

**REGULATION OF BANK INDONESIA
NUMBER 23/6/PBI/2021 OF 2021
ON
PAYMENT SYSTEM SERVICE PROVIDERS**

BY THE GRACE OF GOD ALMIGHTY

THE GOVERNOR OF BANK INDONESIA,

Considering:

- a. that the reform of payment system regulation, including a payment service provision, needs to shall be carried out along with the fulfillment of the implementation of quick, easy, cheap, safe, and reliable payment system principles, taking into account stability, access expansion, customer protection, sound business practices, and best practices implementation;
- b. that the payment system regulation reform needs to accommodate business model development and innovations in providing the payment services from service providers to service users, as well as connectedness with providers or other parties to operate payment systems to support economic and financial digitization;
- c. that the development of payment system service provision activities needs to strengthen functions of regulating access to industry, implementation, termination of activity implementation, supervision, and processing of payment system data and/or information;
- d. that in accordance with the considerations referred to in letter a, letter b, and letter c, it is necessary to stipulate the Regulation of Bank Indonesia on Payment Service Providers;

Observing:

1. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 3843), as amended several times most recently by Law Number 6 of 2009 on the Stipulation of Regulation of the Government in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia into Law (State Gazette of the Republic of Indonesia of 2009 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4962);
2. Regulation of Bank Indonesia Number 22/23/PBI/2020 on Payment System (State Gazette of the Republic of Indonesia of 2020 Number 311, Supplement to the State Gazette of the Republic of Indonesia Number 6610);

HAS DECIDED:

To establish:

REGULATION OF BANK INDONESIA ON PAYMENT SYSTEM SERVICE PROVIDERS.

CHAPTER I

GENERAL PROVISIONS

Article 1

Under this Regulation of Bank Indonesia, the following definitions are employed:

1. Payment System is a system that covers a set of rules, institutions, mechanisms, infrastructure, sources of funds to make payment, and access to sources of funds to make payment, which is used to transfer funds to fulfill an obligation arising from an economic activity.
2. Banks are commercial banks and rural banks as referred to in the Law on banking, including branch offices of foreign banks in Indonesia, and sharia commercial banks and sharia rural banks as referred to in the Law on sharia banking.
3. Non-Bank Institutions are non-Bank incorporated Indonesian business entities.
4. Payment Service Providers (Penyedia Jasa Pembayaran), from this point onward are referred to as PJP, are Banks or Non-Bank Institutions that provide services to facilitate payment transactions to service users.
5. Payment System Infrastructure Operators (Penyelenggara Infrastruktur Sistem Pembayaran), from this point onward are referred to as PIP, are parties that provides infrastructure as a facility that can be used to transfer funds for the benefit of its members.
6. Supporting Operators are parties that cooperate with PJP and PIP to support the implementation of Payment System service activities.
7. Service Users are parties using PJP services.
8. Goods and/or Service Providers are parties selling goods and/or services and receiving payments from Service Users.
9. Self-Regulatory Organization in the field of Payment System, from this point onward is referred to as SRO, is an incorporated Indonesian forum or institution that represents industries and is stipulated by Bank Indonesia to support the implementation of Payment System.
10. Systemic Payment System Operator (Penyelenggara Sistem Pembayaran Sistemik), from this point onward is abbreviated as PSPS, is a PJP having systemic impacts to Payment System and/or financial system in the event that the PJP is having a disruption or failure.
11. Critical Payment System Operator (Penyelenggara Sistem Pembayaran Kritis), from this point onward is abbreviated as PSPK, is a PJP having critical impacts to Payment System and/or financial system in the event that the PJP is having a disruption or failure.
12. General Payment System Operator (Penyelenggara Sistem Pembayaran Umum), from this point onward is abbreviated as PSPU, is a PJP that does not have significant impacts to Payment System and/or financial system in the event that the PJP is having a disruption or failure.
13. Sources of Funds to Make Payment, from this point onward is referred to as Sources of Funds, are the sources of funds used to fulfill obligations in a payment transaction and is administered in an account for payment.
14. Digital Financial Services (Layanan Keuangan Digital), from this point onward is abbreviated as LKD, are payment system and financial service activities implemented by a PJP that organize administration activities of Sources of Funds in the form of issuance of electronic money through cooperation with third parties and using mobile-based technology facilities and devices or other digital devices for digital economy and inclusive finance.

CHAPTER II

ACTIVITIES AND LICENSING OF PAYMENT SERVICE PROVIDERS

Division One

Scope of Activities

Subdivision 1

PJP Activities

Article 2

- (1) PJP organizes the following activities:
 - a. providing information on Sources of Funds;
 - b. payment initiation and/or acquiring services;
 - c. administration of Sources of Funds; and/or
 - d. remittance service.
- (2) Bank Indonesia may stipulate PJP activities other than those as referred to in paragraph (1).

Article 3

- (1) Activities to provide information on Sources of Funds as referred to in Article 2 paragraph (1) letter a include providing information on Sources of Funds to initiate payment based on the approval of the Service Users.
- (2) The organization of activities to provide information on Sources of Funds to initiate payments as referred to in paragraph (1) shall be carried out through cooperation and/or connectivity with PJP that organize administration activities of Sources of Funds or other PJP based on a stipulation by Bank Indonesia.

Article 4

- (1) Payment initiation and/or acquiring services activities as referred to in Article 2 paragraph (1) letter b shall encompass the forwarding of payment transactions.
- (2) The forwarding of payment transactions as referred to in paragraph (1) includes:
 - a. forwarding orders or instructions to transfer funds through devices, media, and/or a set of procedures using certain methods or use of technology in a payment transaction; and/or
 - b. forwarding payment transaction data in the form of instrument data, payment transaction nominal data, and other payment transaction data.
- (3) In carrying out the forwarding of payment transactions as referred to in paragraph (2), PJP may:
 - a. store Sources of Funds data and/or access to Sources of Funds including providing a platform to facilitate users to store Sources of Funds data and/or access to Sources of Funds;

- b. process payment transactions using various instruments;
 - c. acquire goods and/or service providers;
 - d. bail out payments to goods and/or services providers; and/or
 - e. forward the funds (disbursement) to Goods and/or Services providers.
- (4) PJP that organizes payment initiation and/or acquiring services activities that, in the organization of its activities, performs the forwarding of funds (disbursement) as referred to in paragraph (3) letter e to Goods and/or Service Providers, must:
- a. have and implement mechanisms and procedures on:
 1. selection of Goods and/or Services Providers (merchant acquisition) that is facilitated by the provision of services performed; and
 2. settlement of payments to goods and/or services providers; and
 - b. evaluate the smoothness and security of payment transactions made through the Goods and/or Services Provider.
- (5) Mechanisms and procedures as referred to in paragraph (4) letter a shall be established by PJP.
- (6) The establishment of mechanisms and procedures as referred to in paragraph (5) shall comply with the provisions on risk management and customer protection principles in accordance with the provisions of laws and regulations.

Article 5

- (1) Activities to administer Sources of Funds as referred to in Article 2 paragraph (1) letter c shall include the administration of Source of Funds accounts and execution of payment transaction authorizations.
- (2) Payment transactions authorization as referred to in paragraph (1) constitutes an approval on a transaction of after the activity of forwarding payment transaction data is carried out by way of:
 - a. verifying or authenticating the identity of the Source of Funds owner conducting the payment transaction;
 - b. validating access to Source of Funds and payment transactions which are carried out; and
 - c. ensuring adequacy of sources of funds.
- (3) Activities to administer Sources of Funds as referred to in paragraph (1) shall be accompanied by the issuance of access to the Source of Funds for Service Users.
- (4) In carrying out activities to administer Sources of Funds as referred to in paragraph (1), PJP may carry out fund transfer activities as a accessing feature to the issued Source of Funds.

Article 6

Remittance service activities as referred to in Article 2 paragraph (1) letter d are fund transfer activities in the form of acceptance and execution of fund transfer instruction in which the sources of funds do not originate from accounts administered by remittance service operators.

Article 7

- (1) PJP that breaches provisions as referred to in Article 4 paragraph (4) shall be subject to administrative

sanctions in the form of:

- a. reprimand;
 - b. temporary, partial, or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in a Regulation of Members of the Board of Governors.

Subdivision 2

PJP Cooperation with Supporting Operator

Article 8

PJP enter into cooperation with Supporting Operators in the organization of Payment Systems.

Subdivision 3

Activities of Supporting Operator

Article 9

To support PJP activities, a Supporting Operator implements activities under the following provisions:

- a. control over the processing of payment transactions still lies with the PJP;
- b. the Supporting Operators only provide technical support services or provide solutions; and
- c. the Supporting Operator are not allowed to access and/or administer Sources of Funds.

Article 10

Activities of Supporting Operators in the processing of payment transactions shall include the provision of:

- a. technology to process payment transactions in the forms of:
 - 1. providing technology to process payment transactions that include provision of technology, system, and/or platform services used by PJP to perform implementation of payment transaction processing at the initiation, authorization, clearing and/or final settlement phases; and/or
 - 2. providing technology services to process payment transactions, which include the provisions of authentication features for payment transaction authorization, fraud management system technology, cloud computing technology, and card management systems;and/or
- b. supporting services for other Payment System organization activities, which include:
 - 1. organization services at the pre-transaction and post-transaction phases;
 - 2. marketing activities for payment services and/or products;

3. organization of trading through an electronic system that facilitates the payment;
4. provision of infrastructures and systems for other PJP to process payment transactions (white labeling);
5. fund forwarding (disbursement) services to Goods and/or Services Providers; and
6. Other supporting services related to the implementation of PJP activities.

Division Two
PJP Licensing

Subdivision 1
License as PJP

Article 11

Any party acting as a PJP shall obtain a license from Bank Indonesia.

Article 12

License for PJPs to carry out PJP activities shall be granted based on the license categories consisting of:

- a. license category one includes the following activities:
 1. Administration of Source of Fund;
 2. providing information on sources of funds;
 3. payment initiation and/or acquiring services; and
 4. remittance services;
- b. license category two includes the following activities:
 1. providing information on sources of funds; and
 2. payment initiation and/or acquiring services; and/or
- c. license category three include the following activities:
 1. remittance services; and/or
 2. other matters specified by Bank Indonesia.

Subdivision 2
PJP License Period

Article 13

- (1) If necessary, Bank Indonesia may stipulate the PJP license period.
- (2) The stipulation of PJP license period as referred to in paragraph (1) is based on:

- a. license category;
- b. activities that are organized; and/or
- c. Source of Funds that are processed.

Subdivision 3

PJP Licensing Requirements

Article 14

The party applying for the license to be a PJP shall meet the license requirements specified by Bank Indonesia that include the following aspects:

- a. institutions;
- b. capital and finance;
- c. risk management; and
- d. information system capabilities.

Article 15

The institutional aspects as referred to in Article 14 letter a shall include the legality of legal entities, ownership, control, and management.

Article 16

- (1) The party applying for the license to be a PJP must be in the form of:
 - a. Banks; or
 - b. Non-Bank Institutions.
- (2) Non-Bank Institutions as referred to in paragraph (1) letter b that apply for a license as a PJP for license category one and license category two must be in the form of a limited liability company.
- (3) Non-Bank Institutions as referred to in paragraph (1) letter b that apply for a license as PJP under license category three must be in the form of a limited liability company or other incorporated Indonesian business entity regulated in the provisions of laws and regulations regarding fund transfers.

Article 17

- (1) Non-Bank Institutions as referred to in Article 16 paragraph (1) letter b shall have at least 1 (one) member of the board of directors whose domicile is in the territory of the Unitary State of the Republic of Indonesia.
- (2) Any member of the board of directors of Non-Bank Institutions whose domicile is outside the territory of the Unitary State of the Republic of Indonesia shall continue performing its functions, duties and responsibilities as a member of the board of directors.

Article 18

- (1) A member of the board of directors or a member of the board of commissioners in a prospective PJP may concurrently serve as a member of the board of directors or a member of the board of commissioners in another company, provided that:
 - a. it remains in line with the laws and regulations on fair business competition; and
 - b. it does not reduce the effectiveness of the performance of duties and responsibilities as well as the capability and integrity as a member of the board of directors or a member of the board of commissioners of the prospective PJP to implement the Payment System.
- (2) Members of the board of directors, members of the board of commissioners, and shareholders of a prospective PJP shall meet institutional requirements in the form of aspects of integrity and track record to perform their functions as management and/or shareholders, including but not limited to:
 - a. never been declared bankrupt and/or found guilty of causing a business entity to be declared bankrupt within the last 5 (five) years before submitting the application;
 - b. never been convicted for being proven guilty of committing a certain crime based on a court decision that already has permanent legal force within the last 5 (five) years before submitting the application
 - c. not listed in the bad debts list at the time of submitting the application; and
 - d. not listed in the national black list of drawers of blank checks or bilyet giro administered by Bank Indonesia at the time of submitting the application.
- (3) The Shareholders as referred to in paragraph (2) shall be shareholders who owns:
 - a. 25% (twenty-five percent) shares or more out of the total shares issued by the Prospective PJP and have voting rights; or
 - b. less than 25% (twenty-five percent) shares out of the total shares issued by the prospective PJP and have voting rights but it can be proven that the person concerned has exercised control over the prospective PJP, either directly or indirectly.

Article 19

- (1) The institutional aspect in term of ownership of the prospective PJP includes the composition of share ownership and structure of ownership.
- (2) The institutional aspect in the form of ownership as referred to in paragraph (1) for prospective PJP in the form of Non-Bank Institutions is regulated under the following provisions:
 - a. its share ownership composition shall be at least 15% (fifteen percent) of its shares are owned by:
 1. Indonesian citizen; and/or
 2. Indonesian legal entity;
 - b. calculation of the composition of foreign share ownership for prospective PJP of Non-Bank Institutions in the form of a public company is only implemented to share ownership with a share ownership percentage of 5% (five percent) or more;
 - c. for a Prospective PJP in the form of Non-Bank Institutions in the form of a public company, its share ownership with a percentage below 5% (five percent) which are traded on the stock exchange is considered as domestically owned shares;
 - d. for Non-bank Institutions in the form of a public company, its share ownership with a percentage below 5% (five percent) which are traded on the stock exchange is considered as foreign shares in the event that:



1. they are traded at the Indonesian stock exchange and is declared held by a foreign party by the Prospective PJP; or
 2. they are traded outside the territory of the Unitary State of the Republic of Indonesia;
- e. the composition of share ownership is calculated based on valid and most recent proof of share ownership;
- f. portion of foreign share ownership is calculated according to direct and indirect ownership;
- g. direct ownership as referred to in letter f is calculated based on 1 (one) share ownership level above the Prospective PJP;
- h. indirect ownership as referred to in letter f is calculated up to the ultimate shareholder; and
- i. PJP submits a self-assessment on the ownership structure at least 1 (one) time a year and from time to time in the event that there is a change in ownership composition.
- (3) In supervising the implementation of PJP activities, Bank Indonesia may establish a policy on the assessment of PJP ownership composition in the form of Non-Bank Institutions, including for PJPs in the form of a public company, by taking the following into account:
- a. materiality scale; and/or
 - b. other aspects to ensure the achievement of the balance between innovation and stability and national interest.
- (4) In the event that there are any differences in the assessment of share ownership composition between Bank Indonesia and the Prospective PJP in the form of Non-bank Institutions, the assessment of share ownership composition to be used is the share ownership composition specified by Bank Indonesia.

Article 20

- (1) The institutional aspect in the form of control for Prospective PJP in the form of Non-bank Institutions is regulated with the following provisions:
- a. composition of shares with voting rights of at least 51% (fifty-one percent) shall be held by domestic parties, namely:
 1. Indonesian citizen; and/or
 2. Indonesian legal entity;
 - b. Bank Indonesia's assessment on the composition of shares with voting rights is carried out collectively to each level of ownership up to the ultimate shareholder with largest voting rights is individually owned by a domestic party;
 - c. in the event that there is a special right to nominate a majority of the members of the board of directors and/or members of the board of commissioners, such right shall be held by the domestic party;
 - d. in the event that there is a special right in the form of a veto to a resolution or approval in a general meeting of shareholders that has a significant impact on the company, such right shall be held the domestic party;
 - e. Bank Indonesia may stipulate institutional aspects in the form of other controls based on Bank Indonesia's assessment;
 - f. in the event that the Prospective PJP has obtained an institutional license from other authority, Bank Indonesia may stipulate other policies concerning aspects in the form of ownership and/or control;

and

- g. Prospective PJP submits a self-assessment on the control structure at least 1 (one) time a year and from time to time in the event that a change in control occurred.
- (2) In supervising the implementation of PJP activities, Bank Indonesia may establish a policy on the assessment of PJP control in the form of Non-Bank Institutions, including for PJP in the form of a public company, by taking the following into account:
- a. materiality scale; and/or
 - b. other aspects to ensure the achievement of the balance between innovation and stability and national interest.
- (3) In the event that there is a difference in the control assessment between Bank Indonesia and the Prospective PJP in the form of Non-bank Institutions, the control assessment to be used is the control specified by Bank Indonesia.

