LAW OF THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2026
ON
AMENDMENT TO LAW NUMBER 4 OF 2023 ON
DEVELOPING AND STRENGTHENING OF THE FINANCIAL SECTOR

BY THE GRACE OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering :

a. that the state needs to bring about a resilient national economy by optimizing the development and strengthening of the financial sector as an effort to maintain balanced progress and national economic unity in order to realize a just, prosperous, and thriving Indonesian society as mandated by Pancasila and the 1945 Constitution of the Republic of Indonesia;
b. that in order to optimally develop and strengthen the financial sector, it is necessary structuring the institutional arrangement of the regulatory and supervisory authorities in the financial sector and the oversight bodies within each authority vested with powers by the law, as well as to improve the administration of the financial services sector so that it is orderly, fair, transparent, and accountable manner, and capable of protecting the interests of consumers and the public;
c. that Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector needs to be amended as a follow-up to the Constitutional Court's Decision and in accordance with the legal needs of the public;
d. that based on the considerations as referred to in paragraphs a, b, and c, it is necessary to enact a Law on Amendment to Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector;

Having Regard to :

1. Articles 20, 21, 23D, 33, and 34 of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 34 of 1964 on the Mandatory Insurance Fund for Road Traffic Accidents (State Gazette of the Republic of Indonesia Year 1964

Number 138, Supplement to the State Gazette of the Republic of Indonesia Number 2721);

3. Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia Year 1992 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as repeatedly amended and most recently amended by Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
4. Law Number 8 of 1995 on Capital Market (State Gazette of the Republic of Indonesia Year 1995 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 3608), as amended by Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
5. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 3843), as repeatedly amended and most recently amended by- Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
6. Law Number 24 of 2004 on Deposit Insurance Corporation (State Gazette of the Republic of Indonesia Year 2004 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 4420), as repeatedly amended and most recently amended by Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
7. Law Number 21 of 2008 on Sharia Banking (State Gazette of the Republic of Indonesia of 2008 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 4867), as repeatedly amended and most recently amended by Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
8. Law Number 21 of 2011 on Financial Services Authority (State Gazette of the Republic of Indonesia Year 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253), as amended by Law Number 4 of

2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);

9. Law Number 40 of 2014 on Insurance (State Gazette of the Republic of Indonesia Year 2014 Number 337, Supplement to the State Gazette of the Republic of Indonesia Number 5618), as amended by Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
10. Law Number 9 of 2016 on Prevention and Resolution of Financial System Crisis (State Gazette of the Republic of Indonesia Year 2016 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 5872), as amended by Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
11. Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HEREBY DECIDES:

To enact : LAW ON AMENDMENT TO LAW NUMBER 4 OF 2023 ON DEVELOPING AND STRENGTHENING OF THE FINANCIAL SECTOR

Section I

Several provisions in Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845) are amended as follows:

1. The provisions of Article 1 are amended to read as follows:

Article 1

In this Law:

1. Financial System means a unity consist of financial service institutions, financial markets, and financial infrastructure, including payment

systems, which interact in facilitating the collection of public funds and their allocation to support national economic activities, as well as corporations and households connected to financial services institutions.

2. Financial System Stability means the stability of the Financial System as referred to in the law on the prevention and resolution of financial system crisis.
3. The House of Representatives (*Dewan Perwakilan Rakyat*), hereinafter abbreviated to the DPR, means the House of Representatives as referred to in the 1945 Constitution of the Republic of Indonesia.
4. Central Government hereinafter referred to as the Government, means the President of the Republic of Indonesia who holds the power of governing the Republic of Indonesia with the assistance of the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
5. Minister means the minister administering government affairs in the field of finance.
6. The Financial Services Authority (*Otoritas Jasa Keuangan*) means an independent state institution with the functions, duties, and authority to regulate, supervise, inspect, and investigate as referred to in the law on the Financial Services Authority.
7. Bank Indonesia means the Central Bank of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
8. Deposit Insurance Corporation means an independent state institution that carries out the functions, duties, and authority as referred to in the law on the Deposit Insurance Corporation.
9. Local Government means the regional head as an element of local government administrator who leads the administration of government affairs which fall under the authority of an autonomous region.
10. Financial Services Institution, hereinafter abbreviated to LJK means institutions that carries out activities in the sectors of banking, capital market, insurance, pension fund, financing institution, and other financial services institutions in accordance with the provisions of laws and regulations in the financial services sector.
11. Digital Financial Asset Financial Services Institution means financial services institutions for crypto assets and financial services institutions for digital financial assets other than crypto assets.
12. Crypto-Asset Financial Services Institution (*Lembaga Jasa Keuangan Aset Kripto*), hereinafter referred to as *LJK Aset Kripto* means institutions that carries out activities in the digital financial asset sector specifically related to crypto assets.

13. Non-Crypto Digital Financial Asset Financial Services Institution (*Lembaga Jasa Keuangan Aset Keuangan Digital selain Aset Kripto*), hereinafter referred to as *LJK AKD selain Aset Kripto* means institutions that carries out activities in the digital financial asset sector other than crypto assets.
14. Bank means a bank as referred to in the law on banking and the law on sharia banking.
15. Capital Market means part of the Financial System that is related to the following activities:
    a. public offerings and securities transactions;
    b. investment management;
    c. issuers and public companies related to the securities they issued; and
    d. institutions and professions related to securities.
16. Money Market means part of the Financial System that is related to:
    a. issuance and trading activities of financial instruments or debt securities with a maturity of not exceeding one (1) year;
    b. money lending and borrowing transactions;
    c. interest rate derivative transactions; and
    d. other transactions that meet the characteristics of the Money Market,

    in Indonesian Rupiah or foreign currency.
17. Foreign Exchange Market means part of the Financial System that is related to transaction activities involving the exchange of currencies of two (2) different countries and their derivatives, excluding the exchange of banknotes in foreign exchange business activities.
18. Derivative means an instrument whose value is derived from an underlying asset.
19. Insurance Company means a general insurance company and life insurance company.
20. Sharia Insurance Company means a sharia general insurance company and sharia life insurance company.
21. Insurance Company and Sharia Insurance Company Under Resolution means Insurance Company and Sharia Insurance Company designated by the Financial Services Authority as Insurance Company and Sharia Insurance Company that:
    a. are experiencing financial difficulties;
    b. endanger the continuity of their business; and
    c. cannot be restructured to be financially sound by the Financial Services Authority in accordance with its authority.
22. Insurance Company in the Form of Mutual Company, hereinafter referred to as Mutual Company means a legal entity that conducts insurance business and is owned by its members, which already existed at the time Law Number 40 of 2014 on Insurance was promulgated.

23. General Meeting of Members of Mutual Company (*Rapat Umum Anggota Usaha Bersama*), hereinafter abbreviated to GMM, means an organ that holds the authority not delegated to the board of directors or board of commissioners of the Mutual Company within the limits specified in this Law.
24. Selection Committee means the committee in charge of selecting participants for GMM.
25. Board of Directors of a Mutual Company means the organ of a Mutual Company which has the authority and is responsible for managing the Mutual Company for the interest of the Mutual Company, in accordance with the Mutual Company's purpose and objectives, and represents the Mutual Company both in and out of court in accordance with this Law.
26. Board of Commissioners of a Mutual Company means the organ of a Mutual Company that has the duty to carry out general and/or specific oversight in accordance with this Law, as well as providing advice to the Board of Directors of the Mutual Company.
27. Proposal for Change of Legal Entity, hereinafter referred to as the Proposal means a document containing data and information related to the plan to change the legal entity form of a Mutual Company into a limited liability company.
28. Sharia Principles means the principles of Islamic law based on fatwas and/or statements of Sharia conformity issued by the institutions that have the authority to issue fatwas in the Sharia field.
29. Sharia Supervisory Board means an entity that has the duty and function of supervising the operations of a company/legal entity to ensure conformity with Sharia Principles.
30. Financing Services Business means an activity of providing funds or claims that can be equated with it based on an agreement or arrangement between an operator of financing services business and a financing recipient, which requires the financing recipient to repay the funds or claims after a specified period together with payment of interest, fees, profit sharing, and/or other surcharges, with or without collateral.
31. Information Technology-Based Joint Funding Service Provider means an Indonesian legal entity that provides, manages, and operates financial services to directly connect fund providers with fund recipients for the purpose of financing, either conventionally or based on Sharia Principles, through an electronic system using the internet.
32. Pension Fund means a legal entity that manages and administers programs promising pension benefits.
33. Controller means a party that directly or indirectly has the ability to determine the appointment of the

board of directors, board of commissioners, or their equivalents at a specific entity, i.e., financial market infrastructure operators, LJK, issuers or public companies, and/or the ability to influence the actions of the board of directors, board of commissioners, or their equivalent at such specific party.

34. Controlling Shareholder (*Pemegang Saham Pengendali*), hereinafter abbreviated to as PSP, means legal entity, individual, and/or business group that, directly or indirectly, owns shares or the equivalent of shares in an entity that carries out activities in the financial services sector and/or has the ability to exercise control over the said party.
35. Ultimate Controlling Shareholder (*Pemegang Saham Pengendali Terakhir*) hereinafter abbreviated to PSPT means an individual or a country that, directly or indirectly, owns shares in a company and is the ultimate controller or the ultimate beneficial owner of a company or a business group.
36. Financial Conglomerate means LJK belonging in one (1) group due to ownership and/or control ties.
37. Financial Holding Company (*Perusahaan Induk Konglomerasi Keuangan*) hereinafter abbreviated to PIKK means a legal entity owned by PSP or PSPT to control, consolidate, and be responsible for all activities of a Financial Conglomerate.
38. Financial Sector Technological Innovation (*Inovasi Teknologi Sektor Keuangan*) hereinafter abbreviated to ITSK means technology-based innovation that has an impact on products, activities, services, and business models within the digital financial ecosystem.
39. Sustainable Finance means an ecosystem with comprehensive support in the form of policies, regulations, norms, standards, products, transactions, and financial services that align economic, environmental, and social interests in financing sustainable activities and financing the transitions towards sustainable economic growth.
40. Financial Literacy means the knowledge, skills, and beliefs that influence attitudes and behaviors to increase the quality of financial management and decision-making to achieve the financial well-being of the public.
41. Financial Inclusion means the availability of access to use affordable, quality, and sustainable products and/or services provided by financial sector businesses, in accordance with the needs and capabilities of the public, to improve the financial well-being of the public.
42. Consumer means any person who owns and/or utilizes products and/or services provided by financial sector businesses.

43. Consumer Protection means any effort that ensures the legal certainty to provide protection to Consumers.
44. Financial Sector Business Actor (*Pelaku Usaha Sektor Keuangan*), hereinafter abbreviated to PUSK means LJK, financial market infrastructure providers, payment system providers, supporting institutions in the financial sector, and other financial sector businesses that carries out business activities either conventionally or based on Sharia Principles in accordance with the provisions of laws and regulations in the financial sector.
45. Market Conduct Supervision means the oversight of PUSKs' conduct in designing, providing, and communicating information, making offers, drafting agreements, providing services related to the use of products and/or services, and handling complaints and resolving disputes as an effort to realize Consumer Protection.
46. Standard Agreement means a written agreement, including in electronic form, unilaterally established by PUSK and contains standard clauses regarding the substantive content, form, and methods, and is used to offer products and/or services to Consumers on a mass scale.
47. Alternative Dispute Resolution Body for Financial Sector (*Lembaga Alternatif Penyelesaian Sengketa Sektor Keuangan*), hereinafter referred to as LAPS-SK means an institution that resolve disputes between Consumers and PUSK outside of court.
48. Micro, Small, and Medium Enterprise means productive economic enterprises carried out by individuals or business entities that meet the criteria for micro, small, and medium enterprises as regulated in provisions of laws and regulations on micro, small, and medium enterprises.
49. Financial Sector Profession means a field of work that provides professional services in the financial sector which requires a certain level of expertise and qualifications in accordance with the provisions of laws and regulations.
50. Financial Sector Professional means a person who practices a Financial Sector Profession.
51. Financial Sector Supporting Profession means Financial Sector Professional who provides professional services across various industries within the financial sector to support the sector's effectiveness.
52. Financial Sector Business Profession means Financial Sector Professional who provides limited professional services within a specific industry of the financial sector.
53. Professional Association means a professional organization that represents Financial Sector Professionals.

54. Professional Certification Body means an institution that conducts professional certification activities, which has met the requirements and obtained a license from an agency or an institution authorized to conduct work competency certification in accordance with the provisions of laws and regulations.
55. Any Person means an individual, corporation, or business entity that takes the form of a legal entity or non-legal entity, or any other entity.

2. The provisions of Article 1 under subsection 1 in Article 7 are amended to read as follows:

Article 1

In this Law:

1. Deposit means a deposit as referred to in the law on banking and the law on sharia banking.
2. Bank means a bank as referred to in the law on banking and the law on sharia banking.
3. Financial Services Authority means the Financial Services Authority as referred to in the Law on the Financial Services Authority.
4. Bank Indonesia means the Central Bank of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
5. Depositor means any depositor as referred to in the law on banking and the law on sharia banking.
6. Debtor means any debtor as referred to in the law on banking.
7. Bank Under Resolution means a bank designated by the Financial Services Authority as a bank that:
   a. is experiencing financial difficulties;
   b. endangers the continuity of their business; and
   c. cannot be restructured to be financially sound by the Financial Services Authority in accordance with its authority.
8. Insurance Company and Sharia Insurance Company Under Resolution means Insurance Company and Sharia Insurance Company designated by the Financial Services Authority as Insurance Company and Sharia Insurance Company that:
   a. is experiencing financial difficulties;
   b. endangers the continuity of their business; and
   c. cannot be restructured to be financially sound by the Financial Services Authority in accordance with its authority.
9. Systemic Bank means any Bank that, due to the size of its assets, capital, and liabilities; its network coverage or the complexity of banking services transactions; and its interconnections with other financial sectors may trigger the failure of other partial or whole Banks or the financial services

sector, both operationally and financially, if it is undergoing a disruption or failure.

10. Bank Customer Deposit Insurance, hereinafter referred to as Deposit Insurance means the insurance provided by the Deposit Insurance Corporation for Bank customer Deposits.
11. Deposit Insurance Reserve means the fund allocated partially from the surplus of Deposit Insurance Corporation, which is allocated to fulfill future obligations under the duties and authority of Deposit Insurance Corporation.
12. Special Reserve means the fund allocated partially from the surplus of Deposit Insurance Corporation that is used among others for the replacement or refurbishment of fixed assets and supplies that are used to conduct the duties and authorities of Deposit Insurance Corporation.
13. Minister of Finance means the minister administering government affairs in the field of finance.
14. Regulation of the Deposit Insurance Corporation means regulation established by the Deposit Insurance Corporation for the purpose of carrying out the functions, duties, and authority of the Deposit Insurance Corporation and promulgated in the State Gazette of the Republic of Indonesia.
15. Board of Commissioners means the highest organ of the Deposit Insurance Corporation.
16. Regulation of the Board of Commissioners means a regulation established by the Board of Commissioners of the Deposit Insurance Corporation that contains internal rules.
17. General Meeting of Shareholders, hereinafter abbreviated to GMS means a general meeting of shareholders as regulated in the provisions of laws and regulations.

3. The provisions of Article 2 under subsection 2 in Article 7 are amended to read as follows:

Article 2

(1) Pursuant to the law on the Deposit Insurance Corporation, the Deposit Insurance Corporation is established.
(2) The Deposit Insurance Corporation as referred to in paragraph (1) is a legal entity.
(3) The Deposit Insurance Corporation is a state institution that is independent, transparent, and accountable in carrying out its duties and authority.
(4) The Deposit Insurance Corporation is accountable to the President.

4. The provisions of Article 4 under subsection 4 in Article 7 are amended to read as follows:

Article 4

The Deposit Insurance Corporation has the functions to:

a. guarantee the Deposits of Depositors;
b. guarantee insurance policies;
c. actively participate in maintaining the Financial System Stability in accordance with its authority;
d. conduct resolution of Banks; and
e. conduct resolution of Insurance Companies and Sharia Insurance Companies.

5. The provisions of Article 5 under subsection 5 in Article 7 are amended to read as follows:

Article 5

(1) In carrying out its function to guarantee the Deposits of Depositors as referred to in Article 4 subparagraph a, the Deposit Insurance Corporation has the following duties:
   a. to formulate and to establish policies for the implementation of Deposit Insurance; and
   b. to implement the Deposit Insurance.

(2) In carrying out its function to guarantee the insurance policies as referred to in Article 4 subparagraph b, the Deposit Insurance Corporation has the following duties:
   a. to formulate and establish policies for the implementation of the policy guarantee program; and
   b. to implement the policy guarantee program.

(3) In carrying out its function to actively participate in maintaining the Financial System Stability as referred to in Article 4 subparagraph c, the Deposit Insurance Corporation has the following duties to formulate, establish, and implement Financial System Stability policies in accordance with its authority.

(4) In carrying out its function to conduct resolution of Banks as referred to in Article 4 subparagraph d, the Deposit Insurance Corporation has the following duties:
   a. to formulate, establish, and implement the preparation measures for Bank resolution, including due diligence on the Bank as well as exploratory discussions with other Banks or investors; and
   b. to formulate, establish, and implement Bank resolution policies for Banks designated as Banks Under Resolution.

(5) In carrying out its function to conduct resolution of Insurance Companies and Sharia Insurance Companies as referred to in Article 4 subparagraph e, the Deposit Insurance Corporation has the following duties:

a. to formulate, establish, and implement the preparation measures for the resolution of Insurance Companies and Sharia Insurance Companies, including due diligence on the Insurance Companies and Sharia Insurance Companies as well as engagement with other Insurance Companies, Sharia Insurance Companies, or investors; and
b. to formulate, establish, and implement resolution policies for Insurance Companies and Sharia Insurance Companies designated as Insurance Companies and Sharia Insurance Companies Under Resolution.

6. The provisions of Article 6 under subsection 6 in Article 7 are amended to read as follows:

Article 6

(1) In carrying out the duties as referred to in Article 5, the Deposit Insurance Corporation is authorized to:
a. set and collect deposit Insurance premiums and periodic contributions for insurance policy guarantee;
b. set and collect contributions when a Bank first becomes a participant and initial fees when an Insurance Company and a Sharia Insurance Company first become participants;
c. manage the assets and liabilities of the Deposit Insurance Corporation, including book write-off and claim write-off of receivables and other assets;
d. obtain data on Deposits of Depositors, data on the financial soundness of Banks, financial statements of Banks, and audit reports Banks;
e. obtain data on policyholders, insured parties, and participants; data on the financial soundness of Insurance Companies and Sharia Insurance Companies; financial statements of Insurance Companies and Sharia Insurance Companies; and audit reports of Insurance Companies and Sharia Insurance Companies;
f. reconcile, verify, and/or confirm the data and reports as referred to in subparagraphs d and e;
g. establish the requirements, procedures, and provisions regarding the payment of claims of Deposit Insurance and the implementation of policy guarantees;
h. appoint, authorize, and/or assign other parties to act in the interest of and/or on behalf of the Deposit Insurance Corporation, to carry out certain specific duties;

i. conduct outreach to Banks, Insurance Companies and Sharia Insurance Companies, and the public regarding Deposit Insurance and policy guarantees;
j. conduct examinations of Banks, either independently or jointly with the Financial Services Authority;
k. conduct examinations of Insurance Companies and Sharia Insurance Companies, either independently or jointly with the Financial Services Authority;
l. place funds in the Bank under restructuring at the request of the Financial Services Authority;
m. appoint a statutory manager at the Bank that receives fund placement from the Deposit Insurance Corporation;
n. transfer the insurance portfolios, pay the policy guarantee claims, and refund the premiums or contributions that have not yet taken effect when an Insurance Company and Sharia Insurance Company is designated as an Insurance Company and Sharia Insurance Company Under Resolution;
o. transfer insurance policies without the approval of policyholders, insured parties, or participants;
p. support the development of information technology systems for reporting by banks;
q. provide financial assistance to Insurance Companies and Sharia Insurance Companies Under Resolution; and
r. impose administrative sanctions.

(2) Effective from the date the Deposit Insurance Corporation receives written notification from the Financial Services Authority regarding Bank Under Resolution or Insurance Company and Sharia Insurance Company Under Resolution, the Deposit Insurance Corporation is authorized to:
a. take over and exercise all rights and powers of the shareholders, including the rights and authority of the GMS;
b. control and manage the assets and liabilities of Bank Under Resolution and Insurance Company and Sharia Insurance Company Under Resolution;
c. review, cancel, terminate, and/or amend any contract binding the Bank Under Resolution and the Insurance Company and the Sharia Insurance Company Under Resolution with third parties that detriments the Bank Under Resolution and the Insurance Company and the Sharia Insurance Company Under Resolution; and
d. sell and/or transfer the assets of the Bank Under Resolution or the Insurance Company

and Sharia Insurance Company Under Resolution without the consent of the debtors and/or transfer the liabilities of the Bank Under Resolution or the Insurance Company and Sharia Insurance Company Under Resolution without the consent of the creditors, policyholders, insured parties, or participants.

7. Between subsections 6 and 7 in Article 7, one (1) subsection is inserted, namely subsection 6a, to read as follows:

6a. Between Articles 7 and 8, one (1) article is inserted, namely Article 7A, to read as follows:

Article 7A

The Chair of the Board of Commissioners of the Deposit Insurance Corporation, the Vice Chair of the Board of Commissioners of the Deposit Insurance Corporation, members of the Board of Commissioners of the Deposit Insurance Corporation, as well as officials and employees of the Deposit Insurance Corporation receive legal protection in the implementation of this Law, provided that they perform their duties in good faith and in accordance with the provisions of laws and regulations.

8. Between subsections 15 and 16 in Article 7, three (3) subsections are inserted, namely subsections 15a, 15b, and 15c, to read as follows:

15a. Between Chapter IV and Chapter V, one (1) chapter is inserted, namely Chapter IVA, to read as follows:

CHAPTER IVA

HANDLING OF BANKS UNDER RESOLUTION AND INSURANCE COMPANIES AND SHARIA INSURANCE COMPANIES UNDER RESOLUTION PRIOR TO THE DECISION ON THE HANDLING METHOD

15b. Between Articles 20 and 21, one (1) article is inserted, namely Article 20A, to read as follows:

Article 20A

(1) After the Deposit Insurance Corporation receives written notification from the Financial Services Authority regarding the designation of Bank Under Resolution or Insurance Company and Sharia Insurance Company Under Resolution as referred to in Article 6 paragraph (2), the Deposit Insurance Corporation may take the following actions:

a. transfer to investors; restructuring measures by involving shareholders, investors, and/or creditors; transfer and/or repurchase of shares owned by existing shareholders; and other measures in its capacity as the GMS of the Bank Under Resolution or the Insurance Company and Sharia Insurance Company Under Resolution; or
b. pay the policy guarantee claims until a decision is made on how to handle the Insurance Company and Sharia Insurance Company Under Resolution, by first using the funds of the Insurance Company and Sharia Insurance Company Under Resolution in accordance with the provisions of the policy guarantee program.

(2) Further provisions on the actions of the Deposit Insurance Corporation as referred to in paragraph (1) are regulated in a Regulation of the Deposit Insurance Corporation.

15c. The title of Chapter V is amended to read as follows:

CHAPTER V
RESOLUTION AND HANDLING OF BANKS UNDER RESOLUTION AND INSURANCE COMPANIES AND SHARIA INSURANCE COMPANIES UNDER RESOLUTION

9. Between subsections 17 and 18 in Article 7, two (2) subsections are inserted, namely subsection 17a and subsection 17b, to read as follows:

17a. Between Articles 22 and 23, one (1) article is inserted, namely Article 22A, to read as follows:

Article 22A

(1) With respect to Insurance Company and Sharia Insurance Company designated as Insurance Company and Sharia Insurance Company Under Resolution, the Deposit Insurance Corporation decides on whether or not to rescue the Insurance Company and Sharia Insurance Company Under Resolution.
(2) The decision to rescue or not to rescue the Insurance Company and Sharia Insurance Company Under Resolution as referred to in paragraph (1) is made based on the following considerations:
a. the estimated cost of making the rescue;
b. the estimated cost of not making the rescue; and
c. other factors.

(3) The estimated cost of making the rescue as referred to in paragraph (2) subparagraph a includes capital injection until the Insurance Company and the Sharia Insurance Company Under Resolution meet the solvency and liquidity requirements.

(4) The estimated cost of not making the rescue as referred to in paragraph (2) subparagraph b includes:
   a. the cost of paying the guaranteed claims of policyholders and insured participants;
   b. the cost of covering outstanding salaries;
   c. the cost of covering severance pay for employees; and
   d. the estimated funds received by the Deposit Insurance Corporation from the sale of assets of Insurance Company and Sharia Insurance Company under Resolution whose business licenses have been revoked.

(5) The other factors as referred to in paragraph (2) subparagraph c include:
   a. conditions of the economy and the insurance industry;
   b. the time required for handling;
   c. availability of investors;
   d. effectiveness of handling; and/or
   e. other conditions.

(6) Further provisions on the mechanism for deciding whether or not to rescue an Insurance Company or a Sharia Insurance Company Under Resolution as referred to in paragraphs (1) to (5) are regulated in a Regulation of the Deposit Insurance Corporation.

17b. The title of Division Two in CHAPTER V is amended to read as follows:

Division Two
Rescue of Banks Under Resolution Other Than Systemic Banks, as well as Insurance Companies and Sharia Insurance Companies Under Resolution

10. Between subsections 18 and 19 of Article 7, one (1) subsection is inserted, namely subsection 18a, to read as follows:

18a. Between Articles 24 and 25, one (1) article is inserted, namely Article 24A, to read as follows:

Article 24A

(1) The Deposit Insurance Corporation rescues the Insurance Company and Sharia Insurance

Company designated as Insurance Company and Sharia Insurance Company Under Resolution where the considerations as referred to in Article 22A paragraph (2) have been met.

(2) Shareholders, members of the board of directors and members of the board of commissioners, as well as employees and former employees of Insurance Company and Sharia Insurance Company designated as Insurance Company and Sharia Insurance Company Under Resolution are required at any time to provide all data and information required by the Deposit Insurance Corporation.

(3) Further provisions on the procedures of making the rescue as referred to in paragraph (1) are regulated in a Regulation of the Deposit Insurance Corporation.

11. The provisions of Article 25 under subsection 19 in Article 7 are amended to read as follows:

Article 25

Effective as of the date the Deposit Insurance Corporation receives written notification from the Financial Services Authority on the designation of:

a. Bank other than Systemic Bank as Bank Under Resolution; and
b. Insurance Company and Sharia Insurance Company Under Resolution,

the Deposit Insurance Corporation takes over the rights and authority of the GMS, ownership, management, and other interests in the Bank, Insurance Company, and Sharia Insurance Company Under Resolution.

12. The provisions of Article 26 under subsection 20 in Article 7 are amended to read as follows:

Article 26

(1) After the Deposit Insurance Corporation takes over the rights and authority of the GMS, ownership, management, and other interests in Bank, Insurance Company, and Sharia Insurance Company Under Resolution as referred to in Article 25, the Deposit Insurance Corporation may take the following actions:

a. take control of, manage, and exercise ownership rights over assets owned by the Bank, Insurance Company, and Sharia Insurance Company or to which they are entitled to, and/or the liabilities of the Bank, Insurance Company, and Sharia Insurance Company;

b. make temporary capital participation;

c. sell or transfer the assets of the Bank, Insurance Company and Sharia Insurance Company without the consent of Debtors, policyholders, insured parties, or participants, and/or the liabilities of Bank, Insurance Company and Sharia Insurance Company without the consent of the creditors, policyholders, insured parties, or participants;
d. transfer the management of Bank, Insurance Company, and Sharia Insurance Company to another party;
e. carry out a merger or consolidation with other Bank, Insurance Company, and Sharia Insurance Company;
f. transfer the ownership of Bank, Insurance Company, and Sharia Insurance Company; and/or
g. review, cancel, terminate, and/or amend banking contracts that bind the Bank, Insurance Company, and Sharia Insurance Company to third parties, which, in the opinion of the Deposit Insurance Corporation, are detrimental to the Bank, Insurance Company, and Sharia Insurance Company.

