

Jurisdiction: Indonesia

2016 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
I. Hedge funds					
1 (1)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO's Report on Hedge Fund Oversight (Jun 2009), in particular recommendations 1 and 2.</p> <p>In their response, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> - Hedge Funds (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>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p>Currently there is no hedge fund and/or hedge fund managers operated locally in Indonesia.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Final rule (for part of the reform) in force since : <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <ul style="list-style-type: none"> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation /Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>year's survey:</p> <p>Based on the existing regulatory framework, Asset Management Companies/AMC (recognized in Indonesia as an Investment Manager) are only permitted to invest and manage investment products that are regulated by OJK. AMC shall register its management products and submit report to OJK. Currently, there is no registered fund that has characteristic of a hedge fund managed locally in Indonesia. Despite this fact, to anticipate further development in the Indonesian capital market, OJK conducts a research on hedge funds. This research includes comparative analysis of the practices applied across countries and international standards/principles, and also considers regulations applied to other financial sectors in Indonesia. This research will help to provide OJK with a map on the regulatory issues and the market needs on the hedge funds.</p> <p>Web-links to relevant documents:</p>	

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2 (2)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	<p>Jurisdictions should indicate the progress made in implementing 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><input checked="" type="checkbox"/> Not applicable</p> <p>This recommendation is not applicable for Indonesia because currently there is no hedge funds managed in Indonesia. For sharing information, OJK became the signatory of the IOSCO MMoU on cooperation and exchange of information among securities regulators, effectively started in January 2014. In addition, the OJK also has several bilateral MoUs with foreign counterparts that have been carried over from Indonesia Capital Market and Financial Institution Supervisory Agency (or recognized as Bapepam-LK, former supervisory and regulatory authority of capital market and Non-Banking Financial Institutions (NBFIs)) before its authorities was transferred to OJK on December 31st, 2012.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved 	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents:</p>	

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3 (3)	Enhancing counterparty risk management	<p>Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds' leverage and set limits for single counterparty exposures. (London)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17, FSF 2008)</p>	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented recommendation 3 of the IOSCO Report on Hedge Fund Oversight (Jun 2009).</p> <p>In their responses, jurisdictions should not provide information on the portion of this recommendation that pertains to Basel III, since it is monitored separately by the BCBS.</p> <p>Jurisdictions can also refer to Principle 28 of the 2010 IOSCO Objectives and Principles of Securities Regulation, and take into account the outcomes of any recent FSAP/ROSC assessment against those Principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 25/10/2011</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>A regulation concerning limits for single counterparty exposures has been effectively implemented for banks. The regulation governs the maximum limit related with the provision of funds to individuals, groups of borrowers and related parties with banks. The purpose of the limits is to avoid a bank's failures</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>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). <p>Furthermore, a regulation concerning risk management, in general, has captured elements that should be considered by banks for their interactions with counterparties. In addition, through another regulation, banks are prohibited to conduct transactions with counterparties where the transaction has no underlying or the transaction is conducted for speculation purposes. There are also limitations of the transactions’ underlying, i.e. the underlying must not in the forms of equity and commodity.</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year’s survey:</p> <p>Even though the size of derivative transactions in Indonesia is small with</p>	

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				<p>limited types of asset classes that can be transacted by banks, the authority is now preparing a consultative paper regarding the calculation of risk weight for counterparty credit risk in line with Basel III capital framework. The consultative paper was published at the end of 2015 and the final regulation is expected to be published in 2016. Currently, there is no registered fund that has characteristic of a hedge fund managed locally in Indonesia. Despite this fact, to anticipate further development in the Indonesian capital market, OJK conducts a research on hedge funds. This research includes comparative analysis of the practices applied across countries and international standards/principles, and also considers regulations applied to other financial sectors in Indonesia. This research will help to provide OJK with a map on the regulatory issues and the market needs on the hedge funds.</p> <p>Web-links to relevant documents: http://www.ojk.go.id/id/kanal/perbankan/berita-dan-kegiatan/publikasi/Documents/Pages/Consultative-Paper-Penyempurnaan-Kerangka-Counterparty-Credit-Risk-Basel-II- </p>	

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				III/Consultative%20Paper%20Counterparty%20Credit%20Risk-revise.pdf	

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II. Securitisation					
4 (4)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8, FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monoline insurers (where these exist).</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 document on Mortgage insurance: market structure, underwriting cycle and policy implications (Aug2013). 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>There is no monolines product in Indonesia.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents:</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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5 (5)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18, FSF 2008)	<p>Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance products.</p> <p>Jurisdictions may reference IOSCO's report on Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009).</p> <p>Jurisdictions may also refer to the Joint Forum report on Credit Risk Transfer-Developments from 2005-2007 (Jul 2008).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 02/12/2013</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>concerning Guidelines for the Management of Protected, Guaranteed, and Index Fund stipulates that an investment manager may invest in derivative securities without any obligation to own the securities that</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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				<p>become the underlying asset of such derivative, provided that the basis for protection value is investment in debt securities. This regulation also stipulates that when an investment manager invests in derivatives securities, the investment manager must provide additional disclosure information concerning such investments and explains the criteria used for selecting the securities to investors.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/klasifikasi-bapepam/reksa-dana/Default.aspx </p>	