Article 21

- (1) In processing the license application as referred to in Article 14 letter a, Bank Indonesia may conduct a fit and proper test.
- (2) The fit and proper test as referred to in paragraph (1) shall be carried out toward:
- a. the party that owns:
 - 1. 25% (twenty-five percent) shares or more out of the total shares issued by the Prospective PJP and have voting rights; or
 - 2. less than 25% (twenty-five percent) shares out of the total shares issued by the prospective PJP and have voting rights but it can be proven that the person concerned has exercised control over the prospective PJP, either directly or indirectly
 - b. members of the board of directors; and
 - c. members of the board of commissioners,
- of the party applying for a license as PJP.
- (3) The fit and proper test may be conducted by Bank Indonesia in the event that:
- a. There is a plan to change parties as referred to in paragraph (2); or
 - b. supervision results that indicate violation, fraud, and/or deteriorating business performance that have significant impacts to the organization of Payment System by the parties as referred to in paragraph (2).
- (4) The fit and proper test as referred to in paragraph (1) is aimed at ensuring compliance to the following requirements:
- a. integrity;
 - b. financial reputation;
 - c. financial feasibility; and/or
 - d. competence.
- (5) The fit and proper test as referred to in paragraph (4) may be conducted through an administrative assessment and/or interview.

- (6) In the event that a prospective PJP has obtained an institutional license and/or is under the supervision of other authority, Bank Indonesia may coordinate with the said authority.

Article 22

- (1) License requirements in relation to institutional aspects shall be supplemented by the submission of the following documents:
- legality of legal entities consisting of:
 - documents stating company's purposes and objectives, the composition of management board, the articles of association, the most recent amount of authorized and paid-up capital, and the most recent composition of shareholders;
 - documents indicating the business license from the competent authority; and
 - documents indicating recommendations for Prospective PJP having supervisory authority in accordance with the provisions of laws and regulations;
 - ownership and control consisting of the most recent document showing the ownership and control structure of the prospective PJP up to the most recent ultimate shareholder;
 - management board consisting of documents showing the integrity of the management containing statements from each member of the board of directors, members of the board of commissioners, and shareholders as referred to in Article 18 paragraph (3);
 - statement and guarantee from the authorized member of the board of directors that the company is not undergoing:
 - an imposition of sanctions; and/or
 - legal proceedings for criminal, civil, and/or bankruptcy cases; and
 - preparedness of human resources and company organization, including organizational structure and job descriptions, authorities, and responsibilities, including work units or functions responsible for customer protection, implementation of anti-money laundering and prevention of terrorism financing, risk management, internal audit, and compliance.
- (2) The validity and completeness of the licensing requirements documents as referred to in paragraph (1) shall be supplemented by:
- results of legal due diligence from independent legal consultants; and/or
 - a statement from the authorized member of the board of directors that all licensing requirements documents submitted are true and complete according to the company's conditions.

Article 23

The form and details of the licensing requirements documents as referred to in Article 14 and along with the amendments shall be stated in a list of requirements published on the Website of Bank Indonesia or other media specified by Bank Indonesia.

Article 24

- (1) The capital and financial aspects as referred to in Article 14 letter b include the minimum requirements for paid-up capital, feasibility analysis, and business projections.

- (2) The following are minimum amount of paid-up capital (initial capital) for Prospective PJP:
- for license category one, at least IDR15,000,000,000.00 (fifteen billion rupiah);
 - for license category two, at least IDR5,000,000,000.00 (five billion rupiah); and
 - for license categories three, at least:
 - IDR500,000,000.00 (five hundred million rupiah), for Prospective PJP who does not provide a system that can be used by other PJP with license category three; or
 - IDR1,000,000,000.00 (one billion rupiah), for Prospective PJP who provides a system that can be used by other PJP with license category three.
- (3) Fulfillment of the minimum paid-up capital (initial capital) for Prospective PJP in the form of a Bank as referred to in paragraph (2), shall take into account the provisions on the fulfillment of capital regulated by the competent authority.
- (4) Bank Indonesia may establish changes in the minimum amount of paid-up capital (initial capital) as referred to in paragraph (2) under the following considerations:
- For supporting national economic and financial policies;
 - For maintaining national efficiency;
 - For safeguarding public interest;
 - For maintaining industrial growth; and/or
 - For maintaining fair business competition.
- (5) Provisions on the change in the minimum amount of paid-up capital (initial capital) as referred to in paragraph (4) is regulated in a Regulation of Members of the Board of Governors.

Article 25

The licensing requirements in terms of capital and financial aspects as referred to in Article 24 shall be supported by the submission of the following documents:

- the requirements on minimum paid-up capital (initial capital) in the form of documents indicating the capital structure such as the most recent amount of authorized capital and paid-up capital;
- the requirements on feasibility analysis in the forms of documents indicating company's condition, preparedness, and financial performance within a certain period; and
- the requirements on business projection in the form of documents indicating the calculation of business feasibility in implementing the Payment System activities to be carried out and targets to be achieved.

Article 26

- (1) The risk management aspects as referred to in Article 14 letter c include legal risk, operational risk, and liquidity risk.
- (2) The application of the risk management aspects as referred to in paragraph (1) is assessed through:
- active supervision by:
 - the board of directors and the board of commissioners, for Prospective PJP incorporated in the form of a limited liability company; or
 - functions or organs that perform functions of management and supervisors for Prospective

PJP incorporated in other forms;

- b. availability of policies and procedures as well as the fulfillment of organizational structure adequacy;
- c. risk management processes and risk management functions, as well as human resources; and
- d. internal control.

Article 27

License requirements in terms of risk management aspects as referred to in Article 26 shall be supported by the submission of documents:

- a. that indicate policies and procedures to implement the management of legal risk, operational risk, and liquidity risk;
- b. that indicate the cooperation plan between the company and other parties in implementing Payment System activities to be carried out by the company, including but not limited to:
 1. summary of all cooperation between Prospective PJP and other parties related to the implementation of Payment System activities to be carried out; and
 2. a cooperation agreement or the final draft of a cooperation agreement with all party who cooperate in the implementation of the Payment System activities to be carried out;
- c. that indicate operational policies and procedures as well as the availability of devices for customer protection;
- d. that indicate operational procedures for the purpose of monitoring anti-money laundering and preventing terrorism financing;
- e. that describe the Payment System product or activity to be provided;
- f. that indicate operational preparedness including standard operating procedures as well as hardware and software specifications to operate the Payment System product or activity to be implemented; and
- g. that indicate the operational procedures to monitor the company's liquidity related to Payment System implementation activities.

Article 28

The information system capability aspect as referred to in Article 14 letter d shall be assessed at least through:

- a. information system security control procedures;
- b. fraud management system;
- c. information systems audit and security testing; and
- d. capability level and availability of information systems.

Article 29

License requirements in terms of the information system capability aspect as referred to in Article 28 shall be accompanied by documents that indicate:

- a. security control procedures on the system used for implementing Payment System activities;
- b. procedures, mechanisms, and infrastructure for fraud management system;

- c. results of tests on the system reliability carried out by external and internal parties; and
- d. effective procedures, mechanisms, and infrastructure to manage business continuity and disaster recovery.

Subdivision 4

Mechanisms and Procedures for Applying License

Article 30

The party applying for a license as a PJP shall:

- a. comply with the mechanism and procedures for submitting a license application stipulated by Bank Indonesia;
- b. conduct a self-assessment to fulfill the completeness of the licensing requirements document; and
- c. submit licensing requirements documents related to licensing aspects requested by Bank Indonesia.

Article 31

- (1) The mechanism and procedures to apply for a license as referred to in Article 30 letter a shall be carried out through an electronic system in accordance with the provisions of Regulation of Bank Indonesia concerning Bank Indonesia integrated licensing through the licensing front office.
- (2) In the event that the electronic system as referred to in paragraph (1) cannot be implemented for certain licensing or is having a problem, the mechanism and procedures to applying for licenses is carried out in accordance with the provisions of Regulation of Bank Indonesia concerning Bank Indonesia integrated licensing through the licensing front office.

Article 32

- (1) Bank Indonesia examines the compliance with PJP licensing requirements.
- (2) The examination of PJP licensing as referred to in paragraph (1) is carried out through the following phases:
 - a. administrative examination; and
 - b. analysis on the substance of the application in accordance with the category of the license proposed, including feasibility analysis, as well as aspects of institution, capital and finance, risk management, and information system capabilities.
- (3) After the PJP licensing examination phase as referred to in paragraph (2), Bank Indonesia shall conduct an on-site visit for Prospective PJP.

Article 33

- (1) Under certain conditions, Bank Indonesia may skip the on-site visit in the PJP licensing process by requesting additional documents indicating the operational preparedness as the substitute of the on-site visit.
- (2) Certain conditions as referred to in paragraph (1) include:

- a. natural disasters;
- b. pandemic; and/or
- c. other conditions specified by Bank Indonesia.

Article 34

- (1) To fulfill the completeness of licensing requirement documents for Prospective PJP, Bank Indonesia shall hold:
 - a. pre-consultative meeting;
 - b. consultative meetings; and/or
 - c. coaching clinic.
- (2) The pre-consultative meeting as referred to in paragraph (1) letter a is held by Bank Indonesia and shall be attended by the Prospective PJP.
- (3) Bank Indonesia holds a pre-consultative meeting as referred to in paragraph (2) at the phase before or at the time of submission the required documents through an electronic system.
- (4) Bank Indonesia holds consultative meetings and/or coaching clinics as referred to in paragraph (1) letter b and letter c at the phase of document revision and examination.
- (5) In the event that the consultative meeting and/or coaching clinic is held by Bank Indonesia as referred to in paragraph (4), the Prospective PJP shall be present.

Article 35

- (1) Administrative examination as referred to in Article 32 paragraph (2) letter a shall be conducted in accordance with the provisions of Regulation of Bank Indonesia concerning Bank Indonesia integrated licensing through the licensing front office.
- (2) The analysis on the substance as referred to in Article 32 paragraph (2) in letter b is carried out under the following provisions:
 - a. Bank Indonesia analyze the substance of the license requirements within a maximum period of 20 (twenty) business days after the required documents are received and declared complete by the licensing front office;
 - b. in the event that the licensing requirement documents are not in accordance with the results of the analysis made by Bank Indonesia, Prospective PJP shall submit the revision of the requirement documents within a maximum period of 40 (forty) business days; and
 - c. Bank Indonesia analyzes the substance of the license requirements of the revised documents as referred to in letter b, within a maximum period of 20 (twenty) business days after the Prospective PJP submits the revised requirement documents.
- (3) Bank Indonesia rejects the license application at the substance analysis phase as referred to in paragraph (2) in the event that:
 - a. based on the results of the analysis on the revised requirement documents as referred to in paragraph (2) letter b, if the revision is still unacceptable;
 - b. the revised document as referred to in paragraph (2) letter b is not submitted by the Prospective PJP to Bank Indonesia; or

- c. the submission of revised documents carried out by Prospective PJP exceeds the period as referred to in paragraph (2) letter b.

Article 36

- (1) The on-site visit as referred to in Article 32 paragraph (3) is carried out within a maximum period of 20 (twenty) business days after the substance analysis as referred to in Article 32 paragraph (2) letter b is declared acceptable.
- (2) In the event that based on the results of the on-site visit as referred to in paragraph (1), there are any findings to be revised, Prospective PJP shall submit a report and/or revised document to Bank Indonesia by no later than 120 (one hundred and twenty) business days as of date of completion of the on-site visit.
- (3) Bank Indonesia rejects the licensing application at the phase of on-site visit as referred to in Article 32 paragraph (3) in the event that:
 - a. the report and/or revised document of the results of the on-site visit as referred to in paragraph (2) is not acceptable;
 - b. the submission of report and/or revised document exceeds the period as referred to in paragraph (2); or
 - c. the report and/or revised document as referred to in paragraph (2) is not submitted by the Prospective PJP.
- (4) The rejection of the licensing application as referred to in paragraph (3) and Article 35 paragraph (3) shall be notified by Bank Indonesia through a letter.

Article 37

Provisions regarding the period for submitting the reports and/or revised documents in the examination phase as referred to in Article 36 paragraph (2) shall apply mutatis mutandis to the submission of additional documents under certain conditions as referred to in Article 33 paragraph (1).

Article 38

In the event that the Prospective PJP has carried out the trial of product, activity, service, and business model in the sandbox for the development of Payment System technological innovation and is declared successful by Bank Indonesia, the on-site visit phase as referred to in Article 32 paragraph (3) may not be carried out.

Article 39

In the event that the licensing application of Prospective PJP is rejected:

- a. Prospective PJP may re-apply for the license after a period of 180 (one hundred and eighty) business days from the date of the rejection letter as referred to in Article 36 paragraph (4); and
- b. Bank Indonesia returns all licensing requirement documents that have been submitted.

Subdivision 5

Authority of Bank Indonesia to Request Licensing Requirements Completeness

Article 40

- (1) Bank Indonesia is authorized to request Prospective PJP to submit additional data and/or information of requirements related to the aspects of institution, capital and finance, risk management, and information system capabilities to obtain PJP licensing.
- (2) Requests for additional documents as referred to in paragraph (1) shall be submitted through the Website of Bank Indonesia or other media specified by Bank Indonesia.
- (3) In the event that it is necessary to submit additional documents as referred to in paragraph (1), Bank Indonesia shall make notification in writing or through electronic media to the Prospective PJP that is in the licensing process.

Division Three

Granting of PJP License

Article 41

- (1) Bank Indonesia grants the license to licensing applications that are submitted based on:
 - a. result of licensing examination and on site visit as referred to in Article 32 and Article 33; or
 - b. results of licensing examination and results of trial to develop Payment System technological innovations that are declared successful as referred to in Article 32 and Article 38.
- (2) Bank Indonesia has the authority to establish the policy to grant the license as referred to in paragraph (1) under the following considerations:
 - a. For supporting national economic and financial policies;
 - b. For maintaining national efficiency;
 - c. For safeguarding public interest;
 - d. For maintaining industrial growth; and/or
 - e. For maintaining fair business competition.

Article 42

- (1) PJP that has obtained a license shall carry out its activities no later than 120 (one hundred and twenty) business days as of the date of the issuance of the license from Bank Indonesia.
- (2) PJP that has implemented Payment System activities shall submit a realization report in writing to Bank Indonesia through the Bank Indonesia licensing app.
- (3) In the event that the app as referred to in paragraph (2) cannot be implemented or having a trouble, the realization report is submitted directly in accordance with the mechanism specified by Bank Indonesia.
- (4) The report as referred to in paragraph (2) shall be submitted no later than 10 (ten) business days from the effective date of activity commencement.
- (5) In the event that the PJP does not implement its activities within the period as referred to in paragraph (1), the license granted by Bank Indonesia is declared null and void.
- (6) PJP whose license is declared null and void as referred to in paragraph (5), may re-apply for the license not sooner than 180 (one hundred and eighty) business days from the date of the license is annulled.

Article 43

Bank Indonesia lists the names of Banks and Non-Bank Institutions that have obtained licenses and have effectively carried out activities as PJP in the Website of Bank Indonesia.

CHAPTER III

PAYMENT SYSTEM IMPLEMENTATION BY PJP

Division One

General Principles of Implementation

Article 44

PJP must comply with general principles on the implementation of Payment System consisting of:

- a. maintenance obligations which include aspects of:
 1. governance;
 2. risk management including the precautionary principle;
 3. information system security standards;
 4. interconnection and interoperability; and
 5. compliance with the provisions of laws and regulations;
- b. Bank Indonesia policy regarding the pricing scheme to operate the Payment System; and
- c. human resource and organizational capabilities, as well as a code of ethics and code of conduct of the fair business practices.

Subdivision 1

PJP's Obligations to Operate the Payment System

Article 45

- (1) Fulfillment of the obligation on governance aspect as referred to in Article 44 letter a number 1 is carried out based on the principles:
 - a. openness;
 - b. accountability;
 - c. responsibility;
 - d. independence; and
 - e. fairness.
- (2) PJP applies the principles of governance as referred to in paragraph (1) at each of its business activities.

- (3) The implementation of the principles of governance as referred to in paragraph (1) shall be realized at least in:
- a. implementing of following duties and responsibilities:
 1. the board of directors and the board of commissioners, for PJP incorporated in the form of a limited liability company; or
 2. functions or organs that perform management and supervisory functions, for PJPs incorporated in the forms other than a limited liability company;
 - b. fulfillment of institutional aspects in the form of following obligations:
 1. maintaining the fulfillment of institutional aspects including the legality of legal entities, ownership, control, and management as referred to in Article 15 to Article 20; and
 2. submitting a follow-up plan in the event that any violation on the fulfillment of the institutional aspects as referred to in paragraph (3) letter b number 1 and shall obtain approval from Bank Indonesia.
 - c. implementation of compliance, internal audit, and external audit functions;
 - d. implementation of risk management;
 - e. strategic plan; and
 - f. transparency of financial and non-financial conditions.