(2) Further provisions on the authority of the Deposit Insurance Corporation as referred to in paragraph (1) are regulated in a Regulation of the Deposit Insurance Corporation.

13. Between subsections 20 and 21 of Article 7, one (1) subsection is inserted, namely subsection 20a, to read as follows:

20a. Provisions of Article 27 are amended to read as follows:

Article 27

All costs associated with the rescue of Bank, Insurance Company, and Sharia Insurance Company Under Resolution incurred by the Deposit Insurance Corporation constitute a temporary capital participation by the Deposit Insurance Corporation into Bank, Insurance Company, and Sharia Insurance Company.

14. The provisions of Article 28 under subsection 21 in Article 7 are amended to read as follows:

Article 28

(1) Where the equity of the Bank, Insurance Company and Sharia Insurance Company is positive at the time the Deposit Insurance Corporation receives written notification of the designation of Bank other than Systemic Bank as Bank Under Resolution or an Insurance Company and Sharia Insurance Company Under Resolution from the Financial

Services Authority as referred to in Article 25, the existing PSP receives its share of the proceeds from the sale of the shares of the rescued Bank, Insurance Company, and Sharia Insurance Company in proportion to their ownership interest in the equity of the Bank, Insurance Company, and Sharia Insurance Company at the time the Deposit Insurance Corporation receives the written notification.

(2) Where the equity of the Bank, Insurance Company, and Sharia Insurance Company is zero or negative at the time the Deposit Insurance Corporation receives written notification of the designation of a Bank other than Systemic Bank as Bank Under Resolution or an Insurance Company and Sharia Insurance Company Under Resolution from the Financial Services Authority as referred to in Article 25, the existing PSP has no right to the proceeds from the sale of shares of the Bank, Insurance Company, and Sharia Insurance Company following the rescue.

15. The provisions of Article 29 under subsection 22 in Article 7 are amended to read as follows:

Article 29

(1) The use of the proceeds from the sale of shares of Bank, Insurance Company, and Sharia Insurance Company Under Resolution as referred to in Article 28 paragraph (1) is carried out in the following order:
   a. reimbursement of all costs incurred by the Deposit Insurance Corporation for the rescue; and
   b. payment to the existing PSP in proportion to their ownership interest in the equity of the Bank, Insurance Company, and Sharia Insurance Company at the time the Deposit Insurance Corporation receives written notification of the designation of a Bank other than Systemic Bank as Bank Under Resolution or an Insurance Company and Sharia Insurance Company Under Resolution from the Financial Services Authority as referred to in Article 25.

(2) Where a surplus after the proceeds from the sale of shares of the Bank, Insurance Company, and Sharia Insurance Company Under Resolution as referred to in paragraph (1) have been used, the remaining proceeds from the sale of shares of the Bank, Insurance Company, and Sharia Insurance Company are distributed proportionally to the Deposit Insurance Corporation and the existing PSP in accordance with the ratio of the reimbursement of all rescue costs as referred to in paragraph (1) subparagraph a and the payment to

the existing PSP as referred to in paragraph (1) subparagraph b.

16. The provisions of Article 30 under subsection 23 in Article 7 are amended to read as follows:

Article 30

(1) The Deposit Insurance Corporation shall sell all shares held by the Deposit Insurance Corporation and the existing PSP of the Bank other than a Systemic Bank designated as Bank Under Resolution or an Insurance Company and Sharia Insurance Company designated as Insurance Company and Sharia Insurance Company Under Resolution within a period of no more than three (3) years from the date the Deposit Insurance Corporation decides to rescue the Bank Under Resolution or the Insurance Company and Sharia Insurance Company Under Resolution.

(2) The sale of shares as referred to in paragraph (1) is conducted openly and transparently, taking into account the optimal rate of return.

(3) The optimal rate of return as referred to in paragraph (2) is at least equal to the total amount of temporary capital injection made by the Deposit Insurance Corporation.

(4) Where the optimal rate of return as referred to in paragraphs (2) and (3) cannot be achieved within a maximum period of three (3) years, the period as referred to in paragraph (1) may be extended for maximum of two (2) times, with each extension lasting one (1) year.

(5) Where the optimal rate of return as referred to in paragraphs (2) and (3) cannot be achieved within the extension period as referred to in paragraph (4), the Deposit Insurance Corporation sells the shares of the Bank, Insurance Company, and Sharia Insurance Company without regard to the provisions as referred to in paragraph (3) within the following one (1) year.

17. Between subsections 23 and 24 of Article 7, one (1) subsection is inserted, namely subsection 23a, to read as follows:

23a. The title of Division Three in CHAPTER V is amended to read as follows:

Division Three

Banks Under Resolution Other Than Systemic Banks, as well as Insurance Companies and Sharia Insurance Companies Under Resolution that Are Not Rescued

18. The provisions of Article 31 under subsection 24 in Article 7 are amended to read as follows:

Article 31

(1) Where the Deposit Insurance Corporation decides to not rescue or to discontinue the rescue process, the Deposit Insurance Corporation requests the Financial Services Authority to revoke the business license of Bank other than a Systemic Bank designated as Bank Under Resolution, or of an Insurance Company and Sharia Insurance Company designated as Insurance Company and Sharia Insurance Company Under Resolution in accordance with the provisions of laws and regulations.

(2) The Deposit Insurance Corporation pays the guarantee claims to:
   a. the Depositors of Bank whose business license has been revoked as referred to in paragraph (1), in accordance with the provisions of this Law; or
   b. the policyholders, insured parties, or participants of Insurance Company and Sharia Insurance Company in accordance with the provisions of the policy guarantee program.

19. The provisions of Article 63 under subsection 37 in Article 7 are amended to read as follows:

Article 63

(1) The governing body of the Deposit Insurance Corporation is the Board of Commissioners.

(2) The Board of Commissioners is the leadership of the Deposit Insurance Corporation.

(3) The Chair of the Board of Commissioners acts as the head of the Board of Commissioners.

(4) The Board of Commissioners exercises the duties and authority of the Deposit Insurance Corporation as specified in this Law.

(5) The division and/or changes of portfolios, duties, rules of procedure, and procedures for the exercise of duties and authority of the Board of Commissioners in implementing the provisions as referred to in paragraph (4) are regulated in a Regulation of the Board of Commissioners after consultation with the DPR.

(6) The Board of Commissioners is authorized to represent the Deposit Insurance Corporation both in and out of court.

(7) The Board of Commissioners may delegate the authority as referred to in paragraph (6) to members of the Board of Commissioners and/or officials of the Deposit Insurance Corporation who are specifically authorized to represent the Deposit Insurance Corporation for that purpose.

(8) The delegation as referred to in paragraph (7) is made with or without the right of substitution, in accordance with the provisions of laws and regulations.
(9) Further provisions on the delegation of power as referred to in paragraph (7) are regulated in a Regulation of the Board of Commissioners.

20. The provisions of Article 65 under subsection 39 in Article 7 are amended to read as follows:

Article 65

(1) The Board of Commissioners has seven (7) members, consisting of:
   a. one (1) official with a rank no lower than high-level senior executive positions within the Ministry of Finance, appointed by the Minister of Finance;
   b. one (1) member of the Board of Commissioners of the Financial Services Authority, appointed by the Chair of the Board of Commissioners of the Financial Services Authority;
   c. one (1) member of the Board of Governors of Bank Indonesia, appointed by the Governor of Bank Indonesia; and
   d. four (4) members from within and/or outside the Deposit Insurance Corporation.
(2) The members of the Board of Commissioners as referred to in paragraph (1) subparagraph d consist of:
   a. The Chair of the Board of Commissioners, concurrently serving as a member;
   b. Vice Chair of the Board of Commissioners concurrently serving as a member;
   c. member of the Board of Commissioners responsible for Deposit Insurance program and Bank Resolution program; and
   d. member of the Board of Commissioners responsible for policy guarantee program.
(3) The members of the Board of Commissioners as referred to in paragraph (1) subparagraph d are selected by the DPR from among candidates nominated by the President.
(4) For each position as referred to in paragraph (3), the President nominates at least two (2) candidates to the DPR.
(5) In regard to the nomination of candidates to become members of the Board of Commissioners of the Deposit Insurance Corporation as referred to in paragraph (3), the President may form a selection committee established by a Presidential Decree.
(6) The composition of the selection committee and the procedures for conducting the selection process as referred to in paragraph (5) is regulated by a Presidential Regulation.

(7) Provisions on the selection of candidates to become members of the Board of Commissioners as nominated by the President to the DPR are carried out through the mechanism as stipulated in a Regulation of the DPR on Rules of Procedure.

(8) The President appoints and confirms:
   a. members of the Board of Commissioners as referred to in paragraph (1) subparagraphs a, b and c; and
   b. the selected members of the Board of Commissioners as referred to in paragraph (1) subparagraph d, no later than fourteen (14) workdays from the date when the names of the selected members of the Board of Commissioners are received from the DPR.

21. The provisions of Article 67 under subsection 42 in Article 7 are amended to read as follows:

Article 67

The candidate members of the Board of Commissioners must meet the following requirements:
a. Indonesian citizen;
b. has good character, morals, and integrity;
c. legally competent;
d. has never been declared bankrupt or never served as a member of the management of a company that caused the company to go bankrupt;
e. has good physical health;
f. no older than sixty-five (65) years of age at the time of appointment;
g. has experience or expertise in the financial services sector;
h. has never been sentenced to imprisonment based on a final and binding court judgment for committing a criminal offense punishable by five (5) years or more;
i. not a consultant, employee, member of the management, and/or owner of a Bank or Insurance Company and Sharia Insurance Company, directly or indirectly, at the time of the appointment as a member of the Board of Commissioners;
j. not an officer and/or member of a political party at the time of nomination; and
k. not declared as a person of ill repute in the banking and other financial services industry based on the provisions of laws and regulations.

22. The provisions of Article 69 under subsection 43 in Article 7 are amended to read as follows:

Article 69

(1) A member of the Board of Commissioners may only be dismissed by the President due to the following reasons:
   a. permanent incapacity;

b. expiration of the term of office;
c. resignation;
d. absence from four (4) consecutive meetings of the Board of Commissioners without a valid reason;
e. failure to perform their duties as a member of the Board of Commissioners for more than six (6) months, despite having justifiable reasons;
f. having family relationship by blood up to the second degree or by marriage to another member of the Board of Commissioners, and none of them resigned from their position;
g. no longer meets one of the requirements as referred to in Article 67; or
h. having violated the provisions of laws and regulations.

(2) A member of the Board of Commissioners as referred to in Article 65 paragraph (1) subparagraphs a, b, and c is dismissed from office for reasons as referred to in paragraph (1) or if they no longer hold a position at least equivalent to high-level senior executive positions within the Ministry of Finance, a member of the Board of Commissioners of the Financial Services Authority, or a member of the Board of Governors of Bank Indonesia.

(3) The dismissal as referred to in paragraphs (1) and (2) is stipulated by a Presidential Decree.

(4) The dismissal of members of the Board of Commissioners and the nomination of new members must be carried out in such manner that the number of members of the Board of Commissioners are at least four (4) persons.

(5) Where a member of the Board of Commissioners is dismissed, a replacement must be appointed no later than three (3) months from the date of dismissal.

(6) The term of office of a member of the Board of Commissioners appointed to replace a member who has been dismissed for reasons other than the expiration of their term of office as referred to in paragraph (1) subparagraph b is:
a. the remaining term of the member the Board of Commissioners being replaced; or
b. five (5) years.

23. The provisions of Article 71 under subsection 45 in Article 7 are amended to read as follows:

Article 71

(1) The Board of Commissioners shall hold regular meetings at least one (1) time every one (1) month with an agenda that includes:
a. establishing policies regarding Deposit Insurance and policy guarantees in accordance with this Law;

b. establishing policies for the Deposit Insurance Corporation to actively contribute to maintaining Financial System Stability in accordance with its authority;
c. establishing policies on the resolution of Banks and Insurance Companies and Sharia Insurance Companies;
d. evaluating the implementation of Deposit Insurance, policy guarantees, fund placement, resolution of Banks, and resolution of Insurance Companies and Sharia Insurance Companies, as well as the role of the Deposit Insurance Corporation in actively contributing to maintaining Financial System Stability;
e. receiving and evaluating matters reported by members of the Board of Commissioners; and
f. other matters related to the duties of the Deposit Insurance Corporation.

(2) The Chair of the Board of Commissioners leads the meetings of the Board of Commissioners.
(3) Where the Chair of the Board of Commissioners is unable to attend and therefore cannot lead the meeting, the Chair may designate the Vice Chair or other members of the Board of Commissioners to lead the meeting.
(4) Where the Chair of the Board of Commissioners is unable to attend and therefore cannot lead the meeting and is also unable to appoint the Vice Chair or other member of the Board of Commissioners to lead the meeting, the other members of the Board of Commissioners, through deliberation and by consensus, selects one member among them to lead the meeting.
(5) Further provisions on the procedures for holding Board of Commissioners meetings as referred to in paragraphs (1) to (4) are regulated in a Regulation of the Board of Commissioners.

24. Between subsections 47 and 48 of Article 7, one (1) subsection is inserted, namely subsection 47a, to read as follows:

47a. The provisions of Article 74 are amended to read as follows:

Article 74

(1) The Board of Commissioners establishes the organizational structure, description of duties and position, and operational procedures of the Deposit Insurance Corporation.
(2) The Board of Commissioners establishes an audit committee and other committees as necessary.
(3) The audit committee as referred to in paragraph (2) is responsible to and reports the

performance of its duties to the Board of Commissioners.

(4) The organizational structure, description of duties and position, and operational procedures of the Deposit Insurance Corporation as referred to in paragraph (1), as well as the formation, membership, and duties of the committees as referred to in paragraph (2) are determined by a Decision of the Board of Commissioners.

25. The provisions of Article 86 under subsection 57 in Article 7 are amended to read as follows:

Article 86

(1) The Board of Commissioners formulates an annual work plan and budget.

(2) The annual work plan and budget as referred to in paragraph (1) include:
   a. the annual work plan and budget for operational activities; and
   b. the annual work plan and budget for the policies regarding Deposit Insurance, policy guarantees, fund placement, resolution of Banks, and resolution of Insurance Companies and Sharia Insurance Companies.

(3) In formulating the annual work plan and budget, the Board of Commissioners evaluates the current year's budget execution.

(4) The Chair of the Board of Commissioners submits the annual work plan and budget for operational activities as referred to in paragraph (2) subparagraph a to the DPR for approval.

(5) The submission to the DPR as referred to in paragraph (4) is made no later than two (2) months before the fiscal year begins.

(6) The DPR approves the annual work plan and budget for operational activities as referred to in paragraph (4) no later than 30 November of the current year.

(7) The annual work plan and budget as referred to in paragraph (1) which include:
   a. the annual work plan and budget for operational activities that have been approved by the DPR as referred to in paragraph (6); and
   b. the annual work plan and budget for policies on Deposit Insurance, policy guarantees, fund placement, resolution of Banks, and resolution of Insurance Companies and Sharia Insurance Companies,

   are established by the Board of Commissioners.

(8) Where the DPR does not approve the annual work plan and budget for operational activities as referred to in paragraph (4), the Deposit Insurance Corporation may incur expenditures not exceeding

the amount of the annual work plan and budget for operational activities in the previous fiscal year.

(9) Further provisions on the form and structure of the annual work plan and budget as referred to in paragraph (1) are regulated in a Regulation of the Board of Commissioners.

26. Between subsections 57 and 58 in Article 7, two (2) subsections are inserted, namely subsections 57a and 57b, to read as follows:

57a. Between Articles 86 and 87, one (1) article is inserted, namely Article 86A to read as follows:

Article 86A

(1) The annual budget for operational activities as referred to in Article 86 paragraph (2) subparagraph a is determined based on reasonable standards in the financial services sector.

(2) Reasonable standards in the financial services sector as referred to in paragraph (1) include special treatment regarding cost standards, procurement process for goods and services, human resource management, organization, and remuneration.

(3) Provisions on standard costs, procurement process for goods and services, human resource management, organization, and remuneration as referred to in paragraph (2) are regulated in a Regulation of the Deposit Insurance Corporation after obtaining approval from the DPR.

57b. The provisions of Article 87 are amended to read as follows:

Article 87

(1) The Board of Commissioners serves the annual work plan and budget that have been established as referred to in Article 86 paragraph (7) to the President and the DPR.

(2) The Board of Commissioners serves the evaluation of the implementation of the current year's budget as referred to in Article 86 paragraph (3) to the President and the DPR.

(3) Where the outcome of the evaluation as referred to in paragraph (2) resulted in changes in the form of increased work plan and budget ceiling for operational activities for the current year, such changes are made after obtaining approval of the DPR.

(4) Provisions on the scope of changes to the work plan and budget for the current year with the approval of the DPR as referred to in

paragraph (3) are regulated in a Regulation of the Deposit Insurance Corporation.

27. Between subsections 61 and 62 in Article 7, two (2) subsections are inserted, namely subsections 61a and 61b, to read as follows:

61a. Between Chapter XI and Chapter XII, one (1) chapter is inserted, namely Chapter XIA, to read as follows:

CHAPTER XIA
OTHER DUTIES

61b. Between Articles 90 and 91, one (1) article is inserted, namely Article 90A, to read as follows:

Article 90A

(1) In order to support the performance of its duties, the Deposit Insurance Corporation implements educational programs as well as community empowerment and environmental programs conducted in an inclusive manner.
(2) Provisions on the educational programs and the community empowerment and environmental programs conducted in an inclusive manner as referred to in paragraph (1) as well as their governance are regulated in a Regulation of the Deposit Insurance Corporation.

28. The provisions of Article 95A under subsection 65 in Article 7 are amended to read as follows:

Article 95A

Shareholders, members of the board of directors and members of the board of commissioners, as well as employees and former employees of Bank Under Resolution or Insurance Company and Sharia Insurance Company Under Resolution who violate the provisions on the obligation to provide data and information as referred to in Article 24 paragraph (2) or Article 24A paragraph (2) shall be liable to imprisonment for a maximum term of three (3) years and/or to a fine not exceeding category III.

29. The provisions of Article 6 under subsection 4 in Article 8 are amended to read as follows:

Article 6

(1) The Financial Services Authority carries out regulatory and supervisory duties over the following:
    a. financial services activities in the Banking sector;

b. financial services activities in the Capital Market, Financial Derivatives, and carbon exchange sectors;
c. financial services activities in the Insurance, Guarantee, and Pension Fund sectors;
d. financial services activities in the Financing Institutions, venture capital firms, microfinance institutions, and other LJK sectors;
e. activities in the mineral and strategic commodities exchange sector;
f. activities in the ITSK sector, as well as digital financial assets and crypto assets;
g. other activities in the management of public fund;
h. the conduct of financial service businesses as well as the implementation of education and Consumer Protection; and
i. the financial sector as an integrated sector, as well as conducting assessments on the systemic impact of Financial Conglomerates.

(2) In addition to the duties as referred to in paragraph (1), the Financial Services Authority has the duty to develop the financial sector in coordination with the relevant ministries/agencies and authorities.

(3) The regulation and supervision of other activities in the management of public fund as referred to in paragraph (1) subparagraph g are regulated in a Government Regulation after obtaining approval from the DPR.

30. The provisions of Article 8B under subsection 5 in Article 8 are amended to read as follows:

Article 8B

The Financial Services Authority is the only entity authorized to file a petition for a declaration of bankruptcy and/or a petition for a stay of debt payment obligation against a debtor that is a Bank, securities company, stock exchange, alternative market operator, clearing and guarantee institution, depository and settlement institution, investor protection fund operator, securities financing institution, securities pricing agency, Insurance Company, Sharia Insurance Company, reinsurance company, or Sharia reinsurance company, Pension Fund, guarantee institution, Financing Institution, microfinance institution, operator of electronic systems that facilitates the raising of public funds through securities offering, operator of Information Technology-Based Joint Funding Service Provider, crypto-asset trader, crypto-asset exchange, clearing, guarantee, and settlement institution for crypto-asset trading, operator of centralized depository facilities for crypto-asset, issuer of crypto asset in accordance with the provisions of laws and regulations in the ITSK sector and digital financial assets including

crypto-assets, trader of digital financial assets other than crypto assets, exchange for digital financial assets other than crypto assets, clearing, guarantee, and settlement institution for digital financial assets other than crypto assets, operator of centralized depository facilities for digital financial asset other than crypto assets, issuer of digital financial assets other than crypto assets in accordance with the provisions of laws and regulations in the ITSK sector and digital financial assets including crypto assets, and other LJK registered with and supervised by the Financial Services Authority, provided that their dissolution and/or bankruptcy are not governed differently in other Laws.

31. Between subsections 5 and 6 in Article 8, one (1) subsection is inserted, namely subsection 5a, to read as follows:

5a. Between Articles 8B and 9, one (1) article is inserted, namely Article 8C, to read as follows:

Article 8C

(1) The Financial Services Authority is authorized to establish further regulations and policies related to financial services industry activities that may have direct implications for the risks or benefits to customers and/or the public, implications for the risk level of the financial services industry, or implications for Financial System Stability.
(2) The authority as referred to in paragraph (1) is exercised in order to provide legal certainty for the financial services industry, affected Customers and/or the public, to maintain Financial System Stability, and to ensure the implementation of Consumer Protection principles in accordance with the provisions of laws and regulations in the financial services sector.
(3) Provisions on the authority to establish and regulate policies as referred to in paragraphs (1) and (2) are regulated in a Regulation of the Financial Services Authority after consultation with the DPR, which issue recommendations.

32. The provisions of Article 10 under subsection 7 in Article 8 are amended to read as follows:

Article 10

(1) The Financial Services Authority is led by the Board of Commissioners.
(2) The Chair of the Board of Commissioners serves as the head of the Board of Commissioners.

(3) The Board of Commissioners consists of eleven (11) members appointed based on a Presidential Decree.

(4) The Board of Commissioners as referred to in paragraph (3) has the following composition:
   a. one Chair who serves as the Chair of Audit Committee concurrently serving as a member;
   b. one Vice Chair who serves as the Chair of Ethics Committee concurrently serving as a member;
   c. one Chief Executive of Banking Supervision concurrently serving as a member;
   d. one Chief Executive of Capital Markets, Financial Derivatives, and Carbon Exchange Supervision concurrently serving as a member;
   e. one Chief Executive of Insurance, Guarantee, and Pension Fund Supervision concurrently serving as a member;
   f. one Chief Executive of Supervision of Financing Institutions, Venture Capital Firms, Microfinance Institutions, and Other Financial Services Institutions concurrently serving as a member;
   g. one Chief Executive of Supervision of Financial Sector Technological Innovation, Digital Financial Assets, and Crypto Assets concurrently serving as a member;
   h. one Chief Executive of Supervision of Financial Services Industry Market Conduct, Education, and Consumer Protection concurrently serving as a member;
   i. one Chief Executive of Supervision of Minerals and Strategic Commodities Exchange concurrently serving as a member;
   j. one Ex officio member from Bank Indonesia who is a member of the Board of Governors of Bank Indonesia; and
   k. one Ex officio member from the Ministry of Finance who is an official at a rank no lower than high-level senior executive positions, appointed by the Minister of Finance.

(5) The Board of Commissioners of the Financial Services Authority as referred to in paragraph (1) consists of members from within and/or outside the Financial Services Authority.

(6) The Chair of the Board of Commissioners leads the coordination of integrated supervision in the financial sector as referred to in Article 6 paragraph (1) subparagraph i.

(7) The division and/or changes of portfolios and duties of the Board of Commissioners as referred to in paragraph (4) may be adjusted by taking into account the needs and the balance of responsibilities in the performance of duties of the members of the Board of Commissioners.

(8) The adjustment as referred to in paragraph (7) is made through a proposal from the Board of Commissioners to the DPR for approval.
(9) The Chief Executive as referred to in paragraph (4) subparagraphs c to i leads the supervision of financial services activities and activities as referred to in this Law.
(10) Members of the Board of Commissioners as referred to in paragraph (4) subparagraphs b to i report on the performance of their duties to the Board of Commissioners.
(11) The Chair of the Audit Committee as referred to in paragraph (4) subparagraph a establishes an internal audit unit to audit the performance of the Financial Services Authority's duties and formulate the risk management and audit standards of the Financial Services Authority in the form of an internal audit report.
(12) The internal audit report as referred to in paragraph (11) serves as a basis for follow-up actions to improve the performance of the Financial Services Authority's duties and management.

33. Between subsection 7 and 8 in Article 8, four (4) subsections are inserted, namely subsections 7a, 7b, 7c, and 7d, to read as follows:

7a. Provisions of Article 11 are amended to read as follows:

Article 11

(1) Members of the Board of Commissioners as referred to in Article 10 paragraph (4) subparagraphs a to i are selected by the DPR from among candidates nominated by the President.
(2) The selection and determination of candidates to become members of the Board of Commissioners to be proposed to the President as referred to in paragraph (1) may be carried out by a Selection Committee established by a Presidential Decree:
    a. no later than six (6) months before the end of the term of office of a member of the Board of Commissioners; or
    b. no later than two (2) months from the date of vacancy or the decision of dismissal of a member of the Board of Commissioners for reasons as referred to in Article 17, paragraph (1) subparagraphs a, b, d, e, f, g, h, i, j, and/or k.
(3) The composition of the selection committee and the procedures for conducting the selection process as referred to in paragraph (2) is regulated by a Presidential Regulation.

7b. The provisions of Article 12 are amended to read as follows:

Article 12

The DPR selects the members of the Board of Commissioners as nominated by the President through the mechanism as regulated in a Regulation of the DPR on the Rules of Procedure.

7c. Provisions of Article 13 are amended to read as follows:

Article 13

(1) The member of the Board of Commissioners as referred to in Article 10 paragraph (4) subparagraph j is appointed and determined by the President based on recommendation from the Governor of Bank Indonesia.
(2) The member of the Board of Commissioners as referred to in Article 10 paragraph (4) subparagraph k is appointed and determined by the President based on recommendation of the Minister of Finance.

7d. The provisions of Article 14 are amended to read as follows:

Article 14

(1) The Chair, Vice Chair, and members of the Board of Commissioners are appointed and determined by a Presidential Decree.
(2) The division of duties among members of the Board of Commissioners as referred to in Article 10 paragraph (4) subparagraphs b to i is decided based on a meeting of the Board of Commissioners and established by a Decision of the Board of Commissioners.
(3) Members of the Board of Commissioners as referred to in Article 10 paragraph (4) subparagraphs a to i are appointed for a term of office of five (5) years and may be reappointed for one (1) additional term.

34. The provisions of Article 17 under subsection 9 in Article 8 are amended to read as follows:

Article 17

(1) A member of the Board of Commissioners cannot be dismissed before the end of their term of office, except for the following reasons:
    a. death;
    b. resignation;
    c. deleted;
    d. permanently incapacity to be unable to perform the duties or is medically presumed to

be unable to perform the duties for more than six (6) consecutive months;

e. failing to perform the duties as a member of the Board of Commissioners for more than three (3) consecutive months without any justifiable reason;

f. no longer serving as a member of the Board of Governors of Bank Indonesia, for the Ex Officio member of the Board of Commissioners originating from Bank Indonesia as referred to in Article 10 paragraph (4) subparagraph j;

g. no longer holds the position of at least high-level senior executive positions within the Ministry of Finance, for the ex officio member of the Board of Commissioners originating from the Ministry of Finance as referred to in Article 10 paragraph (4) subparagraph k;

h. having family relationship by blood up to the second degree and/or by marriage to another member of the Board of Commissioners, and none of them resigned from their position;

i. violating the code of ethics;

j. no longer meets one of the requirements as referred to in Article 15 and violating the prohibitions as referred to in Article 22; or

k. violating the provisions of laws and regulations.

(2) The dismissal as referred to in paragraph (1) is proposed by the Board of Commissioners to the President for determination.