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6 (6)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	<p>Jurisdictions should indicate the policy measures and other initiatives taken in relation to enhancing disclosure of securitised products, including working with industry and other authorities to continue to standardise disclosure templates and considering measures to improve the type of information that investors receive.</p> <p>See, for reference, IOSCO's Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012), Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010) and report on Global Developments in Securitisation Regulations (November 2012), in particular recommendations 4 and 5.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 05/14/2008 and 11/11/2014</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>List of Disclosure Requirements for Public Offerings and Listings of Asset-Backed Securities as regulated by Bapepam, former authority, and OJK, as follows: • Bapepam Rules Number IX.C.9 concerning Registration Statement</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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

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				<ul style="list-style-type: none"> • OJK Regulation Number 15/POJK.04/2014 concerning Monthly Report of Collective Investment Contract of Asset Backed Securities (ABS) (started effectively on November 11, 2014) has required investment managers to submit a monthly report to OJK regarding their activities on the ABS. • OJK Regulation Number 23/POJK.04/2014 concerning Guidelines on Issuance and Reporting of Asset Backed Securities in the form of Participation Unit for Housing Secondary Financing (started effectively on November 19, 2014) has required: <input type="checkbox"/> issuer to submit a monthly report to OJK regarding their activities on the ABS. <input type="checkbox"/> Custodian to provide report to Participation Unit Holders. All regulations issued by Bapepam/OJK have been consulted to public before issued. <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.ojk.go.id/Files/regulation/capital-market/bap-rules/sc-scr-etc/5/VG5.pdf http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/klasifikasi-bapepam/emiten-dan-perusahaan-publik/Pages/content-of-a-registration-</p>	

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				statement-and-a-public-offering.aspx http://www.ojk.go.id/Files/regulation/capital-market/bap-rules/is-pc/1/IXC10.pdf http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Documents/POJK23PedomanPenerbitandanPealporanEBA_1417049142.pdf	

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

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			<p><i>and initial assessment methodology</i></p> <ul style="list-style-type: none"> • <i>IAIS SRMP guidance - FINAL (Dec 2013)</i> • <i>Guidance on Liquidity management and planning (Oct 2014)</i> <p>FSB:</p> <ul style="list-style-type: none"> • <i>Framework for addressing SIFIs (Nov 2011)</i> 	<p>integrated regulation and supervision system for all activities in the financial services sector. To support its function, OJK has issued several regulations concerning integrated risk management and integrated governance for financial conglomerates in 2014, and integrated capital for financial conglomerates in 2015 under OJK Regulation Number 26/POJK.03/2015 concerning Integrated Minimum Capital Requirement for Financial Conglomerates (OJK Regulation Number 17/POJK.03/2014), integrated governance for financial conglomerates in 2014 (OJK Regulation Number 18/POJK.03/2014), and integrated capital for financial conglomerates (OJK Regulation Number 26/POJK.03/2015 concerning Integrated Minimum Capital Requirement for Financial Conglomerates).</p> <p>The regulation on integrated risk management governs that financial conglomerates are required to implement integrated risk management comprising of the following pillars: (i) oversight by Lead Entities' directors and board of commissioners; (ii) adequacy of policy, procedures, and setting of limits with regards to integrated risk management;</p>	

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				(iii) adequacy of identification, assessment, monitoring and integrated risk control processes, as well as an integrated risk management information system; and (iv) a comprehensive internal control system for the purpose of integrated risk management. In addition, the regulation on integrated governance governs that financial conglomerates are required to implement integrated governance comprising of the following pillars: (i) criteria for the appointment of Lead Entity directors and board of commissioners; (ii) roles and responsibilities of Lead Entity directors and board of commissioners; (iii) roles and responsibilities of an Integrated Governance Committee; (iv) roles and responsibilities of a Integrated Compliance Unit; (v) roles and responsibilities of an Integrated Internal Audit Unit; (vi) implementation of integrated risk management; (vii) creation and implementation of a Integrated Governance Policy. According to those regulations, parent companies which are commercial banks with core capital above IDR 30 trillion (BUKU 4) are required to provide the semi-annual reports; the first reporting used June 2015	

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				<p>data. For other banks, the first reporting used December 2015 data. With regard to integrated capital regulation, the financial conglomerates have been required to provide at minimum 100% of its aggregate regulatory capital requirement. Indonesian authorities also apply more intensive supervision towards large banks that are considered as systemically important in Indonesia. These banks are now under the supervision of OJK (as a microprudential authority) and BI (as a macroprudential authority). For banks that are considered posing systemic impacts, Indonesian authorities also have specific measures and tools to deal with the possible failures of these banks since the Indonesian authorities differentiate resolution measures applied for systemic and non-systemic banks. Regulation on D-SIB framework and application of capital surcharge requirements as stipulated in the Basel III capital regulation was issued at the end of 2015 under OJK Regulation Number 46/POJK.03/2015. The determination of D-SIB and imposition of its capital surcharge have started effectively since the beginning of 2016.</p> <p>Highlight main developments since last</p>	