Article 46

Fulfillment of the obligations of risk management aspects including the precautionary principle as referred to in Article 44 letter a number 2 at least includes:

- a. active supervision by:
 1. the board of directors and the board of commissioners, for PJP incorporated in the form of a limited liability company; or
 2. functions or organs that perform management and supervisory functions, for PJPs incorporated in other forms;
- b. availability of policies and procedures as well as the fulfillment of the adequacy of the organizational structure;
- c. risk management processes and risk management functions, as well as human resources; and
- d. internal control.

Article 47

- (1) Fulfillment of the obligations on the aspects of information system security standard as referred to in Article 44 letter a number 3 shall at least include:
- a. availability of written information system policies and procedures;
 - b. utilization of safe and reliable systems at least for:
 1. security and protection of data confidentiality;
 2. fraud management;

3. fulfillment of certification and/or system security and reliability standards;
 4. maintenance and improvement of technology security; and
 5. availability of information systems;
- c. implementation of cyber security standards;
 - d. data and/or information security; and
 - e. implementation of information system audits on a regular basis.
- (2) Fraud management as referred to in paragraph (1) letter b number 2 includes the phases of prevention, detection, handling, and monitoring.
- (3) The implementation of fraud management as referred to in paragraph (2) is carried out at least by making use of fraud detection system at the account and transaction levels.
- (4) Certification and/or system security and reliability standards as referred to in paragraph (1) letter b number 3 are generally accepted certifications and/or standards specified by Bank Indonesia, authorities, or relevant institutions which are adapted to the type of activity provided by PJP and/or the PJP classification.
- (5) Security of data and/or information as referred to in paragraph (1) letter d, including but not limited to securing data and/or information related to Service Users, payment instruments, and payment transactions.

Article 48

- (1) Fulfillment of the obligations on interconnection and interoperability aspects as referred to in Article 44 letter a number 4 shall at least include:
 - a. compliance with interconnection and interoperability mechanisms, including standards specified by Bank Indonesia;
 - b. compliance with the mechanism of interconnectivity with data infrastructure and Payment System infrastructure; and
 - c. domestic processing of payment transactions.
- (2) The domestic processing of payment transactions as referred to in paragraph (1) letter c applies to initiation, authorization, clearing, and final settlement phases.
- (3) The domestic processing of payment transactions as referred to in paragraph (2) is carried out in each transaction that:
 - a. uses access to Sources of Funds in the form of instruments and/or services provided by PJP; and
 - b. is carried out in the territory of the Unitary State of the Republic of Indonesia.
- (4) The electronic system used for transaction processing during the initiation, authorization, clearing, and final settlement phases is located in the data center and disaster recovery center within the territory of the Unitary State of the Republic of Indonesia.
- (5) Bank Indonesia shall determine the types of access to Sources of Funds and phase of implementation for the domestic processing of transactions.
- (6) A payment transaction may be processed outside the territory of the Unitary State of the Republic of Indonesia provided that it obtain approval from Bank Indonesia.
- (7) The approval of Bank Indonesia for payment transaction processing outside the territory of the Unitary State of the Republic of Indonesia as referred to in paragraph (6) may be granted taking into account:

- a. the use of electronic systems and/or activities that are integrated with the PJP's head office located outside the territory of the Unitary State of the Republic of Indonesia;
 - b. level of national industry and infrastructure preparedness; and/or
 - c. other aspects specified by Bank Indonesia.
- (8) The approval of Bank Indonesia is granted provided that there is a guarantee from PJP that the processing outside the territory of the Unitary State of the Republic of Indonesia does not reduce the effectiveness of supervision, data acquisition, and protection of personal data.

Article 49

The fulfillment obligations on interconnection and interoperability aspects as referred to in Article 44 letter a number are exempted for instruments or channels that are able to interoperate without going through PIP that is specified by Bank Indonesia.

Article 50

The fulfillment of obligations on the aspects of compliance with the provisions of laws and regulations as referred to in Article 44 letter a number 5 includes:

- a. fair business competition;
- b. information and electronic transactions;
- c. anti-money laundering and prevention of terrorism financing;
- d. customer protection;
- e. implementation on the obligation to use rupiah;
- f. personal data protection; and
- g. other laws and regulations.

Article 51

- (1) PJP must provide education and guidance to Goods and/or Service Providers who join cooperation with PJP.
- (2) PJP must terminate the cooperation with Goods and/or Service Providers who take any actions that may harm and/or are not in accordance with the designated processing of payment transactions using the access to certain Sources of Fund.
- (3) PJP may exchange information or data with other PJP concerning Goods and/or Service Providers who take harmful actions and may propose to include the name of said Goods and/or Service Provider in a black list of Goods and/or Service Providers (merchants black list).
- (4) The technical and micro provisions in relation to the minimum clause that must be stated in the cooperation agreement between PJP and Goods and/or Services Providers may be regulated by the SRO with the approval of Bank Indonesia.

Article 52

- (1) Goods and/or Service Providers are prohibited from imposing a surcharge to Service Users for fees

charged by PJP to Goods and/or Service Providers.

- (2) PJP must ensure the compliance of the Goods and/or Service Providers with the prohibition as referred to in paragraph (1).

Article 53

- (1) PJPs who join cooperation with the Goods and/or Service Provider for payment transaction processing shall provide information about payment transaction processing to the Goods and/or Service Provider.
- (2) The provision of information as referred to in paragraph (1) is implemented to support the delivery of goods and/or services to the end customer after the end customer make payments in online transactions.

Subdivision 2

Pricing Scheme

Article 54

- (1) Bank Indonesia shall stipulate the pricing scheme policy for the operation of the Payment System as referred to in Article 44 letter b.
- (2) The stipulation of the pricing scheme policy as referred to in paragraph (1) considers:
- promoting the expansion of acceptance, service, and innovation;
 - improving efficiency and competition; and/or
 - paying attention to public interest and industrial players in a balanced manner.
- (3) The pricing scheme policy as referred to in paragraph (1) includes:
- the pricing scheme from PJP to Service Users;
 - the pricing scheme from PJP to the Goods and/or Services Providers;
 - the pricing scheme between PJP, PIP, and/or other related parties; and
 - other pricing schemes stipulated by Bank Indonesia.
- (4) In addition to being applicable to PJP, pricing scheme policy in the operation of Payment System as referred to in paragraph (1) shall be complied with by the party that joins into cooperation with the PJP.
- (5) Details of the pricing scheme as referred to in paragraph (3) are stipulated under a decree of the members of the Board of Governors of Bank Indonesia.
- (6) Bank Indonesia may evaluate the stipulation of the pricing scheme policy as referred to in paragraph (1).
- (7) PJP must comply with the principles of price transparency and fair business competition to stipulate the pricing scheme in operating the Payment System.

Subdivision 3

Human Resources and Organizational Capabilities and Code Ethics and Code of Conduct

Article 55

- (1) To implement the Payment System, PJP must ensure the capability of human resources and organization as well as compliance with the code of ethics and code of conduct for fair business practices.
- (2) The capability of human and organizational resources as well as the fulfillment of the code of ethics and code of conduct for fair business practices as referred to in paragraph (1) shall at least include:
 - a. developing and ensuring the capability of qualified human and organizational resources, including competency development according to competency standards in the Payment System sector; and
 - b. developing integrity including reputation to realize fair business practices.

Article 56

- (1) PJP that breaches the provisions as referred to in Article 44, Article 51 paragraph (1), Article 51 paragraph (2), Article 52, Article 54 paragraph (7), or Article 55 paragraph (1) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial, or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as PJP.
- (2) Further provisions regarding the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in a Regulation of Members of the Board of Governors.

H
HUKUM
ONLINE
Division Two

Fund Transfer Implementation

Article 57

Fund transfer implementation is carried out in accordance with the provisions of laws and regulations regarding fund transfers.

H
HUKUM
ONLINE
Division Three
PJP Classification

Subdivision 1

Classification of PSPS, PSPK, and PSPU

Article 58

To operate the Payment System, Bank Indonesia establish the PJP classification.

Article 59

PJP classification as referred to in Article 58 consists of:

- a. PSPS;
- b. PSPK; and
- c. PSPU.

Subdivision 2

Criteria to Establish PJP Classifications

Article 60

- (1) To establish PJP classifications as referred to in Article 58, Bank Indonesia shall consider the following criteria:
 - a. size;
 - b. interconnectivity;
 - c. complexity; and/or
 - d. replaceability.
- (2) The establishment of the PJP classifications under the criteria as referred to in paragraph (1) is intended to identify the structure of the Payment System industry based on its role and/or contribution in the national Payment System ecosystem.
- (3) The size criteria as referred to in paragraph (1) letter a is a criterion that describe the PJP size in an ecosystem that is measured by the processed transactions performance.
- (4) The interconnectivity criteria as referred to in paragraph (1) letter b is a criterion that describes the interconnectivity between PJP and other PJPs, PIPs, and/or Supporting Operators that is measured by the processed transactions performance.
- (5) The complexity criteria as referred to in paragraph (1) letter c is a criterion that explains the payment services complexity provided in the implementation of PJP activities.
- (6) The replaceability criteria as referred to in paragraph (1) letter d is criteria that describes the replaceability level of functions and/or payment services provided by PJP in the implementation of PJP activities.

Article 61

Bank Indonesia may use the PJP classification as the consideration to determine:

- a. direction to develop Bank Indonesia Payment System infrastructure; and/or
- b. treatment to operate Bank Indonesia infrastructure and/or standardization policies.

Article 62

- (1) Bank Indonesia may determine the fulfillment of certain obligations for PJP according to the PJP classification as referred to in Article 59.
- (2) PJP must fulfill certain obligations according to the PJP classification as referred to in paragraph (1) that covers the following aspects:
 - a. capital;

- b. risk management and information system security standards; and
- c. others as specified by Bank Indonesia.

Subdivision 3

Payment System Capital Requirements

Article 63

- (1) PJP in the form of Non-Bank Institution must fulfill the capital aspect as referred to in Article 62 paragraph (2) letter a in the form of capital provision during the implementation of its business activities (ongoing capital).
- (2) The obligation to provide capital during the implementation of business activities (ongoing capital) as referred to in paragraph (1) is calculated according to the nominal transaction and PJP classification.
- (3) The obligation to provide capital during the operation of business activities (ongoing capital) as referred to in paragraph (1) is calculated using the ratio of the Payment System capital obligation under the following provisions:
 - a. at least 10% (ten percent) of risk-weighted transactions for all PJP classifications; and
 - b. additional capital requirements (surcharge) based on PJP classifications of:
 - 1. 2.5% (two point five percent) of risk weighted transactions for PSPS; and
 - 2. 1.5% (one point five percent) of risk-weighted transactions for PSPK.

Article 64

Capital during the implementation of business activities (ongoing capital) as referred to in Article 63 consists of:

- a. core capital that includes:
 - 1. main core capital; and
 - 2. additional core capital;and
- b. supplementary capital.

Article 65

- (1) The main core capital as referred to in Article 64 letter a number 1 includes:
 - a. capital stock;
 - b. capital advance payment;
 - c. capital paid in surplus or discount on capital;
 - d. retained earnings or losses for the current year, including the accumulated profit or loss of the previous year; and
 - e. other comprehensive income balance.

- (2) The main core capital as referred to in paragraph (1) is calculated by deducting factors that include:
- deferred tax assets;
 - goodwill;
 - intangible assets;
 - all investments with ownership of more than 5% (five percent) or more;
 - repurchase of capital instruments that have been recognized as PJP capital components; and
 - funds placement in other entity's debt instruments recognized as a component of capital by the issuing entity.

Article 66

- (1) Additional core capital as referred to in Article 64 letters a number 2 includes:
- debt instruments in the forms of:
 - debt securities; and
 - subordinated loans,which do not have term and the payment of yields cannot be accumulated;
 - hybrid instruments that do not have term and the payment of yields cannot be accumulated;
 - non-cumulative preferred share either with or without call option feature; and
 - premium or discount from the issuance of instruments as referred to in letters a and b.
- (2) The additional core capital as referred to in paragraph (1) belongs to another unaffiliated party.
- (3) The additional core capital as referred to in paragraph (1) is calculated by a deduction factor that includes the additional core capital component that is:
- self-owned due to contractual obligations; and
 - owned by other party that indicated as a cross holding scheme.
- (4) The result of calculation of additional core capital after calculating with the deduction factor as referred to in paragraph (3) is at most 1/3 (one third) of the main core capital.

Article 67

- (1) The supplementary capital as referred to in Article 64 letter b includes:
- long-term debt instruments, in the form of debt securities and subordinated loans with the maturities of more than 5 (five) years and longer; and
 - premium or discount originating from the issuance of the instrument as referred to in letter a.
- (2) The supplementary capital as referred to in paragraph (1) belongs to other unaffiliated parties.
- (3) Supplementary capital as referred to in paragraph (1) is calculated with a deduction factor that includes components of supplementary capital that is:
- self-owned due to contractual obligations; and
 - owned by other party that indicated as a cross holding scheme.

- (4) The result of calculation of additional core capital after calculating with the deduction factor as referred to in paragraph (3) is at most 1/3 (one third) of the main core capital.

Article 68

- (1) Risk-weighted transaction as referred to in Article 63 paragraph (3) letter a is specified at 10 (ten) times the transaction expenses.
- (2) Transaction expenses as referred to in paragraph (1) shall be regulated under the following provisions:
- transaction expenses for PJP with license category one and license category two are the sum of the calculation ranges of:
 - 4% (four percent) of the nominal transaction processed by PJP at the range of up to IDR100,000,000,000.00 (one hundred billion rupiah);
 - 1% (one percent) of the nominal transactions processed by PJP at the range of above IDR100,000,000,000.00 (one hundred billion rupiah) to IDR1,000,000,000,000.00 (one trillion rupiah); and
 - 0.1% (zero point one percent) of the nominal transaction processed by PJP at the range of over IDR 1,000,000,000,000.00 (one trillion rupiah);
 - transaction expense for PJP with license category three is calculated at 0.1% (zero point one percent) of the nominal of incoming and outgoing transactions processed either domestically or abroad;
 - for PJP with license category one that organizes Administration of Source of Fund activities in the form of electronic money issuance, the transaction expense as referred to in letter a is added 5% (five percent) of the managed float funds;
 - for PJP with license category one that organizes Administration of Source of Fund activities in the form of electronic money issuance, its nominal transaction calculated is outgoing transactions consisting of shopping, transfer, and redeem transactions; and/or
 - for PJPs with license category one or license category two providing payment initiation and/or acquiring services that forward payment transactions using various instruments, the transaction nominal is calculated by:
 - all transactions processed with the merchant aggregator business model; and/or
 - 10% (ten percent) of all transactions processed with the facilitator business model.

Article 69

The obligation to provide capital during the implementation of business activities (ongoing capital) for PJP in the form of a Bank is the mandatory minimum capital requirement in accordance with the provisions of laws and regulations in the financial services sector.

Article 70

- (1) Bank Indonesia may make changes to:
- capital component during the implementation of business activities (ongoing capital) as referred to in Article 65, Article 66, and Article 67; and
 - transaction expenses as referred to in Article 68 paragraph (2),

by taking into account the characteristics of the activities provided by PJP.

- (2) the event that there is a difference in calculating the capital during the operation of business activities (ongoing capital) between Bank Indonesia and PJP, the calculation of capital used as a reference is the calculation of capital determined by Bank Indonesia.
- (3) The provision on change to capital component during the implementation of business activities (ongoing capital) and transaction expenses as referred to in paragraph (1) shall be regulated in a Regulation of Members of the Board of Governors.

