

Jurisdiction:	<i>Indonesia</i>
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2017 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I. Hedge funds					
1 (1)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	<p>Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).</p>		

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2 (2)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	<p>Jurisdictions should indicate the progress made in implementing recommendation 6 in IOSCO's Report on Hedge Fund Oversight (Jun 2009) on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> - Signatory to the IOSCO MMoU in relation to cooperation in enforcement - Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO Principles Regarding Cross-border Supervisory Cooperation. <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p>This recommendation is not applicable for Indonesia because currently there is no hedge funds managed in Indonesia. For sharing information, OJK became the signatory of the IOSCO MMoU on cooperation and exchange of information among securities regulators, effectively started in January 2014. In addition, the OJK also has several bilateral MoUs with foreign counterparts that have been carried over from Indonesia Capital Market and Financial Institution Supervisory Agency (or recognized as Bapepam-LK, former supervisory and regulatory authority of capital market and Non-Banking Financial Institutions (NBFIs)) before its authorities was transferred to OJK on December 31st, 2012.</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since: <p><input type="checkbox"/> Implementation completed as of:</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>Issue is being addressed through:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

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3 (3)	Enhancing counterparty risk management	<p>Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO Report on Hedge Fund Oversight (Jun 2009).</p> <p>In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is monitored separately by the BCBS.</p> <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 16/03/2016</p> <p>Issue is being addressed through:</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify: A regulation concerning limits for single counterparty exposures has been effectively implemented for banks. The regulation governs the maximum limit related with the provision of funds to individuals, groups of borrowers and related parties with banks. The purpose of the limits is to avoid a bank's failures as a result of concentration in the provision of funds. The regulation itself seeks to</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>address: i The concentration of banks' fund to a single borrower or a group of borrowers (this is one of the causes of bank failures). ii The provision of funds with increasingly complex risk structures (as a result of innovations in the banking area). Furthermore, a regulation concerning risk management, in general, has captured elements that should be considered by banks for their interactions with counterparties. In addition, through another regulation, banks are prohibited to conduct transactions with counterparties where the transaction has no underlying or the transaction is conducted for speculation purposes. There are also limitations of the transactions' underlying, i.e. the underlying must not in the forms of equity and commodity.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year's survey:</p> <p>1. Banking Sector Even though the size of derivative transactions in Indonesia is small with limited types of asset classes that can be transacted by banks, the authority has covered it in the regulation, i.e. OJK Circular Letter No.42/SEOJK.03/2016 regarding Guidelines for the Calculation of Risk-Weighted Assets for Credit Risk by Using Standardized Approach. Furthermore, OJK has issued a consultative paper of Standardised Approach Counterparty Credit Risk (SA-CCR). In addition, OJK issued regulation regarding risk management in march 2016 including</p>	

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				<p>counterparty risk, e.g. transactions affected by movements of fair value or market value basis. 2. Capital Market Sector Currently, there is no registered fund that has characteristic of a hedge fund managed locally in Indonesia. Despite this fact, to anticipate further development in the Indonesian capital market, OJK conducts a research on hedge funds. This research includes comparative analysis of the practices applied across countries and international standards/principles, and also considers regulations applied to other financial sectors in Indonesia. This research will help to provide OJK with a map on the regulatory issues and the market needs on the hedge funds.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-Nomor-18.POJK.03.2016/SAL%20-%20POJK%20Manajemen%20Risiko%20.pdf</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/surat-edaran-ojk/Pages/SEOJK-tentang-Pedoman-Perhitungan-Aset-Tertimbang-Menurut-Resiko-Untuk-Resiko-Kredit-Dengan-Menggunakan-Pendekatan-Standar.aspx</p> <p>http://www.ojk.go.id/id/kanal/perbankan/implementasi-basel/Documents/Pages/Consultative-Papers/Consultative%20Paper%20SA-CCR.pdf</p>	

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II. Securitisation					
4 (4)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	Implementation of this recommendation was reported to be completed by all FSB jurisdictions in the 2016 IMN survey. Given this, the reporting of progress with respect to this recommendation will take place every 2-3 years henceforth (i.e. in 2019 or 2020).		

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5 (5)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	<p>Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 01/01/2016</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Banks in Indonesia are only permitted to conduct foreign exchange and interest rate derivatives transactions. The requirement also implies that the banks are only allowed to invest in structured products that meet the requirements on the foreign exchange and interest rate derivatives transactions. In addition, before investing in certain</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>products the banks are also required to consider requirements on assets quality regulation. The asset quality regulation governs if a bank invests in derivative products/structured products, the bank should provide information to supervisors regarding underlying of the products, rating, issuer, etc. Such information would assist the supervisors to determine and categorize risk of the products. Furthermore, if a bank plan to issue structured products, a regulation concerning Prudential Principles in the Implementation of Structured Products Activities for Commercial Banks requires the bank to understand nature and risks of the products. The bank will also be required to among others formulate/setup a business plan, perform risk management in an effective manner, determine the classification of customers, disclose product information, and submit a report to the supervisors. Moreover, if the bank failed to meet the requirements, the bank will subject to the following sanctions: • administrative warning/reprimand; • assign a lower rating to the bank; • prohibition to participate in clearing activities; • suspension and revocation of approval for certain business activities, both for a specific branch office and for the Bank as a whole; • termination of the Bank’s management and subsequent appointment of a temporary management replacement; and/or • put members of the bank’s management, employees or, shareholders in a blacklist. The prevailing regulation is considered adequately conservative to govern structured products’ activities in Indonesia. If banks place investments in structured products, banks are also required to comply with the Legal Lending Limit regulation that governs the maximum limit for each individual or connected counterparties, including exposures related with investment in</p>	
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				<p>structured products. In addition, the regulation concerning Business Activities and Office Networks Based on Bank Core Capital for Commercial banks governs that banks will be permitted to issue structured products if banks hold tier 1 capital above IDR 5 trillion. For capital market, OJK Regulation Number 23/POJK.04/2016 (effective on June 19, 2016) concerning Investment Fund in the Form of Collective Investment Contract prohibits Investment Manager to enter into derivative transaction that may cause the Investment Fund portfolio to have derivative securities with global exposure value (net) of more than 20% of the Net Asset Value of the Investment Fund at any time. Bapepam Rule No. IV.B.1 prohibits hedging transaction on the purchase of securities traded in a foreign stock exchange which is greater than the value of securities purchased. Furthermore, OJK Regulation Number 48/POJK.04/2015 (effective on December 29, 2015) Bapepam Rule No. IV.C.4 regarding concerning Guidelines for the Management of Protected, Guaranteed, and Index Fund stipulates that an investment manager may invest in derivative securities without any obligation to own the securities that become the underlying asset of such derivative, provided that the basis for protection value is investment in debt securities. This regulation also stipulates that when an investment manager invests in derivatives securities, the investment manager must provide additional disclosure information concerning such investments and explains the criteria used for selecting the securities to investors. In addition, based on OJK regulation No. 7/POJK.03/2016 concerning Structured Product, banks are required to conduct the process of identifying measuring, monitoring, and controlling the Structured Product issued. Those processes</p>	
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				<p>shall be supported by a timely, informative, and accurate management information system. Only banks which are BUKU 3 and BUKU 4, can issue structured product within the scope of treasury activities after having approval by OJK.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/klasifikasi-bapepam/reksadana/Default.aspx and http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/pojk-prinsip-kehatihatian-dalam-melaksanakan-kegiatan-structured-product-bagi-bank-umum/SALINAN-POJK%20.7%20Structured%20Product.pdf</p>	
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6 (6)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	<p>Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.</p> <p>See, for reference, IOSCO's Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012), Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010) and report on Global Developments in Securitisation Regulations (November 2012), in particular recommendations 4 and 5.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 05/14/2008 and 11/11/2014</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>List of Disclosure Requirements for Public Offerings and Listings of Asset-Backed Securities as regulated by Bapepam, former authority, and OJK, as follows: • Bapepam Rules Number IX.C.9 concerning Registration Statement For a Public Offering Of Asset Backed Securities (started effectively on</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>December 26, 1997) stipulated that the Investment Manager has to submit Registration Statement for a Public Offering of Asset Backed Securities to Bapepam. • Bapepam Rule Number IX.C.10 concerning Guidelines for the Form and Contents of a Prospectus For Asset Backed Securities (started effectively on December 26, 1997) stipulated that The Investment Manager has to provide a Prospectus which contains details and material facts regarding the Asset Backed Securities. • OJK Regulation Number 23/POJK.04/2014 concerning Guidelines on Issuance and Reporting of Asset Backed Securities in the form of Participation Unit (started effectively on November 19, 2014). List of regulations related to on-going Disclosure of Asset-Backed Securities as follows: • Bapepam Rule Number V.G.5 concerning Investment Manager Functions on Asset Backed Securities (started effectively on May 14, 2008) has required Investment Manager to provide monthly reports to investors for their investments. • OJK Regulation Number 15/POJK.04/2014 concerning Monthly Report of Collective Investment Contract of Asset Backed Securities (ABS) (started effectively on November 11, 2014) has required investment managers to submit a monthly report to OJK regarding their activities on the ABS. • OJK Regulation Number 23/POJK.04/2014 concerning Guidelines on Issuance and Reporting of Asset Backed Securities in the form of Participation Unit for Housing Secondary Financing (started effectively on November 19, 2014) has required: <input type="checkbox"/>- issuer to submit a monthly report to OJK regarding their activities on the ABS. <input type="checkbox"/>-</p>	