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				<p>year's survey:</p> <p>To further clarify the implementation of D-SIBs surcharge requirements as stipulated in the Basel III capital regulation issued in 2013, a more detailed regulation on D-SIB framework was developed and issued at December 2015. To support OJK's function on integrated supervision, OJK has issued new regulation concerning integrated minimum capital requirement for financial conglomerates which was issued at the end of 2015 to maintain and improve financial conglomerate's capital level as buffer against risks.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-46-PENETAPAN-SIB-CAPITAL-SURCHARGE/SALINAN-POJK%20D-SIB%20F.pdf</p> <p>http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Documents/Pages/Peraturan-Otoritas-Jasa-Kuangan-Nomor-26-POJK-03-2015-/poj-kewajiban-penyediaan-modal-minimum-terintegrasi-bagi-konglomerasi-keuangan.pdf</p>	

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8 (8)	Establishing supervisory colleges and conducting risk assessments	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of G-SIBs and G-SIIs.</p> <p>Please indicate the progress made in establishing and strengthening the functioning of supervisory colleges for G-SIBs and G-SIIs, including the development of any joint supervisory plans within core colleges and leveraging on supervisory activities conducted by host authorities.</p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> • Principles for effective supervisory colleges (Jun 2014) • Progress report on the implementation of principles for effective supervisory colleges (Jul 2015) <p>IAIS:</p> <ul style="list-style-type: none"> • ICPs 24 and 25, especially guidance 25.1.1 – 25.1.6, 25.6, 25.7 and 25.8 • Application paper on supervisory colleges (Oct 2014) 	<p><input checked="" type="checkbox"/> Not applicable</p> <p>Indonesia is not a home jurisdiction of significant cross-border firms.</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Highlight main developments since last year's survey:</p> <p>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) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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9 (9)	Supervisory exchange of information and coordination	<p>To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the September 2012 BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.</p> <p>Jurisdictions should describe any recent or planned regulatory, supervisory or legislative changes that contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: June 2015</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>MoUs</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>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 of LPS's Board of Commissioners. The</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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 BI, OJK and Indonesian Financial Transaction Reports and Analysis Center (INTRAC/PPATK), OJK and the Directorate General of Tax, OJK and the Attorney General, National Police, etc. Moreover, a bilateral MoU between OJK and Indonesia Deposit Insurance Corporation has been signed in July 2014. At international level, until the first semester of 2015, OJK has signed several MOUs with foreign supervisors (Japan FSA, Dubai FSA, FSC and FSS Korea and CBRC) concerning the supervisory cooperation. The scope of the cooperation comprises of the sharing of supervisory information, licensing, on-going supervision and on-site examinations, etc. OJK became the signatory of the IOSCO MMoU on cooperation and exchange of information among securities regulators, effectively started in January 2014. In addition, OJK</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>also has several bilateral MoUs with foreign counterparts that have been carried over since Indonesia Capital Market and Financial Institution Supervisory Agency, recognized as Bapepam-LK (a former authority of capital market and Non-Banking Financial Institutions (NBFIs) before OJK effectively takes over the authority to supervise and regulate capital market and NBFIs on December 31st, 2012).</p> <p>Highlight main developments since last year's survey:</p> <p>Several bilateral MoUs between OJK and other domestic and foreign supervisors concerning supervisory cooperation have also been signed in March 2016 (MoU OJK-Timor Leste Central Bank, Letter of Intent with Bank of Thailand, and OJK - Indonesian Corruption Eradication Commission/KPK).</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
10 (10)	Strengthening resources and effective supervision	<p>We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)</p> <p>Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)</p> <p>Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)</p>	<p>Jurisdictions should indicate any steps taken on recommendations 1, 2, 3, 4 and 7 (i.e. supervisory strategy, engagement with banks, improvements in banks' IT and MIS, data requests, and talent management strategy respectively) in the FSB thematic peer review report on supervisory frameworks and approaches to SIBs (May 2015).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 07.01.2014</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In accordance with Risk Based Supervision technique, the OJK</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Supervisors have relied their supervisory methodology based on Risk Based Bank Rating tools to measures the banks condition by assessing 4 (four) aspects, namely : (i) Risk Profile, (ii) Good Corporate Governance (GCG), (iii) Rentability, and (iv) Capital.</p> <p>In conducting an assessment of the Risk Profile of a bank, the OJK Supervisors assess the quality of risk management implementation carried out on 4 (four) interrelated aspects, namely: (i) Risk Governance; (Ii) Risk Management Framework; (iii) Risk Management process, human resources, and management information systems; and (iv) Risk Control Systems from 8 (eight) types of risks (Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk).</p> <p>Assessment of 4 quality aspects of Risk Management implementation, which includes:</p> <p>A. Risk Governance</p> <p>includes evaluation of: (i) formulation process of the level risk appetite and risk tolerance; and (ii) the adequacy of active supervision by the Board of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Commissioners and Board of Directors, including the implementation of the authority and responsibilities of the Board of Commissioners and Board of Directors.</p> <p>B. Risk Management Framework</p> <p>includes evaluation of: (i) Risk Management strategy, which in line with the level of risk appetite and risk tolerance; (ii) the adequacy of the organization supporting the implementation of effective risk management, including the clarity of authority and responsibility; and (iii) the adequacy of policies, procedures and limits.</p> <p>C. Risk Management Process, Human Resource and Management Information Systems.</p> <p>includes evaluation of: (i) the identification, measurement, monitoring, and risk controlling; (ii) the adequacy of risk management information systems; and (iii) the adequacy of the quantity and quality of human resources in supporting the effectiveness of the risk management process.</p> <p>D. Risk Control Systems</p> <p>includes evaluation of: (i) the adequacy</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of the Internal Control System and (ii) the adequacy of the independent review Bank either by the Risk Management Unit and by the Internal Audit Unit.</p> <p>Based on the assessment the aforementioned aspects, OJK supervisors monitor the risks associated with banks and financial innovation to ensure that the bank has the capacity to understand and manage the risks. Supervisors also periodically review banks condition and performance through the mechanism of Risk Based Bank Rating assessment every semester based on bank report, and other information obtained by supervisors through the examination as well as prudential meetings with the BOC,BOD and/or senior officer.</p> <p>Highlight main developments since last year's survey:</p> <p>Web-links to relevant documents: http://www.bi.go.id/id/peraturan/perbankan/Documents/828aa23594154a89aeabab7dc3103805pbi_130112.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
IV. Building and implementing macroprudential frameworks and tools					
11 (11)	Establishing regulatory framework for macro-prudential oversight	<p>Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks¹ and private pools of capital to limit the build up of systemic risk. (London)</p> <p>Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)</p>	<p>Please describe major changes in the institutional arrangements for macroprudential policy (structures, mandates, powers, reporting etc.) that have taken place since the global financial crisis, particularly over the past year.</p> <p>Please indicate whether an assessment has been conducted with respect to the adequacy of powers to collect and share relevant information among different authorities on financial institutions, markets and instruments to assess the potential for systemic risk. If so, please describe identified gaps in the powers to collect information, and whether any follow-up actions have been taken.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since:</p> <p><input checked="" type="checkbox"/> Implementation completed as of: December 2013</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Following the transfer of banking</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

