, lembaga penjamin, dan dana pensiun* (PPDP)) (POJK 37/2025). This regulation was issued on 17 December 2025 and will take effect as from 17 June 2026, six months after its promulgation date.

POJK 37/2025 forms part of OJK's broader agenda to enhance risk-based supervision (RBS), particularly for sectors with long-term financial obligations, namely PPDP. These sectors present risk profiles that differ materially from other nonbank financial institutions (*Lembaga Jasa Keuangan Non-Bank* (LJKNB)) and therefore, require more tailored supervisory approaches. POJK 37/2025 refines the previous regime under OJK Regulation Number 9 of 2021 regarding determination of supervisory status and follow-up measures for LJKNB (POJK 9/2021), introducing a more focused supervisory framework.

## Overview

POJK 37/2025 governs the mechanism by which OJK: (i) determines the **supervisory status** of PPDP; and (ii) imposes supervisory follow-up measures that are in line with the risk profile and financial condition of the supervised entity.

Unlike the previous regulation, which applied broadly to LJKNB, POJK 37/2025 deliberately narrows its scope to these three sectors, enabling OJK to apply more sector-specific and risk-sensitive supervisory tools.

## Key substantive enhancements and changes

- **Scope of regulated institutions**

One of the most fundamental differences lies in the scope of regulated institutions. Under Article 1 item 1 of POJK 9/2021, LJKNB were defined broadly as institutions conducting activities in the insurance, pension fund, and financing sectors. By contrast, Article 1 item 1 of POJK 37/2025 limits the scope of regulation for PPDP. This narrowing scope signals a policy shift from general supervisory framework for all LJKNB toward a more focused regime, addressing sectors with distinct long-term liabilities and heightened prudential concerns.

- **Quantitative parameters for intensive supervision**

POJK 37/2025 strengthens the quantitative criteria for the application of **intensive supervision**, particularly for pension funds and guarantee institutions. This is done by limiting the financial soundness trigger to institutions rated Composite 4 (i.e., generally less than sound (*kurang sehat*) and therefore assessed as less capable (*kurang mampu*) of withstanding significant adverse impacts arising from changes in business conditions and other external factors); enhancing the assessment of overdue contribution receivables for both defined benefit and defined contribution pension schemes through the inclusion of accumulated contribution shortfall thresholds in addition to ageing criteria; refocusing supervision of financial institution pension funds (*Dana Pensiun Lembaga Keuangan*) on liquidity and profitability indicators rather than net asset size and participant decline; and introducing explicit quantitative criteria, such as liquidity and gearing ratios, for the intensive supervision of guarantee institutions—which were not previously regulated under POJK 9/2021.

- **Expansion and refinement of special supervision criteria**

POJK 37/2025 broadens the grounds for imposing **special supervision** by introducing the expiry of the intensive supervision period without sufficient remediation as a new trigger; raising the quantitative thresholds for pension funds by requiring both long-overdue contribution receivables and significant accumulated contribution shortfalls; adding profitability factors rated Composite 5 (i.e. generally unsound (*tidak sehat*) and therefore assessed as unable (*tidak mampu*) to withstand significant adverse impacts arising from changes in business conditions and other external factors) as an indicator for special supervision of financial institution pension funds, alongside liquidity ratios; and establishing explicit quantitative triggers based on minimum liquidity levels and maximum gearing ratios for guarantee institutions.

- **OJK's discretion to defer special and/or intensive supervision**

OJK is now expressly afforded the discretion to **defer the imposition of special and/or intensive supervision** where a pension fund or guarantee institution is undergoing certain corporate or remedial actions, including mergers or consolidations, capital injections, license surrender processes, or other circumstances deemed appropriate by OJK. This provision reflects a more pragmatic supervisory approach, acknowledging that such actions may effectively address solvency, liquidity, or governance concerns without requiring the immediate escalation of supervisory status.

- **Institutions deemed not remediable**

The new regulation further strengthens OJK's authority to designate a PPDP as **not remediable** (*tidak dapat disehatkan*). In contrast to POJK 9/2021, which required the expiry of the special supervision period, POJK 37/2025 allows OJK to make such a determination earlier if, based on its assessment, the PPDP is deemed unable to resolve its issues in accordance with the approved action plan, even if the special supervision period has not yet lapsed.

- **Greater certainty on the content of remedial action plans**

A more focused regulatory framework is now provided regarding the possible contents of remedial action plans that OJK may require. POJK 37/2025 expressly stipulates a wide range of measures, including restrictions on business activities and related-party transactions, limitations on remuneration, capital strengthening, asset sales, mergers or consolidations, and other supervisory measures as determined by OJK.

In addition, POJK 37/2025 no longer sets out detailed and exhaustive lists of supervisory actions as previously provided under POJK 9/2021. From OJK's perspective, this approach broadens supervisory discretion while from the perspective of PPDP, it may introduce a degree of regulatory uncertainty due to the nonexhaustive nature of permissible supervisory measures.

## Key takeaways

- POJK 37/2025 significantly strengthens OJK's risk-based and sector-specific supervision of PPDP, resulting in more targeted supervisory expectations for PPDP. Key implications include the following:
  - **Insurance companies** are expected to demonstrate heightened readiness in terms of risk management and corporate governance. Changes in supervisory status may now be triggered not only by financial deterioration, but also by corporate actions and structural developments;
  - Explicit inclusion of **guarantee institutions** as a core subject of supervision materially raises supervisory expectations. Guarantee institutions must ensure that their governance frameworks, capital adequacy, liquidity management, and leverage levels are aligned with OJK's RBS parameters; and
  - For **pension funds**, POJK 37/2025 underscores the importance of long-term risk management, particularly in relation to funding adequacy, contribution discipline, and investment sustainability. Material changes in these areas may directly affect supervisory status and the intensity of regulatory intervention.
- The regulation affirms that any supervisory status or sanctions previously imposed on PPDP under POJK 9/2021 remain fully valid and enforceable.
- OJK's discretion has been expanded, especially in determining whether a PPDP is deemed not remediable and in defining the scope of remedial actions, thereby increasing the need to adopt more proactive compliance and regulatory strategies by industry participants.

**Stefanus Brian Audyanto**

**Managing Partner**

**Deloitte Legal Indonesia**

Email: [saudyanto@deloittelegal-id.com](mailto:saudyanto@deloittelegal-id.com)

**Anthony Pratama Chandra**

**Partner**

**Deloitte Legal Indonesia**

Email: [anchandra@deloittelegal-id.com](mailto:anchandra@deloittelegal-id.com)

**Derryan Rahmat Putra**

**Junior Partner**

**Deloitte Legal Indonesia**

Email: [dputra@deloittelegal-id.com](mailto:dputra@deloittelegal-id.com)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

**About Deloitte Legal**

Deloitte Legal means the legal practices of DTTL member firms, their affiliates or their related entities that provide legal services. The exact nature of these relationships and provision of legal services differs by jurisdiction, to allow compliance with local laws and professional regulations. Each Deloitte Legal practice is legally separate and independent, and cannot obligate any other Deloitte Legal practice. Each Deloitte Legal practice is liable only for its own acts and omissions, and not those of other Deloitte Legal practices. For legal, regulatory and other reasons, not all member firms, their affiliates or their related entities provide legal services or are associated with Deloitte Legal practices.

**About Deloitte Legal Indonesia**

Deloitte Legal Indonesia is a member of Deloitte Legal network. Deloitte Legal Indonesia provides only legal services, and it is legally separate and independent from other Deloitte entities.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.