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				<p>Custodian to provide report to Participation Unit Holders. All regulations issued by Bapepam/OJK have been consulted to public before issued. In addition, Regulation concerning disclosure of securitised products regulated under Capital Market supervision. It is because in most of NBFIs regulations, there are a clause suggest that publicly listed financial institutions must be submissive to the regulations on capital market. As example, execution and implementation of Corporate Governance Framework on Insurance Companies, is regulated in the Regulation of OJK No 73/POJK.05/2016. Under Article 81, Insurance companies that listed as public company also being a subject to the laws and regulations of capital market.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/Files/regulation/capital-market/bap-rules/sc-scr-etc/5/VG5.pdf http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/klasifikasi-bapepam/emiten-dan-perusahaan-publik/Pages/content-of-a-registration-statement-and-a-public-offering.aspx http://www.ojk.go.id/Files/regulation/capital-market/bap-rules/is-pc/1/IXC10.pdf http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Documents/POJK23PedomanPenerbitandanPealporanEBA_1417049142.pdf</p>	

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III. Enhancing supervision					
7 (7)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate: (1) whether they have identified domestic SIFIs and, if so, in which sectors (banks, insurers, other etc.); (2) whether the names of the identified SIFIs have been publicly disclosed; and (3) the types of policy measures taken for implementing consistent, consolidated supervision and regulation of the identified SIFIs.</p> <p>Jurisdictions should not provide details on policy measures that pertain to higher loss absorbency requirements for G/D-SIBs, since these are monitored separately by the BCBS.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Jul 2013) • Framework for D-SIBs (Oct 2012) <p><u>IAIS:</u></p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) and revised assessment methodology (updated in June 2016) • IAIS SRMP guidance - FINAL (Dec 2013) 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2016</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In 2006, BI has issued regulation to require banks to implement consolidated risk management for banks. According to OJK Law as stipulated in 2011, the main function of OJK is to establish an integrated regulation and supervision</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			<ul style="list-style-type: none"> <li data-bbox="1029 212 1548 300">• <u>Guidance on Liquidity management and planning (Oct 2014)</u> <li data-bbox="1029 316 1548 349">FSB: <li data-bbox="1029 381 1548 462">• <u>Framework for addressing SIFIs (Nov 2011)</u> 	<p>system for all activities in the financial services sector. To support its function, OJK has issued several regulations concerning integrated risk management and integrated governance for financial conglomerates (OJK Regulation Number 17/POJK.03/2014), integrated governance for financial conglomerates in 2014 (OJK Regulation Number 18/POJK.03/2014), and integrated capital for financial conglomerates (OJK Regulation Number 26/POJK.03/2015 concerning Integrated Minimum Capital Requirement for Financial Conglomerates). The regulation on integrated risk management governs that financial conglomerates are required to implement integrated risk management comprising of the following pillars: (i) oversight by Lead Entities' directors and board of commissioners; (ii) adequacy of policy, procedures, and setting of limits with regards to integrated risk management; (iii) adequacy of identification, assessment, monitoring and integrated risk control processes, as well as an integrated risk management information system; and (iv) a comprehensive internal control system for the purpose of integrated risk management. In addition, the regulation on integrated governance governs that financial conglomerates are required to implement integrated governance comprising of the following pillars: (i) criteria for the appointment of Lead Entity directors and board of commissioners; (ii) roles and responsibilities of Lead Entity directors and board of commissioners; (iii) roles and responsibilities of an Integrated Governance Committee; (iv) roles and responsibilities of a Integrated</p>	

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				<p>Compliance Unit; (v) roles and responsibilities of an Integrated Internal Audit Unit; (vi) implementation of integrated risk management; (vii) creation and implementation of a Integrated Governance Policy.</p> <p>According to those regulations, parent companies which are commercial banks with core capital above IDR 30 trillion (BUKU 4) are required to provide the semi-annual reports; the first reporting used June 2015 data. For other banks, the first reporting used December 2015 data.</p> <p>With regard to integrated capital regulation, the financial conglomerates have been required to provide at minimum 100% of its aggregate regulatory capital requirement.</p> <p>Indonesian authorities also apply more intensive supervision towards large banks that are considered as systemically important in Indonesia. These banks are now under the supervision of OJK (as a microprudential authority) and BI (as a macroprudential authority). For banks that are considered posing systemic impacts, Indonesian authorities also have specific measures and tools to deal with the possible failures of these banks since the Indonesian authorities differentiate resolution measures applied for systemic and non-systemic banks. Regulation on D-SIB framework and application of capital surcharge requirements as stipulated in the Basel III capital regulation was issued at the end of 2015 under OJK Regulation Number 46/POJK.03/2015. The determination of D-SIB and imposition of its capital surcharge have started effectively since the beginning of 2016.</p>	

				<p>Highlight main developments since last year's survey:</p> <p>To further clarify the implementation of D-SIBs surcharge requirements as stipulated in the Basel III capital regulation issued in 2013, a more detailed regulation on D-SIB framework was developed and issued at December 2015. To support OJK's function on integrated supervision, OJK has issued new regulation concerning integrated minimum capital requirement for financial conglomerates which was issued at the end of 2015 to maintain and improve financial conglomerate's capital level as buffer against risks. To enhance supervisory coverage of financial conglomeration risks, at June 2016 OJK established a new unit, Department of Integrated Supervision, that is responsible for conducting a risk based supervision to financial conglomerates. Moreover, to support the conglomerates supervision, OJK also formed a Group of Research, Development, and Regulation on Integrated Supervision in the first quarter 2017. This unit is responsible for conducting research, and developing & strengthening regulation on financial conglomerate supervision. Additionally, in order to strengthen and develop an integrated risk based supervision for financial conglomerates, OJK will published a Roadmap on Integrated Supervision for Financial Conglomeration in the second Semester of 2017. This document will become a guidance in the development and improvement of relevant regulation of the financial conglomerates supervision, and strengthening surveillance systems and integrated methodologies towards financial conglomerates. In terms of large banks that are considered as</p>	
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				<p>domestically important bank (D-SIB), OJK conducts a rigorous supervision both on solo basis as individual bank and on the group level or conglomeration basis. All those D-SIB banks currently under supervision of Department of Integrated Supervision due to their role as the lead entity (coordinator) of its financial conglomeration respectively. Hence, all financial insititutions whose failure could pose a risk to financial stability have been a subject to consistent, consolidated supervision and regulation of OJK.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-46-PENETAPAN-SIB-CAPITAL-SURCHARGE/SALINAN-POJK%20D-SIB%20F.pdf</p> <p>http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Documents/Pages/Peraturan-Otoritas-Jasa-Keuangan-Nomor-26-POJK-03-2015-/poj-kewajiban-penyediaan-modal-minimum-terintegrasi-bagi-konglomerasi-keuangan.pdf</p>	