35. Between subsections 9 and 10 in Article 8, two (2) subsections are inserted, namely subsections 9a and 9b, to read as follows:

9a. The provisions of Article 18 are amended to read as follows:

Article 18

(1) Where a member of the Board of Commissioners as referred to in Article 10 paragraph (4) subparagraphs a to i is dismissed for the reasons referred to in Article 17 paragraph (1) subparagraphs a, b, d, e, f, g, h, i, and/or j, an interim replacement of the member of the Board of Commissioners is carried out in accordance with the procedures for the selection of members of the Board of Commissioners as stipulated in this Law.

(2) The replacement member of the Board of Commissioners is appointed to fill the position of the dismissed member of the Board of Commissioners as referred to in paragraph (1):

a. to serve the remaining of the term of the Board of Commissioners' member being replaced; or

b. for a term of five (5) years.

(3) The replacement of a member of the Board of Commissioners as referred to in paragraph (1) does not apply if the remaining term of office of the dismissed member of the Board of Commissioners is less than one (1) year.

9b. Between Articles 21 and 22, one (1) article is inserted, namely Article 21A, to read as follows:

Article 21A

The Chair of the Board of Commissioners of the Financial Services Authority, the Vice Chairperson of the Board of Commissioners of the Financial Services Authority, members of the Board of Commissioners of the Financial Services Authority, as well as officials and employees of the Financial Services Authority receive legals protection in the implementation of this Law if, in carrying out their duties, they act in good faith and in accordance with the provisions of laws and regulations.

36. The provisions of Article 25 under subsection 11 in Article 8 are amended to read as follows:

Article 25

(1) The Chair of the Board of Commissioners is authorized to represent the Financial Services Authority in and out of court.

(2) The Chair of the Board of Commissioners may delegate the authority as referred to in paragraph (1) to one (1) or more members of the Board of Commissioners and/or officials of the Financial Services Authority who are specifically authorized to represent the Financial Services Authority for that purpose.

(3) The delegation as referred to in paragraph (2) may be made with or without the right of substitution, in accordance with the provisions of laws and regulations.

(4) Further provisions on the delegation of authority as referred to in paragraph (2) are regulated in a Regulation of the Board of Commissioners.

37. The provisions of Article 35 under subsection 13 in Article 8 are amended to read as follows:

Article 35

(1) The budget of the Financial Services Authority as referred to in Article 34 paragraph (2) is used to finance operational and administrative activities, the procurement of assets, and other supporting activities.

(2) The budget and its use as referred to in paragraph (1) is determined based on reasonable standards in the financial services sector.

(3) The reasonable standards in the financial services sector as referred to in paragraph (2) include special treatment regarding cost standards, procurement process for goods and services, human resource management, organization, and remuneration.

(4) Provisions on cost standards, the procurement process for goods and services, human resource management, organization, and remuneration as referred to in paragraph (3) are regulated in a Regulation of the Financial Services Authority after obtaining approval from the DPR.

38. Between subsections 13 and 14 in Article 8, one (1) subsection is inserted, namely subsection 13a, to read as follows:

13a. Provisions of Article 36 are amended to read as follows:

Article 36

(1) With regards to the adoption of the work plan and budget as referred to in Article 34 paragraph (1), the Financial Services Authority first seeks the approval of the DPR.

(2) Where the Financial Services Authority requires a budget amendment that results in an increase in the budget for the current fiscal year, the amendment is made after obtaining the approval of the DPR.

(3) Where the work plan and budget as referred to in paragraph (1) are not approved by the DPR, the Financial Services Authority may incur expenditures not exceeding the budget of the previous year.

39. The provisions of Article 37 under subsection 15 in Article 8 are amended to read as follows:

Article 37

(1) A levy is imposed on entities conducting activities in the financial services sector and activities as referred to in this Law.

(2) Entities conducting activities in the financial services sector and activities as referred to in this Law are required to pay the levy as referred to in paragraph (1).

(3) The levy as referred to in paragraph (1) is not subject to income tax.

(4) The levy as referred to in paragraph (1) and other revenues is managed in accordance with the provisions of laws and regulations on state finance, subject to the following conditions:

a. the proceeds from the levy may be used, in whole or in part, directly by the Financial Services Authority to meet the funding needs

for the activities as referred to in Article 35 paragraph (1) and to improve the quality of services; and

b. where any proceeds from the levy remain unused by the end of the fiscal year, the Financial Services Authority may use the proceeds in the following fiscal year.

(5) The levy as referred to in paragraph (1) is used by the Financial Services Authority effective 1 January of the current year.

(6) The Financial Services Authority determines the payment period for the levy as referred to in paragraph (1).

(7) Further provisions on the levy and its administration as referred to in paragraphs (1) to (6) are regulated in a Government Regulation.

40. Between subsections 16 and 17 in Article 8, one (1) subsection is inserted, namely subsection 16a, to read as follows:

16a. Between Articles 37A and 38, one (1) article is inserted, namely Article 37B to read as follows:

Article 37B

(1) The Financial Services Authority is authorized to manage the assets of the Financial Services Authority, including book write-off and claim write-off of receivables and other assets.

(2) The book write-off and claim write-off of receivables and other assets are carried out in accordance with good governance principles.

(3) Further provisions on the book write-off and claim write-off as referred to in paragraph (1) are regulated in a Regulation of the Board of Commissioners of the Financial Services Authority after consultation with the DPR.

41. Between subsections 19 and 20 in Article 8, four (4) subsections are inserted, namely subsections 19a, 19b, 19c, and 19d, to read as follows:

19a. The provisions of Article 41 are amended to read as follows:

Article 41

(1) The Financial Services Authority informs the Deposit Insurance Corporation regarding troubled Bank, Insurance Company, and Sharia Insurance Company being under restructuring by the Financial Services Authority as referred to in the laws and regulations.

(2) Where the Financial Services Authority indicates that a particular Bank is experiencing liquidity issues and/or

deteriorated financial soundness, the Financial Services Authority immediately notifies Bank Indonesia so that Bank Indonesia may take appropriate measures within its authority.

19b. The provisions of Article 42 are amended to read as follows:

Article 42

The Deposit Insurance Corporation may conduct examinations of Banks, Insurance Companies, and Sharia Insurance Companies in connection with its functions, duties, and authority, and coordinate in advance with the Financial Services Authority.

19c. Between Chapter X and Chapter XI, one (1) chapter is inserted, namely Chapter XA to read as follows:

CHAPTER XA
OTHER DUTIES

19d. Between Articles 47 and 48, one (1) article is inserted, namely Article 47A, to read as follows:

Article 47A

(1) To support the performance of its duties, the Financial Services Authority implements educational programs as well as community empowerment and environmental programs conducted in an inclusive manner.

(2) Provisions on the inclusive education, community empowerment, and environmental programs as referred to in paragraph (1) and their governance are regulated in a Regulation of the Financial Services Authority.

42. Provisions of Article 48B under subsection 20 in Article 8 are deleted.

43. Provisions of Article 49 under subsection 21 in Article 8 are deleted.

44. Between subsections 21 and 22 in Article 8, two (2) subsections are inserted, namely subsections 21a and 21b, to read as follows:
21a. The provisions of Article 50 are deleted.
21b. The provisions of Article 51 are deleted.

45. The provisions of Article 7 under subsection 2 in Article 9 are amended to read as follows:

Article 7

(1) Bank Indonesia aims to achieve stability of rupiah value, maintain the stability of the Payment System, and contribute to maintaining Financial System stability in order to support sustainable economic growth.

(2) In achieving the objectives as referred to in paragraph (1), Bank Indonesia implements its policies and its mix policy that can create an economic environment conducive to the growth of the real sector and job creation.

46. Between subsections 24 and 25 in Article 9, one (1) subsection is inserted, namely subsection 24a, to read as follows:

24a. Between Articles 35D and 36, one (1) article is inserted, namely Article 35E, to read as follows:

Article 35E

The Governor, Senior Deputy Governor, and Deputy Governors, as well as officials and employees of Bank Indonesia receive legal protection in the implementation of this Law if, in carrying out their duties, they act in good faith and in accordance with the provisions of laws and regulations.

47. Between subsections 25 and 26 in Article 9, one (1) subsection is inserted, namely subsection 25a, to read as follows:

25a. Provisions of Article 39 are amended to read as follows:

Article 39

(1) The Board of Governors represents Bank Indonesia in and out of court.

(2) The authority to represent as referred to in paragraph (1) is exercised by the Governor.

(3) The Governor may delegate the authority as referred to in paragraph (2) to one or more members of the Board of Governors, and/or to Bank Indonesia officials specifically authorized to represent Bank Indonesia for that purpose.

(4) The delegation as referred to in paragraph (3) is made with or without the right of substitution, in accordance with the provisions of laws and regulations.

48. Between subsections 27 and 28 in Article 9, one (1) subsection is inserted, namely subsection 27a, to read as follows:

27A. The provisions of Article 43 are amended to read as follows:

Article 43

(1) Meetings of the Board of Governors are held:
   a. at least once a month to determine general monetary policy, attended by one (1) or more ministers representing the Government with the right to speak but with no voting right; and
   b. at least once a week to evaluate the implementation of monetary policy as referred to in subparagraph a, or to establish other principled and strategic policies.

(2) A meeting of the Board of Governors is valid if attended by at least more than half of the members of the Board of Governors.

(3) Decision-making at a meeting of the Board of Governors as referred to in paragraph (1) is based on deliberation to reach consensus, and where consensus is not reached, the Governor makes the final decision.

(4) In an emergency situation when a meeting of the Board of Governors cannot be held because the number of members present does not meet the requirements as referred to in paragraph (2), the Governor or at least two (2) members of the Board of Governors may establish policies and/or make decisions.

(5) The policies and/or decisions of the Governor or Deputy Governor as referred to in paragraph (4) must be reported no later than at the next meeting of the Board of Governors.

(6) The rules and procedure for conducting meetings of the Board of Governors are stipulated in a Regulation of the Board of Governors.

49. Between subsections 28 and 29 in Article 9, four (4) subsections are inserted, namely subsections 28a, 28b, 28c, and 28d, to read as follows:

28a. Provisions of Article 48 are amended to read as follows:

Article 48

(1) A member of the Board of Governors may not be dismissed during their term of office, unless the member:
   a. resigns;

b. is proven to have committed a criminal offense;
c. is unable to be physically present for three (3) consecutive months without any justifiable reason;
d. is declared bankrupt or unable to meet their obligations to creditors;
e. is permanently incapacitated; or
f. violates the provisions of laws and regulations.

(2) A member of the Board of Governors recommended for dismissal as referred to in paragraph (1) subparagraphs c and d has the right to be heard.

(3) The dismissal of a member of the Board of Governors as referred to in paragraph (1) is determined by a Presidential Decree.

28b. The provisions of Article 50 are amended to read as follows:

Article 50

(1) Where there is a vacancy in the office of Governor, Senior Deputy Governor, and/or Deputy Governor due to the circumstances as referred to in Article 46 paragraphs (2) and (3), Article 47 paragraph (2), and Article 48, the President appoints a new Governor, Senior Deputy Governor, and/or Deputy Governor in accordance with the provisions of Article 41 paragraphs (1), (2), (3), (4), and (5) for:
a. the remaining of the term of office of the person being replaced; or
b. five (5) years.

(2) Where a vacancy in the office of Governor as referred to in paragraph (1) has not yet been filled, the Senior Deputy Governor performs the duties of the Governor as acting Governor.

(3) Where the Senior Deputy Governor as referred to in paragraph (2) is also unable to perform the duties, the Deputy Governor who has served the longest term performs the duties of the Governor as acting Governor.

28c. Between Chapter IX and Chapter X, one (1) chapter is inserted, namely Chapter IXA, to read as follows:

CHAPTER IXA
OTHER DUTIES

28d. Between Articles 57 and 58, one (1) article is inserted, namely Article 57A, to read as follows:

Article 57A

(1) To support the performance of its duties, Bank Indonesia implements educational programs

as well as community empowerment and environmental programs conducted in an inclusive manner.

(2) Provisions on the inclusive education, community empowerment, and environmental programs as referred to in paragraph (1) and their governance are regulated in a Regulation of Bank Indonesia.

50. The provisions of Article 60 under subsection 32 in Article 9 are amended to read as follows:

Article 60

(1) Bank Indonesia's fiscal year is the calendar year.
(2) No later than thirty (30) days before the start of the fiscal year, the Board of Governors establishes Bank Indonesia's annual budget.
(3) The annual budget as referred to in the paragraph (1) includes:
    a. budget for operational activities; and
    b. budget for monetary, Payment System, and macroprudential policies.
(4) The budget for operational activities as referred to in paragraph (3) subparagraph a as well as the evaluation of the current year's budget implementation is submitted to the DPR for approval.
(5) The approval process as referred to in paragraph (4) is carried out by the DPR' standing body on finance, banking, and development planning.
(6) Where the evaluation of the current fiscal year's budget implementation as referred to in paragraph (4) requires a budget amendment that results in budget increase, such amendment is made after obtaining the approval of the DPR.
(7) Provisions on the scope of amendment of the current year's budget with the approval of the DPR as referred to in paragraph (6) are regulated in a Regulation of Bank Indonesia.
(8) The budget for monetary, Payment System, and macroprudential policies as referred to in paragraph (3) subparagraph b must be reported specifically to the DPR.

51. Between subsections 32 and 33 in Article 9, one (1) subsection is inserted, namely subsection 32a, to read as follows:

32a. Between Articles 60 and 61, one (1) article is inserted, namely Article 60A, to read as follows:

Article 60A

(1) The annual budget for operational activities as referred to in Article 60 paragraph (3) subparagraph a is determined based on reasonable standards in the financial services sector.

(2) The reasonable standards in the financial services sector as referred to in paragraph (1) include special treatment regarding cost standards, the procurement process for goods and services, human resource management, organization, and remuneration.

(3) Provisions on cost standards, the procurement process for goods and services, human resource management, organization, and remuneration as referred to in paragraph (2) are regulated in a Regulation of Bank Indonesia after obtaining approval from the DPR.

52. Between Divisions Five and Six, one (1) division is inserted, namely division Five A, to read as follows:

Division Five A

Assessment and Evaluation of the Performance of the Deposit Insurance Corporation, the Financial Services Authority, and Bank Indonesia by the DPR.

53. Between Articles 9 and 10, one (1) article is inserted, namely Article 9A, to read as follows:

Article 9A

(1) Based on institutional performance reports, the DPR may evaluate the performance of:
   a. the Deposit Insurance Corporation as referred to in Article 88 under subsection 58 in Article 7;
   b. the Financial Services Authority as referred to in Article 38 under subsection 17 in Article 8; and
   c. Bank Indonesia as referred to in Article 58 under subsection 29 in Article 9.

(2) The performance evaluation as referred to in paragraph (1) is conducted by an organ of the DPR responsible for on finance, national development planning, monetary affairs, and the financial services sector, and is submitted to the leadership of the DPR in the form of recommendations.

(3) The results of the performance evaluation and recommendations as referred to in paragraph (2) are submitted by the leadership of the DPR to the institutions as referred to in paragraph (1) and to the Government for follow-up action and are binding.

54. The provisions of Article 1 under subsection 1 in Article 14 are amended to read as follows:

Article 1

1. Banking means all matters pertaining to Bank, including its institutional arrangements, business

activities, and the methods and processes used in conducting their business activities.

2. Bank means a business entity that collects funds from the public in the form of deposits and channels such funds back to the public in the form of credit or financing, and may conduct other financial services business activities in order to improve people's standard of living.
3. Commercial Bank means a bank that conducts business activities conventionally and/or based on Sharia Principles that provides services in payment transactions.
4. Rural Bank (*Bank Perekonomian Rakyat*), hereinafter abbreviated to BPR means Bank that conducts business activities conventionally or based on Sharia Principles that does not directly provide services in current account transactions.
5. Deposit means funds entrusted by customers to the Bank based on a deposit agreement in the form of current account, time deposit, certificate of deposit, savings account, and/or other equivalent forms.
6. Current account means a Deposit that can be withdrawn at any time using cheque, a current account slip, other payment instruction instruments, or by transfer overbooking.
7. Time Deposit means a Deposit that can only be withdrawn at a specific time based on an agreement between the depositor and the Bank.
8. Certificate of Deposit means a Deposit in the form of a Time Deposit for which the certificate of deposit is transferable.
9. Savings means a Deposit that can only be withdrawn under certain agreed-upon terms, but cannot be withdrawn via cheque, current account slip, and/or other equivalent instruments.
10. Securities means debt instruments, money order, stocks, bonds, credit securities or any derivatives thereof, other interests, or obligations of an issuer, in forms that are commonly traded in the Capital Market and Money Market.
11. Credit means a provision of funds or equivalent claims based on a loan agreement between the Bank and another party that obligates the borrower to repay the debt after a specified period of time with payment of interest.
12. Sharia-Based Financing means the provision of funds or equivalent claims based on a mutual agreement between a Bank and another party, which obligates the financed party to repay such funds or claims after a specified period in exchange for a fee or profit-sharing.
13. Sharia Principles means Islamic legal principles based on fatwas and/or statements of Sharia conformity issued by the institutions that have the authority to issue fatwas in the sharia field.

14. Custody means the safekeeping of assets based on an agreement or contract between a Commercial Bank and a depositor, provided that the relevant Commercial Bank has no ownership rights over such assets.
15. Trustee Service means a business activity that may be conducted by a Commercial Bank to represent the interests of Securities holders based on an agreement between the Commercial Bank and the issuer of the relevant Securities.
16. Customer means any party that uses the Bank's services.
17. Depositor means a Customer who places funds with the Bank in the form of a Deposit based on an agreement between the Bank and the relevant Customer.
18. Debtor means a Customer who receives a Credit facility or Sharia-Based Financing facility or the equivalent thereof, based on an agreement between the Bank and the relevant Customer.
19. Branch Office means a Bank office that reports directly to the head office of the relevant Bank.
20. Bank Indonesia means the Central Bank of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
21. Affiliated Party means:
    a. commissioners or their equivalents, Sharia Supervisory Board, directors or their equivalents or their authorized representatives, officers or employees of a Bank;
    b. parties that provide services to the Bank, including public accountants, appraisers, legal consultants, and other consultants;
    c. parties that control or are controlled by a Bank, directly or indirectly; and/or
    d. parties that, in the assessment of the Financial Services Authority, influence the management of a Bank, directly or indirectly, including parties who have family relationships by marriage or by blood up to the second degree, both horizontally and vertically, with a member of the Board of Commissioners or their equivalent, member of the Sharia Supervisory Board, member of the board of directors or their equivalent or their authorized representatives, officers or employees of a Bank.
22. Collateral means additional security provided by a Debtor to a Bank in connection with the provision of a Credit facility or Sharia-Based Financing.
23. The Deposit Insurance Corporation is the Deposit Insurance Corporation as referred to in the law on the Deposit Insurance Corporation.
24. Merger means a legal action carried out by one (1) or more Banks to merge with an existing Bank,

resulting in the assets, liabilities, and equity of the absorbed Bank to be transferred, by operation of law, to the surviving Bank, and consequently the legal entity status of the absorbed Bank shall cease to exist by operation of law.

25. Consolidation means a legal action carried out by two (2) or more Banks to be consolidated by establishing one (1) new Bank, which, by the operation of law, shall acquire the assets, liabilities, and equity of the consolidated Banks, and that the legal entity status of the consolidated Banks shall cease to exist by operation of law.
26. Acquisition means a legal action carried out by a legal entity or an individual to acquire shares in a Bank, resulting in a transfer of control over the Bank.
27. Demerger means the separation of the business entity of one (1) Bank into two (2) or more businesses in accordance with the provisions of laws and regulations.
28. Bank Secrecy means information related to the details on Depositors and their Deposits.
29. The Financial Services Authority means an independent state institution that has the functions, duties, and authority to regulate, supervise, inspect, and investigate as referred to in the law on the Financial Services Authority.

55. The provisions of Article 7 under subsection 3 in Article 14 are amended to read as follows:

Article 7

(1) In addition to conducting business activities as referred to in Article 6 paragraph (1), a Commercial Bank may:
    a. make equity participation in LJK and/or other companies that support the Banking industry;
    b. make temporary equity participation in entities other than LJK to address the consequences of defaulted Credit or Sharia-Based Financing, provided that such investment must later be withdrawn;
    c. act as the founder and administrator of a Pension Fund in accordance with the provisions of laws and regulations on Pension Fund;
    d. collaborate with other LJK and with entities other than LJK in providing financial services to Customers; and/or
    e. conduct other financial services business activities while taking into account their impact on Financial System Stability.

(2) The business activities of a Commercial Bank as referred to in paragraph (1) must comply with the provisions of laws and regulations.

(3) Further provisions on business activities of a Commercial Bank as referred to in paragraph (1) are regulated in a Regulation of the Financial Services Authority and a Regulation of Bank Indonesia in accordance with their respective authority.
(4) Other financial services business activities as referred to in paragraph (1) subparagraph e are implemented in phases.
(5) Further provisions on the phased implementation of other financial services business activities as referred to in paragraph (4) are regulated in a Regulation of the Financial Services Authority after obtaining approval from the DPR.

56. Between subsections 23 and 24 in Article 14, one (1) subsection is inserted, namely subsection 23a, to read as follows:

23a. Between Articles 28A and 29, one (1) article is inserted, namely Article 28B, to read as follows:

Article 28B

(1) To strengthen the structure, competitiveness, and resilience of the national Banking sector, the Financial Services Authority formulates a roadmap for the consolidation of Commercial Banks.
(2) Further provisions on the roadmap as referred to in paragraph (1) are regulated by a Regulation of the Financial Services Authority in accordance with the provisions of laws and regulations in the Banking sector.

57. The provisions of Article 37D under subsection 35 in Article 14 are deleted.

58. The provisions of Article 1 under subsection 1 in Article 15 are amended to read as follows:

Article 1

In this Law:
1. Sharia Banking means any matters related to sharia banks and sharia business units, including the institutional arrangement, business activities, and methods and processes for conducting business activities.
2. Bank means a business entity that collects funds from the public in the form of deposits and channels the fund back to the public in the form of credit or financing, and may undertake other financial services business activities to improve people's standard of living.
3. Bank Indonesia means the Central Bank of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.

4. Conventional Bank means Bank that conducts its business conventionally and consist of conventional commercial bank and rural bank.
5. Conventional Commercial Bank means a type of Conventional Bank that provides services in payment transactions.
6. Rural Bank (*Bank Perekonomian Rakyat*) hereinafter abbreviated to BPR, means a type of Conventional Bank that does not directly provide services in current account transactions.
7. Sharia Bank means a business entity that collects funds from the public in the form of deposits and investments and channels the fund back to the public in the form of financing, and may undertake other financial services business activities based on Sharia Principles.
8. Sharia Commercial Bank means a type of Sharia Bank that provides services in payment transactions.
9. Sharia Rural Bank (*Bank Perekonomian Rakyat Syariah*), hereinafter referred to as Sharia BPR, means a type of Sharia Bank that does not directly provide services in current account transactions
10. Sharia Business Unit (*Unit Usaha Syariah*), hereinafter abbreviated to UUS means a work unit of the headquarter of a Conventional Commercial Bank that functions as the parent office for offices or units conducting business activities based on Sharia Principles, or a work unit at a branch office of a Bank located overseas that conducts business activities conventionally and functions as the parent office for sharia sub-branches and/or sharia units.
11. Branch Office means a branch office of a Sharia Bank that is accountable to the head office of the relevant Bank.
12. Sharia Principles means the principles of Islamic law based on fatwas and/or statements of sharia conformity issued by the institutions that have the authority to issue fatwas in the sharia field.
13. *Akad* (contract) means a written agreement between a Sharia Bank or UUS and another party that sets forth the rights and obligations of each party in accordance with Sharia Principles.
14. Bank Secrecy means information related to details regarding depositor customers and their deposits, as well as investor customers and their investments.
15. Affiliated Parties means:
    a. commissioners or their equivalents, Sharia Supervisory Board, board of directors or their equivalents or their authorized representatives, officers or employees of a Sharia Bank or a Conventional Commercial Bank that operates UUS;

b. parties that provide services to Sharia Banks or UUS, including public accountants, appraisers, legal consultants, and other consultants;
c. parties that control or are controlled by Sharia Bank or Conventional Commercial Bank that operates UUS, directly or indirectly; and/or
d. parties that, in the assessment of the Financial Services Authority, also influence the management of a Sharia Bank or a UUS, directly or indirectly, including parties who have family relationships by marriage and by blood up to the second degree, both horizontally and vertically, with commissioners or their equivalents, the Sharia Supervisory Board, members of the board of directors or their equivalents or their authorized representatives, officers or employees of a Sharia Bank or a Conventional Commercial Bank that operates UUS.

16. Customer means any party that uses the services of a Sharia Bank and/or a UUS.
17. Depositor means the Customer who places their funds in a Sharia Bank and/or a UUS in the form of deposits based on an *Akad* between the Sharia Bank or UUS and the relevant Customer.
18. Investor means the Customer who places their funds in a Sharia Bank and/or a UUS in the form of investments based on an *Akad* between the Sharia Bank or UUS and the relevant Customer.
19. Facility Recipient Customer means the Customer who receives funding facility or its equivalent based on Sharia Principles.
20. Deposit means funds entrusted by Customer to a Sharia Bank and/or UUS based on an *Akad* that does not conflict with Sharia Principles in the form of current account, savings account, time deposit, certificate of deposit, or other forms that are equivalent.
21. Savings Account means a Deposit based on wadi'ah *Akad*, *mudharabah Akad*, or other *Akad* that does not conflict with Sharia Principles, which can only be withdrawn in accordance with specific agreed-upon terms and conditions, but not with cheque, current account slip, and/or other equivalent instruments.
22. Time Deposit means a Deposit based on a *mudharabah Akad* or other *Akad* that does not conflict with Sharia Principles, which can only be withdrawn at a specific time based on the *Akad* between the Depositor and the Sharia Bank and/or the UUS.
23. Certificate of Deposit means a Deposit in the form of a Time Deposit based on Sharia Principles, in which the certificate that serves as proof of deposit is transferable.

24. Current Account means a Deposit based on *wadi'ah Akad* or other *Akad* that does not conflict with Sharia Principles, which can be withdrawn at any time using a cheque, current account slip, other payment instruction instruments, or by transfer overbooking.
25. Investment means funds entrusted by Customers to a Sharia Bank and/or UUS based on *mudharabah Akad* or other *Akad* that does not conflict with Sharia Principles, in which the risk shall be borne by the Investor.
26. Financing means the provision of funds or claims equivalent thereto based on an agreement or arrangement between a Sharia Bank and/or a UUS and another party, which obligates the party receiving the financing and/or the funding facility to repay such funds after a specified period of time with some *ujrah* (fee) for no consideration, or profit-sharing, which includes profit-sharing transaction, lease transaction, sale and purchase transaction, lending and borrowing transaction, and service lease transactions based on Sharia Principles.
27. Collateral means additional security provided by a Facility Recipient to the Sharia Bank and/or UUS in connection with the provision of a Financing facility.
28. Custody means a safekeeping of assets based on an *Akad* between a Sharia Commercial Bank or UUS and the depositor, provided that the relevant Sharia Commercial Bank or UUS has no ownership rights over such assets.
29. Trustee means a Sharia Commercial Bank that represents the interests of securities holders based on *wakalah Akad* between the relevant Sharia Commercial Bank and the holders of such securities.
30. Merger means a legal action carried out by one (1) or more Sharia Banks to merge with another existing Sharia Bank resulting in the assets, liabilities, and equity of the absorbed Sharia Bank to be transferred, by operation of law, to the surviving Sharia Bank, and consequently the legal entity status of the absorbed Sharia Bank shall cease to exist by operation of law.
31. Consolidation means a legal action carried out by two (2) or more Sharia Banks to be consolidated by establishing one (1) new Sharia Bank which, by operation of law, shall acquire the assets, liabilities, and equity of the consolidated Sharia Banks, and legal entity status of the consolidated Sharia Banks shall cease to exist by operation of law.
32. Acquisition means a legal action carried out by a legal entity or an individual to acquire shares in a Sharia Bank, resulting in a transfer of control over the Sharia Bank.

