

Jurisdiction: Indonesia

2014 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. Refining the regulatory perimeter					
1 (1)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking ¹	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	<input type="checkbox"/> Not applicable <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>	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. ² (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: Shadow Banking: Strengthening Oversight and Regulation.	<input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <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 checked="" type="checkbox"/> Reform effective (completed) as of: 31.12.2013 Short description of the content of the legislation/ regulation/guideline: In	

¹ Some authorities or market participants prefer to use other terms such as “market-based financing” instead of “shadow banking”. The use of the term “shadow banking” is not intended to cast a pejorative tone on this system of credit intermediation. However, the FSB is using the term “shadow banking” as this is the most commonly employed and, in particular, has been used in the earlier G20 communications.

² This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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				<p>general, several activities that fall under the FSB definition of shadow banking activities have been regulated and supervised by Indonesian authorities. Several regulations have governed non-bank activities such as finance companies, microfinance institution, securities firms, money market mutual funds, collective investment schemes, and asset backed securities. The regulations cover among other issues regarding licensing, limitation on leverage/asset concentration, restriction on maturity transformation, limitation on liabilities concentrations, liquidity buffers, investment in illiquid assets, etc. For money market mutual funds, as an example, marked-to-market valuation has been required to calculate net asset value of money market mutual funds. Several regulations have also been implemented to govern activities in capital market such as margin requirement, securitisation, repo transactions, and real estate investment funds. Furthermore, before the FSB discusses the regulatory and supervisory framework of shadow banking activities, Indonesia authority already has the power to collect relevant data and information, to carry out</p>	

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				<p>supervisory inspections, to take enforcement actions (including impose administrative sanctions), etc.</p> <p>Highlight main developments since last year’s survey: Following the transfer of banking regulation and supervision functions from Bank Indonesia to the OJK (Indonesia FSA) on 31 Dec 2013, the OJK has effectively performed its function to regulate and supervise all financial services in Indonesia (banking, Non-Bank Financial Institutions – NBFIs, and capital market). The OJK is continuously enhancing the regulation and supervision of financial services in Indonesia including those that fall under the FSB definition of shadow banking.</p> <p>Web-links to relevant documents:</p>	

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II. Hedge funds					
2 (2)	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>Jurisdictions should state whether Hedge Funds(HFs) are domiciled locally and, if available, indicate the size of the industry in terms of Assets Under Management (AUM) and number of HFs. Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO’s Report on Hedge Fund Oversight (Jun 2009).</p> <p>In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - HFs and/or HF managers are subject to mandatory registration - Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> • Organisational and operational standards; • Conflicts of interest and other conduct of business rules; • Disclosure to investors; and • Prudential regulation. 	<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> Currently there is no hedge fund domiciled locally in Indonesia.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <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>Status of progress :</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"/> Reform effective (completed) as of: <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey: Based on the existing regulatory framework, Asset Management Company can only manage investment products that are regulated</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>by OJK (products must be registered and AMC must submit report to OJK)</p> <p>Currently there is no registered fund that has characteristic of a hedge fund domiciled locally in Indonesia. Despite this fact, to anticipate further development in the Indonesian capital market, OJK is currently conducting a research on hedge funds including by comparing practices applied in other countries by also considering regulation applied by other financial sectors in Indonesia.</p> <p>Web-links to relevant documents:</p>	

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3 (3)	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 the high level principles 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 - 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>In particular, jurisdictions should indicate those jurisdictions where an MoU is in place that provides for oversight when a hedge fund is located in one of these jurisdictions and manager is located elsewhere.</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> This recommendation is not applicable for Indonesia because currently there is no hedge fund domiciled in Indonesia. For sharing information, OJK became the signatory of the IOSCO MMoU on cooperation and exchange of information among securities regulators, effective starting January 2014. In addition, the OJK has also several bilateral MoUs with foreign counterparts that have been carried over from Bapepam-LK (a former authority of capital market and NBFIs before it was transferred to the OJK).</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <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>Status of progress :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected 	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>publication by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of: <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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<p>4 (4)</p> <p>(4)</p>	<p>Enhancing counterparty risk management</p>	<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 the Basel III rules for credit exposures to highly leveraged counterparties (para 112 of Basel III (Jun 2011) – see also FAQ no 1b.4 on Basel III counterparty credit risk, Dec 2012), and principle 2.iii of IOSCO Report on Hedge Fund Oversight (Jun 2009). Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (Capital requirements for banks' equity investments in funds, Dec 2013) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> • BCBS Sound Practices for Banks' Interactions with Highly Leveraged Institutions (Jan 1999) • BCBS Banks' Interactions with Highly Leveraged Institutions (Jan 1999) 	<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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 25.10.2011</p> <p>Short description of the content of the legislation/ regulation/guideline: 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</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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 address:</p> <ul style="list-style-type: none"> 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>Highlight main developments since last year’s survey: Basel III recommendation for credit exposures to</p>	