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8 (8)	Establishing supervisory colleges and conducting risk assessments	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of global systemically important insurers (G-SIIs). The BCBS is separately monitoring implementation progress in this area with respect to banks.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIIs, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities.</p> <p>See, for reference, the following IAIS documents:</p> <ul style="list-style-type: none"> • ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, 25.6, 25.7 and 25.8 • Application paper on supervisory colleges (Oct 2014) 	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>Indonesia is not a home jurisdiction of significant cross-border financial institutions.</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				Web-links to relevant documents:	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
9 (9)	Supervisory exchange of information and coordination	<p>To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the September 2012 BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.</p> <p>Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: June 2015</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: MoUs. Although Indonesia is not a home jurisdiction of significant cross-border financial institutions, Indonesia is a host jurisdiction of G-SIB. Until now, Indonesia regularly conducts supervisory colleges with other countries.</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Formerly at national level, an Forum Koordinasi Stabilitas Sistem Keuangan (FKSSK) MoU was signed by Minister of Finance, Governor of Bank Indonesia, Chairman of OJK’s Board of Commissioners, and Chairman of Lembaga Penjamin Simpanan (LPS). The MoU facilitates the sharing of information and data among authorities that are required to maintain and promote financial system stability. However, since the enactment of PPKSK Law (Law Number 9 Year 2016) in early 2016, the coordination framework of safeguarding the stability of financial system is designed according to the Law. At national level, an PPKSK Law has mandate to establish Komite Stabilitas Sistem Keuangan (KSSK). The members of KSSK are Minister of Finance, Governor of Bank Indonesia, Chairman of LPS’s Board of Commissioners. KSSK facilitates the sharing of information and data among authorities that are required to maintain and promote financial system stability. In addition, bilateral MoUs between relevant Indonesian authorities have also been put in place, such as bilateral MoUs between OJK and BI, OJK and Indonesian Financial Transaction Reports and Analysis Center (INTRAC/PPATK), OJK and the Directorate General of Tax, OJK and the Attorney General, National Police, etc. Moreover, a bilateral MoU between OJK and Indonesia Deposit Insurance Corporation has been signed in July 2014. At international level, supervisory exchange of information and</p>	

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				<p>coordination with other countries has been stipulated by the memorandum of understanding between countries. OJK has signed several MOUs with foreign financial services authorities (Japan Financial Services Agency, Dubai Financial Services Agency, Korea Financial Services Commission, Korea Financial Supervisory Service, China Banking Regulatory Commission, Bank Negara Malaysia and Banco Central de Timor-Leste) concerning the supervisory cooperation and exchange of information. The scope of the cooperation comprises of the sharing of supervisory information, licensing, on-going supervision and on-site examinations, etc. OJK became the signatory of the IOSCO MMoU on cooperation and exchange of information among securities regulators, effectively started in January 2014. In addition, OJK also has several bilateral MoUs with foreign counterparts that have been carried over since Indonesia Capital Market and Financial Institution Supervisory Agency, recognized as Bapepam-LK (a former authority of capital market and Non-Banking Financial Institutions (NBFIs) before OJK effectively takes over the authority to supervise and regulate capital market and NBFIs on December 31st, 2012).</p> <p>Highlight main developments since last year's survey:</p> <p>Several bilateral MoUs between OJK and other domestic and foreign supervisors concerning supervisory cooperation have also been signed in March 2016 (MoU OJK-Timor Leste Central Bank, Letter of Intent with Bank of Thailand, and OJK - Indonesian Corruption Eradication</p>	

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				<p>Commission/KPK). In August 2016, OJK not only signed an agreement with Badan Pusat Statistik (Statistics Central Agency) relating to financial services statistical data but also a bilateral agreement with Bank Negara Malaysia. OJK is in process to update the bilateral MoU with the Indonesia Deposit Insurance Corporation which expected to be finished in this year. In addition, periodically adjustments been made to support the inter-agency coordination.</p> <p>Web-links to relevant documents:</p>	

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10 (10)	Strengthening resources and effective supervision	<p>We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)</p> <p>Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)</p> <p>Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)</p>	<p>Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB thematic peer review report on supervisory frameworks and approaches to SIBs (May 2015).</p> <p>Jurisdictions should also indicate any steps taken or envisaged in terms of resources/expertise, supervisory measures and/or regulation to strengthen the oversight of risks associated with financial innovation (FinTech).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment <i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: December 2016</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In accordance with Risk Based Supervision techniques, OJK has implemented Risk Based Bank Rating tools to assess the banks condition on 4 (four) aspects, namely: (i) Risk Profile, (ii) Good Corporate Governance (GCG), (iii) Rentability, and (iv) capital. In</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Bank Indonesia's regulatory sandbox for fintech is under discussion and expected to be enacted by Semester I/2017.</p> <p>Web-links to relevant documents:</p>

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				<p>conducting an assessment of the bank Risk Profile, OJK will assess the quality of Risk Management implementation taking into consider 4 (four) interrelated aspects, which are: (i) Risk Governance; (ii) Risk Management Framework; (iii) Risk Management process, human resources, and management information systems; and (iv) Risk Control Systems to cover Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk. Assessment of 4 quality aspects of Risk Management implementation, includes: A. Risk Governance The first aspect includes the evaluation of: (i) decision process to determine level risk appetite and risk tolerance; and (ii) the adequacy level of active supervision by the Board of Commissioners and Board of Directors, including the implementation of its authorities and responsibilities. B. Risk Management Framework The second aspect includes the evaluation of: (i) Risk Management strategy, which is in line with the level of risk appetite and risk tolerance; (ii) the adequacy level of organization support to implement effective risk management, including the clarity of authority and responsibility; and (iii) the adequacy level of policies, procedures and limits. C. Risk Management Process, Human Resource and Management Information Systems. The third aspect includes the evaluation of: (i) the process of identification, measurement, monitoring, and risk controlling; (ii) the adequacy level of management information systems risk; and (iii) the adequacy level of the quantity and quality of human resources in supporting effective risk management</p>	

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				<p>process. D. Risk Control Systems The last pillar includes evaluation of: (i) the adequacy level of the Internal Control System and (ii) the adequacy level of the independent review Bank, either by the Risk Management Unit or by the Internal Audit Unit. Based on the assessment the aforementioned aspects, OJK supervisors monitor the risks associated with banks and financial innovation to ensure that the bank has the capacity to understand and manage the risks. Bank supervisors also periodically review banks condition and performance through the mechanism of Risk Based Bank Rating assessment every semester based on bank report, and other information obtained by supervisors through the examination as well as prudential meetings with the BOC, BOD and/or senior officer. In December 28th 2016, OJK issued the OJK Regulation Number 77/POJK.01/2016 concerning Fintech Peer-to-Peer Lending. Such regulation was issued to protect the interest of consumers, as well as providing room for Indonesia's fintech industry to grow and help foster economic growth. The fintech P2P lenders are expected to extend financing to the domestic businesses, especially SMEs and startups. The regulation adopts a regulatory sandbox approach, as also adopted by other jurisdictions. The scope of the regulation include registration, licensing, loan limit, risk management, and data security, among others. The regulation, POJK No. 77/POJK.01/2016, requires a fintech firm to have Rp 1 billion capital when it registers its business to OJK and to have Rp 2,5 billion paid-in capital when it applies for a business license. The figures are lower than the respective Rp</p>	