33. Demerger means the separation of the business entity of one (1) Sharia Bank into two (2) or more businesses, in accordance with the provisions of laws and regulations.
34. Integration means a legal action carried out by a Branch Office of a Sharia Bank located overseas and a Sharia Bank, whereby the assets and/or liabilities of the branch office of the Sharia Bank located overseas are legally transferred to the Sharia Bank, followed by the revocation of the business license of the Branch Office of the Sharia Bank located overseas.
35. The Financial Services Authority means an independent state institution that has the functions, duties, and authority to regulate, supervise, inspect, and investigate as referred to in the law on the Financial Services Authority.
36. The Deposit Insurance Corporation means the Deposit Insurance Corporation as referred to in the law on the Deposit Insurance Corporation.
37. Beneficial Interest means the right to own and obtain full rights to the use of an asset without the need to register such ownership and rights.

59. Between subsection 10 and 11 in Article 15, one (1) subsection is inserted, namely subsection 10a, to read as follows:

10a. Between Articles 17A and 18, one (1) article is inserted, namely Article 17B, to read as follows:

Article 17B

(1) To strengthen the structure, competitiveness, and resilience of the national Banking sector, the Financial Services Authority develops a roadmap for the consolidation of Sharia Commercial Banks.
(2) Further provisions on the roadmap as referred to in paragraph (1) are regulated by a Regulation of the Financial Services Authority in accordance with the provisions of laws and regulations in Sharia Banking.

60. The provisions of Article 20 under subsection 12 in Article 15 are amended to read as follows:

Article 20

(1) In addition to conducting business activities as referred to in Article 19 paragraph (1), a Sharia Commercial Bank may:
    a. conduct foreign exchange activities based on Sharia Principles;
    b. make equity participation in a Sharia Commercial Bank or a LJK that conduct business activities based on Sharia Principles;

c. make equity participation in a non-financial institution that supports the Sharia Banking industry that do not conflict with Sharia Principles and in compliance with the provisions established by the Financial Services Authority;
d. make temporary equity participation to address the consequences of defaulted Financing based on Sharia Principles, provided that such investment must later be withdrawn;
e. act as the founder and administrator of a Pension Fund based on Sharia Principles in accordance with the provisions of laws and regulations on Pension Fund;
f. conduct activities in the Capital Market provided that they do not conflict with Sharia Principles;
g. conduct activities or deliver products of a Bank under Sharia Principles by using electronic means;
h. issue, offer, and trade short-term securities based on Sharia Principle, directly or indirectly, through the Money Market;
i. issue, offer, and trade long-term securities based on Sharia Principles, directly or indirectly, through the Capital Market;
j. collaborate with other LJKs and with entities other than LJK in providing financial services to Customers;
k. offer products or conduct other business activities of Sharia Commercial Bank in accordance with Sharia Principles; and/or
l. conduct other financial services business activities while taking into account their impact on Financial System Stability.

(2) In addition to conducting business activities as referred to in Article 19 paragraph (2), a UUS may:
a. conduct foreign exchange activities based on Sharia Principles;
b. engage in activities in the Capital Market provided that they do not conflict with Sharia Principles and the provisions of laws and regulations on the Capital Market;
c. make temporary capital participation to address the consequences of a defaulted Financing based on Sharia Principles, provided that such investment must later be withdrawn;
d. conduct activities or deliver products of a Bank based on Sharia Principles by using electronic means;
e. issue, offer, and trade short-term securities based on Sharia Principles, directly or indirectly, through the Money Market;

f. collaborate with other LJK and with entities other than LJK in providing financial services to Customers; and
g. offer products or conduct other business activities of a UUS based on Sharia Principles.

(3) The business activities as referred to in paragraphs (1) and (2) must comply with the provisions of laws and regulations.
(4) Further provisions on the business activities of Sharia Commercial Banks as referred to in paragraph (1) are regulated in a Regulation of the Financial Services Authority and a Regulation of Bank Indonesia in accordance with their respective authority.
(5) The other financial services business activities as referred to in paragraph (1) subparagraph 1 are implemented in phases.
(6) Further provisions on the phased implementation of other financial services business activities as referred to in paragraph (5) are regulated in a Regulation of the Financial Services Authority after obtaining approval from the DPR.

61. Between subsections 15 and 16 in Article 15, two (2) subsections are inserted, namely subsections 15a and 15b to read as follows:

15a. Between Divisions One and Two, one (1) Division is inserted, namely Division One A, to read as follows:

Division One A
Sharia Banking Investment Products

15b. Between Articles 22 and 23, one (1) article is inserted, namely Article 22A, to read as follows:

Article 22A

(1) Proceeds from the settlement of assets used as the underlying of Sharia Banking Investment products may only be distributed or returned to the Investor.
(2) Where Investor become bankrupt or in default, the assets used as the underlying of Sharia Banking Investment products are included in the assets that are subject to bankruptcy or liquidation procedure.

62. Provisions of Article 67A in subsection 55 in Article 15 are deleted.

63. Between subsections 3 and 4 in Article 22, one (1) subsection is inserted, namely subsection 3a, to read as follows:

3a. The provisions of Article 8 are amended to read as follows:

Article 8

(1) Stock Exchange is a limited liability company established by a number of business entities in the form of limited liability companies that are not affiliated with one another.
(2) The founders of a Stock Exchange as referred to in paragraph (1) may become the Stock Exchange Members.
(3) The shareholders of a Stock Exchange as referred to in paragraph (1) consists of individuals and/or Indonesian legal entities, either as Member or non-Member the Stock Exchange.
(4) The Stock Exchange as referred to in paragraph (4) is managed professionally, with governance arrangement that adheres to the principles of accountability, transparency, effectiveness, efficiency, and fairness.
(5) Further provisions on the shareholders of the Stock Exchange as referred to in paragraph (3) are regulated in a Regulation of the Financial Services Authority.

64. Article 8A in subsection 4 in Article 22 is deleted.

65. Between subsections 4 and 5 in Article 22, one (1) subsection is inserted, namely subsection 4a, to read as follows:

4a. Between Articles 8A and 9, one (1) article is inserted, namely Article 8B, to read as follows:

Article 8B

(1) The Ministry of Finance, Bank Indonesia, and Daya Anagata Nusantara Investment Management Agency may become shareholders of a Stock Exchange.
(2) Stock ownership by the parties as referred to in paragraph (l) shall not affect the independence of the Stock Exchange.

66. Provisions of Article 100A subsection 40 in Article 22 are amended to read as follows:

Article 100A

(1) The Financial Services Authority may decide not to proceed to the preliminary-investigation phase in regard to allegations of a criminal offense as specified in this Law.
(2) In deciding not to proceed to the preliminary-investigation phase as referred to in paragraph (1), the Financial Services Authority conducts an assessment by considering:

a. the value of transactions involved in the criminal offense or the impact of the criminal offense;
b. whether or not the losses resulting from the criminal offense have been settled;
c. the impact of the criminal offense on Securities offering and/or trading activities as a whole; and
d. the impact of the losses on the Capital Market system or on the interests of capital providers or investors and/or the public.

(3) Where the Financial Services Authority decides not to proceed to the preliminary-investigation phase as referred to in paragraph (1), the Financial Services Authority is authorized to impose administrative measures in the form of administrative sanctions and/or written order against the Party that committed the criminal offense.

67. Between subsections 40 and 41 in Article 22, one (1) subsection is inserted, namely subsection 40a, to read as follows:

40a. Between Articles 100D and 101, one (1) article is inserted, namely Article 100E, to read as follows:

Article 100E

(1) The administrative measures as referred to in Article 100A paragraph (3) must meet the following requirements:
a. disgorgement of the gains;
b. recovery of unlawful losses that were avoidable; and
c. payment of compensation to the victims.

(2) Where the Financial Services Authority decides not to impose the administrative measures as referred to in Article 100A paragraph (3), the Financial Services Authority refers the case to the Indonesian National Police investigators.

(3) After the referral of the case as referred to in paragraph (2) is made, the Indonesian National Police investigators follow up the referral to preliminary-investigation phase.

(4) Where the Financial Services Authority has referred the case as referred to in paragraph (3), the Financial Services Authority may not impose administrative measures in the form of administrative sanctions and/or written orders against the party alleged to have committed the criminal offense.

68. Provisions of Article 101 under subsection 41 in Article 22 are deleted.

69. Between Subdivision 1 and Subdivision 2 under Division Five in Chapter V, one (1) Subdivision is inserted, namely Subdivision 1A, to read as follows:

Subdivision 1A
Margin Transfer in Financial Market Transactions

70. Between Articles 39 and 40, one (1) article is inserted, namely Article 39A, to read as follows:

Article 39A

(1) To ensure the settlement of transactions in the financial markets, financial market participants:
    a. deposit the initial margin as collateral; and/or
    b. margin transfer.
(2) The margin transfer as referred to in paragraph (1) subparagraph b is carried out through the transfer of title to the margin used to fulfill obligations arising from changes in the value of transaction, to the extent required or agreed upon in the agreement.
(3) The margin transfer as referred to in paragraph (2) meets at least the following requirements:
    a. the title to the margin is transferred from the margin provider to the margin recipient;
    b. the margin provider has the right to receive an equivalent return of the margin from the margin recipient once there are no more obligations related to the transaction; and
    c. the margin recipient has the right to use, transfer, encumber, and/or take other legal actions regarding the transferred margin in accordance with the agreement.
(4) The margin transfer as referred to in paragraph (2) is carried out based on a margin transfer agreement, the implementation of which is subject to this Law and its implementing regulations.
(5) Where bankruptcy and/or liquidation occur, the initial margin delivered as collateral as referred to in paragraph (1) subparagraph a and/or the margin transfer as referred to in paragraph (1) subparagraph b as delivered and/or received in the financial market transactions based on an agreement, is not be included in:
    a. the bankruptcy estate; and
    b. the assets in liquidation,
    of the party in default, provided that such actions are carried out in accordance with prevailing market practices.
(6) Further provisions on the delivery of initial margin as collateral and the margin transfer in the execution of transactions in the financial markets as referred to in paragraph (1) are regulated by the

financial sector authorities in accordance with their respective authority.

71. After Division Seven in Chapter V, one (1) is added, namely Division Eight, to read as follows:

Division Eight
Special Financial Instruments

72. Between Articles 50 and 51, one (1) article is inserted, namely Article 50A, to read as follows:

Article 50A

(1) Daya Anagata Nusantara Investment Management Agency, as regulated in the law on state-owned enterprises, may issue debt securities in accordance with the provisions of laws and regulations.
(2) The debt securities as referred to in paragraph (1) are consist of:
    a. debt securities; and
    b. special debt securities, including patriot bonds and *merah putih* (red-and-white) bonds.
(3) The issuance of special debt securities as referred to in paragraph (2) subparagraph b is carried out by establishing strategies, management policies, and risks control managed in accordance with the principles of professionalism, accountability, and sound business judgment.
(4) Any purchase of the special debt securities instruments as referred to in paragraph (2) subparagraph b by investors constitutes a lawful transaction within the national financial system.
(5) The State guarantees and protects the purchase of special debt securities instruments as referred to in paragraph (4) from prosecutions pertaining to general offenses, special offenses including tax crimes, and from civil suit.
(6) The data and information derived from the activities as referred to in paragraph (4) may not be used as a basis for tax imposition and may not be used as legal evidence in the court.
(7) The provisions as referred to in paragraphs (5) and (6) apply to transactions conducted in the primary market.
(8) The investors as referred to in paragraph (4) may transfer and pledge the debt securities as referred to in paragraph (2) subparagraph b.
(9) The investors as referred to in paragraph (4) may include taxpayers who have participated in the tax amnesty program and voluntary tax disclosure in accordance with the provisions of laws and regulations.
(10) Further provisions on the issuance of special debt securities as referred to in paragraph (2)

subparagraph b are regulated in a Government Regulation.

73. The provisions of Article 51 are amended to read as follows:

Article 51

For the purpose of developing and strengthening the financial sector by way of structuring the insurance sector, this Law amends, removes, and/or establishes new provisions on several rules as specified in:

a. Law Number 40 of 2014 on Insurance (State Gazette of the Republic of Indonesia Year 2014 Number 337, Supplement to the State Gazette of the Republic of Indonesia Number 5618); and
b. Law Number 34 of 1964 on the Mandatory Insurance Fund for Road Traffic Accidents (State Gazette of the Republic of Indonesia Year 1964 Number 138, Supplement to the State Gazette of the Republic of Indonesia Number 2721).

74. Between subsections 8 and 9 in Article 52, one (1) subsection is inserted, namely subsection 8a, to read as follows:

8a. The provisions of Article 20 are amended to read as follows:

Article 20

(1) Insurance Companies, Sharia Insurance Companies, reinsurance companies, and sharia reinsurance companies shall establish a Guarantee Fund in the form and amount as determined by the Financial Services Authority.
(2) The amount of the Guarantee Fund as referred to in paragraph (1) shall be adjusted in line with the business developments, provided that it is no less than the amount required at the time of establishment.
(3) The Guarantee Fund as referred to in paragraph (1) may not be pledged or encumbered by any rights whatsoever.
(4) The Guarantee Fund as referred to in paragraph (1) may only be transferred or liquidated after obtaining approval from the Financial Services Authority.
(5) Where an Insurance Company and Sharia Insurance Company participating in the policy guarantee program is designated as Insurance Company and Sharia Insurance Company under resolution and is not rescued by the Deposit Insurance Corporation, the Deposit Insurance Corporation may disburse the Guarantee Fund as referred to in paragraph (1) without requiring the approval of the Financial Services Authority for use in the

resolution of the said Insurance Company and Sharia Insurance Company.

(6) Further provisions on the Guarantee Fund as referred to in paragraphs (1) to (5) are regulated in the Regulation of the Financial Services Authority.

75. The provisions of Article 53 under subsection 19 in Article 52 are amended to read as follows:

Article 53

(1) Insurance Companies and Sharia Insurance Companies shall participate in the policy guarantee program.

(2) The implementation of the policy guarantee program as referred to in paragraph (1) is regulated by law.

76. The provisions of Article 72A under subsection 23 in Article 52 are deleted.

77. Between Articles 52 and 53, one (1) article is inserted, namely Article 52A, to read as follows:

Article 52A

The provisions of Law Number 34 of 1964 on the Mandatory Insurance Fund for Road Traffic Accident (State Gazette of the Republic of Indonesia Year 1964 Number 138, Supplement to the State Gazette of the Republic of Indonesia Number 2721) are amended to read as follows:

1. The provisions of Article 4 are amended to read as follows:

Article 4

(1) Any person who passes away, suffers injury, or sustains permanent disability as a result of a road traffic accident caused by and/or involving a road traffic vehicle as referred to in Article 1, or their heirs, is given compensation from the Fund in an amount as determined in a Government Regulation.

(2) To make the payment of compensation to the victims or their heirs as referred to in paragraph (1), the Minister may designate a Government institution.

78. The provisions of Article 79 are amended to read as follows:

Article 79

(1) A policy guarantee program is administered pursuant to this Law.

(2) The implementation of the insurance policy guarantee program as referred to in paragraph (1)

aims to protect policyholders, insured parties, or participants from the failure of an Insurance Company and Sharia Insurance Company to fulfill their obligations due to financial difficulties.

(3) The policy guarantee program may apply Sharia Principles.

79. The provisions of Article 81 are amended to read as follows:

Article 81

(1) Insurance Companies and Sharia Insurance Companies that are participants in the policy guarantee program shall:
   a. submit the following documents:
      1. copies of the articles of association and/or articles of incorporation of the Insurance Company and Sharia Insurance Company, along with any amendments thereto;
      2. copies of the licensing documents of the Insurance Company and Sharia Insurance Company;
      3. a written statement from each Controlling Party and member of the board of directors, member of the board of commissioners or the equivalent of a member of the board of directors, member of board of commissioners in a legal entity in the form of a cooperative or Joint Venture, which contains:
         a) the commitment and willingness of each member of the board of directors, member of the board of commissioners, and controlling party or the equivalent of a member of board of directors, member of board of commissioner, and controlling party in a legal entity in the form of a cooperative or Joint Venture, to comply with all provisions as regulated in a Regulation of the Deposit Insurance Corporation;
         b) willingness to be personally liable for any negligence and/or unlawful conduct that results in losses or jeopardizes the continuity of business of the Insurance Company and the Sharia Insurance Company; and
         c) willingness to relinquish and surrender to the Deposit Insurance Corporation all rights, ownership, management, and/or interests where the Insurance Company and

Sharia Insurance Company are designated as Insurance Company and Sharia Insurance Company Under Resolution.

b. pay the initial membership fee;
c. pay the periodic guarantee contribution;
d. submit periodic reports in the prescribed format;
e. submit data, information, and documents required for the administration of policy guarantees;
f. display proof of participation at the business offices of Insurance Company and Sharia Insurance Company or other locations so that it is easily accessible to the public; and
g. comply with the provisions of laws and regulations on the implementation of the policy guarantee program.

(2) Further provisions on the obligations of Insurance Company and Sharia Insurance Company as referred to in paragraph (1) are regulated in a Regulation of the Deposit Insurance Corporation.

80. Provisions of Article 83 are amended to read as follows:

Article 83

(1) The policy guarantee program only guarantees the protection component of insurance products in specified lines of business.
(2) Social insurance program and mandatory insurance program are excluded from the policy guarantee program.
(3) Further provisions on the specified lines of business as referred to in paragraph (1) are regulated in a Government Regulation after obtaining approval from the DPR.
(4) Further provisions on the exclusion of social insurance program and mandatory insurance program as referred to in paragraph (2) are regulated in a Government Regulation.

81. The provisions of Article 84 are amended to read as follows:

Article 84

(1) Where the Deposit Insurance Corporation decides not to carry out a rescue or not to continue the rescue process for Insurance Company and Sharia Insurance Company Under Resolution, the Deposit Insurance Corporation takes the following actions:
a. transfer of some or all of the assets and/or liabilities to a receiving Insurance Company and Sharia Insurance Company or an intermediary Insurance Company and Sharia Insurance Company;

b. payment of any shortfall between the value of the assets and/or liabilities transferred as a result of the action as referred to in subparagraph a;
c. payment of policy guarantee claims against insurance policy claims;
d. reimbursement of the rights of policyholders, insured parties, or participants; and/or
e. administration of insurance policies contract and the suspension of the issuance of new insurance policies.

(2) Further provisions on the exercise of the Deposit Insurance Corporation's authority as referred to in paragraph (1) are regulated in a Government Regulation.

82. The provisions of Article 90 are amended to read as follows:

Article 90

(1) The Financial Services Authority notifies the Deposit Insurance Corporation in writing on the designation of supervisory status of an Insurance Company and Sharia Insurance Company.
(2) The supervisory status of Insurance Company and Sharia Insurance Company as referred to in paragraph (1) consists of:
a. Insurance Company and Sharia Insurance Company under normal supervision;
b. Insurance Company and Sharia Insurance Company under restructuring; and
c. Insurance Company and Sharia Insurance Company Under Resolution.
(3) At the time an Insurance Company and Sharia Insurance Company is designated as an Insurance Company and Sharia Insurance Company under restructuring as referred to in paragraph (2) subparagraph b, when the Financial Services Authority exercises its authority to:
a. order the Insurance Company and Sharia Insurance Company to sell some or all of their assets and/or transfer the liabilities of the Insurance Company and Sharia Insurance Company to another party;
b. order the Insurance Company and Sharia Insurance Company to transfer the management of all or part of the operations of the Insurance Company and Sharia Insurance Company to another party;
c. restrict certain business activities of the Insurance Company and Sharia Insurance Company; and/or
d. appoint a statutory manager and direct the Insurance Company and Sharia Insurance Company to support the performance of duties of the statutory manager assigned to the

Insurance Company and Sharia Insurance Company,

the Financial Services Authority coordinates with the Deposit Insurance Corporation.

(4) Where the Financial Services Authority determines the status of Insurance Company and Sharia Insurance Company as Insurance Company and Sharia Insurance Company under restructuring as referred to in paragraph (2) subparagraph b, the Deposit Insurance Corporation conducts:

a. due diligence to assess the overall condition of the Insurance Company and Sharia Insurance Company;

b. exploratory discussions with other Insurance Companies and Sharia Insurance Companies willing to accept the transfer of some or all of the assets and/or liabilities of the Insurance Company and Sharia Insurance Company; and/or

c. exploratory discussions with investors willing to take over the Insurance Company and Sharia Insurance Company.

(5) The Financial Services Authority orders the Insurance Company and Sharia Insurance Company under restructuring to:

a. maintain the financial condition of the Insurance Company and Sharia Insurance Company so that there is no material decrease in assets and/or increase in liabilities of the Insurance Company and Sharia Insurance Company; and

b. support the implementation of measures by the Deposit Insurance Corporation as referred to in paragraph (4).

(6) Where the Financial Services Authority determines the supervisory status of Insurance Company and Sharia Insurance Company Under Resolution as referred to in paragraph (2) subparagraph c, the Financial Services Authority transfers the resolution process of the Insurance Company and Sharia Insurance Company Under Resolution to the Deposit Insurance Corporation.

(7) After the Financial Services Authority transfers the resolution process of the Insurance Company and Sharia Insurance Company Under Resolution to the Deposit Insurance Corporation as referred to in paragraph (6), the Deposit Insurance Corporation takes preparatory steps to implement the policy guarantee program.

(8) In carrying out the preparatory steps as referred to in paragraph (7), the Deposit Insurance Corporation is authorized to conduct examinations of the Insurance Company and Sharia Insurance Company.

(9) The Financial Services Authority provides data and information on the Insurance Company and Sharia

Insurance Company Under Resolution to the Deposit Insurance Corporation for the purpose of the preparation as referred to in paragraph (7).

(10) The mechanism for written notification as referred to in paragraph (1), as well as the type, form, and procedures for providing data and information as referred to in paragraph (9), is set forth in a memorandum of understanding between the Financial Services Authority and the Deposit Insurance Corporation.

(11) Further provisions on the criteria for determining the supervisory status of Insurance Company and Sharia Insurance Company as referred to in paragraph (2) are regulated in a Regulation of the Financial Services Authority.

83. Between Articles 90 and 91, six (6) articles are inserted, namely Article 90A, Article 90B, Article 90C, Article 90D, Article 90E, and Article 90F, to read as follows:

Article 90A

(1) If based on:
   a. supervision and examinations conducted in accordance with the respective authority of the Financial Services Authority and the Deposit Insurance Corporation; and/or
   b. the assessment of the condition of Insurance Company and Sharia Insurance Company based on coordination between the Financial Services Authority and the Deposit Insurance Corporation,

   potential problems with Insurance Company and Sharia Insurance Company are identified, the Financial Services Authority and the Deposit Insurance Corporation may conduct a joint examination.

(2) The joint examination as referred to in paragraph (1) may be conducted as an anticipatory measure and/or to address issues at Insurance Company and Sharia Insurance Company.

Article 90B

(1) In the transfer of some or all of the assets and/or liabilities of an Insurance Company and Sharia Insurance Company Under Resolution to a receiving Insurance Company and Sharia Insurance Company or an intermediary Insurance Company and Sharia Insurance Company as referred to in Article 84 paragraph (1) subparagraph a, the Deposit Insurance Corporation is authorized to:
   a. determine the types and criteria of the assets and liabilities of the Insurance Company and Sharia Insurance Company Under Resolution to be transferred;

b. transfer the liabilities of the Insurance Company and Sharia Insurance Company Under Resolution, followed by the transfer of some or all of the assets of the Insurance Company and Sharia Insurance Company Under Resolution without the consent of the policyholders, insured parties, participants, creditors, debtors, and/or other parties;
c. make payments to the receiving Insurance Company and Sharia Insurance Company or intermediary Insurance Company and Sharia Insurance Company for any shortfall between the value of the assets and the value of the liabilities of the Insurance Company and Sharia Insurance Company Under Resolution that are transferred; and
d. exercise other authority.

(2) Provisions on the types and criteria of assets and liabilities of the Insurance Company and Sharia Insurance Company Under Resolution that are transferred as referred to in paragraph (1) are regulated in a Regulation of the Deposit Insurance Corporation.

Article 90C

(1) The transfer of some or all of the assets and/or liabilities of an Insurance Company and Sharia Insurance Company Under Resolution by the Deposit Insurance Corporation to the receiving Insurance Company and Sharia Insurance Company and/or intermediary Insurance Company and Sharia Insurance Company shall take effect by operation of law upon the signing of the transfer deed.
(2) The transfer by operation of law as referred to in paragraph (1) also applies to licenses to conduct certain activities held by the Insurance Company and Sharia Insurance Company Under Resolution to the intermediary Insurance Company and Sharia Insurance Company.
(3) The transfer of licenses as referred to in paragraph (2) must be followed by an adjustment process in accordance with the provisions of laws and regulations.
(4) Following the transfer of some or all of the assets and/or liabilities of an Insurance Company and a Sharia Insurance Company Under Resolution to the receiving Insurance Company and Sharia Insurance Company and/or an intermediary Insurance Company and Sharia Insurance Company, the Deposit Insurance Corporation requests the Financial Services Authority to revoke the business licenses of the Insurance Company and Sharia Insurance Company Under Resolution from which some or all of the assets and/or liabilities have been transferred.

(5) The Deposit Insurance Corporation carries out the liquidation process for the Insurance Company and Sharia Insurance Company Under Resolution whose business licenses have been revoked by the Financial Services Authority.

Article 90D

(1) The Deposit Insurance Corporation establishes intermediary Insurance Company and Sharia Insurance Company as referred to in Article 84 paragraph (1) subparagraph a to receive the transfer of part or all of the assets and/or liabilities of Insurance Company and Sharia Insurance Company and to carry out the business activities of such Insurance Company and Sharia Insurance Company.

(2) In the establishment of the intermediary Insurance Company and Sharia Insurance Company by the Deposit Insurance Corporation as referred to in paragraph (1), the provisions requiring a limited liability company to be established by two (2) or more persons as referred to in the law on limited liability companies shall not apply.

(3) The Financial Services Authority grants licenses to the intermediary Insurance Company and Sharia Insurance Company in two (2) stages:
   a. approval in principle to carry out the preparation for establishing an Insurance Company and Sharia Insurance Company; and
   b. business license to conduct business activities of an Insurance Company and Sharia Insurance Company after the preparation as referred to in subparagraph a have been completed.

(4) The approval in principle as referred to in paragraph (3) subparagraph a is granted after the following requirements are met:
   a. articles of association that at a minimum outline the business activities as Insurance Company and Sharia Insurance Company;
   b. paid-in capital as regulated by the law on limited liability companies; and
   c. an organizational structure and human resources for the establishment of a limited liability company.

(5) The business licenses as referred to in paragraph (3) subparagraph b are granted after the following requirements are met:
   a. organizational structure; and
   b. an action plan covering the methods and schedule for the transfer, fulfillment, and management of human resources, as well as the migration of the infrastructure of the intermediary Insurance Company and Sharia Insurance Company.

(6) The fit and proper test for members of the board of commissioners and the board of directors of the intermediary Insurance Company and Sharia Insurance Company are carried out by the Financial Services Authority after such companies conducted their business operations and before their financial soundness is assessed by the Financial Services Authority.

(7) Where the Financial Services Authority has not yet granted approval for the fit and proper test as referred to in paragraph (6), the Financial Services Authority grants provisional approval to the prospective members of the board of commissioners and prospective members of the board of directors of the intermediary Insurance Company and Sharia Insurance Company, who are granted full authority to perform the functions, duties, and conducts as members of the board of commissioners and/or members of the board of directors.

(8) The Financial Services Authority establishes different policies on capital requirements for intermediary Insurance Company and Sharia Insurance Company for a specified period of time.

(9) The Deposit Insurance Corporation is authorized to give loans to the intermediary Insurance Company and Sharia Insurance Company to support their liquidity and business operations.

(10) Further provisions on the procedures for establishing intermediary Insurance Company and Sharia Insurance Company as referred to in paragraphs (1) to (7) and the specified period of time as referred to in paragraph (8) are regulated in a Regulation of the Financial Services Authority.