Subdivision 4

Implementation of Risk Management and Information System Security Standard Based on PJP Classification

Article 71

- (1) Fulfillment of risk management obligations and information system security standard as referred to in Article 62 paragraph (2) letter b for PSPS at least includes:
 - a. having adequate standard operating policy and procedures to manage risks;
 - b. having the ability to maintain the level of service availability;
 - c. having a work unit for internal audit, work unit for compliance, and a work unit for risk management which are separate from each other;
 - d. having the data center and disaster recovery center in separate locations, with the same information system infrastructure capacity and active simultaneously according to business impact analysis;
 - e. conducting trial on the application system disaster recovery plan and payment system support infrastructure to the disaster recovery center, at least 1 (one) time in 1 (one) year including cyber resilience simulation;
 - f. having a fraud management system that can detect fraud activities at the level of account, network activity, and transactions;
 - g. implementing an information technology audit by an external independent information technology auditor registered with the authority or SRO, at least 1 (one) time in 1 (one) year;
 - h. conducting a comprehensive security test (penetration test) by an external independent information technology auditor registered with the authority or SRO, at least 1 (one) time in 1 (one) year;
 - i. implementing a financial audit by a public accounting firm registered with the competent authority; and
 - j. having international standard certification related to information security of main Payment System activities.
- (2) Fulfillment of risk management obligations and information system security standards as referred to in Article 62 paragraph (2) letter b for PSPK at least includes:
 - a. having an adequate standard operating policy and procedures to manage risk;
 - b. having the ability to maintain the level of service availability;
 - c. having a work unit for internal audit, a work unit for compliance, and a work unit for management which are separate from each other;

- d. having the data center and disaster recovery center in separate locations, with the same information system infrastructure capacity according to business impact analysis;
 - e. conducting trial on the application system disaster recovery plan and payment system support infrastructure to the disaster recovery center, at least 1 (one) time in 1 (one) year including cyber resilience simulation;
 - f. having a fraud management system that can detect fraud activities at the level of account, network activity, and transactions;
 - g. implementing an information technology audit by an external independent information technology auditor registered with the authority or SRO, at least 1 (one) time in 1 (one) year;
 - h. conducting a comprehensive security test (penetration test) by an external independent information technology auditor registered with the authority or SRO, at least 1 (one) time in 1 (one) year;
 - i. implementing a financial audit by a public accounting firm registered at the competent authority; and
 - j. having at least international standard certification related to information security of main Payment System activities.
- (3) Fulfillment of risk management obligations and information system security standards as referred to in Article 62 paragraph (2) letter b for PSPU at least includes:
- a. having an adequate standard operating policy and procedures to manage risk;
 - b. having the ability to maintain the level of service availability;
 - c. having at least a work unit for internal audit, a work unit for compliance, and a work unit for risk management which are separate from each other;
 - d. having the data center and disaster recovery center in separate locations, with the same information system infrastructure capacity according to business impact analysis;
 - e. conducting trial on the application system disaster recovery plan and payment system support infrastructure to the disaster recovery center, at least 1 (one) time in 1 (one) year including cyber resilience simulation;
 - f. having a fraud management system that can detect fraud activities at the level of account, network activity, and transactions;
 - g. implementing an information technology audit by an external independent information technology auditor registered with the authority or SRO, at least 1 (one) time in 1 (one) year;
 - h. conducting a comprehensive security test (penetration test) by an external independent information technology auditor registered with the authority or SRO, at least 1 (one) time in 1 (one) year;
 - i. implementing a financial audit by a public accounting firm registered at the competent authority; and
 - j. at least adopting a generally applicable practice in the industry of information system.
- (4) Fulfillment of risk management obligations and information system security standards as referred to in Article 62 paragraph (2) letter b for PSPU in the form of PJP with license category three that does not provide a system that can be used by PJP for the other three license categories, at least include:
- a. having adequate standard operating policy and procedures to manage risk;
 - b. having the ability to maintain the level of service availability;
 - c. having an internal audit function, a compliance function, or a risk management function;
 - d. implementing fraud management practices;

- e. in terms of services are supported by information systems, at least have:
 1. separate information system infrastructure in data center and disaster recovery center;
 2. conduct trial on the disaster recovery plan for payment system supporting infrastructure and app system to the disaster recovery center, at least 1 (one) time in 1 (one) year; and
 3. carry out an information technology audit by an independent information technology auditor at least 1 (one) time in 1 (one) year including conducting a security assessment to the main Payment System service information system;
 - f. implementing audits of financial statements by the internal audit function; and
 - g. conducting practice of information security.
- (5) Further provisions regarding the application of risk management and information systems based on the PJP classification are regulated in the Regulation of Members of the Board of Governors.

Article 72

- (1) In addition to the fulfillment of risk management obligations and information system security standards as referred to in Article 71, PJP must ensure the implementation of cyber security standards at least using the following approaches:
 - a. governance aspects;
 - b. preventive aspects; and
 - c. handling aspects.
- (2) The implementation of governance aspects as referred to in paragraph (1) letter a includes:
 - a. having a framework and policies in relation to cyber risk management that are separate from information technology management;
 - b. having a cyber-risk management function or organ that is independent to business functions and information system management; and
 - c. ensuring the fulfillment of human resources with cyber security and resilience competencies to support a cyber-risk culture.
- (3) the implementation of preventive aspect as referred to in paragraph (1) letter b includes:
 - a. the availability of a sustainable cyber-security and resilience monitoring mechanism; and
 - b. have data management and/or analysis capabilities in relation to cyber resilience and security.
- (4) The implementation of handling aspects as referred to in paragraph (1) letter c includes functions to manage cyber incidents including supporting infrastructure according to business scale and the implementation of periodic security tests.
- (5) The implementation of cyber security standard aspects as referred to in paragraph (1) to paragraph (4) is carried out based on the PJP classification as referred to in Article 59.

Article 73

PJP in the form of Non-Bank Institutions shall comply with the provisions on the obligation to provide capital during the operation of business activities (ongoing capital) as well as risk management and information system security standards regulated in this Regulation of Bank Indonesia with due observance of the provisions on capital and risk management and information system security standards regulated by other authorities.

Article 74

- (1) PJP that breaches the provisions as referred to in Article 62 paragraph (2) letters a and b, or Article 71 paragraph (1) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial, or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Subdivision 5

Other Obligations Stipulated by Bank Indonesia

Article 75

Bank Indonesia is authorized to specify obligations in relation to other aspects as referred to in Article 62 paragraph (2) letter c based on the results of supervision to mitigate legal risk, operational risk, liquidity risk, and/or other risks.

Subdivision 6

Evaluation, Notification and Deadline for Fulfillment of Obligations

Article 76

- (1) Bank Indonesia evaluates the stipulation of PJP classification as referred to in Article 59.
- (2) The evaluation as referred to in paragraph (1) is carried out periodically at least 1 (one) time in a year or at any time if necessary.
- (3) For the first time, the periodic evaluation as referred to in paragraph (1) is carried out no later than 1 (one) year as of the determination of the PJP classification.

Article 77

- (1) Bank Indonesia shall make notification in writing to PJP regarding:
 - a. results of PJP classifications; and
 - b. results of the evaluation on determination of PJP classifications, in the event that there are changes in the PJP classifications.
- (2) Bank Indonesia may stipulate other mechanisms to notify the results of PJP classification and results of evaluation as referred to in paragraph (1).

Article 78

- (1) Bank Indonesia shall determine the deadline to fulfill obligations according to the PJP classifications based on the follow-up plan prepared by the PJP.
- (2) The follow-up plan as referred to in paragraph (1) must obtain approval from Bank Indonesia.
- (3) Bank Indonesia may review the fulfillment of the follow-up plan as referred to in paragraph (2).
- (4) PJP that breaches the provisions as referred to in paragraph (2) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (5) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (4) shall be regulated in the Regulation of Members of the Board of Governors.

Division Four

Activity Development, Product Development, and/or Cooperation

Subdivision 1

Scope of Activity Development, Product Development, and/or Cooperation

Article 79

- (1) PJP may carry out activity development, product development, and/or cooperation with other parties according to the risk category, provided that they are approved or reported to Bank Indonesia.
- (2) The activity development as referred to in paragraph (1) is an addition of activity of the same category of PJP license.
- (3) Product development as referred to in paragraph (1) consists of:
 - a. addition or development of features;
 - b. addition of types of access to Sources of Funds in the forms of instrument or channel;
 - c. platform replacement;
 - d. system replacement;
 - e. infrastructure movement; and/or
 - f. other product development in implementation of the Payment System.
- (4) Cooperation with other parties as referred to in paragraph (1) can be carried out by:
 - a. Other PJPs and/or PIPs; and/or
 - b. Supporting Operators.

Subdivision 2

Categories of Activity Development, Product Development, and/or Cooperation

Article 80

Activity development, product development, and/or cooperation are categorized according to the level of risk that consist of:

- a. low risk;
- b. moderate risk; and
- c. high risk.

Article 81

Activity development, product development, and/or cooperation with a low risk as referred to in Article 80 letter a are:

- a. activity development or product development with criteria that impacts pre-transaction and/or post-transaction phases and only in the form of:
 1. enhancement of the system currently used; and/or
 2. enhancement of the infrastructure currently used; or
- b. cooperation with Indonesian citizens and/or Indonesian legal entities and is not accompanied by product and/or activity development.

Article 82

Activity development, product development, and/or cooperation with a moderate risk as referred to in Article 80 letter b are:

- a. activity development and/or product development of the following criteria:
 1. having an impact to the phases of initiation, authorization, clearing, and/or final settlement in the form of:
 - a) enhancement of the system currently used; and/or
 - b) enhancement) of the infrastructure currently used; or
 2. having an impact on the pre-transaction and/or post-transaction phases in the forms of:
 - a) development in relation to transaction security features;
 - b) cross-border development; and/or
 - c) use of new systems and/or infrastructure that have never been used; or
- b. activity development and/or product development accompanied by cooperation under criteria that has impact to pre-transaction and/or post-transaction phases as well as the provision of information technology solutions and/or technical services by other parties that have an impact on PJP's business continuity; or
- c. cooperation with non-Indonesian citizens and/or Indonesian legal entities that is not accompanied by activity development and/or product development.

Article 83

Activity development, product development, and/or cooperation with a high risk as referred to in Article 80 letter c are:

- a. activity development and/or product development with criteria of having impact to initiation, authorization, clearing, and/or final settlement phases in the forms of:
 1. changes of transaction security feature;
 2. development of cross-border activities or products; and/or
 3. use of new systems and/or infrastructure that have never been used;or
- b. activity development and/or product development accompanied by cooperation with criteria of having impact to the phases of initiation, authorization, clearing, and/or final settlement as well as the provision of information technology solutions and/or technical services by other parties that have an impact on PJP's business continuity.

Article 84

- (1) Bank Indonesia may adjust the criteria for each risk category as referred to in Article 81, Article 82, and Article 83 by taking into account developments of:
 - a. business model and infrastructure innovation; and
 - b. complexity of activities in the industry.
- (2) Provisions regarding the adjustment of criteria for each risk category as referred to in paragraph (1) is regulated in the Regulation of the Members of the Board of Governors.

Subdivision 3

Risk Assessments on Activity Development, Product Development, and/or Cooperation

Article 85

- (1) PJP shall first conduct a self-assessment on the plan of activity development, product development, and/or cooperation to be implemented based on the risk category.
- (2) The self-assessment as referred to in paragraph (1) is carried out by referring to the risk category as referred to in Article 80 with the format and procedure specified by Bank Indonesia and published through a Bank Indonesia licensing app.
- (3) Bank Indonesia may determine different risk categories from the results of the PJP self-assessment as referred to in paragraph (2).
- (4) The determination of risk category by Bank Indonesia as referred to in paragraph (3) must be complied with by PJP.

Subdivision 4

Submissions of Activity Development, Product Development, and/or Cooperation

Article 86

- (1) Based on the results of the risk assessment, PJP must:
 - a. submit a report on activity development, product development, and/or cooperation to Bank Indonesia, if activity development, product development, and/or cooperation meet the low risk category; or
 - b. submit an application for approval of activity development, product development, and/or cooperation to Bank Indonesia, if the activity development, product development, and/or cooperation meet the moderate risk or high risk category.
- (2) PJP that breaches the provisions as referred to in paragraph (2) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. fine;
 - c. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - d. revocation of license as a PJP.
- (3) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (4) shall be regulated in the Regulation of Members of the Board of Governors.

HUKUM ONLINE Article 87

- (1) PJP must submit reports on activity development, product development, and/or cooperation as referred to in Article 86 paragraph (1) letter a.
- (2) The report as referred to in paragraph (1) shall be submitted through a Bank Indonesia licensing app no later than 10 (ten) business days after the realization of activity development, product development and/or cooperation.
- (3) The mechanism and procedure for submitting the report as referred to in paragraph (1) shall be carried out in accordance with the provisions of Regulation of Bank Indonesia concerning Bank Indonesia integrated licensing through the licensing front office.
- (4) In the event that the electronic system as referred to in paragraph (2) cannot be implemented or is having problems, the report shall be submitted directly in accordance with the mechanism stipulated by Bank Indonesia.
- (5) The report as referred to in paragraph (1) shall be submitted in the Indonesian language supplemented by supporting documents containing information regarding:
 - a. the description of the activities, products, and/or cooperation provided;
 - b. realization of activities, products, and/or cooperation provided; and
 - c. other documents required by Bank Indonesia.
- (6) The form and details of the documents as referred to in paragraph (5) and their amendments shall be published on the website of Bank Indonesia or other media specified by Bank Indonesia.

Article 88

- (1) In the event that the PJP submits the report beyond the deadline as referred to in Article 87 paragraph (2) up to the next 30 (thirty) business days, the submission of the report is declared as late.
- (2) In the event that the PJP submits the report beyond the deadline as referred to in paragraph (1), the PJP shall be declared as not submitting the report to Bank Indonesia.
- (3) The PJP who is declared as late in submitting the report as referred to in paragraph (1) is subject to administrative sanctions in the forms of a fine of IDR500.000,00 (five hundred thousand rupiah) per business day of delay per report.
- (4) The PJP that does not submit or is declared as not submitting the report as referred to in paragraph (2) is subject to an administrative sanction in the form of a fine of IDR20,000,000.00 (twenty million rupiah) per report.
- (5) The mechanism to pay the fines as referred to in paragraphs (3) and (4) is carried out by:
 - a. debiting the checking account at Bank Indonesia;
 - b. transfer of funds to the account specified by Bank Indonesia; or
 - c. other payment methods specified by Bank Indonesia.
- (6) Further provisions on the mechanism to pay the fines as referred to in paragraph (5) shall be regulated in the Regulation of Members of the Board of Governors.

Article 89

- (1) Bank Indonesia examines applications for approval of activity development, product development, and/or cooperation.
- (2) The examination on the application for approval as referred to in paragraph (1) is carried out through the following phases:
 - a. administrative examination;
 - b. analysis of the business model on the plan of activity development, product development, and/or cooperation; and
 - c. analysis of the substance of the fulfillment of the requirements based on the submitted documents.
- (3) After the phase of application examination for approval as referred to in paragraph (2), Bank Indonesia may conduct an on-site visit.
- (4) Bank Indonesia grants approval to the application for approval based on:
 - a. results of the examination of application for approval as referred to in paragraph (2); or
 - b. results of the examination of application for approval as referred to in paragraph (2) and on site visit as referred to in paragraph (3).
- (5) Bank Indonesia is authorized to establish the approval policy for activity development, product development, and/or cooperation with other parties as referred to in paragraph (4) under the following considerations:
 - a. For supporting national economic and financial policies;
 - b. For maintaining national efficiency;
 - c. For safeguarding public interest;
 - d. For maintaining industrial growth; and/or

- e. For maintaining fair business competition.
- (6) PJP that has carried out activity development, product development, and/or cooperation with a moderate risk or high risk category without obtaining approval from Bank Indonesia shall be subject to administrative sanction in the form of a fine amounting to IDR30,000,000.00 (thirty million rupiah) for each activity development, product development, and/or cooperation carried out without obtaining approval from Bank Indonesia.
- (7) The mechanism to pay the fines as referred to in paragraphs (6)) is carried out by:
- a. debiting the checking account at Bank Indonesia;
 - b. transfer of funds to the account specified by Bank Indonesia; or
 - c. other payment methods specified by Bank Indonesia.
- (8) Further provisions on the mechanism for fine payment as referred to in paragraph (7) shall be regulated in the Regulation of Members of the Board of Governors.

Article 90

- (1) Under certain conditions, Bank Indonesia may skip the on-site visit in the processes to obtain approval on activity development, product development, and/or cooperation by requesting additional documents indicating the operational preparedness as the substitute of the on-site visit;
- (2) Certain conditions as referred to in paragraph (1) include:
- a. natural disasters;
 - b. pandemic; and/or
 - c. other conditions specified by Bank Indonesia.

Article 91

- (1) Application for approval for activity development, product development, and/or cooperation at moderate risk and high risk categories is submitted through the Bank Indonesia licensing app.
- (2) Mechanisms and procedures for processing applications for approval, including administrative examination, are carried out in accordance with the provisions of Regulation of Bank Indonesia concerning Bank Indonesia integrated licensing through the licensing front office.
- (3) In the event that the app as referred to in paragraph (1) cannot be implemented or is having a trouble, the application for approval shall be submitted directly in accordance with the mechanism stipulated by Bank Indonesia.