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				<p>2 billion and Rp 5 billion stated in the draft regulation. The regulation also does not strictly regulate minimum interest rates on loans. It only states that a fintech firm can advise its investors and customers an interest rate by “taking into account fairness and national economic development”.</p> <p>Highlight main developments since last year’s survey:</p> <p>In 2016, OJK has converted BI Regulation regarding risk based supervision into OJK Regulation. With regard to fintech on payment system aspects, Bank Indonesia will provide a platform to test a product, services, technology and/or new business model that is innovative in a limited environment. The regulation will provide environment for innovation also guidelines on risk management, prudential activity and consumer protection. Bank Indonesia is committed to develop Financial Technology by promoting innovation and healthy competition within a prudent corridor. Bank Indonesia has set up FinTech Office, a unit tasked with evaluating, assessing and mitigating risk, as well as initiating FinTech based research. In addition, the FinTech Office will also serve as a collaborator for the industry to ensure synergy and harmony amongst regulators. The main mission is to develop FinTech to support the effectivity of Bank Indonesia’s policy on monetary, financial stability and payment system. Bank Indonesia has also issued PBI No.18/40/PBI/2016 regarding Payment Transaction Processing Activity, which includes FinTech.</p>	

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				<p>Web-links to relevant documents: http://www.bi.go.id/id/peraturan/perbankan/Documents/828aa23594154a89aebab7dc3103805pbi_130112.pdf http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/pojk-tentang-penilaian-tingkat-kesehatan-bank-umum/SALINAN-POJK%204%20Penilaian.pdf http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Documents/POJK_1404381860.pdf http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Documents/Pages/POJK-Nomor-77-POJK.01-2016/SAL%20-%20POJK%20Fintech.pdf 5 Initiatives in payment system: http://www.bi.go.id/id/ruang-media/siaran-pers/Pages/sp_187316.aspx</p>	

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IV. Building and implementing macroprudential frameworks and tools					
11 (11)	Establishing regulatory framework for macro-prudential oversight	<p>Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks and private pools of capital to limit the build up of systemic risk. (London)</p> <p>Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place in your jurisdiction since the global financial crisis.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among national authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: December 2013</p> <p>Issue is being addressed through:</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Following the transfer of banking supervisory functions to OJK on 31 December 2013, BI assumes the responsibility as the macro prudential authority to conduct macro prudential surveillance and to issue macro</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>prudential regulations. The mandate and powers are stipulated in the OJK Law. Formerly, as stipulated in the OJK Law, sharing information arrangement among different authorities in Indonesia is conducted through FKSSK (Financial System Stability Coordination Forum). An FKSSK MoU was signed by four financial sector authorities in Indonesia (Ministry of Finance/MoF, Bank Indonesia/BI, Indonesian Financial Services Authority/OJK, and Indonesian Deposit Insurance Corporation/LPS) to further govern the arrangement of information sharing both in normal and crisis times. The sharing of data and information within the FKSSK is not limited to indicators of crisis management protocol, but also results of surveillance by each authority and other data and information that are required to perform each authority's tasks and responsibilities. Nevertheless, since the enactment of Law No. 9 Year 2006 concerning Prevention and Resolution of Financial System Crisis (PPKSK Law) on 15 April 2016, the Financial System Stability Committee (KSSK) was established to replace the former forum (FKSSK). The members of the KSSK high-level forum are the Chairs of financial sector authorities, which consist of Governor of Central Bank, Chair of Indonesian FSA (OJK), Minister of Finance and Chair of Indonesian Deposit Insurance Corporation (IDIC). The mandate of this financial system stability forum is improved according to this Law, not only to conduct coordination in undertaking surveillance and maintaining financial system stability, but also to mitigate financial system crisis and to handle systemic bank problems during</p>	

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				<p>normal and crisis conditions. In general, the enactment of the PPKSK Law has strengthened the functions and authorities of the financial stability institutions in safeguarding financial system stability which helps to improve the effectiveness of macroprudential policies. In term of microprudential surveillance, with regard to the power to collect data/information the OJK Law provides OJK with the authority to require banks, NBFIs, and capital market to report information and data, both in regular and in ad-hoc basis. The data/information can be shared with relevant authorities, including BI. Information sharing between BI and OJK will be conducted in accordance with a protocol mechanism under MoU between BI and OJK. As a macroprudential authority, BI has continuously utilised the information and data to assess the potential failure or severe stress of financial institutions that will contribute to systemic risk in conducting macroprudential surveillance.</p> <p>Highlight main developments since last year's survey:</p> <p>There have been no changes to the regulatory framework for macroprudential oversight since last year's survey.</p> <p>Web-links to relevant documents:</p> <p>http://www.kemenkeu.go.id/en/Peraturan/law-republic-indonesia-number-9-2016 http://www.ojk.go.id/en/regulasi/otoritas-jasa-keuangan/undang-undang/Documents/Pages/law-no-21-of-year-2011-on-financial-services-authority/Full%20Version-Unofficial%20Translation%20of%20The</p>	

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				%20FSA%20Law.pdf http://www.bi.go.id/id/peraturan/ssk/Pages/PBI_161114.aspx	

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12 (12)	Enhancing system-wide monitoring and the use of macro-prudential instruments	<p>Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level...(Rec. 3.1, FSF 2009)</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Please describe at a high level (including by making reference to financial stability or other reports, where available) the types of methodologies, indicators and tools used to assess systemic risks.</p> <p>Please indicate the use of tools for macroprudential purposes over the past year, including: the objective for their use; the process to select, calibrate and apply them; and the approaches used to assess their effectiveness.</p> <p>See, for reference, the following documents:</p> <ul style="list-style-type: none"> • FSB-IMF-BIS progress report to the G20 on Macroprudential policy tools and frameworks (Oct 2011) • CGFS report on Operationalising the selection and application of macroprudential instruments (Dec 2012) • IMF staff papers on Macroprudential policy, an organizing framework (Mar 2011), Key Aspects of Macroprudential policy (Jun 2013), and Staff Guidance on Macroprudential Policy (Dec 2014) • IMF-FSB-BIS paper on Elements of Effective Macroprudential 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: June 2015</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In identifying systemic risks, BI monitors risk indicators, events, and/or behaviours that may present potential risks in the financial system. The monitoring process aims to detect and provide signals of imbalances and vulnerabilities that may pose systemic</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			<p><i>Policies: Lessons from International Experience (Aug 2016)</i></p> <ul style="list-style-type: none"> • CGFS report on <i>Experiences with the ex ante appraisal of macroprudential instruments (Jul 2016)</i> • CGFS report on <i>Objective-setting and communication of macroprudential policies (Nov 2016)</i> 	<p>impacts. BI considers various indicators both endogenous and exogenous indicators. For endogenous indicators BI consider various indicators within financial markets, financial institutions, and payment system. For exogenous indicators, BI will consider domestic macroeconomic indicators, real sector, global, and event risks. Bank Indonesia has implemented a broad range of macroprudential instruments including capital-related tools such as Counter Cyclical Capital Buffer as well as asset-side tools and liquidity-related tools. Asset-side tools include certain loan restrictions, such as LTV caps and to boost credit have put in place incentives and disincentives in the form of reserve requirements linked to loan to funding ratios.</p> <p>Highlight main developments since last year's survey:</p> <p>In 2016, BI issued a further revised regulation to increase loan to value ratio on property loan and reducing down payments on automotive loan. While in the past the regulation was issued to moderate the excessive mortgage and car loan growth, the revised regulation was issued to respond the need for a countercyclical regulation that can support banking intermediation and provide incentive to the demand side of the economy, while also maintaining prudential principles and consumer protection. In addition, Bank Indonesia raised the floor on the Reserve Requirement - Loan to Funding Ratio (RR-LFR) by expanding funding component from 78% to 80%, with the ceiling maintained at 92% taking into account the precautionary principle</p>	

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				<p>through incentives / disincentives mechanism. Bank Indonesia has also established its countercyclical buffer regulation to improve banking sector capital requirements to take into consider macro-financial environment and the rate should be evaluated at minimum every 6 months. With countercyclical capital buffer currently is set at 0%, it is expected that banking intermediation function can still improve in order to encourage economic growth. Bank Indonesia believes that the previous monetary and macropudential policy easing will continue to boost domestic growth momentum. Bank Indonesia will optimize policy mix in the fields of monetary, macroprudential and payment system to maintain a balance between macroeconomic and financial system stability with the ongoing economic recovery.</p> <p>Web-links to relevant documents:</p> <p>http://www.bi.go.id/id/peraturan/ssk/Pages/PBI_181616.aspx http://www.bi.go.id/id/peraturan/ssk/Pages/pbi_181416.aspx http://www.bi.go.id/id/perbankan/Countercyclical-Buffer/Data-CCB/Contents/Default.aspx</p>	