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				<p>highly leveraged counterparties (para 112) is currently not relevant for Indonesia. With regard to hedge funds, currently there is no hedge fund domiciled locally in Indonesia. Despite this fact, to anticipate further development in the Indonesian capital market, OJK is currently conducting a research on hedge funds including by comparing practices applied in other countries by also considering regulation applied by other financial sectors in Indonesia.</p> <p>Web-links to relevant documents:</p>	

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III. Securitisation					
5 (5)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009) <p>The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> IOSCO’s <i>Unregulated Financial Markets and Products (Sep 2009)</i>, including justification for any exemptions to the IOSCO recommendations; and BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), http://www.bis.org/publ/bcbs157.pdf and http://www.bis.org/publ/bcbs158.pdf. <p><i>Jurisdictions may also indicate progress in implementing the recommendations of the IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012).</i>³</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 25.10.2008</p> <p>Short description of the content of the legislation/ regulation/guideline: For banking sector, a regulation that governs</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

³ Jurisdictions should not provide responses on IOSCO recommendations concerning the alignment incentives associated with securitisation (including risk retention requirements) since these will be covered by an IOSCO peer review in 2014.

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				<p>prudential requirements concerning securitization (traditional securitisation) has been put in place since 2005. The prevailing regulation on securitization is considered conservative and discouraging banks to undertake securitisation activities. In this regard, if a bank fails to meet all the requirements, the bank must treat all the securitised assets as its own assets and all prudential regulations will be applied. According to the regulation, banks as originator may retain at maximum 10% of total value of securitized financial assets. The limit is applied to ensure that de-recognition of securitized financial assets from banks' balance sheet could meet clean sale/true sale requirements. For capital market sector, a regulation on securitisation (Asset Backed Securities) has been put in place since 1997 and was amended in 2008. This regulation governs risk management of assets securitisation, maximum assets that can be securitized, transparency, separation of assets, and obligations of each party involved in the assets securitisation. Furthermore, a regulation No. IX.K.1 stipulates that an originator can only engage in a true sale transaction where the originator</p>	

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				<p>holds/retains no more than 10% of the total amount of the transferred assets.</p> <p>Highlight main developments since last year's survey: Despite the fact that securitisation exposures are insignificant and prospects remain highly subdued for any material issuance, a consultative document on this issue has been issued in December 2013 to seek industry's comments regarding potential changes on the securitisation regulation. In the near future, another consultative document will be issued to assess the urgency and level of materiality in order to justify whether or not the authority will need to revise the securitisation regulation considering that securitisation exposures in the banking industry are still insignificant. Since the securitisation regulation was issued few years ago, there is only one bank that performed as an originator. Moreover, securitisation exposures held by banks as investors are also still very small (less than 0.1% from total assets of banking industry as of 2013) To further support the development of secondary mortgage financing in Indonesia, a new regulation concerning asset back securities in the form of a participation letter is expected</p>	

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				to be issued in December 2014. Web-links to relevant documents:	

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6 (6)	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)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> • ICP 13 – Reinsurance and Other Forms of Risk Transfer; • ICP 15 – Investments; and • ICP 17 - Capital Adequacy. <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> • IAIS Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008). • Joint Forum’s consultative document on Mortgage insurance: market structure, underwriting cycle and policy implications (Feb 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> There is no monolines product in Indonesia.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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"/> Reform effective (completed) as of:</p> <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>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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7 (7)	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 product.</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 01.07.2009</p> <p>Short description of the content of the legislation/ regulation/guideline: 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</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>the foreign exchange and interest rate derivatives transactions. In addition, before investing in certain 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:</p> <ul style="list-style-type: none"> • administrative warning/reprimand; 	