Article 92

- (1) Mechanisms and procedures for processing applications for approval of activity development, product development, and/or cooperation with a high risk category are regulated as follows:
- a. Bank Indonesia may organize a pre-consultative meeting with PJP concerning the fulfillment of the required documents for an application for approval, at the phase before the submission of application for approval; and
 - b. Bank Indonesia may organize consultative meetings and/or coaching clinics to PJPs during the phase of document revision and examination.

- (2) PJP conducts a self-assessment to the plan of activity development, product development, and/or cooperation to be organized based on the risk category.
- (3) After the required documents for an application for approval are declared to be complete and are correct based on the administrative examination as referred to in Article 91 paragraph (2), Bank Indonesia shall conduct an analysis of the business model and analysis of the substance of the approval requirements within a maximum period of 20 (twenty) business days.
- (4) In the event that the required documents for an application for approval are not in accordance with the results of the business model analysis and substance analysis as referred to in paragraph (3), the PJP shall revise the required documents and submit them to Bank Indonesia within a maximum period of 40 (forty) business days.
- (5) Bank Indonesia shall analyze the substance of the approval requirements within a maximum period of 20 (twenty) business days after the PJP submits the revised documents as referred to in paragraph (4).

Article 93

- (1) The on-site visit as referred to in Article 89 paragraph (3) is carried out within a maximum period of 20 (twenty) business days after notification to PJP that the required documents for an application for approval are acceptable.
- (2) In the event that there are findings based on the results of the on-site visit as referred to in paragraph (1), PJP shall revise them according to the findings of the examination and submit proof of revision to Bank Indonesia no later than 120 (one hundred and twenty) business days from the date of completion on-site visit.
- (3) Provisions regarding the period of submission of revised documents in the examination phase as referred to in paragraph (2) shall apply mutatis mutandis to the submission of additional documents under certain conditions as referred to in Article 90 paragraph (1).

Article 94

- (1) Bank Indonesia rejects the application for approval at the phases of business model and substance analysis and/or during the on-site visit in the event that:
 - a. based on the results of the analysis of the business model and analysis of the substance of the revision of the required documents as referred to in Article 92 paragraph (4), they are still not acceptable;
 - b. based on the results of the analysis of the report on revision in terms of on-site visit as referred to in Article 93 paragraph (2), they have not been unacceptable; or
 - c. the revised documents are not submitted by PJP to Bank Indonesia within the period as referred to in Article 92 paragraph (4) or Article 93 paragraph (2).
- (2) The rejection of the application for approval as referred to in paragraph (1) shall be notified by Bank Indonesia to the applicant by a letter.
- (3) In the event that Bank Indonesia rejects the application for approval as referred to in paragraph (1), then:
 - a. PJP may re-apply for approval after a period of 180 (one hundred and eighty) business days as of the date of the rejection letter as referred to in paragraph (2); and
 - b. Bank Indonesia returns all documents required for the application for approval that have been submitted.

Article 95

- (1) Mechanisms and procedures for processing applications for approval of activity development, product development, and/or cooperation with a moderate risk category are regulated as follows:
 - a. Bank Indonesia may organize a pre-consultative meeting with PJP regarding the fulfillment of the required documents for an application for approval, at the phase of before the application for approval is submitted; and/or
 - b. Bank Indonesia may organize consultative meetings with PJP at the phase of revision of the required documents.
- (2) PJP conducts a self-assessment of the plan of activity development, product development, and/or cooperation that will be held based on the risk category.
- (3) After the required documents for an application for approval are declared complete and valid based on the administrative examination as referred to in Article 91 paragraph (2), Bank Indonesia shall conduct an analysis of the business model and analysis of the substance of the approval requirements within a maximum period of 20 (twenty) business days.
- (4) In the event that the required documents for an application for approval are not in accordance with the results of the business model analysis and substance analysis as referred to in paragraph (3), the PJP shall revise the required documents and submit them to Bank Indonesia within a maximum period of 30 (thirty) business days.
- (5) Bank Indonesia shall analyze the substance of the approval requirements within a maximum period of 20 (twenty) business days after the PJP submits the revised documents as referred to in paragraph (4).

Article 96

- (1) Bank Indonesia rejects the application for approval at the phase of business model and substance analysis in the event that:
 - a. based on the result of the analysis of the business model and analysis of the substance of the revision of the required documents as referred to in Article 95 paragraph (4), they are unacceptable; or
 - b. the revised documents are not submitted by PJP to Bank Indonesia within the period as referred to in Article 95 paragraph (4).
- (2) The rejection of the application for approval as referred to in paragraph (1) shall be notified by Bank Indonesia to the applicant by a letter.
- (3) In the event that Bank Indonesia rejects the application for approval as referred to in paragraph (1), then:
 - a. PJP may re-apply for approval after the period of 180 (one hundred and eighty) business days as of the date of the rejection letter as referred to in paragraph (2); and
 - b. Bank Indonesia returns all required documents for an application for approval that have been submitted.

Article 97

Processing of the reporting of activity development, product development, and/or cooperation with a low risk category, is regulated under the following provisions:

- a. PJP conducts a self-assessment of the plan of activity development, product development, and/or cooperation to be implemented based on risk categories;
- b. Bank Indonesia checks the completeness of the reporting requirements documents within the maximum period of 10 (ten) business days after the application is received on the Bank Indonesia licensing app;
- c. toward the application as referred to in letter b, Bank Indonesia shall conduct administrative examination;
- d. based on the results of administrative examination, in the event that the submitted documents are incomplete and/or incorrect, Bank Indonesia shall inform the PJP to complete and/or revise the said documents by no later than 14 (fourteen) calendar days; and
- e. after the reporting requirement documents are declared complete and correct based on administrative examination, Bank Indonesia declares that it has received the report from PJP.

Article 98

- (1) Submission of application for approval for activity development, product development, and/or cooperation are supplemented by supporting documents to fulfill requirements that include the following aspects:
 - a. operational preparedness;
 - b. security and reliability of the system;
 - c. implementation of risk management; and
 - d. customer protection.
- (2) In addition to fulfill the supporting documents as referred to in paragraph (1), Bank Indonesia may consider the results of supervision of the PJP performance.
- (3) If necessary, Bank Indonesia may request PJP to submit additional data and/or information required.
- (4) Bank Indonesia sends a request for additional data and/or information as referred to in paragraph (3) in writing or through electronic media to PJP who is undergoing the approval process.

Article 99

Requirements for operational preparedness aspects for activity development and/or product development with a high risk category are supplemented by the submission of at least documents that indicate:

- a. recommendations for PJP having supervisory authority in accordance with the provisions of laws and regulations;
- b. recommendation for PJP from the authorized institution or organ to establish fatwa in the field of sharia concerning the plan of activity development and/or product development based on sharia principles;
- c. a complete explanation of the business model or transaction flow;
- d. sustainable business feasibility and potential; and
- e. operational preparedness.

Article 100

Requirements for operational preparedness aspects for activity development and/or product development accompanied by a cooperation with a high risk category shall be accompanied by the fulfillment of documents that at least indicate:

- a. recommendations for PJP having supervisory authority in accordance with the provisions of laws and regulations;
- b. recommendations for PJP from institutions or organs authorized to issue fatwa in the field of sharia on plans for the development of activities and/or products based on sharia principles;
- c. comprehensive description of the business model or transaction flow;
- d. feasibility and sustainable business potential;
- e. operational preparedness;
- f. cooperation agreement between PJP and the involved parties; and
- g. specifically for cooperation with Supporting Operators, documents to be submitted are ones that:
 1. indicate the results of PJP's assessment on the Supporting Operators concerning the ability to provide services to be collaborated;
 2. indicate that PJP is fully responsible for the security and smooth processing of payment transactions; and
 3. if necessary, Bank Indonesia may request additional documents to reaffirm the results of the assessment as referred to in number 1 that demonstrates the ability of the Supporting Operator to provide services.

Article 101

The requirements on security and system reliability aspects for the activity development and/or product development with a high risk category are accompanied by the fulfillment of documents that at least indicate:

- a. security control procedures for the system used;
- b. results of information system audits and security testing from internal or external independent auditors;
- c. fraud management infrastructure; and
- d. effective procedures, mechanisms, and infrastructure for handling business continuity and disaster recovery.

Article 102

Requirements on security and system reliability aspects for activity development and/or product development accompanied by cooperation with high risk categories are accompanied by the fulfillment of documents that at least indicate::

- a. security control procedures for the system used;
- b. results of information system audits and security testing from internal or external independent auditors;
- c. fraud management infrastructure;
- d. effective procedures, mechanisms, and infrastructure for handling business continuity and disaster recovery; and
- e. results of PJP's assessment of the security and reliability of the system from the parties to be asked to collaborate.

Article 103

Requirements of the application of risk management for activity development and/or product development with a high risk category are accompanied by the fulfillment of documents that at least indicate:

- a. policies and procedures for implementing risk management;
- b. operational procedures in term of monitoring anti-money laundering or preventing the terrorism financing;
- c. fraud management procedures and mechanisms; and
- d. results of the assessment of the arising risk exposures as well as risk mitigation.

Article 104

Requirements of risk management implementation aspects for activity development and/or product development accompanied by cooperation with high risk categories are accompanied by the fulfillment of documents that at least indicate:

- a. policies and procedures for implementing risk management;
- b. operational procedures in term of monitoring anti-money laundering or preventing terrorism financing;
- c. fraud management procedures and mechanisms; and
- d. results of the assessment of the arising risk exposures as well as risk mitigation.

Article 105

The requirements for customer protection aspects for the activity development and/or product development with the high risk category are accompanied by the fulfillment of documents that at least indicate:

- a. operational policies and procedures in the framework of customer protection;
- b. transparency activities or products developed for Service Users;
- c. procedures and mechanisms to handle and resolve customer complaints; and
- d. PJP's obligation to maintain the security and confidentiality of Service User data.

Article 106

Requirements on the customer protection aspect for the activity development and/or product development accompanied by cooperation with the high risk category with the fulfillment of documents that at least indicate:

- a. operational policies and procedures in the framework of customer protection;
- b. transparency of activities or products developed for Service Users;
- c. procedures and mechanisms to handle and resolve customer complaints; and
- d. PJP's obligation to maintain the security and confidentiality of Service User data; and
- e. obligations of the parties invited to join in cooperation to maintain the security and confidentiality of customer data.

Article 107

Requirements for operational preparedness aspects for activity development and/or product development with moderate risk categories are accompanied by the fulfillment of documents that at least indicate:

- a. recommendations for PJP having supervisory authority in accordance with the provisions of laws and regulations;
- b. recommendation for PJP from the authorized institution or organ to establish fatwa in the field of sharia concerning the plan for activity development and/or product development based on sharia principles;
- c. description of the business model or transaction flow;
- d. feasibility and sustainable business potential; and
- e. operational preparedness.

Article 108

The requirements for operational preparedness aspects for cooperation with moderate risk categories are accompanied by the fulfillment of documents that at least indicate:

- a. recommendations for PJP having supervisory authority in accordance with the provisions of laws and regulations;
- b. recommendation from the supervisory authority or the competent institution or organ to determine fatwa in sharia sector on the plan for the development of activities and/or products based on sharia principles;
- c. a complete description on business model or transaction flow of the cooperation to be implemented;
- d. the cooperation agreement between PJP and parties involved; and
- e. specifically for cooperation with Supporting Operators, it is accompanied by the fulfillment of documents that at least indicate:
 - 1. results of PJP's assessment of the Supporting Operators regarding the ability to provide services to be collaborated;
 - 2. that PJP is fully responsible for the security and smooth processing of payment transactions; and
 - 3. if necessary, Bank Indonesia may request additional documents to reaffirm the results of the assessment as referred to in number 1 that demonstrates the ability of the Supporting Operator to provide services.

Article 109

Requirements for operational preparedness aspects for activity development and/or product development with high risk categories accompanied with cooperation with a moderate risk category are accompanied by the fulfillment of documents that at least indicate::

- a. recommendations for PJP having supervisory authority in accordance with the provisions of laws and regulations;
- b. recommendations from supervisory authority or institution or organ authorized to establish fatwa in the field of sharia on plans for the development of activities and/or products based on sharia principles;
- c. comprehensive description of the business model or transaction flow;
- d. demonstration of the feasibility and sustainable business potential;
- e. operational preparedness;
- f. cooperation agreement between PJP and the involved parties; and
- g. specifically for cooperation with Supporting Operators, documents to be submitted are ones that:

1. indicate the results of PJP's assessment on the Supporting Operators concerning the ability to provide services to be collaborated;
2. indicate that PJP is fully responsible for the security and smooth processing of payment transactions; and
3. if necessary, Bank Indonesia may request additional documents to confirm the results of the assessment as referred to in number 1 that demonstrates the ability of the Supporting Operator to provide services.

Article 110

The requirements of security and system reliability aspects for activity development and/or product development with moderate risk categories are accompanied by the fulfillment of documents that at least indicate:

- a. results of information system audits and/or security testing from internal or external independent auditors;
- b. PJP assessment results concerning the impacts of activity development and/or product development to changes in security control procedures, fraud management systems, and procedures, mechanisms, and infrastructure for handling business continuity and disaster recovery; and
- c. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter b.

Article 111

The requirements for security and system reliability aspects for cooperation with moderate risk categories are accompanied by the fulfillment of documents that at least indicate the results of PJP's assessment on the security and reliability of the system from the parties asked to enter into cooperation.

Article 112

Requirements for security and system reliability aspects for activity development and/or product development accompanied by cooperation with moderate risk categories are accompanied by the fulfillment of at least the documents that indicate:

- a. results of information system audits and/or security testing from internal or external independent auditors;
- b. PJP assessment results concerning the impacts of activity development and/or product development to change in security control procedures, fraud management systems, and procedures, mechanisms, and infrastructure for handling business continuity and disaster recovery; and
- c. results of PJP's assessment of the security and reliability system from the parties involved to enter into a cooperation; and
- d. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter b.

Article 113

Requirements of the application of risk management aspects for the activity development and/or product development with moderate risk category are accompanied by the fulfillment of documents that at least indicate:

- a. results of the assessment of the arising risk exposures as well as risk mitigation;

- b. results of assessment to procedures for monitoring anti-money laundering or preventing terrorism financing;
- c. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter b.

Article 114

Requirements of the implementation of risk management aspects for cooperation with moderate risk category are accompanied by the fulfillment of documents that at least indicate:

- a. results of the assessment of risk exposures arising due to the cooperation and the risk mitigation;
- b. results of assessment to procedures for monitoring anti-money laundering or preventing the terrorism financing and procedures and mechanism for fraud management;
- c. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter b.

Article 115

Requirements for the application of risk management for the development of activities or products accompanied by cooperation with moderate risk category with the fulfillment of documents that at least indicate:

- a. results of the assessment of risk exposures arising due to cooperation and the risk mitigation;
- b. results of assessment to procedures for monitoring anti-money laundering or preventing the terrorism financing and procedures and mechanism of fraud management;
- c. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter b.

Article 116

The requirements for customer protection aspects for activity development and/or product development with moderate risk category are accompanied by the fulfillment of documents that at least indicate:

- a. transparency of activity or products developed to Service Users;
- b. PJP's obligation to maintain the security and confidentiality of Service User data;
- c. PJP's assessment results concerning the impact of activity development and/or product development toward change of operational policies and procedures in order to protect customers, and procedures and mechanisms to handle and resolve customer complaints; and
- d. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter c.

Article 117

The requirements on customer protection aspects for cooperation with the moderate risk category are accompanied by the fulfillment of documents that at least indicate obligations of the parties involved in the cooperation to maintain the security and confidentiality of customer data.

Article 118

The requirements for customer protection aspects for activity development and/or product development accompanied with cooperation with moderate risk category with the fulfillment of documents that at least indicate:

- a. transparency of activity or products developed to Service Users;
- b. PJP's obligation to maintain the security and confidentiality of Service User data;
- c. obligation of parties asked to enter into agreement on maintaining customer data security and confidentiality;
- d. PJP's assessment results concerning the impact of activity development and/or product development and cooperation on change of operational policies and procedures in order to protect customers, and procedures and mechanisms to handle and resolve customer complaints; and
- e. results of procedures and mechanisms adjustments based on the results of the assessment as referred to in letter d.

Article 119

- (1) In the event that there is an application for approval for cooperation that constitutes a part of the activity development and/or product development with the medium or high risk category, PJP shall submit it under 1 (one) application for approval.
- (2) PJP as referred to in paragraph (1) is the PJP conducting activity development and/or product development.
- (3) PJP as referred to in paragraph (2) shall ensure the fulfillment of the required documents for the application for approval from the parties involved in the cooperation.

Article 120

Forms and details of required documents for application for approval as referred to in Article 99 to Article 119 and their amendments shall be stated in a list of requirements published on the website of Bank Indonesia or other media specified by Bank Indonesia.