¹ 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>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. Formerly, as stipulated in the OJK Law, sharing information arrangement among different authorities in Indonesia is conducted through FKSSK (Financial System Stability Coordination Forum). An FKSSK MoU was signed by four financial sector authorities in Indonesia (Ministry of Finance/MoF, Bank Indonesia/BI, Indonesian Financial Services Authority/OJK, and Indonesian Deposit Insurance Corporation/LPS) to further govern the arrangement of information sharing both in normal and crisis times. The sharing of data and information within the FKSSK is not limited to indicators of crisis management protocol, but also results of surveillance by each authority and other data and information that are required to perform each authority's tasks and responsibilities. Nevertheless, since the enactment of Law No. 9 Year 2006 concerning Prevention and Resolution of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Financial System Crisis (PPKSK Law) on 15 April 2016, the Financial System Stability Committee (KSSK) was established to replace the former forum (FKSSK). The members of the KSSK high-level forum are the Chairs of financial sector authorities, which consist of Governor of Central Bank, Chair of Indonesian FSA (OJK), Minister of Finance and Chair of Indonesian Deposit Insurance Corporation (IDIC). The mandate of this financial system stability forum is improved according to this Law, not only to conduct coordination in undertaking surveillance and maintaining financial system stability, but also to mitigate financial system crisis and to handle systemic bank problems during normal and crisis conditions. In general, the enactment of the PPKSK Law has strengthened the functions and authorities of the financial stability institutions in safeguarding financial system stability which helps to improve the effectiveness of macroprudential policies. In term of microprudential surveillance, with regard to the power to collect data/information the OJK Law provides OJK with the authority to require banks, NBFIs, and capital market to report information and</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>data, both in regular and in ad-hoc basis. The data/information can be shared with relevant authorities, including BI. Information sharing between BI and OJK will be conducted in accordance with a protocol mechanism under MoU between BI and OJK. As a macroprudential authority, BI has continuously utilised the information and data to assess the potential failure or severe stress of financial institutions that will contribute to systemic risk in conducting macroprudential surveillance.</p> <p>Highlight main developments since last year's survey:</p> <p>There have been no changes to the regulatory framework for macroprudential oversight since last year's survey.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/en/regulasi/otoritas-jasa-keuangan/undang-undang/Documents/Pages/law-no-21-of-year-2011-on-financial-services-authority/Full%20Version-Unofficial%20Translation%20of%20The%20FSA%20Law.pdf</p>	