(11) Further provisions on loans from the Deposit Insurance Corporation to the intermediary Insurance Company and Sharia Insurance Company as referred to in paragraph (9) are regulated in a Regulation of the Deposit Insurance Corporation.

Article 90E

(1) The Deposit Insurance Corporation must sell all shares of the intermediary Insurance Company and Sharia Insurance Company to other Insurance Company and Sharia Insurance Company or other parties or transfer a portion of the assets and liabilities of the intermediary Insurance Company and Sharia Insurance Company to Insurance Company and Sharia Insurance Company.

(2) The sale of all shares of intermediary Insurance Company and Sharia Insurance Company or the transfer of all assets and liabilities of intermediary Insurance Company and Sharia Insurance Company as referred to in paragraph (1) is carried out after the primary functions of the intermediary

Insurance Company and Sharia Insurance Company are operational and/or investors are identified.

(3) The sale of all shares of the intermediary Insurance Company and Sharia Insurance Company or the transfer of all assets and liabilities of the intermediary Insurance Company and the Sharia Insurance Company as referred to in paragraph (1) is conducted based on fair value, openly, and transparently.

(4) In the event of the sale of all shares of intermediary Insurance Company and Sharia Insurance Company, any loans extended to the intermediary Insurance Company and Sharia Insurance Company as referred to in Article 90D paragraph (9) is converted into an equity participation of the Deposit Insurance Corporation in the intermediary Insurance Company and Sharia Insurance Company.

(5) In the event of transfer of all assets and liabilities of an intermediary Insurance Company and Sharia Insurance Company, any loans extended to the intermediary Insurance Company and Sharia Insurance Company as referred to in Article 90D paragraph (9) is treated as the Deposit Insurance Corporation's costs for handling the Insurance Company and Sharia Insurance Company.

(6) Parties purchasing the shares of the intermediary Insurance Company and Sharia Insurance Company must make capital adjustments in accordance with the legal provisions on capital requirements as stipulated in the laws and regulations.

(7) Further provisions on the criteria for the primary functions of intermediary Insurance Company and Sharia Insurance Company that are in operation and/or have investors as referred to in paragraph (2) are regulated in a Regulation of the Deposit Insurance Corporation.

Article 90F

(1) The Insurance Company and Sharia Insurance Company Under Resolution or the receiving Insurance Company and Sharia Insurance Company, which are issuers or public companies, and are ordered by the Deposit Insurance Corporation and/or the Financial Services Authority to:
   a. increase the paid-up capital; and/or
   b. conduct certain transactions that meet the following criteria of:
      1. materiality of specific transactions; and/or
      2. affiliated-party transactions and/or conflict of interest transactions,

are excluded from the provisions of laws and regulations in the Capital Market sector on preemptive rights, material transactions, affiliated-party transactions, and/or conflict of interest transactions.

(2) Actions taken by the Deposit Insurance Corporation on the Insurance Company and Sharia Insurance Company Under Resolution that are issuers or public companies and result in the Deposit Insurance Corporation becoming the new controlling party of the said Insurance Company and Sharia Insurance Company Under Resolution shall not be required to comply with the provisions of laws and regulations in the Capital Market sector on the takeover of public companies and mandatory tender offers.

(3) The provisions as referred to in paragraph (1) shall apply mutatis mutandis to other parties ordered by the Deposit Insurance Corporation to take over the control of Insurance Company and Sharia Insurance Company Under Resolution.

(4) In handling Insurance Company and Sharia Insurance Company Under Resolution that are issuers or public companies, the custodian is required to carry out the Deposit Insurance Corporation's order to release securities and/or funds in the securities account even if there is no written order from the securities account holder or the party authorized by the securities account holder to act on their behalf as regulated in the law on capital markets.

(5) Further provisions on the Deposit Insurance Corporation's to the custodian as referred to in paragraph (4) are regulated in a Regulation of the Deposit Insurance Corporation.

84. Provisions of Article 91 are amended to read as follows:

Article 91

(1) Where the Deposit Insurance Corporation decides not to rescue or not to continue the rescue process, the Deposit Insurance Corporation requests the Financial Services Authority to revoke the business licenses of the Insurance Company and Sharia Insurance Company designated as Insurance Company and Sharia Insurance Company Under Resolution in accordance with the provisions of laws and regulations.

(2) The Financial Services Authority revokes the business licenses of the Insurance Company and Sharia Insurance Company Under Resolution based on the request of the Deposit Insurance Corporation as referred to in paragraph (1).

85. Between Articles 91 and 92, one (1) article is inserted, namely Article 91A, to read as follows:

Article 91A

Provisions on taxation matters related to the handling of Insurance Company and Sharia Insurance Company Under Resolution are regulated in a Government Regulation.

86. The provisions of Article 93 are amended to read as follows:

Article 93

Effective as of the date on which the Insurance Company and Sharia Insurance Company are designated by the Financial Services Authority as Insurance Company and Sharia Insurance Company Under Resolution, all rights and authority of the shareholders, including the rights and authority of the general meeting of shareholders or their equivalents and the general meeting of shareholders in legal entities in the form of cooperatives or Mutual Company are transferred to the Deposit Insurance Corporation.

87. The provisions of Article 98 are amended to read as follows:

Article 98

(1) The payment of liabilities of the Insurance Company and Sharia Insurance Company to the creditors is made in the following order:
    a. reimbursement of the outstanding employee salary payment;
    b. reimbursement of the of employee severance pay;
    c. court costs, outstanding auction costs, and office operational expenses;
    d. payments for policy guarantee claims that must be paid by the Deposit Insurance Corporation, including the costs paid in order to transfer all and/or part of the assets and liabilities to the receiving Insurance Company and Sharia Insurance Company or intermediary Insurance Company and Sharia Insurance Company, and the costs of restoring rights to the policyholders, insured parties, or participants;
    e. obligations to the Deposit Insurance Corporation for financial support (financial assistance) provided by the Deposit Insurance Corporation to the Insurance Company and Sharia Insurance Company Under Resolution;
    f. outstanding taxes;
    g. the portion of the rights of policyholders, insured parties, or participants for which the policy guarantee was not paid, and the rights

of policyholders, insured parties, or participants that are not covered in the policy guarantee; and

h. other rights of the creditors.

(2) All costs that are related to the liquidation and listed in the liquidation cost schedule are charged against the assets of the Insurance Company and Sharia Insurance Company in liquidation and are paid first from any proceeds of the liquidation.

(3) The fees for the liquidation team, which are included as one of the components of the costs as referred to in paragraph (2), are determined by the Deposit Insurance Corporation.

(4) Where all of the obligations of the Insurance Company and Sharia Insurance Company in liquidation have been paid as referred to in paragraph (1) and that there are residual proceeds from the liquidation, such residual proceeds are distributed to the existing shareholders or their equivalents in legal entities in the form of cooperative or Mutual Company.

(5) Where all assets of the Insurance Company and Sharia Insurance Company have been exhausted during the liquidation process and there remain obligations of the Insurance Company and the Sharia Insurance Company to third parties, such obligations shall be paid by the existing shareholders or their equivalents in legal entities in the form of cooperative or Mutual Company that are proven to have caused the revocation of the business licenses of the Insurance Company and Sharia Insurance Company.

88. Between Articles 101 and 102, three (3) articles are inserted, namely Articles 101A, 101B, and 101C, to read as follows:

Article 101A

Where a dispute arising in the liquidation process, such dispute is resolved through commercial court proceedings in accordance with the provisions of laws and regulations.

Article 101B

(1) Where a dispute arising in the liquidation process as referred to in Article 101A, a complaint is filed with the Chief Judge of the Commercial Court with jurisdiction in the area where the defendant resides or is domiciled.

(2) Where the parties reside outside the territory of the Unitary State of the Republic of Indonesia, the complaint is filed with the Chief Judge of the Central Jakarta Commercial Court.

(3) The court registrar registers the complaint on the date it is filed, and the complainant is given a

receipt signed by the court registrar on the same date as the date of registration of the complaint.

(4) The court registrar as referred to in paragraph (3) forwards the complaint to the Chief Judge of the Commercial Court as referred to in paragraph (1) no later than two (2) workdays from the date the complaint is filed.

(5) Within a period of no later than three (3) workdays from the date the complaint is submitted as referred to in paragraph (4), the Chief Judge of the Commercial Court reviews the complaint and appoints a panel of judges to set a hearing date.

(6) The parties are summoned by a bailiff no later than seven (7) workdays from the date the complaint is filed.

(7) The court proceedings from examination up to when the court decision is made on the complaint as referred to in paragraph (1) must be completed within a maximum of ninety (90) workdays from the date the case is received by the panel of judges and may be extended for a maximum of thirty (30) workdays with the approval of the Chief Justice of the Supreme Court.

(8) The decision pertaining the complaint as referred to in paragraph (1), which fully sets forth the legal considerations underlying the decision, must be pronounced in a public hearing.

(9) The contents of the commercial court decision as referred to in paragraph (8) shall be served by the bailiff on the parties no later than fourteen (14) workdays from the date the decision as referred to in paragraph (1) is pronounced.

Article 101C

(1) Only appeal to the supreme court may be filed against the commercial court decision as referred to in Article 101B paragraph (8).

(2) A petition for appeal to the supreme court as referred to in paragraph (1) must be filed no later than fourteen (14) workdays from the date such decision is pronounced or notified to the parties, by filing the petition with the court registrar at the commercial court that adjudicated the matter.

(3) The court registrar registers the petition for the appeal to the supreme court on the date the petition is filed, and the petitioner is issued a receipt signed by the court registrar on the same date as the date of registration.

(4) The court registrar shall notify the respondent of the appeal as referred to in paragraph (3) no later than seven (7) workdays from the date the appeal is filed.

(5) The appellant must submit the appeal brief to the court registrar no later than fourteen (14) workdays from the date the petition for the appeal is filed.

(6) The court registrar shall serve the appeal brief as referred to in paragraph (5) on the respondent within a maximum of two (2) workdays from the date the appeal brief is received by the court registrar.

(7) The respondent may file a counter-brief with the court registrar no later than fourteen (14) workdays from the date the respondent receives the cassation brief as referred to in paragraph (6), and the court registrar shall forward the counter-brief to the appellant no later than seven (7) workdays from the date the counter-brief is received by the court registrar.

(8) The court registrar shall submit the appeal case files to the Supreme Court no later than seven (7) workdays from the date the cassation appeal brief is submitted to the respondent as referred to in paragraph (6).

(9) The court proceeding from examination up to when the decision on the appeal is made must be completed within a maximum of ninety (90) days from the date the appeal petition is received by the appellate panel.

(10) The decision on the petition for appeal as referred to in paragraph (9), which fully sets forth the legal considerations underlying the decision, must be pronounced in a public hearing.

(11) The registrar of the Supreme Court shall deliver the contents of the appeal decision as referred to in paragraph (10) to the court registrar no later than seven (7) workdays from the date the decision on the appeal is pronounced.

(12) The bailiff shall deliver the contents of the appeal decision as referred to in paragraph (10) to the petitioner and the respondent no later than two (2) workdays from the date the appeal decision is received.

(13) Legal proceedings for a review of the appeal decision as referred to in paragraph (10) are conducted in accordance with the provisions of laws and regulations.

89. The provisions of Article 103 are amended to read as follows:

Article 103

(1) All funds disbursed by the Deposit Insurance Corporation in connection with the policy guarantee program constitute policy guarantee handling costs for the Deposit Insurance Corporation.

(2) Where any shortfall between the policy guarantee handling costs and the funds received by the Deposit Insurance Corporation, such shortfall does not constitute a financial loss to the state.

(3) Where a surplus between the funds or costs incurred by the Deposit Insurance Corporation for handling the Insurance Company and Sharia Insurance Company and the reimbursement to the Deposit Insurance Corporation, such surplus constitutes an increase in the assets of the Deposit Insurance Corporation.

90. Between Chapters XI and XII, one (1) chapter is inserted, namely Chapter XIA, to read as follows:

CHAPTER XIA
MINERAL AND STRATEGIC COMMODITIES EXCHANGE

91. Between Articles 132 and 133, one (1) article is inserted, namely Article 132A, to read as follows:

Article 132A

(1) The minerals and strategic commodities exchange is an organized and integrated market system that facilitates the trading of minerals and strategic commodities, including their derivatives, supported by a funding ecosystem and digital-based financial instruments with mechanisms for pricing, quality control, transaction settlement, and risk management, which is regulated and supervised by the Financial Services Authority to strengthen economic resilience, maintain market integrity, and optimize the added value of Indonesia's natural resources and commodities.
(2) The mineral and strategic commodity exchange as referred to in paragraph (1) is operated by a market operator that has obtained business license from the Financial Services Authority.
(3) Further provisions on the minerals and strategic commodities exchange as referred to in paragraph (1) are regulated in a Regulation of the Financial Services Authority after obtaining approval from the DPR.
(4) The provisions on minerals and strategic commodities exchanges as referred to in paragraph (3) at least include:
    a. phased implementation of activities;
    b. governance arrangement;
    c. risk management;
    d. the principle of prudence; and
    e. administrative sanctions.

92. The provisions of Article 213 are amended to read as follows:

Article 213

(1) The scope of ITSK includes:
    a. payment systems;
    b. securities transaction settlement;

c. capital raising;
d. investment management;
e. risk management;
f. fund raising and/or distribution;
g. market support;
h. activities related to digital financial assets, including crypto assets; and
i. other digital financial services activities.

(2) Further provisions on the scope of ITSK as referred to in paragraph (1) subparagraphs a and h are regulated in a Regulation of Bank Indonesia and a Regulation of Financial Services Authority in accordance with their respective authority.

93. The provisions of Article 215 are amended to read as follows:

Article 215

(1) Parties operating ITSK consist of:
a. LJK;
b. *LJK Aset Kripto*;
c. *LJK AKD selain Aset K*ripto; and/or
d. other parties conducting activities in the financial sector in accordance with the provisions of laws and regulations.

(2) ITSK operators may take the form of:
a. a limited liability company; or
b. other forms of legal entity in accordance with the provisions of laws and regulations.

(3) The operator as referred to in paragraph (1) must apply the following principles:
a. good governance;
b. risk management;
c. information system security and reliability, including cybersecurity;
d. Consumer Protection and personal data protection; and
e. compliance with the provisions of laws and regulations.

94. The provisions of Article 220 are amended to read as follows:

Article 220

(1) Every ITSK operator shall comply with the requirements on membership in ITSK operator association approved and regulated by Bank Indonesia and the Financial Services Authority in accordance with their respective authority.

(2) In regulating its members, the ITSK operator association must comply with the provisions of laws and regulations.

(3) The ITSK operator association as referred to in paragraph (1) shall provide guidance and monitoring to every ITSK operator registered as a member of the association in accordance with the

functions and duties mandated by the financial sector authorities.

(4) Coordination between Bank Indonesia and the Financial Services Authority and ITSK operator association are regulated by Bank Indonesia and the Financial Services Authority in accordance with their respective authority.

95. Between Articles 22l and 222, six (6) articles are inserted, namely Articles 221A, 221B, 221C, 221D, 221E, and 221F, to read as follows:

Article 221A

(1) *LJK Aset Kripto* consists of:
   a. crypto-asset traders;
   b. crypto-asset exchanges;
   c. clearing institution for guarantees and settlements of the trading of crypto assets;
   d. managers of central depository institution for crypto-asset; and
   e. other parties designated by the Financial Services Authority as *LJK Aset Kripto*.

(2) In conducting business activities, a *LJK Aset Kripto* shall obtain business license from the Financial Services Authority that corresponds to the scope of its business

(3) The crypto-asset traders as referred to in paragraph (1) subparagraph a may accept crypto-asset customers as individuals and/or non-individuals.

(4) The crypto-asset exchange as referred to in paragraph (1) subparagraph b is established by at least eleven (11) limited liability companies.

(5) The limited liability companies as referred to in paragraph (4) must consist, in the majority, of crypto-asset traders as referred to in paragraph (1) subparagraph a who have held a license for at least three (3) years from the Financial Services Authority prior to the issuance of the crypto-asset exchange license by the Financial Services Authority.

(6) The shareholding in the crypto-asset exchange as referred to in paragraph (1) subparagraph b by each shareholder does not exceed 20% (twenty percent) of the paid-up capital.

(7) The maximum limit on share ownership as referred to in paragraph (6) also applies to ownership based on affiliations among shareholders.

(8) All activities related to crypto-asset, including those conducted by digital crypto-asset wallets, shall be transacted through and/or reported to the crypto-asset exchange as referred to in paragraph (1) subparagraph b.

(9) The clearing institution for guarantees and settlements of the trading of crypto assets as

referred to in paragraph (1) subparagraph c must meet the following minimum requirements:
a. having system to implement single identity for crypto-asset consumers; and
b. having separate account to hold all consumer funds related to crypto-asset trading.

(10) The Financial Services Authority is authorized to conduct fit and proper assessment as well as reassessments of the key personnel of the *LJK Aset Kripto*.

(11) The *LJK Aset Kripto* is liable for consumer losses caused by errors, negligence, and conducts that are contrary to the provisions of laws and regulations in the financial services sector and/or agreements, committed by the Controlling Party, shareholders, directors, board of commissioners, the sharia supervisory board, employees, parties holding positions equivalent to those of shareholders, directors, board of commissioners, or the sharia supervisory board, and/or committed by third parties representing or working for the *LJK Aset Kripto*.

(12) Key personnel of *LJK Aset Kripto* is personally liable where it is proven that they have committed acts, directly or indirectly, in violation of the law that caused losses to the *LJK Aset Kripto*.

(13) The *LJK Aset Kripto* as referred to in paragraph (1) is owned by Any Person or only by specific parties in accordance with the provisions of laws and regulations.

(14) Further provisions on the *LJK Aset Kripto* as referred to in paragraphs (1) to (13) are regulated in a Regulation of the Financial Services Authority.

Article 221B

(1) *LJK Aset Kripto* and affiliated parties shall maintain the confidentiality of accounts, transactions, and/or crypto-asset consumers.

(2) Further provisions on the confidentiality of accounts, transactions, and/or information of crypto-asset consumers as referred to in paragraph (1) are regulated in a Regulation of the Financial Services Authority.

Article 221C

(1) In exercising its regulatory and supervisory power over crypto-asset activities, the Financial Services Authority is authorized to:
a. establish the licensing regime to *LJK Aset Kripto*, entities supporting the conduct of crypto-asset activities, or other parties related to the conduct of crypto-asset activities; and
b. establish specific regulatory and supervisory policies on the conduct of crypto-asset activities.

(2) Further provisions on the Financial Services Authority's authority as referred to in paragraph (1) are regulated in a Regulation of the Financial Services Authority.

Article 221D

(1) *LJK Aset Kripto* and/or Any Person involved in the conduct of crypto-asset activities are prohibited, directly or indirectly, from:
   a. deceiving other party by any means so that the other party uses the services, transfers funds, buys, sells, transfers, or holds products and/or services from *LJK Aset Kripto*, with the intent to benefit themselves and/or another party;
   b. making statements, notices, and/or announcements of any kind that are false, or failing to make important statements, notices, and/or announcements with the intent to unlawfully benefit oneself and/or another party, unlawfully avoid losses for oneself and/or another party, unlawfully influence another party to buy, sell, transfer, and/or hold products and/or services of Crypto-Asset Financial Institution, and/or unlawfully influence another party to use its services;
   c. making a statement or providing information that is false or misleading, thereby influencing the price of crypto-asset, if at the time the statement was made or the information is provided:
      1. the relevant party knows or should reasonably have known that the statement or information is false or misleading; and/or
      2. the relevant party does not exercise due care in verifying the truth of such statements or information;
   d. engaging in conducts that result in false impression or misleading conduct in the activities of *LJK Kripto Aset*;
   e. engaging in transactions, individually or collectively, that artificially cause the price of products and/or services of *LJK Kripto Asset* to rise, fall, or remain stable, with the intent to benefit themselves and/or another party;
   f. conducting transactions based on insider information in violation of the law; and
   g. engaging in activities as an insider that influence others to buy, sell, transfer, and/or hold products and/or services of *LJK Aset Kripto* and/or providing insider information to third parties who may use such insider information to sell, buy, hold, or transfer products and/or services of *LJK Aset Kripto*.

(2) The prohibitions as referred to in paragraph (1), subparagraphs f and g apply to Any Person who obtains insider information and should reasonably know that such information constitutes insider information.

(3) *LJK Aset Kripto*, entities facilitating crypto-asset activities, entities supporting crypto-asset offerings, civil partnerships, and/or other parties involved in crypto-asset offerings are prohibited from providing false or forged documents and/or information in connection with crypto-asset offerings.

Article 221E

For the purposes of Consumer Protection as referred to in Article 216 paragraph 3 subparagraph e, the Financial Services Authority, in coordination with the relevant ministries/agencies, is authorized to freeze and/or block the transactions and/or trading of crypto-assets by foreign or domestic parties within the territory of the Republic of Indonesia and/or involving Indonesian citizens and/or Indonesian legal entities that do not comply with the provisions of laws and regulations.

Article 221F

The provisions on *LJK Aset Kripto* as referred to in Articles 221A, 221B, 221C, 221D, and 221E apply mutatis mutandis to *LJK AKD selain Aset Kripto*.

96. The provisions of Article 247 are amended to read as follows:

Article 247

(1) To protect public interest, the Government establishes a task force for preventing and addressing:
   a. unlicensed business activities in the financial sector; and/or
   b. licensed business activities where there are indications of violations of collection mechanisms, misuse of data, and/or violations of Consumer Protection in accordance with the provisions of laws and regulations.

(2) The unlicensed business activities in the financial sector as referred to in paragraph (l) subparagraph a include, but not limited to, the following:
   a. activities involving the collection of funds from the public and/or distribution of funds to the public;
   b. issuance of equity securities or debt securities/sukuk offered to the public;
   c. the provision of payment system products or services and/or other activities that may be equated with collection of funds, distribution

of funds, management of funds, or intermediation in the financial sector; and

d. Financing Services Businesses, including business activities involving the provision of loans by Information Technology-Based Joint Funding Service Provider.

(3) In addition to the duties as referred to in paragraphs (1) and (2), the task force is tasked with preventing and addressing the use of ITSK for activities suspected of being gambling.

(4) The task force as referred to in paragraph (1) consists of financial sector authorities, financial transaction reporting and analysis authorities, relevant ministries/agencies, and law enforcement agencies.

(5) The establishment of the task force as well as its institutional and governance arrangement as referred to in paragraph (1) is determined by the President.

(6) Follow-up action on the implementation of the duties as referred to in paragraphs (1) and (3) is carried out by the relevant authorities/ministries/agencies in accordance with their respective authorities.

97. Between Chapters XVIII and XIX, one (1) chapter is inserted, namely Chapter XVIIIA, to read as follows:

CHAPTER XVIIIA
INDONESIAN INTERNATIONAL FINANCIAL CENTER

98. Between Articles 248 and 249, one (1) article is inserted, namely Article 248A, to read as follows:

Article 248A

(1) To achieve the national vision of sustainable economic growth, as well as to promote the deepening and diversification of the national economy through effective contributions to the financial sector, the Government establishes Indonesia International Financial Center.

(2) The Indonesian International Financial Center as referred to in paragraph (1) is a region with financial and administrative autonomy as well as specific legal provisions that adopt, incorporate, implement, and/or adapt to international principles and/or standards.

(3) The Government may establish one (1) or more Indonesian International Financial Centers.

(4) Business activities at the Indonesian International Financial Center include financial sector business activities, business activities supporting the financial sector, and business activities in other sectors.

(5) The Indonesian International Financial Center is managed by the Indonesian International Financial Center Council.
(6) To achieve the objectives of the Indonesian International Financial Center as referred to in paragraph (1), business activities at the Indonesian International Financial Center are subject to special tax treatment and are granted special tax incentives and other special facilities.
(7) Provisions on the operation of the Indonesian International Financial Center are specifically regulated by Law enacted no later than three (3) months from the date this Law is promulgated.

99. The provisions of Article 250 are amended to read as follows:

Article 250

(1) In the event of non-performing loans, there must be legal certainty on the handling of non-performing loans by Banks and/or non-Bank financial institutions, either state-owned or local-owned enterprises, to Micro, Small, and Medium Enterprises.
(2) Non-performing loans at Banks and/or non-bank financial institutions, either state-owned enterprises or local-owned enterprises, to Micro, Small, and Medium Enterprises as referred to in paragraph (1) may be subjected to book write-off and claim write-off to support the smooth provision of access to financing for Micro, Small, and Medium Enterprises.
(3) The book write-off of non-performing loans as referred to in paragraph (2) is carried out by Banks and/or non-Bank financial institutions in the form of state-owned enterprises or local-owned enterprises in accordance with the principle of prudence.
(4) Banks and/or non-Bank financial institutions in the form of state-owned enterprises or local-owned enterprises properly document and record the process of book write-off and/or claim write-off of the non-performing loans.
(5) The documentation and records as referred to in paragraph (4) are retained for a minimum of ten (10) years from the date the book write-off and/or claim write-off is carried out.
(6) Banks and/or non-Bank financial institutions in the form of state-owned enterprises or local-owned enterprises update the data on debtors or customers whose debts are written off to be categorized as paid in full in accordance with government policies in the financial information service system operated by the Financial Services Authority.

(7) The updating of data on debtors or customers whose debts are written off and categorized as paid in full in accordance with government policies in the financial information service system operated by the Financial Services Authority is carried out in accordance with the provisions of laws and regulations.

Article 251

(1) Losses incurred by Banks and/or non-Bank financial institutions in the form of state-owned enterprises or local-owned enterprises in carrying out the book write-off and/or claim write-off are considered losses of the Banks and/or non-Bank financial institutions in the form of state-owned enterprises or local-owned enterprises.

(2) The losses as referred to in paragraph (1) do not constitute losses to the state finance provided it can be proven that the actions were taken in good faith, in accordance with the provisions of laws and regulations, the articles of association, and the principles of good corporate governance.

(3) In carrying out such book write off and/or claim write-off, the board of Directors and board of commissioner cannot be held responsible for any losses incurred as referred to in paragraph (1).

101. The provisions of Article 16C in subsection 3 in Article 276 are amended to read as follows:

Article 16C

(1) The Financial Services Authority designates a Bank as Bank under restructuring as referred to in Article 16A paragraph (2) subparagraph b where the Bank fails to comply with the provisions established by the Financial Services Authority on:
   a. bank soundness;
   b. bank liquidity; and/or
   c. risk-weighted capital adequacy ratio.

(2) The designation of Bank under restructuring as referred to in paragraph (1) is made by the Financial Services Authority.

(3) Where a Bank is designated as Bank under restructuring and the Bank files an application to the Financial Services Authority, the Financial Services Authority may request the Deposit Insurance Corporation to inject funds into the Bank after the Financial Services Authority has conducted a feasibility analysis of the Bank's application.

(4) The Financial Services Authority designates a bank as Bank under restructuring for a maximum period of two (2) years, effective from the date of the Financial Services Authority's written notification to the Bank, the Deposit Insurance Corporation, and Bank Indonesia, as referred to in Article 16A paragraph (5).

(5) Where the Bank receives fund placement from the Deposit Insurance Corporation as referred to in paragraph (3), the Bank's restructuring period as referred to in paragraph (4) ends in accordance with the expiration date of the Deposit Insurance Corporation's fund placement.

(6) After the Financial Services Authority designates a Bank as Bank under restructuring:
   a. Commercial Banks shall implement:
      1. recovery action plan approved by the Financial Services Authority;
      2. restructuring measures prescribed by the Financial Services Authority, where its recovery action plan has not yet been approved by the Financial Services Authority; and
      3. report on its implementation to the Financial Services Authority;
   b. the Financial Services Authority ensures the implementation of the commercial Bank's recovery action plan or the restructuring measures established by the Financial Services Authority; and/or
   c. the Deposit Insurance Corporation conducts:
      1. a due diligence to assess the Bank's overall condition;
      2. exploratory discussions with other Banks willing to accept the transfer of some or all of the Bank's assets and/or liabilities; and/or
      3. exploratory discussions with potential investors willing to take over the Bank.