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V. Improving oversight of credit rating agencies (CRAs)					
13 (13)	Enhancing regulation and supervision of CRAs	<p>All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)</p> <p>National authorities will enforce compliance and require changes to a rating agency’s practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.</p> <p>CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance</p>	<p>Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) (including on governance, training and risk management) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <ul style="list-style-type: none"> • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) <p>Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 11/01/2017</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In Indonesia, banks are only permitted to use the services of Credit Rating Agency (CRA) that meets requirements governed by a regulation concerning recognition of Credit Rating Agency (CRA) whose</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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		<p>obligations for CRAs) as early as possible in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>rating is used for prudential regulation purposes (such as regarding asset quality, market risk, and credit risk assessment). Monitoring will be conducted by the Indonesia banking authority to ensure that the CRA meets eligibility criteria. For capital market, based on Law Number 8 Year 1995 concerning Capital Market, Bapepam (former authority before Bapepam-LK) has the authority and responsibility to guide, regulate, and conduct day-to-day supervision of the Capital Market, including credit rating agencies engaged in Indonesian Capital Market activities. Bapepam-LK (currently, OJK) have issued six regulations on CRAs including a regulation concerning licensing on Credit Rating Agencies in June 22, 2009 to meet the IOSCO Code of Conduct Fundamentals. The aforementioned regulations on CRAs, excluding regulation concerning licensing on Credit Rating Agencies, have been revised by OJK Regulations and still sufficient to regulate CRAs and consistent with IOSCO Code of Conduct Fundamentals for Credit Rating Agencies. Bapepam, now OJK, has conducted oversight to CRAs through on-site and off-site supervision since 2010. In addition, for NBFIs in January 11th 2017, Under article 47 (2), SMES rating company is obligated to be registered in OJK based on OJK Regulation No 2/POJK.05/2017 about Business Conduct of Guarantee Company.</p> <p>Highlight main developments since last year's survey:</p>	

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				<p>Web-links to relevant documents: http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/undang-undang/Default.aspx http://www.ojk.go.id/id/kanal/perbankan/regulasi/surat-edaran-ojk/Pages/SEOJK-Lembaga-Pemeringkat-dan-Peringkat-yang-Diakui-Otoritas-Jasa-Kuangan.aspx</p>	

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14 (14)	Reducing the reliance on ratings	<p>We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)</p> <p>Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)</p> <p>We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)</p> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that would enhance transparency of and</p>	<p>Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans. Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2015) • IAIS ICP guidance 16.9 and 17.8.25 • IOSCO Good Practices on Reducing Reliance on CRAs in Asset Management (Jun 2015) • IOSCO Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 22.12.2012 and 19.11.2014 (Capital Market)</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Considering that most of the credit exposures are unrated, we view that several safeguards that have been required by the existing regulation (such as minimum requirements to CRA to be recognized by the Indonesian authority</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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		<p>competition among credit rating agencies. (Los Cabos)</p> <p>We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)</p>	<p><i>the Use of External Credit Ratings (Dec 2015).</i></p>	<p>as eligible CRAs for regulatory purposes) and the supervisory approach to assess the adequacy of the banks' own credit assessment processes are currently sufficient to address concern on our existing regulations with regard to external CRA ratings. For reserve management purposes, CRA rating is used as an input along with other parameters. With regard to the reference to CRA rating to determine eligibility of non-government securities as collateral, BI has required that the non-government securities should also be actively traded in a liquid market. To this date, the majority of securities held by our banks are securities issued by the Government of Indonesia and BI. Bapepam LK (OJK) issued Rule Number V.D.11 concerning Guidelines for the Functions of Investment Managers in 31 December 2009. This regulation governs investment managers to have investment function, and research and information technology function. By having these functions, investment managers in carry out its business would not rely on external credit rating agencies. Bapepam LK (OJK) Rule Number V.D.11 has been revised by OJK Regulation No. 24/POJK.04/2014 regarding Guidelines for the Functions of Investment Managers. OJK Regulation No. 24/POJK.04/2014 regarding Guidelines for the Functions of Investment Managers (effective 19 November 2014) regulates that investment managers shall have Investment committee and Investment management team, and investment and research functions responsible for: • making best investment decision; • maintaining record and/or working papers for investment decision</p>	

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				<p>making; • performing periodic analysis on the performance of investment products; • ensuring investment decision in line with investment strategy and policy as stipulated in investment agreement and as decided by investment committee; • ensuring that each investment decision is made based upon rational consideration and supported by adequate research; and • implementing prudential principles and risk management related to arising investment risks. The safeguards have been implemented by OJK to reduce investment managers reliance on external credit rating agencies. This regulation ensures that investment managers do not solely depend on ratings by CRAs, but instead making their reliable judgment from the results of their own research. For NBFI, CRA will be utilized as one of references for the purpose of valuation on investment instruments for financial statements. Moreover, CRA will be utilized for the purpose of foreign reinsurance selection. (Indonesia insurance company could choose to put their risk in foreign einsurance company which has minimum rating of BBB).</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Pages/peraturan-otoritas-jasa-keuangan-tentang-pedoman-pelaksanaan-fungsi-fungsi-manajer-investasi.aspx</p>	

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VI. Enhancing and aligning accounting standards					
15 (15)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (e.g. equivalent to IFRSs as published by the IASB), and provide accurate and relevant information on financial position and performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: http://www.ifrs.org/Use-around-the-world/Pages/Analysis-of-the-G20-IFRS-profiles.aspx.</p> <p>As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value recognition, measurement and disclosure.</p> <p>In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new accounting requirements for the measurement of expected credit losses on financial assets that are being introduced by the IASB and FASB.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2015</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The Indonesia authority has adopted a plan to converge the Indonesian Generally Accepted Accounting Principles with IFRS in December 2008. The first phase of the convergence</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			<p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • <u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u> • <u>Guidance on credit risk and accounting for expected credit losses (Dec 2015)</u> 	<p>program, which was to align Indonesian accounting standards (PSAK) to IFRS as of 1 January 2009, was largely achieved in 2012. The second phase was intended to reduce the lag in adoption of IFRS to one year, resulted in the convergence of PSAK with IFRS (as they stood on 1 January 2014) as of 1 January 2015. The implementation of Indonesia Accounting standard is aligned with on IFRS that has effectively established in 2015 (with 1 (one) year lag). Although the compliance of Indonesian banks to IFRSs, i.e. by the adoption of PSAKs, will be assessed by their external auditors, the banking authority also enforces the implementation of the Indonesian accounting standards. For example, under the regulation on the Transparency and Publication of Commercial Banks' Report, sanctions will be imposed to banks if the Quarterly Published Financial Report and Annual Report of the Banks do not conform to the financial accounting standards. Regulations for banks that are related with the implementation of PSAKs are continuously being revised in order to align the regulations' requirements with the PSAKs requirements. The issuance of the regulation on the Transparency and Publication of Commercial Banks' Report in March 2015 is also intended to in line the regulation's requirements with the adjustment on financial reporting required under PSAK 1 which has been aligned with IFRS. The regulation has been effectively implemented starting on 1 April 2015. In addition, "Pedoman Akuntansi Perbankan Indonesia"/ PAPI has also been established in order to support banking industry in implementing Indonesia Standard</p>	