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>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. In 2015, BI issued a revised regulation on loan to value ratio. While in the past the regulation was issued to moderate the excessive mortgage and car loan growth, the revised regulation was issued to respond the need for a countercyclical regulation that can support banking intermediation and provide incentive to the demand side of the economy.</p> <p>Highlight main developments since last year's survey:</p> <p>Bank Indonesia has established countercyclical buffer regulation to improve banking sector capital requirements to take into consider macro-financial environment.</p> <p>Web-links to relevant documents:</p> <p>http://www.bi.go.id/id/perbankan/Counter-cyclical-Buffer/Data-CCB/Contents/Default.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
V. Improving oversight of credit rating agencies (CRAs)					
13 (13)	Enhancing regulation and supervision of CRAs	<p>All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)</p> <p>National authorities will enforce compliance and require changes to a rating agency's practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.</p> <p>CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.</p> <p>The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)</p> <p>Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance</p>	<p>Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:</p> <ul style="list-style-type: none"> • Code of Conduct Fundamentals for Credit Rating Agencies (Mar 2015) (including governance, training and risk management) <p>Jurisdictions may also refer to the following IOSCO documents:</p> <ul style="list-style-type: none"> • Principle 22 of Principles and Objectives of Securities Regulation (Jun 2010) which calls for registration and oversight programs for CRAs • Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003) • Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013) <p>Jurisdictions should take into account the outcomes of any recent FSAP/ROSC assessment against those principles.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 22/12/2011</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In Indonesia, banks are only permitted to use the services of Credit Rating Agency (CRA) that meets requirements governed by a regulation concerning recognition of Credit Rating Agency (CRA) whose rating is used for prudential regulation</p>	<p>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</p> <p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>obligations for CRAs) as early as possible in 2010. (FSB 2009)</p> <p>We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)</p>		<p>purposes (such as regarding asset quality, market risk, and credit risk assessment). Monitoring will be conducted by the Indonesia banking authority to ensure that the CRA meets eligibility criteria. For capital market, based on Law Number 8 Year 1995 concerning Capital Market, Bapepam (former authority before Bapepam-LK) has the authority and responsibility to guide, regulate, and conduct day-to-day supervision of the Capital Market, including credit rating agencies engaged in Indonesian Capital Market activities. Bapepam-LK (currently, OJK) have issued six regulations on CRAs including a regulation concerning licensing on Credit Rating Agencies in June 22, 2009 to meet the IOSCO Code of Conduct Fundamentals. Theaforementioned regulations on CRAs, excluding regulation concerning licensing on Credit Rating Agencies, have been revised by OJK Regulations and still sufficient to regulate CRAs and consistent with IOSCO Code of Conduct Fundamentals for Credit Rating Agencies. Bapepam, now OJK, has conducted oversight to CRAs through on-site and off-site supervision since 2010.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: http://www.ojk.go.id/en/kanal/pasar-modal/regulasi/undang-undang/Default.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
14 (14)	Reducing the reliance on ratings	<p>We also endorsed the FSB's principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)</p> <p>Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)</p> <p>We reaffirm our commitment to reduce authorities' and financial institutions' reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)</p> <p>We call for accelerated progress by national authorities and standard setting</p>	<p>Jurisdictions should indicate the steps they are taking to address the recommendations of the May 2014 FSB thematic peer review report on the implementation of the FSB Principles for Reducing Reliance on Credit Ratings, including by implementing their agreed action plans. Any revised action plans should be sent to the FSB Secretariat so that it can be posted on the FSB website.</p> <p>Jurisdictions may refer to the following documents:</p> <ul style="list-style-type: none"> • FSB Principles for Reducing Reliance on CRA Ratings (Oct 2010) • FSB Roadmap for Reducing Reliance on CRA Ratings (Nov 2012) • BCBS Consultative Document Revisions to the Standardised Approach for credit risk (Dec 2015) • IAIS ICP guidance 16.9 and 17.8.25 • IOSCO Good Practices on Reducing Reliance on CRAs in Asset Management (June 2015) • IOSCO Sound Practices at Large Intermediaries Relating to the Assessment of Creditworthiness and the 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: 22.12.2012 and 19.11.2014 (Capital Market)</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Considering that most of the credit exposures are unrated, we view that several safeguards that have been required by the existing regulation (such as minimum requirements to CRA to be recognized by the Indonesian authority as</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
		<p>bodies in ending the mechanistic reliance on credit ratings and encourage steps that 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>	Use of External Credit Ratings (Dec 2015).	<p>eligible CRAs for regulatory purposes) and the supervisory approach to assess the adequacy of the banks' own credit assessment processes are currently sufficient to address concern on our existing regulations with regard to external CRA ratings. For reserve management purposes, CRA rating is used as an input along with other parameters. With regard to the reference to CRA rating to determine eligibility of non-government securities as collateral, BI has required that the non-government securities should also be actively traded in a liquid market. To this date, the majority of securities held by our banks are securities issued by the Government of Indonesia and BI. Bapepam LK issued Rule Number V.D.11 concerning Guidelines for the Functions of Investment Managers in 31 December 2009. This regulation governs investment managers to have investment function, and research and information technology function. By having these functions, investment managers in carry out its business would not rely on external credit rating agencies. Bapepam LK Rule Number V.D.11 has been revised by OJK Regulation No. 