Article 121

- (1) PJP must be responsible for the validity and correctness of any submission of documents, data, information, reports, statements, and/or explanations delivered to Bank Indonesia in submitting activity development, product development, and/or cooperation.
- (2) In the event that it is found evidence that the documents, data, and/or information submitted as referred to in paragraph (1) are invalid and/or incorrect, Bank Indonesia is authorized to cancel the approval that has been granted and/or perform other follow-up supervision.

Article 122

- (1) In the event that there is an application for approval of cooperation between PJPs or between PJP and PIP, the application for approval shall be submitted by one of the PJPs or PIPs that:
 - a. have systems or infrastructure; or

- b. has been agreed between PJP or between PJP and PIP to enter into cooperation.
- (2) Bank Indonesia may determine the PJP or PIP that will apply for the approval of the cooperation.

Article 123

- (1) Bank Indonesia may stipulate policies to process approvals for activity development, product development, and/or cooperation to:
 - a. support the implementation of national economic and financial programs; and/or
 - b. maintain industrial efficiency and growth.
- (2) The processing policy as referred to in paragraph (1) is carried through:
 - a. granting conditional approval; and/or
 - b. establishment of different approval processing requirements.
- (3) The conditional approval as referred to in paragraph (2) letter a shall be accompanied by a statement of commitment that includes:
 - a. fulfillment of operational system security and reliability by implementing risk mitigation;
 - b. no troubles, procedural errors, or fraud;
 - c. does not breach the principles of customer protection and anti-money laundering and prevention of terrorism financing; and
 - d. compliance with the provisions of laws and regulations.
- (4) Conditional approval as referred to in paragraph (2) letter a is granted after the documents are declared correct and complete based on administrative examination.
- (5) Conditional approval as referred to in paragraph (4) is granted for the maximum period of 6 (six) months.
- (6) Within the period of 6 (six) months as referred to in paragraph (5), PJP must meet the phases of requirements and approval:
 - a. business model analysis of the activity development, product development, and/or cooperation plan;
 - b. analysis of the substance of the requirements fulfillment based on the submitted documents; and
 - c. on site visit if necessary.
- (7) In the event that the PJP is unable to comply with requirements and phases as referred to in paragraph (6), Bank Indonesia shall cancel the conditional approval.

Article 124

- (1) The stipulation of different approval processing requirements as referred to in Article 123 paragraph (2) letter b may be granted provided that the approval processing is carried out in accordance with the phases as referred to in Article 89.
- (2) The stipulation of different approval processing requirements as referred to in paragraph (1) may be granted after:
 - a. PJP receives a good risk management assessment from Bank Indonesia;
 - b. PJP participates in a trial on the development of Payment System technological innovation organized by Bank Indonesia and is declared successful;

- c. activity development, product development, and/or cooperation have got a recommendation from SRO that is carried out to fulfill national standard specified by Bank Indonesia; and/or
- d. comply with other aspects stipulated by Bank Indonesia.

Article 125

- (1) PJP that has obtained approval shall commence its activities no later than 120 (one hundred and twenty) business days as of the date of the approval letter from Bank Indonesia.
- (2) PJP that has obtained the approval as referred to in paragraph (1) is required to submit a realization report in writing to Bank Indonesia through a Bank Indonesia licensing app.
- (3) In the event that the app as referred to in paragraph (2) cannot be implemented or is having troubles, the realization report is submitted directly in accordance with the mechanism specified by Bank Indonesia.
- (4) The report as referred to in paragraph (2) shall be submitted no later than 10 (ten) business days as the effective date of activity commencement.
- (5) In the event that PJP does not carry out its activities within the period as referred to in paragraph (1), the approval that has been given by Bank Indonesia shall be null and void.
- (6) PJP whose approval becomes null and void as referred to in paragraph (5), may apply for re-approval no later than 180 (one hundred and eighty) business days as of the date of approval cancellation.

Article 126

- (1) PJP that breaches provisions as referred to in Article 121, Article 123 paragraph (6), or Article 125 paragraph (2) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Subdivision 5

PJP Responsibilities in the Cooperation with Supporting Organizer

Article 127

- (1) PJP that joins cooperation with Supporting Operators shall:
 - a. conduct an assessment to the Supporting Operators; and
 - b. be fully responsible for the security and smooth processing of payment transactions.
- (2) The responsibility for the security and smooth processing of payment transactions as referred to in paragraph (1) letter b shall be carried out at least:
 - a. by having a mechanism for monitoring the performance of Supporting Operators

- b. by ensuring the implementation of risk management; and
- c. by ensuring the availability of access to Supporting Operators for Bank Indonesia.

Article 128

The assessment of the Supporting Operators as referred to in Article 127 paragraph (1) letter a is carried out prior to the implementation of the cooperation, to at least ensure:

- a. legality and company profile of the Supporting Operator;
- b. performance of Supporting Operators;
- c. compliance with the principles of security and reliability of information systems and infrastructure;
- d. ability or competence of Supporting Operators; and
- e. fulfillment of the provisions of laws and regulations.

Article 129

PJP shall periodically evaluate the performance of Supporting Operators.

Article 130

- (1) Implementations of risk management by Supporting Operators as referred to in Article 127 paragraph (2) letter b are in the forms of periodical information system audits, strengthening business continuity plans, and mitigating single point of failure.
- (2) The implementation of risk management is carried out in an integrated manner at every phase of Supporting Operators use in the processes of planning, procurement, development, operation, maintenance, and termination of cooperation.

Article 131

PJP shall ensure the availability of access for Bank Indonesia to data or information, systems and infrastructure, and human resources from the Supporting Operators.

Article 132

Bank Indonesia may stipulate prudential aspects to the Supporting Operators who forward payments from PJP to Goods and/or Service Providers that include:

- a. has an agreement that clearly regulates rights and obligations related to fund management, including the service level agreement for forwarding payments from the Supporting Operator to the Goods and/or Services Providers;
- b. accommodation of fund that does not exceed the term specified by Bank Indonesia or the SRO provisions;
- c. funds to be forwarded are not placed in assets that have risks that cause the obligations of the Supporting Operator are not fulfilled.

Article 133

Bank Indonesia may require PJP to terminate or not to extend cooperation with other parties in the event that the cooperation:

- a. breaches the provisions of laws and regulations;
- b. does not contribute to the development of a fast, easy, cheap, secure and reliable payment system; and/or
- c. potentially harms or reduces the PJP performance.

Subdivision 6

Implementation of PJP Cooperation with Supporting Operators and/or Payment System Service Providers Outside the Territory of the Unitary State of the Republic of Indonesia

Article 134

- (1) In addition to considering the fulfillment of cooperation requirements, in the event that there is a proposal to join in cooperation by PJP with Supporting Operators and/or Payment System service providers outside the territory of the Unitary State of the Republic of Indonesia, Bank Indonesia shall consider:
 - a. reciprocity aspects;
 - b. equality of risk management application standards; and/or
 - c. benefits for the Indonesian economy.
- (2) The considerations as referred to in paragraph (1) shall take into account the license category and/or classification of the PJP.

Division Five

Sole Proprietorship Policy

Article 135

- (1) Each party shall be prohibited from owning:
 - a. 25% (twenty-five percent) shares or more out of the number of shares issued and have voting rights; or
 - b. less than 25% (twenty-five percent) shares out of the number of shares issued and have voting rights but it can be proven that the person concerned has implemented control, either directly or indirectly,
at more than 1 (one) Non-Bank Institutions each of which has the license as a PJP in the same license category and/or at more than 1 (one) Non-Bank Institution having a license as a PJP and is designated as a PIP.
- (2) The parties as referred to in paragraph (1) shall ensure compliance in relation with the PJP capital owned by them.

Article 136

- (1) PJPs in the form of Non-Bank Institutions shall not take corporate actions resulting in the change of parties holding:

- a. 25% (twenty-five percent) shares or more out of the number of shares issued and have voting rights; or
 - b. less than 25% (twenty-five percent) shares out of the number of shares issued by PJP and have voting rights but it can be proven that the person concerned has implemented control to PJP, either directly or indirectly,
- for 5 (five) years as the license is first granted except based on the approval of Bank Indonesia.
- (2) Approval of Bank Indonesia as referred to in paragraph (1) is granted in order to:
- a. fulfill provisions and/or follow-up of Bank Indonesia supervision; and/or
 - b. strengthen capital to improve the performance of the operator that is not intended as a transfer of license to obtain certain benefits.

Article 137

- (1) Any party that breach provisions as referred to in Article 135 and Article 136) shall be subject to administrative sanctions in the forms of:
- a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Six

Corporate Action, Change of Ownership, and Change of PJP Control

Article 138

In the event that PJP takes a corporate action in the form of merger, consolidation, separation, and/or acquisition of PJP, the following provisions shall apply:

- a. PJP in the form of Non-Bank Institutions, must first obtain approval from Bank Indonesia; and
- b. PJP in the form of a Bank, must submit a report to Bank Indonesia.

Article 139

The application for approval and the report as referred to in Article 138 shall at least contain the following information:

- a. the background of the corporate action;
- b. the party that will take the corporate action;
- c. targeted time to take the corporate actions;
- d. composition of management board, shareholders, and corporate ownership structure after the corporate action; and

- e. business plan for the implementation of Payment System services after the corporate action.

Article 140

- (1) In the event that a merger, consolidation, or separation accompanied by changes in the members of the board of directors that is responsible for the operation of the Payment System, the proposed changes shall be first reported to Bank Indonesia.
- (2) Based on the results of the report as referred to in paragraph (1), Bank Indonesia may request the substitution of prospective members of the board of directors.
- (3) Prospective members of the board of directors as referred to in paragraph (2) shall be substituted in the event that Bank Indonesia assesses that the prospective member of the board of directors does not meet the requirements.
- (4) The assessment of Bank Indonesia as referred to in paragraph (3) may be based on information obtained from the results of administrative examinations and the results of interviews with the prospective members of the board of directors concerned.

Article 141

- (1) For PJPs merging with other PJP, the surviving PJP shall report in writing to Bank Indonesia in the event that it intends to continue its activities as the PJP.
- (2) In the event that a takeover of PJP, the PJP license remains attached to the Bank or Non-Bank Institution that is taken over.
- (3) Taken over PJP as referred to in paragraph (2) shall report in writing to Bank Indonesia regarding the takeover.
- (4) A legal entity resulting from a merger, consolidation, or separation that has not obtained a license as a PJP shall first obtain a license from Bank Indonesia in the event that it intends to carry out activities as a PJP.

Article 142

The mechanism, format, and procedures for approval and reporting as referred to in Article 138, shall be further regulated in the Regulation of Members of the Board of Governors.

Article 143

- (5) PJP that breaches the provisions as referred to in Article 138, shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (6) Further provisions regarding the procedure for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Seven

Sources of Funds and Access to Sources of Funds

Subdivision 1

Elements of Sources of Funds

Article 144

Sources of Funds shall meet the following elements:

- a. having a value in rupiah;
- b. used for payment purpose and/or fulfillment of economic activities;
- c. value of money at Sources of Funds is based on the funds deposited in advance to the party administering the Sources of Funds or in the form of credit facilities provided by the party administering the Sources of Funds;
- d. stored in electronic media or other media;
- e. may be used for payments to parties other than the parties administering the Sources of Funds or may only be used for payments to parties administering the Sources of Funds under a limit specified by Bank Indonesia; and
- f. representing the rights of the Service User and/or claims to the party administering the Sources of Funds except for the Sources of Funds based on a credit facility.

Article 145

Bank Indonesia may determine the elements of Sources of Funds by taking into account the development of the business model and the operation of the Payment System.

Article 146

- (1) Sources of Funds that are based on credit facilities are Sources of Funds that are based on facilities provided through credit cards.
- (2) Characteristics, features and/or business model of an access to Sources of Fund based on credit facilities as referred to in paragraph (1) include:
 - a. having a credit facility identification code
 - b. having a credit facility ceiling;
 - c. used in business model transactions involving PJP, users and/or Goods and/or services providers using certain platforms (media or apps);
 - d. credit facility can be used for the purpose of recurring payments provided that it is in accordance with the credit facility ceiling specified; and
 - e. repayment of credit facilities is made in lump sum, and/or by payment in installments.
- (3) Bank Indonesia may stipulate characteristics, features and/or business model of access to the same Source of Funds as the credit card as referred to in paragraph (2) by taking into account the development of the business model and operation of the Payment System.

- (4) Legal entities that offer products or services in the form of access to Sources of Funds based on credit facilities that do not meet the characteristics as referred to in paragraph (2) cannot market their products or services using the terminology of access to Sources of Funds in the form of payment instruments.

Subdivision 2

Implementation of Sources of Fund and Access to Sources of Funds for Payment

Article 147

Access to Sources of Funds is a tool, media, and/or set of procedures in initiating payment transactions and/or providing access to Sources of Funds for payments through certain methods or use of technology in the forms of:

- a. instrument;
- b. channel; and/or
- c. access to other Sources of Funds specified by Bank Indonesia.

Article 148

- (1) The instruments as referred to in Article 147 letter a include:
- a. electronic money;
 - b. transfer orders;
 - c. means of payment using cards or virtual forms that have characteristics as a means of payment using cards;
 - d. check;
 - e. bilyet giro; and
 - f. other fund transfer instruments specified by Bank Indonesia.
- (2) Bank Indonesia may specify access to Sources of Funds in the form of other instruments based on the mechanism of credit transfers and debit transfers taking into account:
- a. technological development; and/or
 - b. development of payment transaction business model.

Article 149

The channels as referred to in Article 147 letter b include:

- a. payment channel using quick response code technology with merchant presented mode scheme or other schemes specified by Bank Indonesia;
- b. electronic data capture machine;
- c. Automated Teller Machine;
- d. online payment channel using mobile or internet-based technology, including proprietary channel or shared channel by PJP that organizes Sources of Fund administration activities; and

- e. payment channels using certain methods or the use of other technologies for fund transfer, debit transfers and credit transfers.

Article 150

- (1) To provide access to Sources of Fund, Bank Indonesia may stipulate:
 - a. the obligations and prudential aspects of implementation include:
 1. features, facilities and limitations for the operation of Access to Sources of Fund;
 2. pricing scheme to operate access to Source of Fund;
 3. standard for the operation of access to Sources of Fund;
 4. interest rates, delay fees, and minimum payments for access to Sources of Funds in the form of instruments based on Sources of Funds in the form of credit facilities; and/or
 5. obligations and other prudential aspects as specified by Bank Indonesia;
 - b. limitations on the operation of Access to Sources of Fund for the fulfillment of risk management and customer protection principles shall include:
 1. transaction nominal limit;
 2. limits of the value stored in access to Sources Fund in the form of instruments or services for payment instrument data storage;
 3. cash withdrawal limits; and/or
 4. limitations on the operation of access to other Sources of Funds specified by Bank Indonesia.
- (2) Stipulation of the policy on the implementation of access to the Source of Funds as referred to in paragraph (1) considers:
 - a. transaction progress;
 - b. community or industrial needs;
 - c. risk management;
 - d. customer protection; and/or
 - e. encouraging the expansion of acceptance, efficiency, competition, service, and innovation.

Article 151

- (1) PJP and parties entering into cooperation with PJP must comply with the standards to provide access to Sources of Fund stipulated by Bank Indonesia, including national standards for interconnectivity and payment interoperability.
- (2) Standards for implementing access to Sources of Funds as referred to in paragraph (1) include:
 - a. technical specifications;
 - b. operational specifications;
 - c. security specifications; and/or
 - d. other aspects.
- (3) Bank Indonesia may assign SROs or other institutions specified by Bank Indonesia to prepare, manage,

and/or develop standards as referred to in paragraph (2).

- (4) To protect public interest, the standards as referred to in paragraphs (2) and (3) shall belong to Bank Indonesia.

Article 152

- (1) As a part in the stipulation of standards as referred to in Article 151 paragraph (1), Bank Indonesia may stipulate:
- procedures to obtain documents;
 - parties required to perform transaction processing;
 - transaction nominal limit;
 - transaction processing pricing schemes; and/or
 - other mechanisms and procedures in standard setting.

Article 153

PJP that organizes Administration of Source of Fund activities in the form of issuance of payment instruments shall provide information to prospective customer and actual customer in writing in complete and clear Indonesian language, at least stating:

- products and fees charged;
- characteristics of the issued products;
- method and procedures for use;
- inherent features and facilities;
- risks that may arise from use of payment instruments;
- procedures to report loss and request for blocking;
- rights and obligations;
- mechanism of fee imposition;
- complaint procedures; and
- other information as specified by Bank Indonesia.

Article 154

- (1) Bank Indonesia may stipulate certain requirements and/or limits on the use of Sources of Fund provided and/or access to Source of Fund issued outside the territory of the Unitary State of the Republic of Indonesia.
- (2) The stipulation of certain requirements and/or limitations as referred to in paragraph (1) shall apply to their use in the territory of the Unitary State of the Republic of Indonesia that includes:
- access use to Sources of Funds;
 - cooperation with PJP or PIP; and/or
 - payment processing schemes or arrangements including pricing schemes.