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				<p>Accounting (PSAK). Furthermore, as a response to the revision of IAS 1, IAS 16 and IAS 38, the Board of Indonesia Accounting Standard (DSAK) is currently revising PSAK 16 and PSAK 19, which effectively implemented since 1 January 2016. Under article 62 (2) OJK Regulation No 2/POJK.05/2017 about Business Conduct of Guarantee Company, accounting standard for guarantee company will be amended in Circulation Letter of OJK Board of Indonesia Accounting Standard (DSAK) is currently issuing SAK for Small and Medium Enterprises (SMEs), which effectively implemented since January 1st 2018. The standard will be apply in NBF. Furthermore, OJK and Institute of Indonesia Chartered Accountants will work together in other to introduce this SAK to SMEs. Regarding to assess bank's financial instrument using fair value practices, OJK already issued regulation that cover financial instrument, e.g. repo transaction and calculation of Disclosed Reserve emanating from income/losses during the current period.</p> <p>Highlight main developments since last year's survey:</p> <p>IFRS 9 has been in adoption process as Exposure Draft PSAK 71: Financial Instruments. The time limit for stakeholders' response to be received by the standard-setter (DSAK-IAI) is 31 December 2016, after which the standard will be further processed for finalization. Based on the Exposure Draft (ED) of PSAK 71, the proposed effective date is 1 January 2019 and early implementation is allowed. DSAK-IAI maintain 1 (one) year gaps on the convergence process of IFRSs to Indonesia FRSS. Current</p>	

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				<p>condition after the Accounting Standard set the implementation date of IFRS 9 (replacement of PSAK 55) in January 2019, banking industry has begun discussions and has prepared the steps required in the IFRS implementation such as changes in the calculation of expenses and revision of bank's business plan. In addition, in September 14, 2016, Financial Accounting Standards Board, Indonesian Institute of Accountants, has released Exposures draft on Financial Standard Statement 71 regarding Financial Instruments which adopted from IFRS 9 regarding Financial Instruments.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-Nomor-42-Kewajiban-Pemenuhan-Rasio-Kecukupan-Likuiditas-Bagi-Bank-Umum/SALINAN-POJK%20LCR%20.pdf</p> <p>http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/peraturan-ojk/Documents/Pages/OJK-Regulation-Concerning-Guideline-of-Repurchase-Agreement-Transaction-for-Financial-Services-Institution/2.%20POJK%20Pedoman%20Transaksi%20Repo.pdf</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/pojk11-kewajiban-penyediaan-modal-minimum-bank-umum/SALINAN-POJK.11%20Konversi%20KPM%20FINALE.pdf</p>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
16 (16)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)</p> <p>National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)</p> <p>Regulators and supervisors in emerging markets² will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p>	<p>Jurisdictions should indicate the measures taken in the following areas:</p> <ul style="list-style-type: none"> • guidance to strengthen banks' risk management practices, including BCBS good practice documents (Corporate governance principles for banks, External audit of banks, and the Internal audit function in banks); • measures to monitor and ensure banks' implementation of the BCBS Principles for Sound Liquidity Risk Management and Supervision (Sep 2008); • measures to supervise banks' operations in foreign currency funding markets;¹ and • extent to which they undertake stress tests and publish their results. <p>Jurisdictions should not provide any updates on the implementation of Basel III liquidity requirements (and other recent standards such as capital</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: March 2016</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

¹ Only the emerging market jurisdictions that are members of the FSB should respond to this specific recommendation.

² Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

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		<p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>requirements for CCPs), since these are monitored separately by the BCBS.</p>	<p>Short description of the content of the legislation/ regulation/guideline:</p> <p>A regulation concerning risk management requires banks to improve and maintain bank’s risk management including information systems and internal controls with respect to credit, market, liquidity, operational, legal, reputational, and other risks. The regulation also requires banks to have written policies, procedures, and limit to address such risks. An integrated risk management is also required for banks that own subsidiaries and sister companies in financial sector. Stress testing has been required to be conducted by banks such as through a regulation concerning risk management. Indonesian authorities are also conducting stress testing regularly. With regard to risk governance, the prevailing regulations on good corporate governance for banking sector have met most expectations of sound risk governance as showed by the result of a peer review on risk governance. A new regulation concerning integrated risk management and integrated governance for financial conglomerates has further strengthened the expectation of banks’ risk governance practices. The regulation on integrated risk management was issued and has been effectively implemented in November 2014. The regulation on integrated governance for financial conglomerates was also issued and has been effectively implemented in November 2014. The first reporting for both regulations will use June 2015 data. Further, with regard to liquidity risk, the authority established regulation POJK No.42/POJK.03/2015 regarding</p>	

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				<p>Liquidity Coverage Ratio. Strengthening risk management in the NBFIs sector done by changing the supervisor approach. Previous supervisory mainly oriented towards compliance with laws and regulations or compliance-based supervision, are now turning to the application of risk-based supervision that is oriented to the level of risk. In January 2015, OJK has issued the relevant regulations in risk management, there are: 1. OJK Regulation no 1/POJK.05/2015 on Risk Management for NBFIs 2. Circulation Letter of OJK no 10/SEOJK.05/2016 on Guideliness on Risk Management Implementation and Self Assessment Report of the Risk Management Implementation for NBFIs</p> <p>Highlight main developments since last year's survey:</p> <p>OJK is currently conducting a research to adopt Net Stable Funding Ratio.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/pages/POJK-Nomor-42-kewajiban-Pemenuhan-Rasio-Kecukupan-Likuiditas-Bagi-Bank-umum/SALINAN-POJK%20LCR%20.pdf</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-Nomor-18.POJK.03.2016/SAL%20-%20POJK%20Manajemen%20Risiko%20.pdf</p> <p>http://www.ojk.go.id/Files/201411/BUKUPAKET2POJKmanajemenRisikoFINA LCETAKTK_1416404553.pdf</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-Nomor-13-</p>	

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				POJK-03-2015-Penerapan-Manajemen-Risiko-BPR/peraturan-otoritas-jasa-keuangan-nomor-13-pojk-13-2015-tentang-penerapan-manajemen-risiko-bpr.pdf.	

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17 (17)	Enhanced risk disclosures by financial institutions	<p>Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)</p> <p>We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on Enhancing the Risk Disclosures of Banks and Implementation Progress Report by the EDTF (Dec 2015), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.</p> <p>In addition, in light of the new IASB and FASB accounting requirements for expected credit loss recognition, jurisdictions should set out any steps they intend to take (if appropriate) to foster disclosures needed to fairly depict a bank's exposure to credit risk, including its expected credit loss estimates, and to provide relevant information on a bank's underwriting practices. Jurisdictions may use as reference the recommendations in the report by the Enhanced Disclosure Task Force on the Impact of Expected Credit Loss Approaches on Bank Risk Disclosures (Nov 2015), as well as the recommendations in Principle 8 of the BCBS Guidance on credit risk and</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: April 2015</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Indonesia has adopted the IFRS 7 requirements through the application of an Indonesia Accounting Standard (PSAK 60) since 2010. Indonesian banks have been required to comply with the PSAK 60's disclosure requirements. Following several annual improvements</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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			<u>accounting for expected credit losses (Dec 2015)</u>	<p>made by the IASB on IFRS 7, the Board of Indonesia Accounting Standard (DSAK) has also issued several revisions on PSAK 60. The latest version is implemented effectively on 1 January 2015. IFRS 13 has also been adopted through PSAK 68 and implemented on 1 January 2015. For banking industry, Pillar 3 disclosure requirements have also been effectively implemented in Indonesia. The Pillar 3 disclosure has been revised in 2015 to accommodate capital disclosure requirements under Basel III. The revised regulation was issued on 31 March 2015. The regulation governs that banks are required to disclose and publish Basel III capital in the banks' website on a quarterly basis. The regulation came into force for December 2015 data. Disclosure requirements of financial instruments by securities companies has been required by Bapepam LK Rule Number V.D.5 concerning Maintaining and Reporting on Adjusted Net Working Capital (effectively started in 28 Desember 2010), which amended the prior regulation dated 8 Mei 2003 with more disclosure requirements. Furthermore, this regulation requires that in calculating ANWC, securities companies shall disclose all their assets and liabilities as well as their risk measurements to assets and their activities/liabilities. In addition, the sufficiency of the adjusted net working capital is a requirement that shall be complied by securities companies in daily basis to enable them to have financial capability to support trading activities in the stock exchange. Disclosure requirements of financial instruments have been implemented since 2012 for NBFIs (insurance</p>	