24/POJK.04/2014</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>regarding Guidelines for the Functions of Investment Managers. OJK Regulation No. 24/POJK.04/2014 regarding Guidelines for the Functions of Investment Managers (effective 19 November 2014) regulates that investment managers shall have Investment committee and Investment management team, and investment and research functions responsible for:</p> <ul style="list-style-type: none"> • making best investment decision; • compiling and maintaining record and/or working papers for investment decision making; • performing periodic analysis on the performance of investment products; • ensuring investment decision in line with investment strategy and policy as stipulated in investment agreement with investors and as determined by investment committee; • ensuring that each investment decision is made based upon rational consideration and supported by adequate research; and • implementing prudential principles and risk management related to arising investment risks. The safeguards have been implemented by OJK to reduce investment managers reliance on external credit rating agencies. This regulation ensures that investment managers do not 	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>solely depend on ratings by CRAs, but instead making their reliable judgment from the results of their own research. For NBFI CRA will be utilized as one of references for the purpose of valuation on investment instruments for financial statements.</p> <p>Highlight main developments since last year’s survey:</p> <p>Web-links to relevant documents: http://www.ojk.go.id/id/regulasi/otoritas-jasa-keuangan/peraturan-ojk/Pages/peraturan-otoritas-jasa-keuangan-tentang-pedoman-pelaksanaan-fungsi-fungsi-manajer-investasi.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VI. Enhancing and aligning accounting standards					
15 (15)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are of a high and internationally acceptable quality (eg equivalent to IFRSs as published by the IASB), 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/Analysis-of-the-G20-IFRS-profiles.aspx.</p> <p>As part of their response on this recommendation, jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>In addition, jurisdictions should set out any steps they intend to take (if appropriate) to foster transparent and consistent implementation of the new</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing: <i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2015</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>The Indonesia authority has adopted a plan to converge the Indonesian Generally Accepted Accounting Principles with IFRS in December 2008. The first phase of the convergence</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p>accounting requirements for expected loan loss provisioning for impaired loans that are being introduced by the IASB and are scheduled to be introduced by the FASB.</p> <p>See, for reference, the following BCBS document:</p> <ul style="list-style-type: none"> <i>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</i> 	<p>program, which was to align Indonesian accounting standards (PSAK) to IFRS as of 1 January 2009, was largely achieved in 2012. The second phase was intended to reduce the lag in adoption of IFRS to one year, resulted in the convergence of PSAK with IFRS (as they stood on 1 January 2014) as of 1 January 2015. The implementation of Indonesia Accounting standard is aligned with on IFRS that has effectively established in 2015 (with 1 (one) year lag). Although the compliance of Indonesian banks to IFRSs, i.e. by the adoption of PSAKs, will be assessed by their external auditors, the banking authority also enforces the implementation of the Indonesian accounting standards. For example, under the regulation on the Transparency and Publication of Commercial Banks' Report, sanctions will be imposed to banks if the Quarterly Published Financial Report and Annual Report of the Banks do not conform to the financial accounting standards. Regulations for banks that are related with the implementation of PSAKs are continuously being revised in order to align the regulations' requirements with the PSAKs requirements. The issuance of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>the regulation on the Transparency and Publication of Commercial Banks' Report in March 2015 is also intended to in line the regulation's requirements with the adjustment on financial reporting required under PSAK 1 which has been aligned with IFRS. The regulation has been effectively implemented starting on 1 April 2015. In addition, "Pedoman Akuntansi Perbankan Indonesia"/ PAPI has also been established in order to support banking industry in implementing Indonesia Standard Accounting (PSAK). Furthermore, as a response to the revision of IAS 1, IAS 16 and IAS 38, the Board of Indonesia Accounting Standard (DSAK) is currently revising PSAK 16 and PSAK 19, which effectively implemented since 1 January 2016.</p> <p>Highlight main developments since last year's survey:</p> <p>A working group of Accounting Standard Setter has been established for the preparation of IFRS 9 adoption (replacement of PSAK 55) that will be implemented in 1 January 2019.</p> <p>Web-links to relevant documents:</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VII. Enhancing risk management					
16 (17)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	<p>Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)</p> <p>National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)</p> <p>Regulators and supervisors in emerging markets¹ will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)</p> <p>We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)</p>	<p>Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices.</p> <p>Jurisdictions may also refer to the following documents:</p> <ul style="list-style-type: none"> FSB's thematic peer review report on risk governance (Feb 2013); Joint Forum's Developments in credit risk management across sectors: current practices and recommendations (June 2015); and BCBS Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012) and Principles for sound stress testing practices and supervision (May 2009). 