(7) The Financial Services Authority orders the Bank under restructuring to:
   a. maintain the financial condition of the bank so that there is no material decrease in assets and/or increase in obligations/liabilities of the bank; and
   b. support the implementation of measures by the Deposit Insurance Corporation as referred to in paragraph (6) subparagraph c.

(8) Where a Bank is designated as Bank under restructuring, the Financial Services Authority is authorized to:
   a. order the Bank to sell some or all of its assets and/or transfer the Bank's liabilities to another party;
   b. order the Bank to transfer the management of all or part of its operations to another party;
   c. restrict the Bank's specific business activities; and/or
   d. appoint a statutory manager and direct the Bank to support the performance of duties of the statutory manager assigned to the Bank.

(9) In order to exercise the authority as referred to in paragraph (8), the Financial Services Authority

coordinates with the Deposit Insurance Corporation.

(10) The provisions on compliance with the soundness, liquidity, and capital adequacy ratio requirements as referred to in paragraph (1) are regulated in a Regulation of the Financial Services Authority.

102. The provisions of Article 20B in subsection 13 in Article 276 are amended to read as follows:

Article 20B

(1) The Deposit Insurance Corporation is authorized to place funds in Systemic Bank designated as a Bank under restructuring.

(2) The placement of funds in the Systemic Bank under restructuring as referred to in paragraph (1) is carried out at the request of the Financial Services Authority, after the Financial Services Authority has conducted a feasibility analysis at the Bank's request.

(3) The placement of funds in the Systemic Bank as referred to in paragraph (1) is carried out:
   a. directly; or
   b. indirectly through a guarantee by the Deposit Insurance Corporation of funds placed by a Systemic Bank in another Bank experiencing liquidity problems.

(4) The Systemic Bank that may receive funds from the Deposit Insurance Corporation as referred to in paragraph (1) is a Systemic Bank designated as Bank under restructuring that is experiencing liquidity problems, which does not qualify as a recipient of short-term liquidity loans or short-term liquidity financing based on Sharia Principles from Bank Indonesia.

(5) In connection with the Deposit Insurance Corporation's placement of funds in the Systemic Bank designated as Bank under restructuring as referred to in paragraph (1), the Deposit Insurance Corporation coordinates through the coordination forum as referred to in Article 15A.

(6) The total period for the Deposit Insurance Corporation's placement of funds in the Systemic Bank designated as Bank under restructuring as referred to in paragraph (1) shall not exceed two (2) years, including any extensions.

(7) The Deposit Insurance Corporation may grant an extension of the period of fund placement and its extensions as referred to in paragraph (6) after the Deposit Insurance Corporation has discussed the matter in the coordination forum as referred to in Article 15A.

(8) A Systemic Bank and/or the PSP of Systemic Bank must provide collateral in the form of assets deemed suitable to ensure the repayment of the funds placed.

(9) Further provisions on the Deposit Insurance Corporation's placement of funds with Systemic Bank designated as Bank under restructuring as referred to in paragraph (1) are regulated in a Government Regulation.

103. Between CHAPTER XXII and CHAPTER XXIII, two (2) chapters and 15 (fifteen) articles are inserted, namely CHAPTERS XXIIA and XXIIB, as well as Articles 278A, 278B, 278C, 278D, 278E, 278F, 278G, 278H, 278I, 278J, 278K, 278L, 278M, 278N, and 278O, to read as follows:

CHAPTER XXIIA
PRELIMINARY-INVESTIGATION AND INVESTIGATION
IN THE FINANCIAL SERVICES SECTOR

Division One
Preliminary-Investigation

Article 278A

(1) Preliminary-investigators, by virtue of their duties, are authorized to:
   a. receive reports or complaints from a person on an offense, either in writing or via telecommunications media and/or electronic media;
   b. find, collect, and secure information and items of evidence; and
   c. take other actions in accordance with the law which can be held accountable.
(2) Preliminary-investigators prepare and submit a report on the exercise of their authority and actions as referred to in paragraph (1) to the investigators.

Article 278B

Provisions on the conduct of investigations in financial services sector as referred to in Article 278A are implemented in accordance with the Criminal Procedure Code.

Division Two
Investigation

Article 278C

(1) Investigators of offenses in financial services sector consist of:
   a. Indonesian National Police investigators; and
   b. Financial Services Authority investigators.
(2) The investigators of offenses in financial services sector as referred to in paragraph (1) are authorized and responsible to conduct investigations of offense in the financial services sector under the Criminal Procedure Code.

(3) The investigators of the Financial Services Authority as referred to in paragraph (1) subparagraph b may originate from:
   a. Indonesian National Police investigators;
   b. Civil Servant investigators; and
   c. employees of the Financial Services Authority who have been appointed as investigators in accordance with the provisions of laws and regulations.

(4) The Indonesian National Police investigators as referred to in paragraph (3) subparagraph a are assigned by the Chief of the Indonesian National Police.

(5) The investigators of the Financial Services Authority who are the civil servant investigators as referred to in paragraph (3) subparagraph b are appointed by the minister administering government affairs in field of law.

(6) To be appointed as investigators, employees of the Financial Services Authority as referred to in paragraph (3) subparagraph c shall meet the requirements specified in the Criminal Procedure Code and its implementing regulations.

(7) Financial Services Authority employees who have met the requirements and qualifications as referred to in paragraph (6) are nominated as Financial Services Authority investigators to the Indonesian National Police.

(8) Provisions on the requirements, appointment, qualifications, education, training, and certification of Financial Services Authority employees as investigators as referred to in paragraph (6) are regulated in the Criminal Procedure Code and its implementing regulations.

(9) The appointment, transfer, dismissal, and inauguration of Financial Services Authority investigators as referred to in paragraph (1) subparagraph b are based on the considerations and regulations applicable to the ministries/agencies from which the Financial Services Authority investigators originated from.

(10) The investigators of the Financial Services Authority as referred to in paragraph (3) are authorized and responsible to:
   a. receive reports, information, or complaints from any person on an offense in the financial services sector;
   b. assess the veracity of reports or statements on an offense in the financial services sector;
   c. inquire any person suspected of committing or being involved in an offense in the financial services sector;
   d. summon, examine, and request statements and items of evidence from Any Person suspected of committing, or acting as witness to, an offense in the financial services sector;

e. request the competent authorities to:
   1) prevent any Indonesian citizens and/or foreign nationals suspected of committing an offense in the financial services sector from exiting the country and ban any foreign nationals suspected of committing an offense in the financial services sector from entering into the country;
   2) ban any foreign nationals suspected of going to disturb public security and order through activities in the Capital Market;
f. inspect books, records, and other documents related to an offense in the financial services sector;
g. request assistance from the Indonesian National Police to make arrests, detentions, searches, and seizures in criminal cases in the financial services sector currently being handled;
h. conduct searches in any specific location where items of evidence in the form of books, records, and other documents are suspected to be located, and seize items that may serve as evidence in an offense in the financial services sector;
i. freeze Bank accounts or accounts at other financial institutions belonging to any person suspected of committing or being involved in offense in the financial services sector;
j. request data, documents, or other admissible evidence, in print or electronic form, from the telecommunications service providers or data and/or document storage service providers;
k. request information from the financial services institutions on the financial status of parties suspected of committing or being involved in offense against the laws and regulations in the financial services sector;
l. request the assistance of experts in carrying out criminal investigation in the financial services sector;
m. conduct investigations into money laundering offense where the predicate offense is an offense in the financial services sector; and
n. declare the commencement and termination of an investigation.

(11) In carrying out the investigation as referred to in paragraph (10), offense investigators in the financial services sector are authorized to obtain information from Banks on the financial status of parties suspected of committing or being involved in offense in the Capital Market sector at the Bank.

(12) In exercising their powers and responsibilities as referred to in paragraph (10), the investigators from

the Financial Services Authority refer to the Criminal Procedure Code.

(13) In exercising their powers and responsibilities as referred to in paragraph (10), the investigators from the Financial Services Authority operate under the coordination and supervision of Indonesian National Police investigators in accordance with the Criminal Procedure Code.

(14) In exercising their powers and responsibilities as referred to in paragraph (10), the investigators of the Financial Services Authority notify the public prosecutor, through Indonesian National Police investigators, of the commencement of the investigation.

(15) In exercising their powers and responsibilities as referred to in paragraph (10), the investigators of the Financial Services Authority notify the results of their investigation through the Indonesian National Police investigators, and then to jointly deliver the case file to the public prosecutor as regulated in the Criminal Procedure Code and its implementing regulations.

Article 278D

(1) The Civil Servant investigators as referred to in Article 278C paragraph (3) subparagraph b submit the case file through Indonesian National Police investigators, to then jointly submit the said case file to the public prosecutor.

(2) The public prosecutor shall take follow up action on and decide on the follow-up to the results of the investigation in accordance with their authority within a maximum of ninety (90) days from the date of receipt of the case file as referred to in paragraph (1).

Article 278E

(1) The Civil Servant investigators employed by the Financial Services Authority may only be retracted with at least six (6) months' prior notice and provided they are not currently working on a case.

(2) The Civil Servant investigators are required to cooperate with relevant agencies.

CHAPTER XXIIB
RESOLUTION OF CASES IN THE FINANCIAL SERVICES SECTOR THROUGH RESTORATIVE JUSTICE

Division One
General

Article 278F

(1) Settlement of cases in the financial services sector through restorative justice may be conducted at the following stages:

a. preliminary-investigation;
b. investigation;
c. prosecution; or
d. court trial.

(2) The settlement of cases as referred to in paragraph (1) may be applied to all offenses in the financial services sector following a prior assessment by criminal investigators in the financial services sector.

(3) The case settlement as referred to in paragraph (2) may be applied to any offense that meet the following criteria:
a. offense committed for the first time; and/or
b. not a repeat offense, except for offenses for which the sentence is a fine or offenses committed due to negligence.

Article 278G

Where investigators from the Financial Services Authority settle cases in the financial services sector through restorative justice during the pre-investigation and investigation stages as referred to in Article 278F paragraph (1) subparagraphs a and b, the investigators from Financial Services Authority coordinate with the Indonesian National Police investigators.

Article 278H

The settlement of cases in the financial services sector through restorative justice is carried out in accordance with the Criminal Procedure Code, unless otherwise specified in this Law and its implementing regulations.

Division Two
Settlement of Cases in the Financial Services Sector through Restorative Justice

Subdivision 1
Preliminary-Investigation Stage

Article 278I

(1) Preliminary-investigators of offense in the financial services sector are authorized to decide the commencement, non-commencement, or termination of preliminary-investigation into an offense in the financial services sector based on the order of investigator of an offense in the financial services sector.

(2) Prior to deciding to commence an investigation as referred to in paragraph (1), the preliminary-investigators of an offense in the financial services sector conduct preliminary-investigation into the alleged offenses in the financial services sector.

(3) During the preliminary-investigation stage, the settlement of case in the financial services sector through restorative justice may be carried out through:

a. a request from the party suspected of committing the offenses or their family, and/or the victims of the offense or their family; or
b. an offer from the pre-investigators of an offense in the financial services sector to the victims or the party suspected of committing the offense.

(4) Pre-investigators of an offense in the financial services sector review the request or the offer to settle the case through restorative justice in regard to the alleged offense as referred to in paragraph (3) subparagraphs a and b, and calculate the amount of losses resulting from the alleged offense.

(5) In conducting the review as referred to in paragraph (4), the preliminary-investigators of an offense in the financial services sector consider, at a minimum:
a. whether or not there has been any settlement on the losses resulting from the offense;
b. the value of transactions and/or the amount of losses resulting from the alleged offense; and
c. the impact on the financial services sector, financial services institutions, and/or the interests of customers, capital providers or investors, and/or the public.

(6) The settlement of case through restorative justice at the preliminary-investigation stage is carried out through an agreement between the party suspected of committing the offense or their family and the victims of the offense or their family, as evidenced by a settlement agreement and signed by the party suspected of committing the offense, the victims, and the preliminary-investigators of the offense in the financial services sector.

(7) Where an agreement has been reached to settle a case in the financial services sector through restorative justice as referred to in paragraph (6), the party suspected of committing the offense or their family shall fulfill the agreement, including paying for damages.

(8) The payment for damages as referred to in paragraph (7) constitutes the right of the aggrieved party.

(9) Where the agreement as referred to in paragraph (7) has been fully fulfilled by the party suspected of committing an offense in the financial services sector or their family, the preliminary-investigators of the offense in the financial services sector terminate the pre-investigation and issue a letter of termination of pre-investigation upon the order of the investigator in the financial services sector.

(10) The letter of termination of pre-investigation as referred to in paragraph (9) is submitted by the Financial Services Authority preliminary-

investigators to the Financial Services Authority investigators, who then forward it to the Indonesian National Police investigators to be communicated to the public prosecutor and to obtain a court order from the chief judge of a district court within a maximum period of three (3) days.

(11) The letter of termination of preliminary-investigation as referred to in paragraph (9) is submitted by the Indonesian National Police pre-investigators to the Indonesian National Police investigators to be communicated to the public prosecutor and to obtain a court order from the chief judge of a district court within a maximum period of three (3) days.

(12) Where:
a. the pre-investigators of an offense in the financial services sector do not agree on the request to settle the case through restorative justice on the alleged criminal offense; or
b. the party that filed a request for case settlement through restorative justice on an alleged offense fails to comply with part or all of the agreement as referred to in paragraph (7),

the preliminary-investigators of an offense in the financial services sector are authorized to continue the pre-investigation process.

Article 278J

(1) In addition to the damages as referred to in Article 278I paragraph (8), the party suspected of committing an offense in the financial services sector may be subject to administrative measures in the form of administrative sanctions imposed by the Financial Services Authority.

(2) The administrative sanctions as referred to in paragraph (1) include:
a. written warning;
b. restrictions on products and/or services and/or business activities, in whole or in part;
c. suspension of products and/or services and/or business activities, in whole or in part;
d. dismissal of the management;
e. administrative fines;
f. revocation of product and/or service licenses;
g. revocation of business licenses; and/or
h. other administrative sanctions as determined by the Financial Services Authority.

Article 278K

(1) The settlement of case through restorative justice on alleged offenses in the Capital Market sector during the preliminary-investigation stage may only be conducted by the Indonesian National

Police pre-investigators upon the order of the Indonesian National Police investigators.

(2) In conducting the review as referred to in Article 278F paragraph (2) in the Capital Market sector, the Indonesian National Police pre-investigators consider, at a minimum:

a. the value of transactions of the offense or the impact of the offense;
b. whether or not there has been any settlement on the losses resulting from the offense;
c. the impact of the offense on Securities offering and/or trading activities as a whole; and
d. the impact of the losses on the Capital Market system or the interests of capital providers or investors and/or the public.

Subdivision 2
Investigation Stage

Article 278L

(1) Where investigators of offense in the financial services sector determines that an incident constitutes an offense, the investigators conduct an investigation.
(2) The investigators of offense in the financial services sector are authorized to determine the commencement, non-commencement, or termination of an investigation into offense in the financial services sector.
(3) During the investigation, the settlement of case in the financial services sector through restorative justice may be carried out through:
a. a request from the suspect or their family, and/or the victims or their family; or
b. an offer from the investigator of offense in the financial services sector to the victims or suspect.
(4) The investigators of offense in the financial services sector review the request for the settlement of case in the financial services sector through restorative justice as referred to in paragraph (3) and calculate the amount of losses resulting from the offense.
(5) In reviewing the requests for case settlement in the financial services sector through restorative justice and calculating the amount of losses resulting from criminal offense as referred to in paragraph (4), the investigators of an offense in the financial services sector consider, at a minimum:
a. whether or not there has been any settlement on the losses resulting from the offense;
b. the value of transactions and/or the amount of losses resulting from the alleged offense; and
c. the impact on the financial services sector, financial services institutions, and/or the

interests of customers, capital providers or investors, and/or on the public.

(6) The settlement of case through restorative justice during the investigation stage is carried out through an agreement between the suspect or their family and the victims of the offense or their family as evidenced by a settlement agreement signed by the perpetrator, the victims, and the investigator of offense in the financial services sector.

(7) Where an agreement is reached to settle a case in the financial services sector through restorative justice as referred to in paragraph (6), the suspect or their family shall fulfill the agreement, including paying for damages.

(8) The payment for damages as referred to in paragraph (7) constitutes the right of the aggrieved party.

(9) Where the agreement as referred to in paragraph (7) has been fully fulfilled by the suspect or their family, the investigators of offense in the financial services sector terminate the investigation and issue a letter of termination of investigation.

(10) The letter of termination of investigation as referred to in paragraph (9) is submitted by the Financial Services Authority investigators through the Indonesian National Police investigators to the public prosecutor and a court order is obtained from the chief judge of a district court within a maximum period of three (3) days.

(11) The letter of termination of investigation as referred to in paragraph (9) is communicated by Indonesian National Police investigators to the public prosecutor and a court order is obtained from the chief judge of a district court within a maximum period of three (3) days.

(12) Where an agreement as referred to in paragraph (7) is not reached, the investigators of offense in the financial services sector are authorized to continue the investigation process.

Subdivision 3
Prosecution Stage

Article 278M

(1) During the prosecution stage, the settlement of case in the financial services sector through restorative justice may be carried out through:
   a. a request from the suspect or their family, and/or the victims or their family; or
   b. an offer from the public prosecutor to the victims or the suspect.

(2) The settlement of case through restorative justice at the Prosecution stage is carried out through an agreement between the suspect or their family and the victims or their family, as evidenced by a

settlement agreement signed by the perpetrator, the victims, and public prosecutor.

(3) Where an agreement is reached to settle the case in the financial services sector through restorative justice as referred to in paragraph (2), the suspect or their family shall fulfill the agreement, including paying for damages.

(4) The payment for damages as referred to in paragraph (3) constitutes the right of the aggrieved party.

(5) The agreement as referred to in paragraph (3) is evidenced by a settlement agreement signed by the suspect and the public prosecutor.

(6) Based on the settlement agreement as referred to in paragraph (5), the public prosecutor issues a letter of termination of prosecution.

(7) The letter of termination of prosecution as referred to in paragraph (6) is submitted to the chief judge of a district court to obtain court order within a maximum period of three (3) days and shall be notified by the public prosecutor to the Indonesian National Police investigators.

(8) Where the case originates from the Financial Services Authority investigators, the Indonesian National Police investigators shall notify the Financial Services Authority investigators on the court order as referred to in paragraph (6) within a maximum period of three (3) days from the date the court order is delivered to the Indonesian National Police investigators.

(9) Where the agreement as referred to in paragraph (3) is not reached, the public prosecutor is authorized to proceed with the prosecution.

Subdivision 4
Court Proceeding Stage

Article 278N

(1) Where the settlement of case in the financial services sector through restorative justice as referred to in Articles 278I to 278M cannot be achieved, the settlement of case in the financial services sector through restorative justice may be carried out during court proceeding through a Court Judgment and the enforcement of the Court Judgment.

(2) During court proceeding, the settlement of case in the financial services sector through restorative justice may be carried out through:
   a. a request from the defendant or their family, and/or the victims or their family; or
   b. an offer from the judge to the victims or the defendant.

Article 278O

Further provisions on the implementation of case settlement through restorative justice as referred to in Articles 278F to 278N are regulated in a Government Regulation.

104. Between Articles 304 and 305, one (1) article is inserted, namely Article 304A, to read as follows:

Article 304A

(1) Any person who conducts business activities as *LJK Aset Kripto* and/or *LJK AKD selain Aset Kripto* without business license from the Financial Services Authority as referred to in Article 221A paragraph (2) and Article 221F shall be liable to imprisonment for a maximum term of ten (10) years and/or to a fine not exceeding category VIII.

(2) Any person who violates the provisions of Article 221A paragraph (8) and Article 221F shall liable to imprisonment for a maximum term of three (3) years and/or to a fine not exceeding category VII.

(3) *LJK Aset Kripto* and affiliated parties and/or LJK AKD selain Aset Kripto and affiliated parties that violate the provisions of Article 221B and Article 221F shall be liable to imprisonment for a maximum term of five (5) years and/or to a fine not exceeding category VIII.

(4) *LJK Aset Kripto*, LJK AKD selain Aset Kripto, and/or any person who violates the provisions of Articles 221D and 221F shall be liable to imprisonment for a maximum term of five (5) years and/or to a fine not exceeding category VIII.

Section II

1. The provisions on the approval of the DPR' on the annual work plan and budget for the operational activities of the Deposit Insurance Corporation as referred to in Article 86 paragraph 25 of Article 7 shall enter into force for the 2027 fiscal year.
2. The approval of the DPR' on the annual work plan and budget for the operational activities of the Deposit Insurance Corporation for the 2027 fiscal year shall be given no later than 31 December 2026.
3. The provisions on levies excluded from income tax as referred to in Article 37 paragraph (3) under subsection 39 in Article 8 shall enter into force for levies in 2027.
4. The policy guarantee program shall take effect no later than January 2028.
5. Provisions on actions that may be taken by the Deposit Insurance Corporation in the resolution of Insurance Company and Sharia Insurance Company as regulated in:
   a. Article 20A paragraph (1) subparagraph a under subsection 8 in Article 7;
   b. Article 22A paragraph (2) subparagraph a and Article 22A paragraph (3) under subsection 9 in Article 7;

c. Article 24A under subsection 10 in Article 7;
d. Article 26 paragraph (1) subparagraph b, Article 26 paragraph (1) subparagraph e, and Article 26 paragraph (1) subparagraph f under subsection 12 in Article 7;
e. Article 27 under subsection 13 in Article 7;
f. Article 28 under subsection 14 in Article 7;
g. Article 29 under subsection 15 in Article 7; and
h. Article 30 under subsection 16 in Article 7,

shall enter into force on 1 January 2030.

6. Upon the entry into force of this Law:
   a. the task force as referred to in Article 247 must be established no later than one (1) year after this Law is promulgated; and
   b. the task force for handling unlicensed business activities in the financial services sector that already exists at the time this Law shall enter into force remains to carry out its duties until the task force as referred to in Article 247 is established.
7. Upon the entry into force of this Law:
   a. the minerals and strategic commodities exchange as referred to in Article 132A is established and operational effective from 1 January 2027;
   b. the duties and authority on the regulation and supervision of transactions in the minerals and strategic commodities exchange are carried out by the Financial Services Authority effective from 1 January 2027;
   c. the phased transfer of duties and authority on the regulation and supervision of transactions in the mineral and strategic commodities exchange from the Indonesian Commodity Futures Trading Supervisory Agency to the Financial Services Authority are regulated in a Regulation of the Financial Services Authority following consultation with the DPR and must be issued no later than three (3) months from the date this Law is promulgated;
   d. the Chief Executive of Supervision of the Mineral and Strategic Commodities Exchange as referred to in Article 10 paragraph (4) subparagraph i under subsection 32 in Article 8 is designated and appointed in accordance with the provisions of laws and regulations; and
   e. the incumbent Chair of the Audit Committee is declared to have resigned upon the appointment of the Chief Executive of Supervision of the Mineral and Strategic Commodities Exchange as referred to in Article 10 paragraph (4) subparagraph i under subsection 32 in Article 8.
8. Upon the entry into force of this Law:
   a. operators of digital financial assets trading, including crypto assets, shareholders, PSP, and the key personnel who have obtained approval or license from the competent authority prior to the transfer of regulatory and supervisory duties on

digital financial assets including crypto assets to the Financial Services Authority, and have obtained approval or license from the Financial Services Authority following the transfer of authority for the regulation and supervision of digital financial assets including crypto assets, are recognized as *LJK Aset Kripto* and *LJK AKD selain Aset Kripto*, shareholders, PSP, and the key personnel as referred to in this Law;

b. *LJK Aset Kripto* and *LJK AKD selain Aset Kripto* that obtained business licenses prior to the effective date of this Law are declared to have obtained business licenses under this Law; and

c. crypto-asset exchanges and non-crypto digital financial asset exchanges as referred to in Article 221A paragraph (1) subparagraph b and Article 221F shall conduct trading and match the buy and sell offers for crypto assets and non-crypto digital financial assets of other parties with the aim of trading the crypto-assets and non-crypto digital financial assets within one (1) year after this Law is enacted.

9. Upon the entry into force of this Law, all implementing regulations of Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Year 2023 Number 4; Supplement to the State Gazette of the Republic of Indonesia Number 6845) shall remain in force insofar to the extent they do not conflict with the provisions of this Law.

10. This Law shall enter into force on the date of its promulgation.

In order to make this Law known to the public, it is hereby ordered that it be promulgated by its publication in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 17 June 2026

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

PRABOWO SUBIANTO

Promulgated in Jakarta
on 17 June 2026

MINISTER OF STATE SECRETARY
OF THE REPUBLIC OF INDONESIA,

signed

PRASETYO HADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2026 NUMBER 62

Prepared and issued as an official translation

Jakarta, 20 August 2026
DIRECTOR GENERAL OF LEGISLATION
FOR THE MINISTER OF LAW
OF THE REPUBLIC OF INDONESIA,

DHAHANA PUTRA

Official Translation Notice:
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ELUCIDATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2026
ON
AMENDMENT TO LAW NUMBER 4 OF 2023 ON DEVELOPING AND STRENGTHENING OF THE FINANCIAL SECTOR

I. GENERAL

Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector was established to support achieving a just, prosperous, and thriving Indonesian society based on Pancasila and the 1945 Constitution of the Republic of Indonesia. A deep, innovative, efficient, inclusive, trustworthy, strong, and stable financial sector achieved through the regulations set forth in Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector will drive resilient, inclusive, and sustainable economic growth toward a prosperous, advanced, dignified, and trustworthy Indonesia.

Following that, there were two (2) Constitutional Court's decisions regarding judicial review of Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector, namely Constitutional Court's Decision Number 59/PUU-XXI/2023 on the investigation of criminal offense in the financial services sector and Constitutional Court's Decision Number 85/PUU-XXII/2024 on the establishment of the annual work plan and budget of the Deposit Insurance Corporation. Based on these Constitutional Court's decisions as well as the legal need to optimize the role of the financial sector, it is necessary to take actions by enacting a Law on Amendment to Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector.

The substantive matters of this Law include improvements, adjustments, and regulations on several substantive matters, namely:

a. strengthening the status of the Deposit Insurance Corporation as a legal entity and an independent state institution; refining regulations on the composition, requirements, selection process, dismissal, and replacement of members of the Board of Commissioners; and strengthening the mechanism to formulate the budget of the Deposit Insurance Corporation;
b. expanding the duties of the Financial Services Authority to supervise and regulate minerals and strategic commodities exchanges, including other activities in managing public funds;
c. strengthening the provisions regarding Bank Indonesia's objectives in implementing policies and policy mix conducive to the growth of the real sector; and refining the governance and accountability arrangement regarding Bank Indonesia's annual budget;

d. expanding the duties of the Deposit Insurance Corporation, the Financial Services Authority, and Bank Indonesia to implement education programs and community empowerment and environmental programs carried out in inclusive manner;
e. improving the performance evaluation arrangement for the Deposit Insurance Corporation, the Financial Services Authority, and Bank Indonesia by the House of Representatives, in which the results and recommendations are provided to the relevant authorities and the government for follow-up actions and are considered binding;
f. expanding the scope of business activities for Commercial Banks and Sharia Commercial Banks and adjusting regulations on the handling of non-performing loans for Micro, Small, and Medium Enterprises to broaden access to financing; and strengthening banking consolidation regulations through the development of a roadmap for the consolidation of Commercial Banks and Sharia Commercial Banks;
g. strengthening the Indonesian capital market through the demutualization of the Indonesia Stock Exchange to improve governance, boost investor confidence, and expand stakeholder participation;
h. adding regulations regarding margin transfer in financial market transactions using the mechanism of transferring the right to ownership of the margin or transfer of title;
i. adding regulations regarding Danantara Debt Securities managed in accordance with the principles of professionalism, accountability, and sound business consideration;
j. strengthening the crypto-asset industry which is expected to increase the attractiveness and competitiveness of crypto-assets so that they can contribute significantly to the national economy;
k. changing the concept of the policy guarantee program mechanism, so that the Deposit Insurance Corporation as the administrator of the policy guarantee program has the option to rescue or not to rescue Insurance Companies and Sharia Insurance Companies designated by the Financial Services Authority as Insurance Companies and Sharia Insurance Companies Under Resolution;
l. refinement of the regulation on mandatory insurance funds for road traffic accidents to provide more optimal protection to the public, particularly victims of traffic accidents, including coverage for single-vehicle accidents while still avoiding moral hazard;
m. refinement of the regulation on preliminary investigation and investigation in the financial services sector, as well as restorative justice mechanism in alignment with the provisions of the Criminal Procedure Code;
n. refinement of the regulation on adjustments of bank under restructuring and the period for the placement of funds by the Deposit Insurance Corporation to align with bank restructuring practices;
o. establishing and strengthening a task force responsible for preventing and dealing with unlicensed business activities in the financial sector, licensed business activities suspected of violating regulations or consumer protection laws, and the use of the ITSK for activities indicated as gambling;
p. regulating minerals and strategic commodities exchanges; and
q. mandating the establishment of the Indonesia International Financial Center.