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				<ul style="list-style-type: none"> • 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.. <p>The prevailing regulation is considered adequately conservative to govern structured products’ activities in Indonesia.</p> <p>For capital market, a regulation No. IV.B.1 prohibits hedging on securities traded in a foreign stock exchange that is more than purchase value of the securities. Furthermore, a regulation No. IV.C.4 regarding guidelines on the management of protected, guaranteed, and index funds stipulates that an investment manager may invest in derivative securities without an obligation to possess the securities’ underlying</p>	

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				<p>provided that the basis of protection value is investments in the form of 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.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

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8 (8)	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 taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012) and IOSCO’s Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010).</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input checked="" 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"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: A proposed new regulation concerning periodic reporting requirement of Asset-Backed Securities (ABS) by investment managers will require investment managers to submit a monthly report to regulator regarding their activities on the</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>ABS. Regarding information to investors, investment managers have been required to provide a report to investors.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

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IV. Enhancing supervision					
9 (9)	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 the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.⁴</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Framework for G-SIBs (Nov 2011) • Framework for D-SIBs (Oct 2012) • BCP 12 (Sep 2012) <p>IAIS:</p> <ul style="list-style-type: none"> • Global Systemically Important Insurers: Policy Measures (Jul 2013) • ICP 23– Group wide supervision <p>FSB:</p> <ul style="list-style-type: none"> • Framework for addressing SIFIs (Nov 2011) 	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <input checked="" type="checkbox"/> Implementation ongoing or completed :	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>
				<p>Issue is being addressed through :</p> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Status of progress :</p> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 01.01.2016 <input type="checkbox"/> Reform effective (completed) as of: <p>Short description of the content of the legislation/ regulation/guideline: Indonesian authorities apply more intensive supervision towards large banks</p>	

⁴ The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.