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: August 2015</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>A regulation concerning risk management requires banks to improve and maintain</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>bank's risk management including information systems and internal controls with respect to credit, market, liquidity, operational, legal, reputational, and other risks. The regulation also requires banks to have written policies, procedures, and limit to address such risks. An integrated risk management is also required for banks that own subsidiaries and sister companies in financial sector. Stress testing has been required to be conducted by banks such as through a regulation concerning risk management. Indonesian authorities are also conducting stress testing regularly. With regard to risk governance, the prevailing regulations on good corporate governance for banking sector have met most expectations of sound risk governance as showed by the result of a peer review on risk governance. A new regulation concerning integrated risk management and integrated governance for financial conglomerates has further strengthened the expectation of banks' risk governance practices. The regulation on integrated risk management was issued and has been effectively implemented in November 2014. The regulation on integrated governance for financial</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>conglomerates was also issued and has been effectively implemented in November 2014. The first reporting for both regulations will use June 2015 data. Further, with regard to liquidity risk, the authority established regulation POJK No.42/POJK.03/2015 regarding Liquidity Coverage Ratio.</p> <p>Highlight main developments since last year’s survey:</p> <p>AOJK is currently conducting a research to adopt Net Stable Funding Ratio.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/perbankan/regulasi/peraturan-ojk/Documents/Pages/POJK-Nomor-42-Kewajiban-Pemenuhan-Rasio-Kecukupan-Likuiditas-Bagi-Bank-Umum/SALINAN-POJK%20LCR%20.pdf</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (18)	Enhanced risk disclosures by financial institutions	<p>Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)</p> <p>We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS 7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on Enhancing the Risk Disclosures of Banks and Implementation Progress Report by the EDTF (Dec 2015), and set out any steps they have taken to foster adoption of the EDTF Principles and Recommendations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: January 2015</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>Indonesia has adopted the IFRS 7 requirements through the application of an Indonesia Accounting Standard (PSAK 60) since 2010. Indonesian banks have been required to comply with the PSAK 60's disclosure requirements. Following several annual improvements</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				made by the IASB on IFRS 7, the Board of Indonesia Accounting Standard (DSAK) has also issued several revisions on PSAK 60. The latest version is implemented effectively on 1 January 2015. IFRS 13 has also been adopted through PSAK 68 and implemented on 1 January 2015. For banking industry, Pillar 3 disclosure requirements have also been effectively implemented in Indonesia. The Pillar 3 disclosure has been revised in 2015 to accommodate capital disclosure requirements under Basel III. The revised regulation was issued on 31 March 2015. The regulation governs that banks are required to disclose and publish Basel III capital in the banks' website on a quarterly basis. The regulation came into force for December 2015 data. Disclosure requirements of financial instruments by securities companies has been required by Bapepam LK Rule Number V.D.5 concerning Maintaining and Reporting on Adjusted Net Working Capital (effectively started in 28 Desember 2010), which amended the prior regulation dated 8 Mei 2003 with more disclosure requirements. Furthermore, this regulation requires that in calculating	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>ANWC, securities companies shall disclose all their assets and liabilities as well as their risk measurements to assets and their activities/liabilities. In addition, the sufficiency of the adjusted net working capital is a requirement that shall be complied by securities companies in daily basis to enable them to have financial capability to support trading activities in the stock exchange.</p> <p>Disclosure requirements of financial instruments have been implemented since 2012 for NBFIs (insurance industry). The financial reporting for insurance industry are required to be prepared in accordance with Indonesia Accounting Standard (SAK) and Statutory Accounting Principles (SAP) to assess valuation of insurers' assets and liabilities. The insurance companies are required to disclose all of their assets and to measure the risks associated to their assets to meet the required solvency ratio. Moreover, NBFIs are required to conduct risk assessments (such as regarding board risk, governance risk, strategy risk, asset and liability risk, insurance/finance risk, capital support risk). The requirement has been implemented since 2014.</p> <p>Highlight main developments since last</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>year’s survey:</p> <p>OJK has issued the Basel III capital disclosure regulation and it will come into force for December 2015 data.</p> <p>Web-links to relevant documents:</p> <p>http://www.ojk.go.id/id/kanal/pasar-modal/regulasi/klasifikasi-bapepam/perusahaan-efek/Pages/klasifikasi-bapepam-perusahaan-efek.aspx</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
VIII. Strengthening deposit insurance					
18 (19)	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 jurisdictions that do not have one) Addressing the weaknesses and gaps to full implementation of the Core Principles for Effective Deposit Insurance Systems issued by IADI in November 2014. 	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input checked="" type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></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"/> Final rule (for part of the reform) in force since :</p> <p><input type="checkbox"/> Implementation completed as of:</p> <p>Issue is being addressed through :</p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>In line with the requirements of IADI Core Principles No. 11 regarding Funding of DIC, LPS has conducted a study on 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) and expected commencement date:</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, in particular from MoF since the finalisation of regulation framework will remain under the MoF's authority. The final concept of the DPS regulation is planned to be consulted with Parliament.</p> <p>Highlight main developments since last year's survey:</p> <p>The Law No. 9 Year 2016 concerning Prevention and Resolution of Financial System Crisis (PPKSK) has been enacted on April, 15 2016 to improve current domestic resolution regime. The Law stipulates that the scopes of financial system crisis prevention and resolution of Financial System consists of: (i) coordination of monitoring and maintaining financial system stability, (ii) financial system crisis management and (iii) resolution of of systemic bank, both in normal and crisis conditions. The PPKSK Law has also broadened the role of the Indonesian Deposit Insurance Corporation (LPS) as the member of</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Financial System Committee and resolution authority, which provides the authority with new resolution tools, namely early intervention, purchase and assumption, bail-in mechanism, bridge bank, and new funding source for resolution.</p> <p>Web-links to relevant documents:</p>	