Article 155

- (1) PJP that breaches provisions as referred to in Article 4 paragraph (4) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions on procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Eight

Access to Sources of Funds in the Form of Instruments

Subdivision 1

Access to Sources of Funds in the Form of Electronic Money

Article 156

Electronic money is a payment instrument that meets the following elements:

- a. issued based on Source of Funds in the form of rupiah currency that is deposited in advance to PJP that organize activities of administration of Source of Funds; and
- b. Source of Funds in the form of rupiah currency is stored electronically in a media of server or chip.

Article 157

- (1) The value of electronic money is the value of money stored electronically in a media server or chip that can be transferred for the purpose of fund transfer.
- (2) Electronic money value as referred to in paragraph (1) that is managed by PJP that organizes the administration activities of Source of Funds is not saving as referred to in the law on banking.

Article 158

Based on the scope of operation, electronic money is divided into:

- a. closed loops; and
- b. open loops.

Article 159

Access to sources of funds in the form of electronic money can be distinguished based on:

- a. electronic money value storage media in the forms of:
 - 1. server based; and
 - 2. chip based;and
- b. recording of electronic money user identity data in the forms of:
 - 1. registered; and
 - 2. unregistered.

Article 160

- (1) The following are limits of the value that can be stored in electronic money:
 - a. a maximum of IDR2,000,000.00 (two million rupiah) for unregistered electronic money; and
 - b. a maximum of IDR10,000,000.00 (ten million rupiah) for registered electronic money.
- (2) The limit of the value of electronic money transactions in 1 (one) month is a maximum of IDR20,000,000.00 (twenty million rupiah).
- (3) The limit of the value of electronic money transactions as referred to in paragraph (2) is calculated from incoming transactions.
- (4) The limit of the value of electronic money as referred to in paragraph (1) that can be stored and the limit of the value of electronic money transactions as referred to in paragraph (2) does not apply to accounts for recording the value of electronic money from the Goods and/or Services Providers.
- (5) Bank Indonesia may adjust the limit of the value of electronic money that can be stored as referred to in paragraph (1) and the limit of the value of electronic money transactions as referred to in paragraph (2) by taking into account:
 - a. development of payment transactions including incoming ones;
 - b. community or industrial needs; and/or
 - c. other aspects to encourage the expansion of service acceptance and innovation.
- (6) Provisions regarding changes to the limit of the value of electronic money that can be stored and the limit of the value of electronic money transactions as referred to in paragraph (5) shall be regulated in the Regulation of Members of the Board of Governors.

Article 161

- (1) PJP that organizes Sources of Fund administration activities in the form of electronic money issuance may determine the validity period of electronic money media.
- (2) The validity period of the electronic money media as referred to in paragraph (1) may be determined by considering:
 - a. the technical age limit of the electronic money media used; and
 - b. other aspects.
- (3) The expiration of the validity period of the electronic money media as referred to in paragraph (1) does not remove and/or eliminate the value of electronic money that has not been used.

- (4) PJP that organizes Source of Funds administration activities in the form of issuance of electronic money shall inform its users regarding the expiration of the validity period of electronic money media and submit a settlement mechanism for the value of electronic money that has not been used.

Article 162

- (1) For parties who organize Sources of Fund administration activities in the form of closed loop electronic money issuance at the total float fund less than IDR1,000,000,000.00 (one billion rupiah), are exempted from the requirement to obtain a license as the PJP as referred to in Article 11.
- (2) In the event that there is a party that operates more than 1 (one) closed loop electronic money, the amount of float funds as referred to in paragraph (1) is calculated from all closed loop electronic money organized by that party.
- (3) In the event that a Non-Bank Institution that operates Sources of Fund administration activities as referred to in paragraph (1) applies for a license application to Bank Indonesia, during the licensing process, the Non-Bank Institution may still perform its activities by limiting the amount of float funds and/or number of electronic money users.
- (4) The party operating the closed loop electronic money as referred to in paragraph (1) shall pay attention to at least:
- implementation of risk management; and
 - customer protection.
- (5) Bank Indonesia is authorized to conduct inspections and/or request reports, documents, data, information, particulars, and/or explanations from parties conducting Sources of Fund administration activities in the form of issuance of closed loop electronic money with the amount float funds as referred to in paragraph (1).
- (6) Bank Indonesia may adjust the limit of the amount of closed loop electronic money float funds that are exempted from the requirement to obtain a license as referred to in paragraph (1) by taking into account:
- progress of incoming payment transactions;
 - community or industrial needs; and/or
 - other aspects to encourage the expansion of service acceptance and innovation.
- (7) Provisions regarding changes on the limit of the amount of float fund in closed loop electronic money that are exempted from the requirement to obtain a license as referred to in paragraph (1) are regulated in the Regulation of Members of the Board of Governors.

Article 163

- (1) While undergoing the licensing process, Prospective PJP are prohibited from conducting PJP activities except for the purpose of testing the preparedness to organize PJP activities under the following provisions:
- trial is conducted to electronic money users and in limited area coverage for a certain period of time based on approval from Bank Indonesia; and
 - submit a report to Bank Indonesia regarding the plan for the implementation and ending the trial consisting of:
 - the report on the trial implementation plan is submitted to Bank Indonesia no later than 30 (thirty) calendar days prior to the trial; and

2. the report on ending the trial and the results of the trial shall be submitted to Bank Indonesia no later than 10 (ten) calendar days after the end of the trial date.
- (2) The submission of the report on the trial implementation plan as referred to in paragraph (1) letter b number 1 shall at least contain:
- a. trial procedures or mechanisms, including information on the number of electronic money users, coverage area, and time period;
 - b. implementation of risk management; and
 - c. application of customer protection.

Article 164

- (1) Float funds are the entire value of electronic money organized by PJP that carries out administration activities of Sources of Fund in the form of issuance of electronic money for the results of electronic money issuance and/or top up that is still the obligation of said PJP to electronic money users and Goods and/or Services providers.
- (2) Float funds are not assets or properties of PJPs that carry out administration activities of Sources of Fund in the form of electronic money issuance, but are assets or properties of electronic money users who are under the control and management of said PJP as deposit funds.
- (3) In the event that the PJP organizing Sources of Fund administration activities in the form of issuance of electronic money is declared bankrupt, the float funds as referred to in paragraph (1) are not part of the liquidation estate or bankruptcy estate.

Article 165

- (1) PJP that organizes Sources of Funds administration activities in the form of electronic money issuance must record float funds in immediate liability or miscellaneous liabilities accounts.
- (2) PJP that organizes Sources of Fund administration activities in the form of electronic money issuance must place float funds under the following provisions:
 - a. at least 30% (thirty percent) of float funds on:
 1. cash, for PJP that organizes Sources of Fund administration activities in the form of electronic money issuance that is a Bank that falls in the category of commercial bank based on business activities (BUKU) 4; or
 2. Current Accounts at Bank that falls in the category of commercial banks based on business activities (BUKU) 4, for:
 - a) PJP that organizes Sources of Funds administration activities in the form of electronic money issuance that is a Bank that does not fall in the category of commercial bank based on business activities (BUKU) 4; and
 - b) PJP that organizes Sources of Fund administration activities in the form of electronic money issuance that is a Non-Bank Business Institution;
 - and
 - b. a maximum of 70% (seventy percent) of float funds on:
 1. securities or liquid financial instruments issued by the Government of the Republic of Indonesia or Bank Indonesia; or

2. an account with Bank Indonesia.
- (3) PJP that organizes Sources of Fund administration activities in the form of electronic money issuance shall guarantee the security of float funds placed and/or administered from liquidity risk, credit risk, legal risk, market risk, and operational risk.
- (4) With due regard to the provisions as referred to in paragraph (2), the percentage of float funds placement must be adjusted to the monthly average amount of liquidity needs to fulfill obligations to electronic money users and goods and/or services providers within the last 12 (twelve) months and are monitored on a daily basis.
- (5) Recording of float funds as referred to in paragraph (2) is carried out as follows:
- a. the recording of registered electronic money float funds must be supplemented by a nominative list that at least states the electronic money user name, electronic money number, and the value of electronic money; and
 - b. the recording of unregistered electronic money float funds shall be accompanied by the number and value of the electronic money.
- (6) Bank Indonesia may determine changes to the composition of management and placement as referred to in paragraph (2), as well as the mechanism to record float funds as referred to in paragraph (5) by taking into account:
- a. development of payment transactions;
 - b. maintaining industrial growth;
 - c. national efficiency;
 - d. public interest; and/or
 - e. other aspects to encourage the expansion of service acceptance and innovation.
- (7) Provisions regarding changes in the composition of management and placement as well as the mechanism for recording float funds as referred to in paragraph (6) are regulated in the Regulation of Members of the Board of Governors.

Article 166

- (1) Float funds can only be used to fulfill the obligations of the PJP who organizes Sources of Fund administration activities in the form of issuing electronic money to electronic money users and goods and/or services providers, and shall not be used for other purposes.
- (2) In order to fulfill obligations to electronic money users and Goods and/or Service Providers as referred to in paragraph (1), PJP that organizes Sources of Fund administration activities in the form of electronic money issuance must:
- a. have a system and mechanism for recording float funds;
 - b. have a system and mechanism for monitoring the availability of float funds;
 - c. ensure fulfillment of obligations in timely manner;
 - d. record float funds separately from the recording of other obligations held by PJP to organizes Sources of Fund administration activities in the form of electronic money issuance; and
 - e. placing float funds in a separate account from the PJP's operational account that carries out administration activities of Sources of Fund in the form of electronic money issuance.

Article 167

- (1) The features of electronic money that can be provided by PJP that organizes Sources of Fund administration activities in the form of electronic money issuance consist of:
 - a. top-up;
 - b. payment for shopping transactions; and/or
 - c. bill payment.
- (2) In addition to the features as referred to in paragraph (1), PJP that organizes Sources of Fund administration activities in the form of electronic money issuance may give the following features:
 - a. fund transfers and cash withdrawals, for open loop and registered electronic money; and/or
 - b. other features based on the approval of Bank Indonesia.
- (3) The fund transfer features as referred to in paragraph (2) letter a include:
 - a. transfers using electronic money among users of consisting of:
 1. between registered electronic money; and/or
 2. registered electronic money to unregistered electronic money that is treated as a top up;
 - b. transfers from electronic money users to savings accounts; and
 - c. transfers from accounts to electronic money users that are treated as top ups.
- (4) In the event that registered electronic money is accompanied by a fund transfer feature, the fund transfer transaction through registered electronic money shall be processed online and in real time.
- (5) PJP that organizes Sources of Fund administration activities in the form of issuance of electronic money with the fund transfer feature shall provide cash withdrawal facilities, except it is carried out to implement the program of the Government of the Republic of Indonesia.
- (6) To provide cash withdrawal feature, PJP that organizes Sources of Fund administration activities in the form of electronic money issuance may cooperate with encashment service provider (Tempat Penguangan Tunai).
- (7) The cash withdrawal feature as referred to in paragraph (2) letter a can be made to part or all of electronic money value.

Article 168

- (1) PJP that organizes Sources of Fund administration activities in the form of electronic money issuance shall not issue electronic money whose value is greater or less than the value of money deposited to PJP that organize Sources of Fund administration activities in the form of electronic money issuances.
- (2) The value of money converted into electronic money shall be able to be used or transacted in its entirety until the balance is nil.
- (3) PJP that organizes Sources of Fund administration activities in the form of electronic money issuance shall not:
 - a. determine the minimum value of electronic money as:
 1. requirements for the use of electronic money; and/or
 2. requirements for ending the use of electronic money (redeem);
 - b. unilaterally withhold or block the value of electronic money;

- c. imposing a redemption fee for electronic money; and/or
 - d. remove, change, or eliminate the value of electronic money unless users of electronic money end the use of electronic money in accordance with the mechanism agreed with the user.
- (4) Topping up the value of electronic money must use a Source of Fund based on the funds deposited in advance and not based on a credit facility.

Article 169

- (1) In addition to implementing the information system security standards as referred to in Article 45 letter a number 3, PJP which organizes Sources of Funds administration activities in the form of electronic money issuance is required to improve the security standards of electronic money transactions for electronic money that has the limit value above IDR2.000,000.00 (two million rupiah).
- (2) Security standards for electronic money transactions as referred to in paragraph (1) shall be improved through the use of at least 2 (two) factor authentication or other security standards specified by Bank Indonesia.
- (3) Bank Indonesia may adjust the limit of the value of electronic money as referred to in paragraph (1) as referred to in paragraph (1) by taking into account:
 - a. development of incoming payment transactions;
 - b. community or industrial needs; and/or
 - c. other aspects to encourage the expansion of service acceptance and innovation.
- (4) Provisions regarding changes to the limit on the value of electronic money as referred to in paragraph (3) shall be regulated in the Regulation of Members of the Board of Governors.

Article 170

- (1) To operate electronic money, PJP that organizes Sources of Funds administration activities in the form of electronic money issuance may charge fees that include:
 - a. the cost to purchase electronic money instrument media for the first use or replacement of damaged or lost electronic money instrument media;
 - b. top-up fee;
 - c. cash withdrawal fees made through other parties or channels belonging to other parties (off us);
 - d. transaction fees for fund transfers among users on electronic money instruments from PJP that carries out administration activities of Sources of Fund in the form of issuing different electronic money; and/or
 - e. other fees specified by Bank Indonesia.
- (2) The fee charged by a PJP that organizes Sources of Fund administration activities as referred to in paragraph (1) shall not be in conflict with Bank Indonesia policy regarding the pricing scheme as referred to in Article 54.

Article 171

- (1) PJP shall not join in cooperation with other parties to provide exclusive public services.
- (2) A cooperation is regarded as exclusive if it meets the following elements:

- a. the cooperation is only carried out between public service providers and 1 (one) or several PJP or PIP thus preventing other PJP or PIPs from entering; and
- b. public service payment activities depend on certain electronic money products.

Article 172

- (1) PJP that organizes Sources of Funds administration activities in the form of electronic money issuance that will be the LKD Operator must first obtain approval from Bank Indonesia.
- (2) LKD operation is carried out by PJP that organizes Sources of Fund administration activities in the form of electronic money issuance in cooperation with LKD agents in the form of Indonesian incorporated legal entities and/or individuals.
- (3) PJP with Sources of Funding administration activities that organize LKD must ensure due diligence on their LKD agents.

Article 173

LKD organizers may cooperate with LKD agents, by at least taking into account the following aspects:

- a. risk management;
- b. assets and capital;
- c. fulfillment of the principles of anti-money laundering and prevention of terrorism financing;
- d. adequate information system; and
- e. reliable agent complaint monitoring and submission systems.

Article 174

To operate LKD, LKD agents support interconnection and interoperability of payment transaction services provided among LKD providers to increase Service Users efficiency and convenience.

Article 175

PJP that organizes LKD may use services from third party in the form of an Indonesian legal entity, for:

- a. searching and educating LKD agents;
- b. conducting due diligence to LKD agents;
- c. facilitating LKD agents branding;
- d. managing liquidity of LKD agents;
- e. monitoring and supervising LKD agents; and/or
- f. other purposes to facilitate LKD agents,

with the responsibility remaining at the PJP.

Article 176

- (1) Electronic money issued outside the territory of the Unitary State of the Republic of Indonesia may only be transacted within the territory of the Unitary State of the Republic of Indonesia using payment channels connected to national payment gateways or interconnection and interoperability mechanisms established by Bank Indonesia.
- (2) Any party conducting the transaction as referred to in paragraph (1) must cooperate with PJP in the form of a Bank that is categorized into commercial bank based on business activities (BUKU) 4 and is connected to national payment gateways or interconnection and interoperability mechanisms established by Bank Indonesia.
- (3) In the event that there is a change to category of commercial bank based on business activities (BUKU) 4 as referred to in paragraph (2), the stipulation of the bank that cooperates with the foreign electronic money issuer shall take into account the similar categories established by the authority in the financial services sector.
- (4) Bank Indonesia may make adjustment to policies regarding the interconnectivity of electronic money issued outside the territory of the Unitary State of the Republic of Indonesia with payment channels, including PJPs involved in the cooperation.

Article 177

To protect customer, PJP that organizes Sources of Fund administration activities in the form of electronic money issuance must:

- a. limit the request and use of data and/or information on electronic money users, to the extent that it is necessary to operate electronic money;
- b. provide top-up facilities and/or infrastructure to widely fulfill the needs of electronic money users; and
- c. have a mechanism to compensate financial losses to electronic money users provided that such losses are not caused by errors or negligence of electronic money users.