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				<p>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). A regulation concerning consolidated risk management has been imposed not only for these banks but also other banks that meet the requirements on consolidated risk management. In addition, a consolidated supervision has also been applied by supervisors. The latest risk management and risk based-bank rating regulations have improved the expectation on all banks' risk management practices and the assessment of the banks' risk profile at a consolidated level. The new regulations especially the risk-based bank rating framework introduced a more analytical and forward looking approach aimed at identifying problems earlier and allowing the supervisors to take earlier interventions. 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.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Highlight main developments since last year’s survey: Application of capital surcharge to D-SIBs has been stipulated in Basel III capital framework issued in 2013 and is planned to be imposed starting January 2016. A draft methodology of D-SIB framework has been developed in 2013 The final draft of methodology was not published but the methodology has been shared with relevant authorities for their consideration. The Indonesian authorities will coordinate to discuss further follow up on D-SIB framework. A separate regulation will be issued to govern details of D-SIB framework such as an overview of a methodology to designate D-SIBs, details application of capital surcharge, etc. to further clarify the implementation of D-SIBs surcharge requirements as stipulated in the Basel III capital regulation issued in 2013.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>10 (10)</p> <p>(10)</p>	<p>Establishing supervisory colleges and conducting risk assessments</p>	<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-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Please indicate whether supervisory colleges for all significant cross-border firms (both banks and insurance companies) have been established and whether the supervisory colleges for G-SIFIs are conducting rigorous risk assessments.</p> <p>Principle 13 of BCBS <u>Core Principles for Effective Banking Supervision</u> and <u>Good practice principles on supervisory colleges (Oct 2010)</u> may be used as a guide for supervisor to indicate the implementation progress. For further reference, see the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • <u>Core Principles for Effective Banking Supervision (Sep 2012)</u> <p>IAIS :</p> <ul style="list-style-type: none"> • <u>ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</u> • <u>Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</u> <p>IOSCO:</p> <ul style="list-style-type: none"> • <u>Principles Regarding Cross-Border</u> 	<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> Indonesia is not a home jurisdiction of significant cross-border firms.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <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>Status of progress :</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"/> Reform effective (completed) as of: <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>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<i>Supervisory Cooperation (May 2010)</i>		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (11)</p> <p>(11)</p>	<p>Supervisory exchange of information and coordination</p>	<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 regulatory, supervisory or legislative changes that will 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 checked="" type="checkbox"/> Implementation ongoing or completed :</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:</p> <p>MoUs</p> <p>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 18.07.2014</p> <p>Short description of the content of the legislation/ regulation/guideline: At national level, an FKSSK MoU was signed by Minister of Finance, Governor of Bank Indonesia, Chairman of OJK’s Board of Commissioners, and Chairman</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of LPS’s Board of Commissioners. The MoU facilitates the sharing of information and data among authorities that are required to maintain and promote financial system stability. In addition to the FKSSK’s MoU, bilateral MoUs between relevant Indonesian authorities have also been put in place, such as bilateral MoUs between 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, a letter of exchange concerning the technical cooperation between the OJK and Japan FSA has been signed on 13 June 2014. Furthermore, the OJK is now preparing several MoUs concerning cross-border banking supervision, information exchange and/or technical cooperation with other foreign authorities. As for capital market, the OJK became a signatory to the IOSCO MMoU on cooperation and exchange of information among securities regulators, effective since January 2014. The OJK also has</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>several MoUs with foreign counterparts that have been carried over from Bapepam-LK (a former authority of capital market and NBFIs before it was transferred to the OJK).</p> <p>Highlight main developments since last year's survey: A bilateral MoU between OJK and Indonesia Deposit Insurance Corporation has been signed in July 2014. At international level, a letter of exchange concerning the technical cooperation between the OJK and Japan FSA has been signed on 13 June 2014.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	Strengthening resources and effective supervision	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)	No information on this recommendation will be collected in the current IMN survey since a peer review is taking place in this area during 2014.		
(12)		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)			
(12)		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)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Building and implementing macroprudential frameworks and tools					
13 (13)	Establishing regulatory framework for macro-prudential oversight	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 ⁵ and private pools of capital to limit the build up of systemic risk. (London)	Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency.	<input type="checkbox"/> Not applicable <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> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <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 checked="" type="checkbox"/> Reform effective (completed) as of: 07.01.2014 Short description of the content of the legislation/ regulation/guideline:	Planned actions (if any): Expected commencement date: Web-links to relevant documents: http://www.bi.go.id/id/publikasi/perbankan-dan-stabilitas/kajian/Documents/KSK%20No22_Maret2014%20Cover.pdf
(13)		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)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.		