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

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

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

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>2011. Several related 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
21 (22)	Reform of financial benchmarks	We support the establishment of the FSB’s Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO’s Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will continue to be deferred given the forthcoming FSB progress report on implementation of FSB recommendations in this area, and ongoing IOSCO work to review the implementation of the IOSCO <i>Principles for Financial Benchmarks</i> .		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
X. Enhancing financial consumer protection					
22 (23)	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 September 2013 and September 2014 reports on effective approaches to support the implementation of the High-level Principles. The effective approaches are of interest across all financial services sectors – banking and credit; securities; insurance and pensions – and consideration should be given to their cross-sectoral character when considering implementation.</p> <p>Jurisdictions should, where necessary, indicate any changes or additions that have been introduced as a way to support the implementation of the High-level Principles, to address particular national terminology, situations or determinations.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><input type="checkbox"/> Implementation ongoing:</p> <p><i>Status of progress [for legislation and regulation/guidelines only]:</i></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Final rule (for part of the reform) in force since :</p> <p><input checked="" type="checkbox"/> Implementation completed as of: December 2012</p> <p>Issue is being addressed through :</p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation /Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Short description of the content of the legislation/ regulation/guideline:</p> <p>OJK Law that was issued in 2011 further governs consumer protection issues. According to this Law, the OJK is mandated to protect the interests of financial institutions' consumers. For</p>	<p>Planned actions (if any) and expected commencement date:</p> <p>Web-links to relevant documents:</p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>banking industry, several regulations have also addressed consumer protection issues such as regulations concerning mediation, complaint handling, product transparency and customers' data and privacy. In principles, all requirements on consumer protection, governed by the prevailing Laws and regulations, have been in line with G-20 high-level principles on financial consumer protection. In order to improve the level of public literacy, the Indonesia National Strategy on Financial Literacy has been implemented by OJK in collaboration with the Ministry of Education and Culture alongwith financial services industry through the inclusion of financial literacy issues on educational materials for formal education level and for general public, as well as materials for national campaigns on financial literacy. In addition to the aforementioned program, OJK has launched what so called as Financial Market Education for Public to increase the financial literacy of society by introducing the financial industry, financial products and services, and promoting financial inclusion, targeting the event to the middle to low-income society. The Financial Market Education</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>for Public was also launched with the objectives to introduce the range of microfinance products to improve financial planning awareness, encourage saving and investment, and introducing alternative choices of affordable financial products such as gold investments, micro insurance and low cost mutual funds. Furthermore, on 14 Feb 2014, OJK issued a circular regarding the implementation of financial education to improve customers' and/or public's financial literacy and a circular regarding services and settlement of consumer complaints of financial services businesses. On 24 July 2014 OJK also issued a circular concerning the presentation of information in marketing financial services and/or products. Finally, on 20 August 2014, OJK also issued a circular concerning standard contract and a circular concerning confidentiality and security of data and/or personal information of consumers. In order to addressing many of illegal investment offers, OJK has raised public awareness on the risk of illegal investments through various ways such as providing public information on the illegal investments risks, educating journalists, providing</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>training of trainers program for teachers, and incorporating materials on the risk of illegal investment in any educational activities.</p> <p>OJK also started monitoring over implementation of consumer protection program carried out by financial institutions in order to review their compliance in implementing OJK Regulation concerning Consumer Protection in Financial Services Sector and other related supporting regulations. Financial services institutions are required to conduct self-assessment in 3 (three) phases, namely: 1. Regulation and policy on consumer protection; 2. Implementation of consumer protection principles ; and 3. Evaluation of implementation of consumer protection principles. The process of monitoring and analysis of consumer protection in financial services sector is carried out to assess the industry compliance to fulfill principles on: 1. Education to Consumers and/or The Public for Improving Financial Literacy (OJK Circular Number 1/SEOJK.07/2014); 2. Handling and Resolutions of Consumer Complaints at Financial Services Businesse (OJK Circular Number 2/SEOJK.07/2014); 3.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Information for Marketing of Financial Products and/or Services (OJK Circular Number 12/SEOJK.07/2014); 4. Standard Agreements (OJK Circular Number 13/SEOJK.07/2014); and 5. Secrecy and Security of Consumer Personal Data and/or Information (OJK Circular Number 14/SEOJK.07/2014). In addition to the aforementioned self-assessment, OJK conducts on-site observation, namely thematic surveillance, to gather more information. Furthermore, in a bid to maximize implementation of consumer protection, OJK has developed an information system to provide reports, educate and enhance consumer protection named PEDULI, which is accessible at http://peduli.ojk.go.id/. The system was developed with the objectives to facilitate financial services institutions in submitting online report on plan and implementation progress of education programs; report on complaint handling; and result of self-assessment in consumer protection.</p> <p>Currently, 7 (seven) Alternative Dispute Resolution Institutions are established, including the other 3 (three) institutions namely Indonesian Capital Market</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Arbitration Board (BAPMI), Indonesian Insurance Mediation and Arbitration Board (BMAI), and Pension Funds Mediation Board (BMDP), which have been operated before OJK was established.</p> <p>Highlight main developments since last year's survey:</p> <p>In February 2015, OJK has issued its Circular Letter Number 7/SEOJK.07/2015 concerning Guidelines for Assessment of Alternative Dispute Resolution Institutions in the Financial Services Sector. Following up the issuance of the above circular letter, 4 (four) Alternative Dispute Resolution Institutions has been established in 2015, namely: (i) Indonesian Banking Alternative Dispute Institution (LAPSPI), (ii) Indonesian Finance and Mortgage Mediation Board (BMPPI), (iii) Indonesian Arbitration and Mediation Board for Assurance Company (BAMPPI), and (iv) Indonesian Arbitration for Capital Venture (BAVI)</p> <p>Web-links to relevant documents:</p>	

XI. Source of recommendations:

[Brisbane: G20 Leaders' Communique \(15-16 November 2014\)](#)
[St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)
[Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)
[Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)
[Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)
[Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)
[Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)
[London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)
[Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)
[FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)
[FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)
[FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)
[FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

XII. List of Abbreviations used:

BI : Bank Indonesia 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