The Law on Amendment to Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector represents a comprehensive step in strengthening and harmonizing the financial sector's regulatory framework, as well as enhancing inter-agency synergy and coordination in maintaining the national financial system stability. It is hoped that this Law may support the development, deepening, and of the national financial system stability, as well as enhance public confidence in the financial sector.

II. ARTICLE BY ARTICLE

Section 1

Subsection 1

Article 1

Self-explanatory.

Subsection 2

Article 1

Self-explanatory.

Subsection 3

Article 2

Paragraph (1)

The term "Law on the Deposit Insurance Corporation" means the Law Number 24 of 2004 on Deposit Insurance Corporation.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The independence of the Deposit Insurance Corporation means that in the performance of its functions, duties, and authorities, the Deposit Insurance Corporation cannot be intervened by any party, including the Government, except explicitly stated in this Law.

Given that policies of Deposit Insurance and policy guarantee may impact the banking, insurance, and fiscal sectors, the Deposit Insurance Corporation includes representatives from each relevant authority. These authority representatives jointly formulate the policies of Deposit Insurance and policy Guarantee that can support the policies of their respective sectors. However, the implementation of these policies remains the full responsibility and authority of each respective authority.

For example, in carrying out the duties of resolving a Bank whose business license has been revoked, particularly in the context of the sale/transfer of the Bank's assets, the Deposit Insurance Corporation may not be influenced by the interests of external parties, including the Government.

Paragraph (4)

Self-explanatory.

Subsection 4

Article 4

Subparagraph a

Depositors Guarantee also includes Deposit Insurance in the form of equivalent to Savings for Banks conducting business activities based on Sharia Principles.

Subparagraph b

The Deposit Insurance Corporation guarantees insurance policies for policyholders, insured parties, or participants.

Subparagraph c

The Deposit Insurance Corporation maintains Financial System Stability in collaboration with the Minister of Finance, the Financial Services Authority, and Bank Indonesia, in accordance with their respective roles and duties.

Under this Law, the Deposit Insurance Corporation is mandated to act as risk minimizer, with the function of minimizing the risk of disruption in Financial System Stability, including assessing Bank risks and having the authority to make early intervention and resolution of Banks in addressing Bank issues. The Deposit Insurance Corporation's early intervention is carried out, among others, through Bank inspection in preparation for handling the Bank problems and placing the funds.

Subparagraph d

As a resolution authority, the Deposit Insurance Corporation carries out resolution on Banks experiencing financial difficulties by:

1. transferring some or all of the Bank's assets and/or liabilities to a receiving Bank;
2. transferring some or all of the Bank's assets and/or liabilities to an Intermediary Bank;
3. making a temporary equity participation; or
4. initiating liquidation.

Subparagraph e

The Deposit Insurance Corporation carries out resolution on Insurance Companies and Sharia Insurance Companies designated as Insurance Companies and Sharia Insurance Companies Under Resolution by either rescuing or not rescuing the Insurance Companies and Sharia Insurance Companies Under Resolution.

Subsection 5

Article 5

Self-explanatory.

Subsection 6

Article 6

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Assets in the form of receivables and other assets that are subjected to book write-off and claim write-off include assets arising from the handling and/or resolution of issues involving Banks, Insurance Companies, and Sharia Insurance Companies. The book write-off and claim write-off of assets are conducted in accordance with the principle of prudence and the principle of transparency.

Subparagraph d

Data and reports may be obtained directly from Banks or from the Financial Services Authority through a mechanism jointly established by the Deposit Insurance Corporation and the Financial Services Authority.

Subparagraph e

Data and statements/reports may be obtained directly from Insurance Companies and Sharia Insurance Companies or from the Financial Services Authority through a mechanism jointly established by the Deposit Insurance Corporation and the Financial Services Authority.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Subparagraph h

Other parties include, among others, public accountants, legal consultants, investment advisors, research institutions, appraisal firms, and/or auction officials.

Specific duties include conducting verification, preparing legal opinions, conducting research on guarantee risks, and/or carrying out liquidation.

Subparagraph i

Self-explanatory.

Subparagraph j

Examinations of Banks conducted by the Deposit Insurance Corporation are carried out, among others, for the purpose of:

1. calculating Deposit Insurance premiums, including for reconciliation, verification, and/or confirmation; and/or
2. addressing Bank issues of Banks under normal supervision or Banks under restructuring.

Subparagraph k

Examinations of Insurance Companies and Sharia Insurance Companies conducted by the Deposit Insurance Corporation are carried out, among others, for the purpose of:

1. calculating the periodic contribution, including for reconciliations, verifications, and/or confirmations; and/or
2. preparing the implementation of the policy guarantee program for Insurance Companies and Sharia Insurance Companies experiencing financial difficulties.

Subparagraph l

Bank under restructuring refers to a supervisory status assigned to a Bank by the Financial Services Authority based on specific criteria as Bank under restructuring.

Subparagraph m

The term "statutory manager" means an individual or legal entity appointed by the Deposit Insurance Corporation to manage the Bank that received funds from the Deposit Insurance Corporation with the aim of bringing back the Bank to a sound financial condition and enabling the Bank to repay the funds to the Deposit Insurance Corporation.

Subparagraph n

Self-explanatory.

Subparagraph o

Self-explanatory.

Subparagraph p

In carrying out its duties and functions to actively maintain the Financial System Stability, the Deposit Insurance Corporation may provide support to Banks to develop reporting systems.

Subparagraph q

Financial assistance is provided by the Deposit Insurance Corporation to pay policy guarantee claims until a decision is made on how to handle Insurance Companies and Sharia Insurance Companies Under Resolution, and to pay for essential operational activities of the Insurance Companies and Sharia Insurance Companies Under Resolution, the amount of which is determined by the Deposit Insurance Corporation. Financial assistance is recorded as a liability of the Insurance Companies and Sharia Insurance Companies Under Resolution to the Deposit Insurance Corporation.

Subparagraph r

Self-explanatory.

Paragraph (2)

Written notification from the Financial Services Authority to the Deposit Insurance Corporation on Bank Under Resolution or Insurance Company and Sharia Insurance Company Under Resolution includes the following:

a. the transfer of the handling of a Bank to the Deposit Insurance Corporation for resolution actions; or

b. the transfer of the handling of an Insurance Company and Sharia Insurance Company Under Resolution.

Subparagraph a

With the takeover of all rights and authority of the shareholders, including the rights and authority of GMS, the Deposit Insurance Corporation may, among others, do the following:

1. manage and administer Bank Under Resolution as well as Insurance Company and Sharia Insurance Company Under Resolution, in which the issues shall be handled and resolved by the Deposit Insurance Corporation;
2. protect the assets of Bank Under Resolution and Insurance Company and Sharia Insurance Company Under Resolution that are handed over to the Deposit Insurance Corporation to be handled and resolved; and
3. deal with the assets and liabilities of Bank Under Resolution as well as Insurance Company and Sharia Insurance Company Under Resolution whose business licenses have been revoked by the Financial Services Authority,

in order to maximize the recovery of funds for Deposit Insurance and policy guarantees.

Subparagraph b

Under this provision, the Deposit Insurance Corporation may take control, manage, and exercise ownership of rights as if it is the owner.

Subparagraph c

Where a review, cancellation, termination, and/or amendment of a contract by the Deposit Insurance Corporation results in a loss to a party, the party may only claim compensation not exceeding the value of the benefits already received under the said contract, after first providing clear and concrete evidence of the loss suffered.

Subparagraph d

The term Transfer of liabilities of Insurance Companies and Sharia Insurance Companies includes the transfer of insurance policy portfolios.

Subsection 7

Subsection 6a

Article 7A

Legal protection includes, among others:

a. legal aid and legal assistance provided by the Deposit Insurance Corporation or an appointed legal representative; and

b. reimbursement of costs for legal defense by the Deposit Insurance Corporation, including lawyers' fees, court costs, and other expenses necessary to defend against civil claims or criminal charges.

Subsection 8
Subsection 15a
Self-explanatory.
Subsection 15b
Article 20A
Self-explanatory.
Subsection 15c
Self-explanatory.

Subsection 9
Subsection 17a
Article 22A
Self-explanatory.
Subsection 17b
Self-explanatory.

Subsection 10
Subsection 18a
Article 24A
Self-explanatory.

Subsection 11
Article 25
Self-explanatory.

Subsection 12
Article 26
Self-explanatory.

Subsection 13
Subsection 20a
Article 27
Self-explanatory.

Subsection 14
Article 28
Paragraph (1)
The term "equity" means the value of assets after deducting liabilities.
Paragraph (2)
Self-explanatory.

Subsection 15
Article 29
Self-explanatory.

Subsection 16
Article 30
Self-explanatory.

Subsection 17

Subsection 23a

Self-explanatory.

Subsection 18

Article 31

Self-explanatory.

Subsection 19

Article 63

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

In addition to acting for and on behalf of the institution under their leadership as a member of the Financial System Stability Committee, the Chair of the Board of Commissioners acts as the highest authority in the institution's internal and external relations, including in meetings with the Financial System Stability Committee, the Government, the DPR, and in meetings with international organizations.

Paragraph (4)

Self-explanatory.

Paragraph (5)

The division and/or changes of portfolios, duties, and authority are carried out by taking into account the workload of the Chair of the Board of Commissioners, the Vice Chair of the Board of Commissioners, members of the Board of Commissioners responsible for Deposit Insurance and Bank resolution, and members of the Board of Commissioners responsible for policy guarantees.

The term "DPR" means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Subsection 20

Article 65

Paragraph (1)

Subparagraph a

An ex officio official.

Subparagraph b

An ex officio official.

Subparagraph c

An ex officio official.

Subparagraph d

At least two (2) members are from outside the Deposit Insurance Corporation.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Subsection 21

Article 67

Self-explanatory.

Subsection 22

Article 69

Paragraph (1)

Subparagraph a

The term “permanent incapacity” means death, loss of Indonesian citizenship, or a physical and/or mental disability that prevents the person from properly performing their duties.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

Valid reasons include those based on a medical certificate or a statement from competent agency.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Subparagraph h

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

If a replacement member of the Board of Commissioners serves for half or more of the term of office, the person concerned is deemed to have served one (1) term of office.

Subsection 23

Article 71

Paragraph (1)

Meetings of the Board of Commissioners include regular meetings and ad hoc meetings.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Subsection 24

Subsection 47a

Article 74

Paragraph (1)

Self-explanatory.

Paragraph (2)

The duty of the audit committee is to evaluate the performance of the Chief Executives and the Directors in the context of the oversight by the Board of Commissioners.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Subsection 25

Article 86

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

The annual work plan and budget for operational activities includes general and administrative expenses for the next fiscal year.

The annual budget for operational activities consists of breakdown details and relevance of duties, functions, vision, missions, programs, activities, key performance indicators, and the Deposit Insurance Corporation’s budget used to fund operational activities, administration, asset procurement, and other supporting activities, which may include, among others:

1. personnel costs;
2. official travels;
3. consultants;
4. meetings;
5. publications and public relations;
6. education and outreach;
7. discussions, group discussions, and seminars;
8. representation;
9. office operations;
10. office supplies;
11. communication;
12. transportation and vehicles;
13. information technology maintenance;
14. general and other administrative expenses; and
15. depreciation.

Subparagraph b

The annual budget for Deposit Insurance, policy guarantees, fund placement, Bank resolution, and the resolution of Insurance Companies and Sharia Insurance Companies constitute the Deposit Insurance Corporation's budget that is used to fund the work, programs, and activities directly related to the performance of the Deposit Insurance Corporation's functions.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The term "DPR" means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (5)

See the elucidation of paragraph (4).

Paragraph (6)

See the elucidation of paragraph (4).

Paragraph (7)

See the elucidation of paragraph (4).

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Subsection 26

Subsection 57a

Article 86A

Paragraph (1)

The term "reasonable standards in the financial services sector" means the cost standards commonly used by the financial services sector or regulators of similar financial services sectors, both nationally and internationally.

This is done so that the Deposit Insurance Corporation may keep up with the demands and

dynamics of the financial services sector, both nationally and internationally.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Subsection 57b

Article 87

Paragraph (1)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (2)

See the elucidation of paragraph (1).

Paragraph (3)

See the elucidation of paragraph (1).

Paragraph (4)

See the elucidation of paragraph (1).

Subsection 27

Subsection 61a

Self-explanatory.

Subsection 61b

Article 90A

Self-explanatory.

Subsection 28

Article 95A

Self-explanatory.

Subsection 29

Article 6

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

Other LJKs include administrators of social security, pension, and welfare programs under the laws and regulations on pawn-brokerage, guarantees, the Indonesian export financing agency, secondary housing mortgage companies, and the management of mandatory public funds, as well as other financial services institutions that are subject to supervision by the Financial Services Authority in accordance with the provisions of laws and regulations.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Subparagraph g

The management of other public funds include funds raised or collected from the public by certain institutions established in accordance with the provisions of laws and regulations, which are placed and invested in the financial services sector, including the Hajj financial management fund and the public housing savings fund.

Subparagraph h

Self-explanatory.

Subparagraph i

Self-explanatory.

Paragraph (2)

The term “financial sector development” means micro-prudential policies that support sustainable economic growth.

Paragraph (3)

Self-explanatory.

Subsection 30

Article 8B

The filing of a petition for a declaration of bankruptcy against a Bank rests entirely within the authority of the Financial Services Authority and is based solely on the assessment of the Bank’s financial condition and the overall condition, thus there is no need for it to be accounted for. The authority of the Financial Services Authority to file this bankruptcy petition shall not preclude its authority under the provisions on the revocation of Bank’s business licenses, the dissolution of legal entities, and Bank liquidation in accordance with the provisions of laws and regulations. A petition for a declaration of bankruptcy for securities companies, stock exchanges, alternative market operators, clearing and guarantee institutions, and custodial depository and settlement institutions may only be filed by the Financial Services Authority as these institutions engage in activities related to public funds invested in securities under the supervision of the Financial Services Authority. The Financial Services Authority also has full authority to file petitions for a declaration of bankruptcy against institutions under its supervision, just as it does with Banks.

The authority to file for a petition for a declaration of bankruptcy against an insurance company rests entirely with the Financial Services Authority. This provision is necessary to build public confidence in Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company as risk management institutions and, at the same time, as

institutions managing public funds that hold strategic position in economic development and daily economic life. The authority to file for bankruptcy on behalf of Pension Funds rests entirely with the Financial Services Authority. This provision is necessary to build public trust in Pension Funds, given that Pension Funds manage large amounts of public funds and these funds constitute the rights of a large number of participants.

The authority to file a petition for bankruptcy against crypto-asset trader, crypto-asset exchange, clearing guarantee, and settlement institution for crypto-asset trading, operator of centralized depository facilities for crypto-asset, issuer of crypto-assets in accordance with the provisions of laws and regulations in the ITSK sector as well as digital financial assets including crypto-assets, non-crypto digital financial assets trader, non-crypto digital financial asset exchange, clearing guarantee, and settlement institution for non-crypto digital financial asset trading, operator of centralized depository facilities for non-crypto digital financial asset, and issuer of non-crypto digital financial asset in accordance with the provisions of laws and regulations in the ITSK sector and digital financial assets including crypto-asset rest entirely with the Financial Services Authority. This provision is necessary to build public trust, given that the activities of the aforementioned parties are directly related to the collection, distribution, and/or management of funds belonging to consumers and/or the public.

The term “provided that their dissolution and/or bankruptcy are not governed differently in other Laws” means the LJK that exercises certain Government Authority and is a sui generis legal entity.

Where a debtor holds more than one (1) business activity license, the authority of the Financial Services Authority under this article applies if the debtor obtained its primary license from the Financial Services Authority.

Subsection 31

Subsection 5a

Article 8C

Self-explanatory.

Subsection 32

Article 10

Paragraph (1)

The Board of Commissioners is the highest governing body of the Financial Services Authority. In the context of cooperation with supervisory authorities of LJK in other countries, as well as with international organizations and other international institutions in the financial services sector, members of the Board of Commissioners act as officials representing the state.

Paragraph (2)

In addition to acting for and on behalf of the institution under their leadership as a member of the Financial System Stability Committee, the Chair of

the Board of Commissioners serves as the highest authority in the institution's internal and external relations, including in meetings with the Financial System Stability Committee, the Government, the DPR, and in meetings with international organizations.

Leadership in the Board of Commissioners reflects the collective collegial nature of the Financial Services Authority's Board of Commissioners. In acting as the head of the Board of Commissioners, the Chair of the Board of Commissioners, among others, oversees the performance of duties of the Chief Executives, including establishing policies to be implemented by the Chief Executives, if necessary.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The Chief Executive of Banking Supervision leads the supervision of financial services activities in the Banking sector.

Subparagraph d

The Chief Executive of Capital Markets, Financial Derivatives, and Carbon Exchange Supervision leads the supervision of financial services activities in the Capital Markets, financial Derivatives, and carbon exchange sectors.

Subparagraph e

The Chief Executive of Insurance, Guarantee, and Pension Fund Supervision leads the supervision of financial services activities in the insurance, guarantee, and pension fund sectors.

Subparagraph f

The Chief Executive of Supervision of Financing Institutions, Venture Capital Firms, Microfinance Institutions, and Other Financial Services Institutions leads the supervision of financial services activities in the sectors of Financing Institutions, venture capital firms, microfinance institutions, and other LJKs.

Subparagraph g

The Chief Executive of Supervision of Financial Sector Technological Innovation, Digital Financial Assets, and Crypto Assets leads the supervision of financial services activities in the ITSK sector and digital financial assets including crypto assets.

Subparagraph h

The Chief Executive for Conduct Supervision of Financial Services Business Actors, Education, and Consumer Protection leads the supervision

of the conduct of financial services business actors, education, and Consumer Protection, including task forces for handling unauthorized business activities in the financial sector and legal defense

Subparagraph i

The Chief Executive of Supervision of Minerals and Strategic Commodities Exchange leads the supervision of trading activities involving minerals and strategic commodities.

Subparagraph j

Self-explanatory.

Subparagraph k

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Paragraph (11)

Self-explanatory.

Paragraph (12)

Self-explanatory.

Subsection 33

Subsection 7a

Article 11

Paragraph (1)

In the nomination of members of the Board of Commissioners to the DPR, the President submits the names of the candidates for the Board of Commissioners.

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 7b

Article 12

Self-explanatory.

Subsection 7c

Article 13

Self-explanatory.

Subsection 7d

Article 14

Self-explanatory.

Subsection 34

Article 17

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

The resignation of a member of the Board of Commissioners takes effect as of the date the resignation is approved by the President.

Subparagraph c

Self-explanatory.

Subparagraph d

The term “permanent incapacity” means a physical and/or mental disability that prevents the person from properly performing their duties.

The dismissal of a member of the Board of Commissioners due to a physical and/or mental disability is determined by a Presidential Decree.

The term “medically presumed” means a medical presumption supported by a written statement from a physician certifying that the relevant member of the Board of Commissioners may not be perform their duties for more than six 6 consecutive months.

Subparagraph e

The term “without any justifiable reasons” means the absence of a compelling reason for the dismissal of a member of the Board of Commissioners.

The justifiable reasons include, among others, illness as evidenced by a medical certificate from a doctor appointed by the Board of Commissioners, an assignment by the President to work outside the scope of the Financial Services Authority’s activities, or other activities in the national interest.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Subparagraph h

The term “by marriage” means a family relationship formed through marriage, namely the relationship between one spouse and the blood relatives of the other spouse.

Subparagraph i

A violation of the code of ethics under this provision is categorized as a serious violation

and is reported by the Board of Commissioners to the House of Representatives.

Subparagraph j

Self-explanatory.

Subparagraph k

Self-explanatory.

Paragraph (2)

Self-explanatory.

Subsection 35

Subsection 9a

Article 18

Paragraph (1)

Self-explanatory.

Paragraph (2)

If a replacement member of the Board of Commissioners serves for half or more of the term of office, the person is deemed to have served for one (1) term of office.

Paragraph (3)

The term “the remaining term of office of the dismissed member of the Board of Commissioners is less than one (1) year” means the remaining term of office calculated from the date of the decision to dismiss the member of the Board of Commissioners.

Subsection 9b

Article 21A

The legal protection includes, among others:

a. legal aid and legal assistance provided by the Financial Services Authority or an appointed legal representative; and
b. reimbursement of costs for legal defense by the Financial Services Authority, including lawyer’s fees, court costs, and other expenses necessary to defend against civil claims or criminal charges.

Subsection 36

Article 25

Paragraph (1)

Self-explanatory.

Paragraph (2)

The Board of Commissioners appointed to represent the Financial Services Authority, include, among others, for the purpose of interagency cooperation and international relations.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Subsection 37

Article 35

Paragraph (1)

The term “operational activities” means activities carried out in the performance of the functions, duties, and authorities of the Financial Services Authority, including regulation, supervision, law enforcement, education, public outreach, public discussions, seminars, groups discussions, and/or Consumer Protection.

The administrative activities include, among others, office operations, remuneration, education and training, and/or organizational and human resources development.

The term “assets” means current and noncurrent assets, including inventory, buildings, equipment and machinery, vehicles, office supplies, and/or information technology infrastructure.

Paragraph (2)

The term “reasonable standards in the financial services sector” means cost standards commonly used by the financial services sector or regulators of similar financial services sectors, both nationally and internationally. This is done so that the Financial Services Authority can keep up with the demands and dynamics of the financial services sector, both nationally and internationally.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Subsection 38

Subsection 13a

Article 36

Self-explanatory.

Subsection 39

Article 37

Paragraph (1)

The activities as referred to in this Law include the minerals and strategic commodities exchanges.

The term “levy” refers, among others, to levies for licensing, approval, registration, and certification fees, as well as fees relating to regulation, supervision, inspection, and research and securities trading transactions.

These fees are used to fund the Financial Services Authority’s budget that is not covered by the State Budget.

The fees collected for the Financial Services Authority are used to finance the operational and administrative activities, asset procurement, and

other supporting activities. The amount of such fees follows reasonable standards in the financial services industry.

The term “entities conducting activities in the financial services sector” means Financial Services Institutions and/or individuals or corporations conducting activities in the financial services sector.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “income tax” means corporate income tax.

Paragraph (4)

Other revenues include revenues derived from administrative sanctions. Levies and other revenues constitute non-tax state revenues, with specific provisions regulated in this Law.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

The Financial Services Authority prepares a draft Government Regulation that regulate, among others, assessment procedures, types, amounts, collection and payment schedules of the levies, and fine sanctions.

Subsection 40

Subsection 16a

Article 37B

Self-explanatory.

Subsection 41

Subsection 19a

Article 41

Self-explanatory.

Subsection 19b

Article 42

Self-explanatory.

Subsection 19c

Self-explanatory.

Subsection 19d

Article 47A

Self-explanatory.

Subsection 42

Self-explanatory.

Subsection 43

Self-explanatory.

Subsection 44

Subsection 21a

Self-explanatory.

Subsection 21b

Self-explanatory.

Subsection 45

Article 7

Paragraph (1)

As part of the Unitary State of the Republic of Indonesia, Bank Indonesia's objectives are part of the national economic objectives to achieve sustainable economic growth, namely maintaining stability, economic growth, and job creation. In this regard, Bank Indonesia's objectives place greater emphasis on achieving stability while still taking into account economic growth and job creation. The notion of Stability refers to "rupiah value stability," "Payment System stability," and "Financial System Stability."

The term "rupiah value stability" means the stability of prices of goods and services as well as the rupiah's exchange rate. Changes in the prices of goods and services are generally measured by low and stable inflation.

Meanwhile, the stability of the rupiah's exchange rate is measured by the stability of the rupiah value relative to other currencies.

Stability of the rupiah value in the sense of low and stable inflation, as well as stability of the rupiah's exchange rate are crucial for achieving sustainable economic growth. Stability of the rupiah's exchange rate is necessary and an integral part of the efforts to support the achievement of low and stable inflation.

The term "Payment System stability" means the stability of a system comprising a set of rules, institutions, and mechanisms used to facilitate the transfer of funds to fulfill obligations arising from economic activities

The of Payment System stability is reflected in the operation of a Payment System that is fast, easy, affordable, secure, and reliable, as well as the availability of high-quality and trustworthy rupiah currency, while continuing to prioritize expanding access and Consumer Protection.

The Payment System stability is crucial for supporting the stability of the rupiah and the financial system as well as for promoting economic and financial inclusion in order to achieve sustainable economic growth.

In maintaining Financial System Stability, Bank Indonesia works in synergy and coordinates with other financial authorities to establish a national financial system capable of withstanding internal and external shocks, thereby enabling it to effectively perform its intermediation functions and provide other financial services to contribute to national economic growth.

The term "sustainable economic growth" means an economy that is stable, growing, and capable of creating jobs in line with its capacity, while remaining inclusive and resilient to shocks originating from either global or domestic sources. Achieving

sustainable economic growth requires the role and synergy between the Government's fiscal policies and the real sector, on the one hand, and Bank Indonesia's policies, on the other.

Paragraph (2)

Bank Indonesia implements policies and policy mix to achieve in rupiah value stability, maintain the of the Payment System stability, and help maintain the Financial System Stability. In addition, Bank Indonesia works in synergy with the Government's fiscal policies and the real sector to foster an economic environment conducive to economic growth and job creation, including through the promotion of a favorable investment climate, digitalization, export competitiveness, real sector productivity, community economic empowerment, and the development of an inclusive and green economy.

Subsection 46

Subsection 24a

Article 35E

The legal protection includes, among others:

a. legal aid and legal assistance provided by Bank Indonesia or an appointed legal representative; and
b. reimbursement of costs for legal defense by Bank Indonesia, including lawyers' fees, court costs, and other expenses necessary to defend against civil claims or criminal charges.

Subsection 47

Subsection 25a

Article 39

Self-explanatory.

Subsection 48

Subsection 27a

Article 43

Paragraph (1)

Meetings of the Board of Governors is the highest decision-making body for establishing Bank Indonesia's principled and strategic policies, such as general monetary policy.

The phrase principled and strategic refers to Bank Indonesia policies that have a broad impact both within and outside Bank Indonesia. Other policies of a strategic and principled nature include, among others, policies regarding the regulation and maintenance of the smooth operation of the payment system, as well as the regulation and supervision of Banks.

Other matters do not need to be discussed at the meetings of the Board of Governors but may be decided at a division-level meeting chaired by the Deputy Governor in accordance with their

authority, or at a limited inter-division meeting that may be attended by relevant members of the Board of Governors, provided that such decisions are reported as information to the weekly meeting of the Board of Governors.

The term “attended by one 1 minister” means the minister administering government affairs in finance. In the event that the minister is unable to attend, the minister may authorize an official at a rank no lower than that of a mid-level senior executive to attend the meetings of the Board of Governors.

Paragraph (2)

Meetings of the Board of Governors may be conducted using communication technology, such as teleconference. This allows members of the Board of Governors to participate in meetings of the Board of Governors without always having to be physically present in the same meeting room.

Paragraph (3)

The term “Governor” in this paragraph includes the Senior Deputy Governor or the Deputy Governor acting as chair of the meeting in place of the Governor who, for any reason, is unable to attend.