⁵ The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<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 prudential regulations. The mandate and powers are stipulated in the OJK Law. Sharing information arrangement among different authorities in Indonesia is governed in the FKSSK's (Financial System Stability Coordination Forum) MoU signed by four financial sector authorities in Indonesia (MoF, BI, OJK, and LPS). The MoU governs the sharing of information both in normal and crisis times. The sharing of data and information 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. With regard to the power to collect information, according to prevailing Laws and regulations, BI and OJK have the authority to require banks, NBFIs, and capital market to submit or report information and data in regular and in ad-hoc basis (if additional data and information are deemed necessary). All</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>information and data are used by authorities to assess the potential failure or severe stress of financial institutions that will contribute to systemic risk.</p> <p>Highlight main developments since last year's survey: BI has assumed responsibility as the macro prudential authority following the transfer of banking micro prudential roles from BI to OJK on 31 December 2013. In July 2014, BI has issued a regulation concerning the role of BI in conducting macro prudential surveillance and regulation. Please refer to the article published in BI's FSS report issued March 2014 (http://www.bi.go.id/id/publikasi/perbankan-dan-stabilitas/kajian/Documents/KSK%20No22_Maret2014%20Cover.pdf).</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>14 (14)</p> <p>(14)</p>	<p>Enhancing system-wide monitoring and the use of macro-prudential instruments</p>	<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 public reports, where available) the types of systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels. Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the CGFS document on Operationalising the selection and application of macroprudential instruments (Dec 2012).</p> <p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on Macprudential policy tools and frameworks (Oct 2011), and the IMF staff papers on Macprudential policy, an organizing framework (Mar 2011) and on Key Aspects of Macprudential policy (Jun 2013).</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 07.01.2014</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Indonesia’s financial system is dominated by banks, which represented almost 80% of the system. In identifying systemic risks, BI monitors risk indicators, events, and/or behaviors that may present a potential risk in the financial system. The</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>monitoring process aims to detect and provide signals of imbalances and vulnerabilities that may pose systemic 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. Macroprudential instruments that have been implemented by BI among others loan to value requirement, loan to deposit ratio (LDR) – based reserve requirements, transparency of prime lending rate, and net open position requirements. • BI issued the revised regulation on loan to value ratio in 2013. This regulation is intended to target/restrain housing loan growth. BI applies different risk weight for residential property loans for different LTV ratios. • BI applies LDR-based reserve requirement (RR) ratio as a measure to balance bank’s intermediation role and its liquidity state. According to this regulation, the bank will get disincentive of higher RR if its LDR falls outside the range of the required LDR. •</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>BI requires banks to report and publish base lending rates for four credit segments, namely corporate, retail, mortgages and non-mortgages consumer loan. The objective of this policy is, among others, to enhance good governance and to promote sound competition in the banking industry by improving market discipline.</p> <p>Highlight main developments since last year's survey: Aside from BI regulation on macroprudential, for internal purposes BI has developed top-down and bottom-up stress testing approaches as macroprudential tools.</p> <p>Web-links to relevant documents: http://www.bi.go.id/id/publikasi/perbankan-dan-stabilitas/kajian/Documents/KSK%20No22_Maret2014%20Cover.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (15)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	Please describe the institutional framework through which information sharing between supervisors and the central bank takes place, e.g. through internal or inter-agency committee or bilateral MoUs. Please also describe any initiative to remove identified obstacles to enhance cooperation and information sharing.	<input type="checkbox"/> Not applicable <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> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify: MoUs Status of progress : <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 checked="" type="checkbox"/> Reform effective (completed) as of: 18.10.2013 Short description of the content of the legislation/ regulation/guideline: An MoU between BI and OJK that was signed in October 2013 provides a framework for macro-micro prudential coordination. There are four areas that are	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>addressed on the MoU i.e. i) cooperation and coordination mechanism prior to the issuance of regulation/policy that are of the concerned of OJK and BI; ii) sharing of supervisory information and macroprudential surveillance; iii) coordination on institutions with potential liquidity problems; and iv) licensing of new products and activities that are related to the payment system. In addition to the bilateral MoU, sharing information between the central bank and the supervisory authority may also be conducted via inter-agency coordination forum (FKSSK). Sharing information among different financial authorities in Indonesia is governed through an FKSSK MoU (signed by MoF, BI, OJK, and LPS). The MoU governs the sharing of information both in normal and crisis times. The sharing of data and information 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 for each authority's tasks and responsibilities.</p> <p>Highlight main developments since last year's survey: The MoU between BI and OJK has been effectively implemented</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				following the transfer of banking microprudential functions from BI to OJK on 31 December 2013. Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Improving oversight of credit rating agencies (CRAs)					
16	Enhancing regulation and supervision of CRAs	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)	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:	<input type="checkbox"/> Not applicable <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> <input checked="" type="checkbox"/> Implementation ongoing or completed :	If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation: Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(16)	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.	<ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (May 2008) Jurisdictions may also refer to the following IOSCO documents:	<input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <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 checked="" type="checkbox"/> Reform effective (completed) as of: 22.12.2011		
(16)	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.	<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 	<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 checked="" type="checkbox"/> Reform effective (completed) as of: 22.12.2011		
(16)	The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	<ul style="list-style-type: none"> • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) 	Short description of the content of the legislation/ regulation/guideline: 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		
(New)	Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)	<ul style="list-style-type: none"> • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) 			
	We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)				