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				<p>industry). The financial reporting for insurance industry are required to be prepared in accordance with Indonesia Accounting Standard (SAK) and Statutory Accounting Principles (SAP) to assess valuation of insurers' assets and liabilities. The insurance companies are required to disclose all of their assets and to measure the risks associated to their assets to meet the required solvency ratio. Moreover, NBFIs are required to conduct risk assessments (such as regarding board risk, governance risk, strategy risk, asset and liability risk, insurance/finance risk, capital support risk). The requirement has been implemented since 2014. Moreover, NBFIs are required to implement risk management. The requirement has been implemented since 2-16 (OJK Regulation No.1/POJK/05/2015). In this regulation NBFIs are required to submit annually the self assessment report regarding risk management to OJK. On April 2015, OJK has issued external circular letter of transparency of publication which includes a mechanism to disclose all risks (SEOJK No. 11/SEOJK.03/2015)</p> <p>Highlight main developments since last year's survey:</p> <p>OJK has issued the Basel III capital disclosure regulation and it will come into force for December 2015 data. Furthermore, OJK will issue the Consultative Paper of Revised Pillar 3 Disclosure Requirements this year.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/pasar-modal/regulasi/klasifikasi-bapepam/perusahaan-</p>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				efek/Pages/klasifikasi-bapepam-perusahaan-efek.aspx http://www.ojk.go.id/Files/201506/SEOJK11TransparansidanPublikasiLaporanbankUmumKonvensional_1435584655.pdf http://www.ojk.go.id/Files/201506/LampiranSEOJK11_1435584655.pdf .	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
18 (18)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions that have not yet adopted an explicit national deposit insurance system should describe their plans to introduce such a system.</p> <p>All other jurisdictions should describe any significant design changes in their national deposit insurance system since the issuance of the revised IADI Core Principles for Effective Deposit Insurance Systems (November 2014).</p> <p>In addition, jurisdictions should indicate if they have carried out a self-assessment of compliance with the revised Core Principles:</p> <ul style="list-style-type: none"> • If so, jurisdictions should highlight the main gaps identified and the steps proposed to address these gaps; • If not, jurisdictions should indicate any plans to undertake a self-assessment exercise. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: April 2016</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The Law No. 9 Year 2016 concerning Prevention and Resolution of Financial System Crisis (PPKSK) has been enacted on April, 15 2016 to improve current domestic resolution regime. The Law stipulates that the scopes of financial</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>system crisis prevention and resolution of Financial System consists of: (i) coordination of monitoring and maintaining financial system stability, (ii) financial system crisis management and (iii) resolution of of systemic bank, both in normal and crisis conditions. The PPKSK Law has also broadened the role of LPS as the member of Financial System Committee and resolution authority, which provides the Indonesian Deposit Insurance Corporation (LPS) as the Indonesian resolution authority with new resolution tools, namely early intervention, purchase and assumption, bail-in mechanism, bridge bank, and new funding source for resolution. In addition, LPS has conducted self-assessment on its compliance to IADI Core Principles in August 2014.</p> <p>Highlight main developments since last year's survey:</p> <p>The PPKSK law mandated a new resolution funding mechanism for crisis resolution that collected from the banking industry by the LPS, apart from the existing deposit insurance premium. The implementing regulation of the new resolution funding is expected to be completed by April 2017.</p> <p>Web-links to relevant documents:</p> <p>http://www.kemenkeu.go.id/en/Peraturan/law-republic-indonesia-number-9-2016</p>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Safeguarding the integrity and efficiency of financial markets					
19 (19)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendations:</p> <ul style="list-style-type: none"> • in relation to dark liquidity, as set out in the IOSCO Report on Principles for Dark Liquidity (May 2011). • on the impact of technological change in the IOSCO Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011). • on market structure made in the IOSCO Report on Regulatory issues raised by changes in market structure (Dec 2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p>This recommendation is not applicable, since high frequency trading (HFT) has not been practiced yet in Indonesia. OJK will consider regulating measures to address the risks posed by HFT before allowing the use of HFT. Furthermore, based on Indonesia Capital Market Law, a party that offers buying and selling in the capital market is a Stock Exchange. Alternative trading system such as Dark Pool is not permitted in Indonesia.</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through:</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<input type="checkbox"/> Other actions (such as supervisory actions), please specify: Short description of the content of the legislation/ regulation/guideline: Highlight main developments since last year's survey: Web-links to relevant documents:	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
20 (20)	Regulation and supervision of commodity markets	<p>We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)</p> <p>We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO's principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO's report on Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011).</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the update to the survey published by IOSCO in September 2014 on the principles for the regulation and supervision of commodity derivatives markets.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 2011</p> <p>Issue is being addressed through:</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Commodity derivatives market in Indonesia has been governed by the Indonesia's Commodity Futures Trading Regulatory Agency (CoFTRA). The primary legislation is Law No. 32 of 1997 which was amended by Law No. 10 of 2011. Several related</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>regulations/guidelines (Government regulations, Presidential Decree, Head of CoFTRA's Decree) have been issued to govern regulations and supervisions of the commodity derivatives market in Indonesia. The regulations have adopted the IOSCO principles such as regarding design of physical commodity derivatives contract, surveillance of commodity derivative markets, disorderly markets, enforcement and information sharing, and enhancing price discovery and transparency.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p> <p>https://bappebti.go.id/media/docs/law_decision_2015-09-09_13-50-28_merged(2).pdf</p>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Reform of financial benchmarks	We support the establishment of the FSB’s Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO’s Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO <i>Principles for Financial Benchmarks</i> .		

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
22 (22)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	<p>Jurisdictions should describe progress toward implementation of the OECD’s <i>G-20 high-level principles on financial consumer protection (Oct 2011)</i>.</p> <p>Jurisdictions may also refer to OECD’s <i>September 2013 and September 2014 reports</i> on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.</p> <p>Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “Not applicable“ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: February 2017</p> <p>Issue is being addressed through:</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>OJK Law that was issued in 2011 further governs consumer protection issues. According to this Law, the OJK is mandated to protect the interests of financial institutions’ consumers. For</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>banking industry, several regulations have also addressed consumer protection issues such as regulations concerning mediation, complaint handling, product transparency and customers' data and privacy. In principles, all requirements on consumer protection, governed by the prevailing Laws and regulations, have been in line with G-20 high-level principles on financial consumer protection. OJK Law that was issued in 2011 further governs consumer protection issues. According to this Law, the OJK is mandated to protect the interests of financial institutions' consumers. Following this mandate, in 2013 OJK issued a regulation concerning consumer protection in the financial services sector (POJK Number: 1/POJK.07/2013). In principles, all requirements on consumer protection, governed by the prevailing Laws and regulations, have been in line with G-20 high-level principles on financial consumer protection. This regulation is aimed at creating a reliable consumer protection system, improving consumer empowerment, and developing awareness among financial services practitioners so as to be able to elevate public's trust in financial services sector. In November 2013, OJK officially launched the Indonesian National Strategy for Financial Literacy. This is one of the efforts that have been done by OJK in order to enhance society's literacy that may bring positive impact to efforts of improving the utilization of financial products and services. On principle of handling complaints and redress, in Januari 2014 OJK issued a regulation concerning Alternative Dispute Resolutions Institution in The</p>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Financial Services Sector (POJK Number: 1/POJK.07/2014). This regulation governs the function and the establishment of independent institutions which are appointed by OJK to solve any dispute that has occurred between consumers and Financial Services Business through alternative dispute settlement. Furthermore on this year, OJK also issued a number of circular letters as a follow up to consumer protection regulation issuance in 2013. These circular letters aimed to assess the industry compliance to fulfill principles on: 1. Education to Consumers and/or The Public for Improving Financial Literacy (OJK Circular Number 1/SEOJK.07/2014); 2. Handling and Resolutions of Consumer Complaints at Financial Services Business (OJK Circular Number 2/SEOJK.07/2014); 3. Information for Marketing of Financial Products and/or Services (OJK Circular Number 12/SEOJK.07/2014); 4. Standard Agreements (OJK Circular Number 13/SEOJK.07/2014); and 5. Secrecy and Security of Consumer Personal Data and/or Information (OJK Circular Number 14/SEOJK.07/2014). Following the issuance of POJK Number: 1/POJK.07/2014, OJK issued circular letter Number 7/SEOJK.07/2015 concerning Guidelines for Assessment of Alternative Dispute Resolution Institutions in the Financial Services Sector. In 2016, OJK issued Regulation of the Financial Services Authority Number: 76/POJK.07/2016 Concerning the Improvement of Financial Literacy and Inclusion in Financial Services Sector for Consumer and/or the Public. This regulation is aimed to increase the level of financial literacy and inclusion</p>	