Paragraph (4)

The term “emergency” means critical situations and conditions which, if specific actions are not taken, could have negative impact on Bank Indonesia and on the performance of the duties assigned to Bank Indonesia under this law.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Subsection 49

Subsection 28a

Article 48

Paragraph (1)

Subparagraph a

Resignation as referred to in this article is submitted voluntarily by the person or is due to the provisions as referred to in Article 46 paragraph (2) or Article 47 paragraph (2).

Subparagraph b

Dismissal for committing an offense as referred to in this article must be substantiated by a court decision that has become final and binding.

Subparagraph c

The phrase without any justifiable reasons as referred to in this article is when a member of the Board of Governors is

physically absent without notifying the Board of Governors.

Subparagraph d

Being bankrupt and unable to meet their obligations are based on a court decision that has become final and binding.

Subparagraph e

The term “permanent incapacity” means death, physical and/or mental disability that prevents the person from properly performing their duties, or loss of Indonesian citizenship.

Subparagraph f

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 28b

Article 50

Paragraph (1)

If a replacement member of the Board of Governors serves for half or more of the term of office, that person is deemed to have served for one (1) term of office.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “unable to perform the duties” means a situation where the Governor and/or Senior Deputy Governor:

a. are on annual leave;
b. are ill and must rest for at least six (6) consecutive working days;
c. are on an official trip to another region or another country for a minimum of six (6) working days; and
d. being temporarily suspended from duty due to undergoing investigation in a criminal case as a suspect/defendant.

The term “Deputy Governor who has served the longest term” means the Deputy Governor who holds the first position among all Deputy Governors.

Subsection 28c

Self-explanatory.

Subsection 28d

Article 57A

Self-explanatory.

Subsection 50

Article 60

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

If approval has not been obtained by 31 December, the budget of the previous fiscal year is used.

Subparagraph a

The budget for operational activities consists of breakdown details and relevance of the duties, functions, vision, missions, programs, activities, key performance indicators, and the Bank Indonesia budget in achieving Bank Indonesia's objectives.

The budget for these operational activities consists of the work, policies, programs, and activities that include, among others:

1. the formulation and implementation of Bank Indonesia's monetary policy and policy mix in a sustainable, consistent, and transparent manner to support sustainable economic growth;
2. the formulation policies, regulation, licensing, the operation of payment system and the management of the rupiah, in order to support sustainable economic growth.
3. the formulation and implementation of macroprudential policies to support sustainable economic growth;
4. policy mix between Bank Indonesia's and the Central and Local Governments, relevant authorities or institutions, and/or other strategic partners, as well as international cooperation to support macroeconomic stability and sustainable economic growth;
5. regulation, supervision, and development of money market and foreign exchange market, including their infrastructure, to strengthen the effectiveness of Bank Indonesia's policies and support the financing of the national economy;
6. formulation of Bank Indonesia's policies and implementation of its programs to enhance financial and economic inclusion and Sustainable Finance, both conventional and based on sharia principles, as well as consumer protection; and
7. organizational and resource management to establish a central bank that prioritizes sound and professional policy and institutional governance systems.

Subparagraph b

The classification of budget allocations for monetary policy, the Payment System, and macroprudential policy is mutually agreed upon by Bank Indonesia and the DPR through special,

closed-door discussions. In this context, the term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (4)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (5)

See the elucidation of paragraph (4).

Paragraph (6)

See the elucidation of paragraph (4).

Paragraph (7)

See the elucidation of paragraph (4).

Paragraph (8)

See the elucidation of paragraph (4).

Subsection 51

Subsection 32a

Article 60A

Paragraph (1)

Self-explanatory.

Paragraph (2)

The term “reasonable standards in the financial services sector” means cost standards commonly used by the financial services sector or regulators of similar financial services sectors, both nationally and internationally. This is done so that Bank Indonesia may keep up with the demands and dynamics of the financial services sector, both nationally and internationally.

Paragraph (3)

The term “DPR” means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Subsection 52

Self-explanatory.

Subsection 53

Article 9A

Self-explanatory.

Subsection 54

Article 1

Self-explanatory.

Subsection 55
Article 7
Paragraph (1)
Subparagraph a
Other companies that support the Banking industry include companies engaged in information technology, financial technology, clearing institutions, and switching companies.
Subparagraph b
Self-explanatory.
Subparagraph c
Self-explanatory.
Subparagraph d
Cooperation with other LJKs include, among others, cooperation in the marketing of insurance products, the marketing of mutual fund products, the administration of pension funds for employees of Commercial Banks, the channeling of credit, and other products.
Cooperation with parties other than LJKs includes, among others, cooperation with companies engaged in the information technology sector in developing digital services.
Subparagraph e
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Self-explanatory.
Paragraph (4)
Self-explanatory.
Paragraph (5)
Self-explanatory.

Subsection 56
Subsection 23a
Article 28B
Self-explanatory.

Subsection 57
Self-explanatory.

Subsection 58
Article 1
Self-explanatory.

Subsection 59
Subsection 10a
Article 17B
Self-explanatory.

Subsection 60
Article 20
Paragraph (1)
Subparagraph a
Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Non-financial institutions supporting the Sharia Banking industry include companies engaged in information technology, financial technology, clearing institutions, switching companies, and companies conducting business activities that support Sharia Banking Financing.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Subparagraph h

Self-explanatory.

Subparagraph i

Self-explanatory.

Subparagraph j

Cooperation with other LJKs include cooperation in the marketing of insurance products, the marketing of mutual fund products, the administration of Pension Funds for employees of Sharia Commercial Banks, the channeling of Financing, and other products. Cooperation with parties other than LJK includes cooperation with companies engaged in the information technology sector in developing digital services.

Subparagraph k

Self-explanatory.

Subparagraph l

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Cooperation with other LJKs includes, among others, cooperation in the marketing of insurance products, the marketing of mutual fund products, the administration of Pension Funds for employees of Conventional Commercial Banks having USS, the channeling of Financing, and other products. Cooperation with parties other than LJKs includes, among others, cooperation with companies engaged in

the information technology sector for the development of digital services.

Subparagraph g

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Subsection 61

Subsection 51a

Self-explanatory.

Subsection 15b

Article 22A

Paragraph (1)

Assets serving as the underlying assets of Sharia Banking Investment products are separately recorded and may only be used for the benefit of Investor in accordance with the relevant Sharia Banking Investment product contracts.

Paragraph (2)

Self-explanatory.

Subsection 62

Self-explanatory.

Subsection 63

Subsection 3a

Article 8

Paragraph (1)

The term “a number of business entities” means the minimum number of business entities required to ensure that transaction activities on the Stock Exchange may be conducted under conditions of fair competition. The founders of the Stock Exchange may not be affiliated with one another, and participation shall be made as widely available as possible to business entities that meet the applicable requirements, in order to prevent collusion and market control by a particular group of companies.

Paragraph (2)

Self-explanatory.

Paragraph (3)

This provision reflects the nature of a Stock Exchange that is not membership-based (mutual), but is instead demutualized and profit-oriented. This is intended to enable the Stock Exchange to respond promptly to the rapidly evolving developments of globalization.

By being profit-oriented, the Stock Exchange may attract major investors who can play a

significant role in advancing its development. By being demutualized, the Stock Exchange may become a publicly listed company. The conversion or process of transforming a mutual and non-profit-oriented Stock Exchange into a demutualized and profit-oriented Stock Exchange is carried out in accordance with the provisions of laws and regulations.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Subsection 64

Self-explanatory.

Subsection 65

Subsection 4a

Article 8B

Self-explanatory.

Subsection 66

Article 100A

Paragraph (1)

Violations occurring in the Capital Market vary considerably in terms of their types, modus operandi, and the losses they may cause.

Accordingly, the Financial Services Authority is vested with the authority to consider the consequences arising from the violation and to determine, on the basis of such consideration, whether the matter should be proceeded with to the investigation stage.

The consideration as to whether or not to proceed to the investigation stage is based on the application of the una via principle, which permits a choice between criminal sanctions and administrative sanctions.

This principle constitutes an extension of the ne bis in idem principle. The application of the una via principle to alleged offenses in the Capital Market sector through the imposition of sanctions or other administrative measures is intended not only to punish the offender, but also to restore the legal order disrupted by such violation (restorative justice).

Paragraph (2)

Not every violation of this Law must be followed up by an investigation, as doing so may impede Securities offering and/or trading activities as a whole.

Where the loss incurred endangers the Capital Market system, the interests of financiers or investors and/or the public, or where no settlement has been reached in respect of the loss incurred, the Financial Services Authority may initiate an investigation for the purpose of criminal prosecution.

The initiation of an investigation by an investigator of the Financial Services Authority is carried out upon

obtaining a determination from the leadership of the Financial Services Authority.

Paragraph (3)

Law enforcement in the Capital Market sector emphasizes the principle of restorative justice, which focuses on efforts to restore or remedy the conditions resulting from a violation, while still seeking to achieve a deterrent effect on the perpetrators.

Subsection 67

Subsection 40a

Article 100E

Self-explanatory.

Subsection 68

Self-explanatory.

Subsection 69

Self-explanatory.

Subsection 70

Article 39A

Paragraph (1)

The deposit of initial margin as collateral and margin transfer constitutes a form of collateral transfer as referred to in this Law.

Subparagraph a

The deposit of initial margin as collateral is known as initial margin or other types of margins that may be equated with it.

Subparagraph b

A margin transfer is known as variation margin or other types of margins that may be equated with it.

Paragraph (2)

The transfer of title to the margin in a margin transfer is known as the term transfer of title.

The term “changes in the value of transaction” means periodic price changes (mark-to-market) in a financial transaction that may be caused by changes in market prices, including changes in exchange rates, securities prices, and/or changes in the value of the margin that has been deposited.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

The term “financial sector authorities” means Bank Indonesia and the Financial Services Authority.

Subsection 71

Self-explanatory.

Subsection 72
Article 50A
Self-explanatory.

Subsection 73
Article 51
Self-explanatory.

Subsection 74
Subsection 8a
Article 20
Paragraph (1)
Guarantee Fund is established to provide a guarantee for the partial or full reimbursement of the rights of Policyholders, Insured Parties, or Participants in the event that the company must be liquidated. Thus, the Guarantee Fund is part of the effort to protect Policyholders, Insured Parties, or Participants.
Paragraph (2)
Generally, business growth results in an increase in the company's obligations to Policyholders, Insured Parties, or Participants. This also means an increase in the entitlement of Policyholders, Insured Parties, or Participants that must be guaranteed for repayment if the company is liquidated.
Paragraph (3)
This provision is intended to ensure that the Guarantee Fund can be used to reimburse some or all of the rights of Policyholders, Insured Parties, or Participants in the event that the company is liquidated.
Paragraph (4)
This provision is intended to prevent the misuse of the Guarantee Fund.
Paragraph (5)
Self-explanatory.
Paragraph (6)
Further provisions on the Guarantee Fund include regulations on the types of assets that may be used as Guarantee Fund, the minimum amount of the Guarantee Fund that a company must hold, adjustments to the amount of the Guarantee Fund based on business volume, procedures for the transfer or disbursement of the Guarantee Fund, and its administration.

Subsection 75
Article 53
Paragraph (1)
The policy guarantee program is intended to guarantee the return of some or all of the rights of Policyholders, Insured Parties, or Participants from Insurance Company or Sharia Insurance Company designated as Insurance Company or Sharia

Insurance Company Under Resolution. In addition, the policy guarantee program is also intended to increase public confidence in the insurance industry in general, thereby hopefully increasing public interest in using insurance services.

Paragraph (2)

Provisions on the policy guarantee program are set forth, among others, in Chapter VIII Policy Guarantee Program of Law Number 4 of 2023 on Developing and Strengthening of the Financial Sector and its amendments.

Subsection 76

Self-explanatory.

Subsection 77

Article 52A

Subsection 1

Article 4

Paragraph (1)

Where the victims or their heirs have received compensation in accordance with the provisions of laws and regulations regarding the mandatory insurance fund for passengers in accidents, no compensation from the Fund is provided.

Paragraph (2)

The payment of compensation to the victims or their heirs will be arranged in such a way as to avoid incurring costs for the recipients.

Subsection 78

Article 79

Paragraph (1)

This provision is intended to implement Article 53 paragraph (2) of Law Number 40 of 2014 on Insurance.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 79

Article 81

Paragraph (1)

Subparagraph a

A written statement is one of the requirements for meeting the administrative criteria of the Financial Services Authority's fit and proper test.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Subparagraph e
Self-explanatory.
Subparagraph f
Self-explanatory.
Subparagraph g
Self-explanatory.
Paragraph (2)
Self-explanatory.

Subsection 80
Article 83
Paragraph (1)
The policy guarantee program does not guarantee the investment component inherent in insurance products.
Paragraph (2)
Social insurance program and mandatory insurance program that are exempt from the policy guarantee program are social insurance programs and mandatory insurance programs implemented by specific institutions mandated by laws and regulations or appointed and/or assigned by the Government.
Paragraph (3)
The term “DPR means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.
Paragraph (4)
Self-explanatory.

Subsection 81
Article 84
Self-explanatory.

Subsection 82
Article 90
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Subparagraph a
Self-explanatory.
Subparagraph b
Self-explanatory.
Subparagraph c
Self-explanatory.
Subparagraph d
The term “statutory manager” means an individual or legal entity designated by the Financial Services Authority to exercise the authority of the Financial Services Authority.
Paragraph (4)
Due diligence of and exploratory discussions with other Insurance Company and Sharia Insurance

Company conducted by the Deposit Insurance Corporation are carried out in preparation for the resolution of Insurance Company and Sharia Insurance Company.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Data and information provided by the Financial Services Authority, including [data and information] at the time when the status of Insurance Company and Sharia Insurance Company is determined as under restructuring and the current status.

Paragraph (10)

Self-explanatory.

Paragraph (11)

Self-explanatory.

Subsection 83

Article 90A

Self-explanatory.

Article 90B

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

The Deposit Insurance Corporation has the authority to transfer the liabilities of Insurance Company and Sharia Insurance Company without waiting for approval from parties with an interest in those liabilities. Other parties may include corporate bodies such as the board of commissioners and the general meeting of shareholders.

Subparagraph c

Self-explanatory.

Subparagraph d

Other authority held by the Deposit Insurance Corporation and necessary to implement resolution measures through the transfer of some or all of the assets and/or liabilities of Insurance Company and Sharia Insurance Company to the receiving Insurance Company and Sharia Insurance Company or to intermediary Insurance Company and Sharia Insurance Company include, among others, the authority to liquidate Insurance Company and Sharia Insurance Company.

Paragraph (2)

Self-explanatory.

Article 90C

Self-explanatory.

Article 90D

Paragraph (1)

In principle, one intermediary Insurance Company and Sharia Insurance Company is used to receive the transfer of assets and liabilities from one Insurance Company and Sharia Insurance Company. Under certain conditions, one intermediary Insurance Company and Sharia Insurance Company may be used by the Deposit Insurance Corporation to receive the transfer of assets and liabilities from more than one Insurance Company and Sharia Insurance Company.

Paragraph (2)

The term “person” means an individual, either an Indonesian citizen or a foreign national, or a legal entity, either an Indonesian legal entity or a foreign legal entity. Under this provision, the Deposit Insurance Corporation as a legal entity serves as the founder and the sole shareholder of the intermediary Insurance Company and Sharia Insurance Company. This exception is intended to ensure that the Deposit Insurance Corporation has full control over the operations of intermediary Insurance Company and Sharia Insurance Company.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Fulfillment with the requirements may be demonstrated by a statement from the Deposit Insurance Corporation confirming that such requirements will be met using data and/or documents from the Insurance Company and Sharia Insurance Company in which some or all of their assets and/or liabilities are transferred.

Paragraph (5)

Self-explanatory.

Paragraph (6)

The fit and proper test for members of the board of commissioners and the board of directors of intermediary Insurance Company and Sharia Insurance Company take into account the need of such companies to commence operations immediately. Members of the board of commissioners and the board of directors of intermediary Insurance Company and Sharia Insurance Company are deemed to meet the fit and proper requirements if they are not listed on the delinquent credit list or the disqualification list. At the time the intermediary Insurance Company and Sharia Insurance Company

is sold by the Deposit Insurance Corporation, members of the board of commissioners and the board of directors of the intermediary Insurance Company and Sharia Insurance Company must have met the generally applicable fit and proper requirements.

Paragraph (7)

Provisional approval for candidates for the board of commissioners and the board of directors of an intermediary Insurance Company and Sharia Insurance Company does not preclude the capacity and competence assessment of the candidates in performing their conduct, duties, and functions as member of the board of commissioners and/or a member of the board of directors.

Paragraph (8)

Intermediary Insurance Company and Sharia Insurance Company established by the Deposit Insurance Corporation to receive the transfer of some or all of the assets and/or liabilities of Insurance Company and Sharia Insurance Company under resolution have their ownership transferred to another party, thereby suspending the application of capital adequacy requirements as long as the intermediary Insurance Company and Sharia Insurance Company remains under the management of the Deposit Insurance Corporation up to a specified period. The intermediary Insurance Company and Sharia Insurance Company are exempted from being designated as Insurance Company and Sharia Insurance Company under restructuring.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Paragraph (11)

Self-explanatory.

Article 90E

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term "openly" means that the process is open to any prospective investor who meets the requirements. The term "transparently" means that the sale and transfer process is accessible to the public.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 90F

Self-explanatory.

Subsection 84

Article 91

Self-explanatory.

Subsection 85

Article 91A

Self-explanatory.

Subsection 86

Article 93

Self-explanatory.

Subsection 87

Article 98

Self-explanatory.

Subsection 88

Article 101A

Self-explanatory.

Article 101B

Self-explanatory.

Article 101C

Self-explanatory.

Subsection 89

Article 103

Self-explanatory.

Subsection 90

Self-explanatory.

Subsection 91

Article 132A

Paragraph (1)

The operation of minerals and strategic commodities exchanges is intended, among others, to:

a. establish an Indonesian reference price;
b. strengthen downstream processing and industrialization;
c. enhance national competitiveness;
d. strengthen the national economy;
e. maintain market integrity; and
f. maximize the value added of Indonesia's natural resources and commodities.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term "DPR" means a permanent organ of the DPR, namely a commission with duties and authority in the fields of finance, national development planning, monetary affairs, and the financial services sector.

Paragraph (4)

Self-explanatory.

Subsection 92

Article 213

Paragraph (1)

Subparagraph a

The ITSK in the payment system includes, among others, technological innovations in payment transaction processing, which consist of pre- transaction activities, initiation, authorization, clearing, final settlement, and post-transaction activities in support of the digital economy and finance, including the use of crypto assets as a means of transaction, source of funds, and an underlying asset in connection with payments in rupiah and foreign currencies. Crypto assets may not be used as direct means of payment. The use of crypto asset as a means of transaction, source of funds, and underlying asset in regard to payments in both rupiah and foreign currencies is not be interpreted as a means of payment.

Subparagraph b

The ITSK in the settlement of securities transactions includes, among others, technological innovations in the clearing process, settlement process, and recording of ownership as well as the
custody of instruments in the Money Market and Foreign Exchange Market, as well as securities in the Capital Market.

Subparagraph c

The ITSK in capital raising includes, among others, technological innovations in raising public funds through securities offerings using electronic system services (securities crowdfunding) while complying with the relevant laws and regulations, including those in the capital market sector.

Subparagraph d

The ITSK in investment management includes, among others, technological innovations in investment management that utilize advance algorithms (such as robo-advisor), automated advice and management (such as digital credit planner), retail algorithmic trading (such as forex trading), and mutual funds in digital financial assets, including crypto assets that have obtained approval from the Financial Services Authority.

Subparagraph d

The ITSK related to risk management includes, among others, technological innovation in product development, risk selection (underwriting), claims handling, as well as distribution and sales.

Subparagraph f

The ITSK in the collection and/or distribution of funds includes, among others, digital banking, technology-based lending and borrowing (peer-to- peer lending), funding agent, financing agent, and project financing.

Subparagraph g

The ITSK related to market support consists of technological innovations that support the needs of LJK, including credit scoring, aggregator, and e-Know Your Customer (e-KYC) that utilize technologies such as artificial intelligence/machine learning, machine-readable news, social sentiment, big data, market information platform, and automated data collection and analysis.

Subparagraph h

The ITSK related to digital financial asset activities, including crypto assets, includes:

1. tokenization activities;
2. initial offering of digital financial assets, including crypto assets;
3. stablecoin used as a means of transaction after obtaining recommendation from the exchange and approval from the Financial Services Authority;
4. staking;
5. any other activity or transaction that uses crypto assets as a basis (underlying) after obtaining approval from the Financial Services Authority;
6. lending and borrowing using crypto assets;
7. crypto asset pledging; and
8. other crypto asset activities in the form of direct physical transactions (spot transactions) or derivatives.

Stablecoin may not be used as direct means of payment. The use of stablecoin as a mean of transaction is not be interpreted as a means of payment.

Subparagraph i

Self-explanatory.

Paragraph (2)

Self-explanatory.

Subsection 93

Article 215

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Subparagraph a

Good governance includes, among others, transparency, accountability, responsibility, independence, and fairness.

Subparagraph b

The scope of risk management includes, among others, active oversight by the management, availability of policies and procedures, and adequacy of the organizational structure, risk management processes and functions, human resources, and internal controls.

Subparagraph c

Information system security and reliability include, among others, the availability of written policies and procedures on information systems, the use of secure and reliable systems, including data security and confidentiality protection, fraud management, compliance with certifications and/or standards on system security and reliability, maintenance and enhancement of technology security, implementation of cybersecurity standards, data and/or information security, and periodical audits on information system.

Subparagraph d

Consumer Protection includes, among others, Financial education and Literacy, as well as Market Conduct Supervision.

Subparagraph e

The provisions of laws and regulations include, among others, regulatory provisions related to anti-money laundering and the prevention of terrorism financing.

Subsection 94

Article 220

Self-explanatory.

Subsection 95

Article 221A

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

This provision is no longer in force to crypto-asset exchanges that have obtained license before this Law enter into force.

Paragraph (5)

This provision is no longer in force to crypto-asset exchanges that have obtained license prior before this Law enter into force.

Paragraph (6)

Where the Financial Services Authority, prior to the effective date of this Law, acknowledged the different applications of this paragraph, such acknowledgement is declared to remain in force.

Paragraph (7)

Where the Financial Services Authority, before this Law enter into force, acknowledged the different applications of this paragraph, such acknowledgement is declared to remain in force.

Paragraph (8)

The term “crypto asset digital wallet” means a digital wallet used by *LJK Aset Kripto* as a medium to store crypto assets, where the primary authority to access and control the transfer of crypto assets rests with the *LJK Aset Kripto*.

Paragraph (9)

Subparagraph a

Self-explanatory.

Subparagraph b

The term “separate account” means Bank account in the name of a clearing, guarantee, and settlement institution for crypto asset trading, where the management of said account along with the management of interest earned on the deposits from said account is carried out independently by the clearing guarantee, and settlement institution for crypto-asset trading.

Paragraph (10)

The term “key personnel” means parties that own, manage, supervise, and/or exercise significant influence over the operation of a crypto-asset trading. Key personnel includes the PSP, members of the board of directors, members of the board of commissioners, and/or other personnel, namely employees or non-employees of the *LJK Aset Kripto* determined as key personnel by the Financial Services Authority.

Paragraph (11)

Self-explanatory.

Paragraph (12)

Self-explanatory.

Paragraph (13)

The ownership of *LJK Aset Kripto* by only certain parties implies that ownership of *LJK Aset Kripto* is mutual.

Paragraph (14)

The substantive provisions in a Regulation of the Financial Services Authority govern, among others, the establishment, legal entity, governing bodies, ownership, capital arrangement, types and procedures for reporting, and requirements that must be met by *LJK Aset Kripto*.

Article 221B

Paragraph (1)

The term “affiliated party” means the shareholders, members of the board of directors, members of the board of commissioners, third parties providing services to *LJK Aset Kripto*, including legal consultants, public accountants, appraisers, insiders or other parties who obtain information regarding

crypto assets, and/or other parties determined as affiliated parties by the Financial Services Authority.

Paragraph (2)

Self-explanatory.

Article 221C

Self-explanatory.

Article 221D

Self-explanatory.

Article 221E

Self-explanatory.

Article 221F

Self-explanatory.

Subsection 96

Article 247

Self-explanatory.

Subsection 97

Self-explanatory.

Subsection 98

Article 248A

Paragraph (1)

The Indonesia International Financial Center aims to:

a. enhance competitiveness of Indonesia as an international financial center;
b. promote the deepening and innovation in the financial sector;
c. attract investment and businesses in the financial sector, both domestic and international;
d. facilitate financing for the real sector, national strategic projects, sustainable financing, climate financing, infrastructure financing, and other forms of financing; and
e. strengthen the contribution of the financial sector to the national economy.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Subsection 99

Article 250

Paragraph (1)

Micro enterprises include ultra-micro businesses.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The application of the principle of prudence refers, among others, to the Financial Services Authority's provisions regarding asset quality assessment for Commercial Banks and the applicable financial accounting standards.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Subsection 100

Article 251

Self-explanatory.

Subsection 101

Article 16C

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Written notification from the Financial Services Authority to the Deposit Insurance Corporation and Bank Indonesia is enclosed with up-to-date information on the supervisory actions taken by the Financial Services Authority against the Bank.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Subparagraph a

Subsection 1

Self-explanatory.

Subsection 2

The restructuring measures determined by the Financial Services Authority include, among others, issuing written order, placing statutory manager, and/or through other mechanisms provided for by the law on the Financial Services Authority.

Subsection 3

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Due diligence of and exploratory discussions with other Banks by the Deposit Insurance Corporation are carried out in preparation for the Bank resolution.

Paragraph (7)

Subparagraph a

The Financial Services Authority's order to the Bank is intended to maintain the Bank's financial condition so that no material changes occur at the time the Bank is being resolved. The Financial Services Authority's order to the Bank is intended to facilitate the process of transferring the Bank's assets and/or liabilities.

Subparagraph b

Such support is intended to ensure that the settlement of transactions involving the transfer of the Bank's assets and/or liabilities can be carried out as quickly as possible in the event that the Deposit Insurance Corporation takes resolution actions.

Paragraph (8)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

The term "statutory manager" means an individual or legal entity designated by the Financial Services Authority to exercise the authority of the Financial Services Authority.

Paragraph (9)

Self-explanatory.

Paragraph (10)

The calculation of the capital adequacy ratio may be supplemented with additional capital buffers.

Subsection 102

Article 20B

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

The substantive provisions in the Government Regulation include, among others, the proposal for fund placements, the total amount of fund to be

placed, and coordination between the Deposit Insurance Corporation, the Financial Services Authority, and Bank Indonesia.

Subsection 103

Article 278A

Self-explanatory.

Article 278B

Self-explanatory.

Article 278C

Self-explanatory.

Article 278D

Self-explanatory.

Article 278E

Self-explanatory.

Article 278F

Self-explanatory.

Article 278G

Self-explanatory.

Article 278H

Self-explanatory.

Article 278I

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Subparagraph a

The term “family” means a person who has familial relationship by blood or by marriage up to the third degree, or a spousal relationship of husband or wife although they have been divorced, with the person who is implicated in criminal offence as regulated in this Law.

Subparagraph b

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Paragraph (1)

Self-explanatory.

Paragraph (12)

Self-explanatory.

Article 278J

Self-explanatory.

Article 278K

Self-explanatory.

Article 278L

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Subparagraph a

See the elucidation of Article 278I paragraph (3) subparagraph a.

Subparagraph b

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Paragraph (11)

Self-explanatory

Paragraph (12)

Self-explanatory.

Article 278M

Paragraph (1)

Subparagraph a

See the elucidation of Article 278I paragraph (3) subparagraph a.

Subparagraph b

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Article 278N

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subparagraph a

See the elucidation of Article 278I paragraph (3) subparagraph a.

Subparagraph b

Self-explanatory.

Article 278O

Self-explanatory.

Subsection 104

Article 304A

Self-explanatory.

Article II

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 7180