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Credit Rating Agency (CRA) whose 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, before OJK assumed the authority of Bapepam-LK as a regulator of credit rating agency in Indonesia, the Bapepam-LK had issued six regulations on CRAs including a regulation concerning registration of CRA in June 2009 to meet the IOSCO Code of Conduct Fundamentals.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	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</p>	No information on this recommendation will be collected in the current IMN survey since the report of the second stage of the thematic peer review has been published recently [insert link whenever published].		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
(New)		<p>would enhance transparency of and 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>			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing and aligning accounting standards					
18 (18)	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 deemed to be equivalent to IFRSs as published by the IASB or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial 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/Jurisdiction-profiles.aspx.</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 01.01.2015</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: The Indonesia authority has adopted a plan to converge the Indonesian Generally Accepted Accounting Principles with IFRS in December 2008. The first phase</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of the convergence program, which was to align Indonesian accounting standards (PSAK) to IFRS as of 1 January 2009, was largely achieved in 2012. The second phase, which is intended to reduce the lag in adoption of IFRS to one year, is currently underway and will result in PSAK convergence with IFRS (as they stood on 1 January 2014) as of 1 January 2015. 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. The OJK's banks supervisors will review the implementation of PSAKs by banks to ensure consistency of implementation across banks. Furthermore, banks' regulations that are related with the implementation of PSAKs are continuously being revised in order to align the regulations' requirements with PSAKs requirements.</p> <p>Highlight main developments since last year's survey: The second phase of the convergence program, which is intended to reduce the lag in adoption of IFRS to one year, is currently underway and will</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>result in PSAK convergence with IFRS (as they stood on 1 January 2014) as of 1 January 2015. The adoption of IFRS 10, 11, 12, 13 and other annual IFRS improvements have been issued in 2013 and Q1-2014. The issued standards will be effectively implemented starting on 1 January 2015.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (19)</p> <p>(19)</p>	<p>Appropriate application of Fair Value Accounting</p>	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> • <u>Basel 2.5 standards on prudent valuation (Jul 2009)</u> • <u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u> 	<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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 01.01.2015</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: For banking sector, following the adoption and implementation of IAS 39, especially the extensive use of fair valuation, a comprehensive revision to the format and content of prudential reporting (“call reports”), including the addition of</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>valuation reserves or adjustments accounts, was issued by the banking authority in 2008. In practice, the valuation reserves or adjustments accounts are mostly used in the FX derivatives transactions, whereby all instruments are valued using middle rate and are adjusted accordingly at reporting dates through the adjustment accounts. In addition, banks are also required to include the valuation reserves or adjustments (including non-accounting valuation adjustment, e.g. liquidity concerns) to calculate/determine the regulatory capital. With regard to IFRS 13, Indonesia has adopted it through the issuance of PSAK 68 which will be effectively implemented starting on 1 January 2015. Fair value accounting has also been adopted on several regulations for other financial sectors. For insurance industry, the financial solvency regulation for the insurance industry was published in 2012. The regulation requires the valuation of investment that is in line with the requirement of fair value accounting according to PSAK 50 (IFRS 32) and PSAK 55 (IFRS 39). The reserve valuation has been governed further in another specific regulation that is in line</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>with PSAK 62 concerning insurance contract. For pension funds, the requirement to apply fair value accounting as required by PSAK has been governed through a regulation concerning financial statement guidelines and investment valuation of pension funds. For capital market, investment managers are required to comply with regulation No. IV.C.2 to determine fair market valuation.</p> <p>Highlight main developments since last year's survey: IFRS 13 has been adopted in Indonesia on PSAK 68 which will be effectively implemented starting on 1 January 2015.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Enhancing risk management					
20 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	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)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. In particular, please indicate the status of implementation of the following standards:	<input type="checkbox"/> Not applicable <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> <input checked="" type="checkbox"/> Implementation ongoing or completed :	Planned actions (if any): Expected commencement date: Web-links to relevant documents:
(20)	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)	<ul style="list-style-type: none"> • BCBS <u>Basel III: International framework for liquidity risk measurement, standards and monitoring (Dec 2010)</u> • BCBS <u>Principles for sound stress testing practices and supervision (May 2009)</u> 	<input checked="" type="checkbox"/> Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify:		
(20)	Regulators and supervisors in emerging markets ⁶ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's <u>thematic peer review report on risk governance (Feb 2013)</u> and BCBS <u>Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012)</u>	<input checked="" type="checkbox"/> Status of progress : <input type="checkbox"/> Draft in preparation, expected publication by: <input checked="" type="checkbox"/> Draft published as of: 30.09.2014 <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of:		
(20)	We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)		Short description of the content of the legislation/ regulation/guideline: Stress testing has been required to be conducted by banks such as through a regulation		