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of Indonesian public by requiring financial services business to conducting literacy and inclusion program every year. Following this regulation, OJK also now in the middle of preparing a circular letter concerning the improvement of financial literacy and inclusion in financial services sector. These regulations are scheduled to be issued in 2017. For financial technology industry (in this regulation refer limitedly to peer-to-peer lending activities), OJK issued a regulation at the end of 2016: POJK No. 77/POJK.01/2016 on Information Technology-Based Lending Services. In Article 29-40 of this regulation, OJK addressed consumer protection issues such as product transparency, fairness, reliability, customers' data and privacy, and complaint handling. In 2016 OJK has also issued a circular letter on Monitoring of Alternative Dispute Resolutions Institution in the Financial Services Sector (OJK Circular Number 54/SEOJK.07/2016) as a follow up to the issuance of POJK Number: 1/POJK.07/2014 concerning Alternative Dispute Resolutions Institution in Financial Services Sector in 2014. This regulation is intended to further regulate the implementation of the monitoring of Alternative Dispute Resolutions Institution in the Financial Services Sector which been registered in the list by OJK. Related to securities investor protection, since 28 Desember 2012, Indonesia has Bapepam LK (OJK) Rule Number VI.A.4 concerning Investor Protection Fund, Attachment of the Capital Market and Financial Supervisory Agency (CMFISA or in Indonesian Language is Bapepam LK)</p>	

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				<p>Chairman Decision Number Kep-715/BL/2012 dated 28 December 2012. This rule has been revised with OJK Regulation Number 49/POJK.04/2016 concerning Investor Protection Fund. This regulation protects the investor asset lost in Custodian.</p> <p>Highlight main developments since last year's survey:</p> <p>The issuance of OJK Regulation concerning the Improvement of Financial Literacy and Inclusion in Financial Services Sector for Consumer and/or the Public. This regulation marks OJK's consistency to increase the financial literacy and inclusion's level of Indonesian public. The issuance of OJK Regulation concerning Information Technology-Based Lending Services which also addressed consumer protection issues also proved OJK's effort to implement consumer protection in all industries.</p> <p>Web-links to relevant documents:</p> <p>English version (unofficial) - POJK Number: 1/POJK.07/2013: http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/peraturan-ojk/Pages/OJK-Regulation-Concerning-Consumer-Protection-in-Financial-Services-Sector.aspx English Version (unofficial) – Circular Letters: 1. OJK Circular Number 1/SEOJK.07/2014 (http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/ojk-circular-letter/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-1SEOJK072014.aspx) 2. OJK Circular Number 2/SEOJK.07/2014</p>	

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				<p>(http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/ojk-circular-letter/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-2SEOJK072014.aspx)</p> <p>3. OJK Circular Number 12/SEOJK.07/2014 (http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/ojk-circular-letter/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-12SEOJK072014.aspx)</p> <p>4. OJK Circular Number 13/SEOJK.07/2014 (http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/ojk-circular-letter/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-13SEOJK072014.aspx)</p> <p>5. OJK Circular Number 14/SEOJK.07/2014 (http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/ojk-circular-letter/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-14SEOJK072014.aspx)</p> <p>OJK Regulation – Only available in Bahasa Indonesia: 1. POJK Number: 1/POJK.07/2014 (http://www.ojk.go.id/en/kanal/edukasi-dan-perlindungan-konsumen/regulasi/ojk-circular-letter/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-14SEOJK072014.aspx)</p> <p>2. POJK No. 77/POJK.01/2016 (http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Pages/POJK-Nomor-77-POJK.01-2016.aspx)</p> <p>Circular Letters – only available in Bahasa Indonesia: 1. Circular Letter Number 7/SEOJK.07/2015 concerning Guidelines</p>	

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				<p>for Assessment of Alternative Dispute Resolution Institutions in the Financial Services Sector http://www.ojk.go.id/id/kanal/edukasi-dan-perlindungan-konsumen/regulasi/surat-edaran-ojk/Pages/SEOJK-tentang-Pedoman-Penilaian-Lembaga-Alternatif-Penyelesaian-Sengketa-di-Sektor-Jasa-Kuangan-.aspx 2. Circular Letter Number 54/SEOJK.07/2016 concerning Monitoring of Alternative Dispute Resolutions Institution in the Financial Services Sector http://www.ojk.go.id/id/kanal/edukasi-dan-perlindungan-konsumen/regulasi/surat-edaran-ojk/Pages/Surat-Edaran-Otoritas-Jasa-Kuangan-Nomor-54-SEOJK.07-2016.aspx English version (unofficial) - The Indonesian National Strategy for Financial Literacy: http://sikapiuangmu.ojk.go.id/FrontEnd/CMS/DetailMateri/184</p>	

XI. Source of recommendations

[Hangzhou: G20 Leaders' Communique \(4-5 September 2016\)](#)

[Antalya: G20 Leaders' Communique \(15-16 November 2015\)](#)

[Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)

[St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)

[Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)

[Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)

[Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)

[Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)

[Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)

[London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)

[Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)

[FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)

[FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)

[FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)

[FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

XII. List of abbreviations used

BI : Bank Indonesia

BMPPI: Badan Mediasi Pembiayaan dan Pegadaian Indonesia (Indonesian Arbitration and Mediation Board for Assurance Company)

BAMPI: Badan Arbitrase dan Mediasi Penjaminan Indonesia (Indonesian Capital Market Arbitration Board)

BAVI: Indonesian Arbitration for Capital Venture (Badan Arbitrase Ventura Indonesia)

BMAI: Badan Mediasi Asuransi Indonesia (Indonesian Insurance Mediation and Arbitration Board)

BMDP: Badan Mediasi Dana Pensiun (Pension Funds Mediation Board)

BMPPI: Badan Mediasi Pembiayaan Pegadaian Indonesia (Indonesian Finance and Mortgage Mediation Board)

COFTRA : Commodity Futures Trading Act (COFTRA)

DSAK: Dewan Standar Akuntansi Keuangan (Indonesia Accounting Standard)

FKSSK: Forum Koordinasi Stabilitas Sistem Keuangan (Financial System Stability Coordination Forum)

INTRAC/PPATK: Pusat Pelaporan dan Analisis Transaksi Keuangan (Indonesian Financial Transaction Reports and Analysis Center)

KPK: Komisi Pemberantasan Korupsi (Indonesian Corruption Eradication Commission)

KSSK: Komite Stabilitas Sistem Keuangan (Financial System Stability Committee)

LAPSPI: Lembaga Alternatif Penyelesaian Sengketa Perbankan Indonesia (Indonesian Banking Alternative Dispute Institution)

LPS : Lembaga Penjamin Simpanan (Indonesia Deposit Insurance Corporation)

MoF: Ministry of Finance

OJK : Otoritas Jasa Keuangan (Indonesia Financial Services Agency)

PAPI: Pedoman Akuntansi Perbankan Indonesia (Indonesian Bank Accounting Standards)

PSAK: Pedoman Standar Akuntansi Keuangan (Indonesian Accounting Standards)

PPKSK Law: Undang-Undang Pencegahan dan Penanganan Krisis Sistem Keuangan (Prevention and Resolution of Financial System Crisis Law)