⁶ Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>concerning risk management. Indonesian authorities are also conducting stress testing regularly. To strengthen banks' risk management practices, the Indonesia authority has enhanced its risk management regulation. 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.</p> <p>Highlight main developments since last year's survey: A consultative paper on LCR regulation is issued in September 2014. The authority will simultaneously require some banks to assess their LCR by using data as of 31 December 2014 reporting date and report the results to the supervisors to enable them to monitor the impacts of LCR implementation in Indonesia. Banks will also be required to publish their LCR on their respective websites.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2013. Jurisdictions may also refer to the relevant IMF Financial Soundness Indicators at http://fsi.imf.org/ .	<input type="checkbox"/> Not applicable <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> <input checked="" type="checkbox"/> Implementation ongoing or completed : Issue is being addressed through : <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: Status of progress : <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 checked="" type="checkbox"/> Reform effective (completed) as of: 24.10.2012 Short description of the content of the legislation/ regulation/guideline: Indonesian banks are mostly hold capital above the required minimum capital ratio. According to the IMF financial soundness indicators, in aggregate the capital ratio of the Indonesian banks is above 19% as of Q4-2013. Efforts by a bank to raise	Planned actions (if any): Expected commencement date: Web-links to relevant documents:

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>capital ratio could be influenced by a number of requirements such as if the bank is required to hold a higher minimum capital ratio that is commensurate with its composite risk profile. In terms of core capital (in nominal), efforts by a bank to raise its core capital could be influenced by a motivation to be categorized into a higher group category based on its core capital level if the bank would like to gain a greater flexibility to conduct business activities. Currently, commercial banks in Indonesia are classified into several categories based on their core capital level. Their core capital level will determine the scale of their business activities and their office network expansion. With regard to efforts to reduce impaired assets, in 2012, a new regulation concerning asset quality of banks was issued. The new regulation incorporated some FSAP recommendations in the area of problem assets, provisions, and reserves. In terms of NPL ratio, in aggregate, the NPL ratio for Indonesian banks during 2013 (below 2%) was lower than the NPL ratio in 2008 (around 4%).</p> <p>Highlight main developments since last</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				year's survey: Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>22 (22)</p> <p>(New)</p>	<p>Enhanced risk disclosures by financial institutions</p>	<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 IFRS7 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 (Aug 2013).</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 01.01.2015</p> <p><input type="checkbox"/> Reform effective (completed) as of:</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.</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Following several annual improvements made by the IASB on IFRS 7, the Board of Indonesia Accounting Standard (DSAK) has also issued several revisions on PSAK 60 with the latest version will be implemented effectively on 1 January 2015. IFRS 13 has also been adopted on PSAK 68 and is expected to be implemented starting on 1 January 2015. For banking industry, Pillar 3 disclosure requirements have also been effectively implemented in Indonesia. The prudential supervision over securities companies is conducted among others through the implementation of a rule concerning Adjusted Net Working Capital (ANWC). This rule describes forms that must be and have been filled by the securities companies to disclose 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 must be met in a daily basis to be able to trade in the stock exchange.</p> <p>Highlight main developments since last year's survey: IFRS 13 has been adopted in Indonesia and will be effectively implemented starting on 1 January 2015.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>In this regard, a working group on IFRS 13 has been established to prepare the implementation of IFRS 13 in Indonesia.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IX. Strengthening deposit insurance					
23 (23)	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 should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 thematic peer review report on deposit insurance systems:</p> <ul style="list-style-type: none"> • Adoption of an explicit deposit insurance system (for those who do not have one) • Full implementation of the Core Principles for Effective Deposit Insurance Systems jointly issued by BCBS and IADI in June 2009 (by addressing the weaknesses and gaps identified in peer review) 	<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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</p> <p><input checked="" 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"/> Reform effective (completed) as of:</p> <p>Short description of the content of the legislation/ regulation/guideline: In line with the requirements of IADI Core Principles No. 11 regarding Funding of DIC, LPS has been preparing the implementation of a differential premium system (DPS) to replace the current flat rate system. The consultative paper of</p>	<p>Planned actions (if any): The discussion with respective parties regarding the DPS consultative paper is still in on-going process. The discussion with the Parliament will be conducted in 3rd or 4th quarter of 2014 after the new elected Parliamentary members assume office. The implementation timeline of the DPS would be adjusted if necessary to accommodate the latest development in the deliberation process. In the meantime, the proposed implementation timeline of the DPS is as follows: • Further deliberations with stakeholders and the Parliament (2015), • The enactment of a government regulation and an LPS regulation, as well as simulation and transition period of the DPS requirements (2015), • The DPS effective implementation (2016). As a next step, the LPS would also conduct a self-assessment to assess its compliance to the IADI core principles.</p> <p>Expected commencement date: 2016</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>DPS has already been circulated and discussed with respective parties including the banking industry, BI, OJK, and MoF. The LPS would gather inputs and consider concerns from each party in formulating the DPS. The final concept of the DPS will be discussed with Parliament and will be governed through a government regulation.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Safeguarding the integrity and efficiency of financial markets					
24 (24)	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 recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> • Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011); and • Report on Principles for Dark Liquidity (May 2011). 	<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> This recommendation is not applicable. According to our needs and regulation, HFT is not allowed, considering that our regulation does not allow the existence of co-location required in the implementation of HFT. Furthermore, based on our 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 allowed in Indonesia.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <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>Status of progress :</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 	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <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>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>25 (25)</p> <p>(New)</p>	<p>Regulation and supervision of commodity markets</p>	<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 report published by the IOSCO’s Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.</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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 2011</p> <p>Short description of the content of the legislation/ regulation/guideline: 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):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

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>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 (New)	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 be deferred to the 2015 IMN survey given the ongoing policy work in this area, the reviews of interest rate and foreign exchange benchmarks during 2014, and the recent publication of IOSCO's Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
XI. Enhancing financial consumer protection					
27 (27)	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 G-20 high-level principles on financial consumer protection (Oct 2011).</p> <p>Jurisdictions may also refer to OECD’s update report including the Annex to the report on effective approaches to support the implementation of the High-level Principles based around the following three priority principles:</p> <ul style="list-style-type: none"> • <i>Disclosure and transparency</i> • <i>Responsible business conduct of financial services providers and their authorised agents</i> • <i>Complaints handling and redress</i> 	<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 checked="" type="checkbox"/> Implementation ongoing or completed :</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>Status of progress :</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 checked="" type="checkbox"/> Reform effective (completed) as of: 28.12.2012</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Indonesia has issued a consumer protection Act in 1999 as the basis law of consumer protection. The OJK Law that was issued in 2011 further governs consumer protection issues by providing the OJK a mandate to protect the interest</p>	<p>Planned actions (if any):</p> <p>Expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of financial institutions’ consumers. For 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 principle, all requirements on consumer protection that governed by the prevailing Laws and regulations have been in line with G-20 high-level principles on financial consumer protection. Aside from the issuance of Laws and regulations, several customer education programs have been conducted such as through the distribution of booklet or comic on consumer protections. To cover wider public target, the programs have been performed through several mechanisms including through mass media and mobile education stands (“education cars”). Furthermore, a cooperation to incorporate financial education at all level of schools’ curriculum has also been governed via an MoU with Ministry of Education and Culture. To allow greater access of information regarding consumer protection issues, information regarding consumer protection is available on the OJK website (http://sikapiuangmu.ojk.go.id/id/). In addition, on 28 Dec 2012, OJK issued a</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>regulation No. VI.A.4 concerning Investor Protection Fund (IPF) and VI.A.5 concerning Investor Protection Fund Operator. The IPF scheme has been implemented on 1 January 2014.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	

XII. Source of recommendations:

[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 \(1 November 2012\)](#)

XIII. List of Abbreviations used:

BI : Bank Indonesia

FKSSK: Financial System Stability Coordination Forum

LPS : Lembaga Penjamin Simpanan (Indonesia Deposit Insurance Corporation)

MoF: Ministry of Finance

OJK : Otoritas Jasa Keuangan (Indonesia Financial Services Agency)

PSAK: Indonesian accounting standards