Article 178

- (1) The operations of electronic money by sharia commercial banks, sharia business units, or Non-Bank Institutions that run business activities based on sharia principles are implemented in accordance with the provisions of Regulation of Bank Indonesia, provided that they are not in contrary to sharia principles.
- (2) For PJPs in the forms of sharia commercial banks, sharia business units, or Non-Bank Institutions that run business activities based on sharia principles and operate administration activities of Sources of Fund in the form of electronic money issuance as referred to in paragraph (1), the placement of float funds as referred to in Article 166 paragraph (2), shall be made in a checking account of:
 - a. sharia business unit of a commercial bank that is categorized into commercial bank based on business activities (BUKU) 4; or
 - b. sharia commercial banks that have ownership relations with commercial banks that are categorized into commercial banks based on business activities (BUKU) 4.
- (3) In the event that there is a change of the category of commercial bank based on business activities (BUKU) as referred to in paragraph (2), the stipulation of the bank for placement of float funds shall take into account the similar categories established by the authority in the financial services sector.
- (4) Bank Indonesia may make adjustment to policy regarding the placement of float funds for PJP in the forms of sharia commercial banks, sharia business units, or Non-Bank Institutions that run business activities based on sharia principles that carry out administration activities of Sources of Fund in the form of

electronic money issuance.

Article 179

- (1) PJP that breached provisions as referred to in Article 163 paragraph (1), Article 165 paragraph (1), paragraph (2), paragraph (4), Article 166, Article 168 paragraph (1), paragraph (3), paragraph (4), Article 169 paragraph (1), Article 171 paragraph (1), Article 172 paragraph (1), paragraph (3), Article 176 paragraph (2), or Article 177 is subject to administrative sanctions in the forms of:
- reprimand;
 - temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Subdivision 2

Access to Sources of Fund in the form of Fund Transfer Orders

Article 180

The execution of a fund transfer order in the organization of fund transfer is carried out in accordance with the provisions of laws and regulations concerning the fund transfer.

Subdivision 3

Access to Sources of Funds in the form of Card-Based Payment Instruments

Article 181

Card-based payment instruments are payment instruments in the forms of credit cards, Automated Teller Machine cards, and/or debit cards, either in physical forms or other forms having the same characteristics, features, and/or business models as credit cards, Automated Teller Machine cards, and/or debit cards.

Article 182

Credit card is a card-based payment instrument that can be used to make payments of obligations arising from economic activities, including payment transactions and/or to make cash withdrawals, where the payment obligations of card-based payment instrument users have been fulfilled by the PJP that organizes payment initiation activities and/or acquiring services or PJP that organizes Source of Funds administration activities, and card-based payment instrument users are obliged to make payments at the agreed time, either by making payment in lump sum or by installments.

Article 183

Automated Teller Machine cards are card-based payment instruments that can be used to withdraw cash and/or

transfer funds where the obligations of card based payment instrument users are fulfilled by directly deducting the deposits of card-based payment instrument users in Banks or Non-Bank Institutions authorized to collect funds in accordance with the provisions of laws and regulations.

Article 184

Debit cards are card-based payment instruments that can be used to make payments for obligations arising from economic activities, including shopping transactions, where the obligations of card-based payment instrument users are fulfilled directly by deducting the deposits of card-based payment instrument users in Banks or Non-Bank Institutions authorized to collect funds in accordance with the provisions of laws and regulations.

Article 185

PJP that organizes Sources of Fund administration activities and payment initiation and/or acquiring service activities in relation to the processing of card-based payment instrument transactions must use standards established by Bank Indonesia as the national standard for card-based payment instruments.

Article 186

- (1) PJP that organizes Sources of Fund administration activities in the form of credit card issuance must implement credit risk management by taking into account at least the following:
 - a. minimum age limit for prospective credit card users;
 - b. minimum income limit for prospective credit card users;
 - c. maximum credit limit that can be given to credit card users;
 - d. maximum limit of number of PJP that carry out administration activities of Sources of Fund in the form of credit card issuance; and
 - e. minimum payment limit by credit card users.
- (2) To implement credit risk management as referred to in paragraph (1), PJP that organizes Sources of Fund administration activities in the form of credit card issuance must update credit card user data.
- (3) In the event that the credit card users earn certain monthly income above the minimum income limit as referred to in paragraph (1) letter b, the PJP that organizes the administration activities of the Source of Funds in the form of credit card issuance may provide a credit ceiling and the number of credit cards in accordance with the analysis risk.
- (4) The provisions as referred to in paragraph (1) shall apply mutatis mutandis for the issuance of credit cards that is guaranteed by:
 - a. other parties, including companies or corporations of credit card users; and/or
 - b. deposits from credit card users at PJP that carries out Funding Source administration activities in the form of credit card issuance.
- (5) Technical and micro provisions in relation to the minimum age limit for prospective credit card users, minimum income limits for prospective credit card users, maximum credit ceiling limits, maximum limits for the number of PJP that carries out administration activities of Source of Funds in the form of credit card issuance, and minimum payment limits by credit card users as referred to in paragraph (1) may be regulated by the SRO under the approval of Bank Indonesia.

Article 187

- (1) PJP that organizes Sources of Fund administration activities in the form of credit card issuance must improve security standards for transactions with certain criteria.
- (2) The improvement of credit card transaction security standards as referred to in paragraph (1) is implemented through the provision of transaction alerts to credit card users through media approved by credit card users and/or other security standards.
- (3) Technical and micro provisions in relation to transactions with certain criteria as referred to in paragraph (1) and credit card transaction security standards as referred to in paragraph (2) may be regulated by the SRO under the approval of Bank Indonesia.

Article 188

- (1) PJP that organizes Sources of Fund administration activities in the form of credit card issuance must provide written information to credit card users at least stating:
 - a. procedures and method to use;
 - b. important matters to pay attention to by credit card users in using credit cards and consequences or risks that may arise from using credit cards;
 - c. rights and obligations of credit card users;
 - d. procedures to file a complaint to the credit card provided and estimated time to handle the complaint;
 - e. patterns, procedures and components that are used as the basis for calculating interest, fees and fines;
 - f. types of fees and fines imposed;
 - g. procedures and method to end and/or closing credit card facilities; and
 - h. summary of credit card user transactions (summary performance), based on the application and/or approval of the credit card users.
- (2) In the event that a change of the information as referred to in paragraph (1), the PJP which carries out the administration activities of Sources of Fund in the form of credit card issuance must submit the change of information in writing to the credit card users.

Article 189

- (1) PJP that organizes Sources of Fund administration activities in the form of credit card issuance must submit billing information to credit card users correctly, accurately, and in timely manner.
- (2) PJP that organizes Sources of Fund administration activities in the form of credit card issuance must notify the payment leeway if the payment due date falls in a holiday.
- (3) PJP that organizes Sources of Fund administration activities in the form of credit card issuance shall not impose fines to credit card users who make the payments during the payment leeway.

Article 190

- (1) PJP that organizes Sources of Fund administration activities in the form of credit card issuance must

prepare and implement credit policies.

- (2) The credit policy as referred to in paragraph (1), shall state at least:
 - a. principles of prudence in issuing credit cards;
 - b. organization and management for the issuance of credit cards;
 - c. credit card approval policy;
 - d. credit card documentation and administration;
 - e. credit card supervision; and
 - f. settlement of credit card issues.
- (3) Credit quality assessment by PJP that organizes Sources of Fund administration activities in the form of credit card issuance, is carried out referring to the provisions of the authorities in the financial services sector.
- (4) The interest arising from credit card transactions must be calculated by taking into account at least the following:
 - a. for shopping transactions, interest is charged if the credit card user does not make a payment, not make full payment, or makes a full payment after the payment due date;
 - b. for cash withdrawal transactions, interest is charged if the credit card user does not make a payment, not make full payment, or makes a full payment either before or after the due date;
 - c. the calculation of day count (hari bunga) upon credit card debt is calculated based on and commences from the date of bookkeeping (posting);
 - d. fees and fines, as well as interest payable shall not be used as components of interest calculation; and
 - e. determination of daily interest is based on the calculation of the number of calendar days in a year and is set for 365 (three hundred and sixty-five) days.

Article 191

- (1) In conducting credit card billing, PJP that organizes Source of Funds administration activities by issuing credit cards must comply with the principles of debt collection ethics including but not limited to:
 - a. ensure that debt collection, either by PJP itself or debt collecting agency, is performed in accordance with Bank Indonesia provisions and the provisions of laws and regulations; and
 - b. in the event that the debt collection use the services by debt collecting agency as referred to in letter a, PJP must guarantee that:
 1. the implementation of collection of credit card debt is only on doubtful or bad credit; and
 2. quality of the collection shall be same as ones collected by PJP itself.
- (2) Technical and micro provisions in relation to the principal of debt collection ethics can be regulated by the SRO under the approval of Bank Indonesia.

Article 192

- (1) PJP that organizes Sources of Fund administration activities in the form of Automated Teller Machine card and/or debit card issuance is required to implement risk management by taking into account at least the

following:

- a. financial preparedness to fulfill payment obligations that may arise in the event that any crime to Automated Teller Machine cards and/or debit cards.
 - b. maximum limit of transaction value; and
 - c. maximum limit of cash withdrawal.
- (2) The maximum limit of transaction value and the maximum limit of cash withdrawals as referred to in paragraph (1) shall not be contrary to Bank Indonesia policy.

Article 193

PJP that organizes Sources of Fund administration activities by issuing Automated Teller Machine cards and/or debit cards must provide information in writing to users of Automated Teller Machine cards and/or debit cards, at least stating:

- a. procedures and methods to use Automated Teller Machine cards and/or debit cards, facilities in the Automated Teller Machines and/or debit cards, and risks that may arise from the use of Automated Teller Machine cards and/or debit cards;
- b. rights and obligations of users of Automated Teller Machine cards and/or debit cards; and
- c. procedures to file complaints of problems in relation to the use of Automated Teller Machine cards and/or debit cards and length of time to settle the complaint.

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Article 194

- (1) PJP that breaches the provisions as referred to in Article 185 paragraph (1), Article 186 paragraph (1), paragraph (2), Article 187 paragraph (1), Article 188, Article 189, Article 190 paragraph (1), paragraph (4), Article 191 paragraph (1), Article 192 paragraph (1), or Article 193, are subject to administrative sanctions in the forms of:
- a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Subdivision 4

Access to Sources of Funds in the form of Check

Article 195

The operation of instruments in the form of check as referred to in Article 148 paragraph (1) letter d is implemented in accordance with the provisions of laws and regulations.

Subdivision 5

Access to Sources of Funds in the form of Bilyet Giro

Article 196

The operation of the instrument in the form of a bilyet giro as referred to in Article 148 paragraph (1) letter e is implemented in accordance with the provisions of Regulation of Bank Indonesia concerning bilyet giro.

Division Nine

Access to Sources of Fund in the form of Fund Transfer Channels

Article 197

Provision of access to sources of funds in the form of channels shall pay attention to the fulfillment of the following aspects:

- a. risk management;
- b. safety standards;
- c. customer protection;
- d. anti-money laundering and prevention of terrorism financing; and
- e. fulfillment of the provisions of laws and regulations.

Division Ten

Access Data Storage Service to Sources of Fund in the form of Payment Instruments

Article 198

- (1) The party organizing payment initiation and/or acquiring services in the form of payment instrument data storage that provides a platform to facilitate Service Users to store payment instrument data with active users has reached or is planned to reach a minimum number of 300,000 (three hundred thousand) users must actively obtain a license as a PJP.
- (2) Bank Indonesia is authorized to conduct inspections and/or request reports, documents, data, information, particulars, and/or explanations to parties organizing payment initiation and/or acquiring services in the forms of payment instruments data storage for active users that have not yet reached or have not been planned to reach active users number as referred to in paragraph (1).
- (3) Bank Indonesia may adjust limit of the number of active users who are exempted from licensing obligations as PJP as referred to in paragraph (1) by taking into account:
 - a. transaction progress;
 - b. community or industrial needs;
 - c. risk management;
 - d. customer protection; and/or
 - e. encourage the expansion of acceptance, efficiency, competition, service, and innovation.

- (4) regarding the adjustment of the limit of numbers of active users as referred to in paragraph (3) are regulated in the Regulation of Members of Board of Governors.

Article 199

- (1) In the event that a request for a refund due to payment transaction cancellation using a stored instrument, the PJP that organizes payment initiation and/or acquiring services in the form of payment instrument data storage must immediately refund to the users of the instrument data storage service
- (2) PJP that organizes payment initiation and/or acquiring services in the form of payment instrument data storage must have procedures to ensure the implementation of refunds as referred to in paragraph (1).
- (3) The returned fund as referred to in paragraph (1) must be immediately returned to the original Source of Funds used to make payment transactions.

Article 200

- (1) PJP that breaches the provisions as referred to in Article 198 paragraph (1) or Article 199, shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Eleven

Policy on the Value Equated with Money

Article 201

PJPs shall not own and/or manage values that can be equated with the value of money or other values than rupiah that can be widely used for payment purposes.

Article 202

PJP shall not:

- a. receive virtual currency used as a Source of Funds in the processing of payment transactions;
- b. make the processing of payment transaction using virtual currency as a Source of Funds; and/or
- c. associate virtual currency with the processing of payment transactions.

Article 203

PJP shall not facilitate virtual currency trading as a commodity, except ones that are regulated in accordance with the provisions of laws and regulations.

Article 204

- (1) Values that can be equated with money that do not meet the elements of Source of Funds as referred to in Article 144 include:
 - a. value represented digitally or in other media; and
 - b. digital money issued by parties other than monetary authorities (virtual currency) having the following characteristics:
 1. expressed in a unit;
 2. use cryptography and distributed ledgers, or other recent technologies to regulate the creation of new units and their transaction processing mechanisms;
 3. used for the purposes of payment or fulfillment of economic activities;
 4. can be transferred, stored or traded electronically; and
 5. meet other characteristics specified by Bank Indonesia.
- (2) Values represented digitally or in other media as referred to in paragraph (1) letter a shall have the following limitations:
 - a. cannot be claimed to the issuer;
 - b. cannot be transferred or sold to be exchanged for rupiah;
 - c. can only be used to publisher or certain goods and/or services provider designated by the issuer;
 - d. having a validity period;
 - e. guaranteed with adequate funds according to the value that can be used by customers; and
 - f. other limits specified by Bank Indonesia.
- (3) Bank Indonesia may inspect and/or request reports, documents, data, information, descriptions, and/or explanations from the issuer of the value that can be equated to money used for the purpose of payment and/or fulfillment of economic activities.

Article 205

- (1) PJP that breaches the provisions as referred to in Article 201, Article 202, or Article 203, is subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Twelve

Operation of Integrated Payment Interface

Article 206

Bank Indonesia may organize an integrated payment interface infrastructure that connects access to Sources of Funds with PJP to forward the process of initiating and/or authorizing payment transactions.

Article 207

- (1) To operate the integrated payment interface as referred to in Article 206, Bank Indonesia is authorized to stipulate the following but not limited to:
 - a. pricing and fee schemes;
 - b. parties connected with an integrated payment interface;
 - c. access to Sources of Fund to be processed through an integrated payment interface;
 - d. interconnectivity with Payment System infrastructure and data infrastructure specified by Bank Indonesia;
 - e. features and types of integrated payment interface services such as functions to facilitate payment processing and data and/or information acquisition; and/or
 - f. other aspects in relation to access, standards, security, branding, implementation, and interconnectivity to integrated payment interface.
- (2) Further provisions regarding the implementation of the integrated payment interface as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Article 208

- (1) To operate the integrated payment interface, the party connected to the integrated payment interface as referred to in Article 207 paragraph (1) letter b, must:
 - a. comply with the obligation to organize and acquire data and/or information in the operation of integrated payment interfaces; and
 - b. comply with other obligations stipulated by Bank Indonesia in the implementation of integrated payment interfaces.
- (2) PJP that breaches the provisions as referred to in paragraph (1) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
- (3) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (2) shall be regulated in the Regulation of Members of the Board of Governors.

CHAPTER IV

PAYMENT SYSTEM TECHNOLOGICAL INNOVATIONS

Division One

Scope of Payment System Technological innovations

Article 209

Bank Indonesia provides sandbox for the development of Payment System technological innovation to support the development of the digital economy and finance.

Article 210

Payment System technological innovations include:

- a. product;
- b. activity;
- c. service; and
- d. business model,

using innovative technology in the digital economic and financial ecosystem that are able to support the implementation of the Payment System.

Article 211

Innovative technology is technology used in the digital economic and financial ecosystem that are able to support implementation of the Payment System including but not limited to:

- a. use of untested technology;
- b. use of technology that is still in limited use;
- c. use of non-standardized technology; and/or
- d. use of new technologies, which may have an impact to the financial system and Payment System.

Article 212

The purposes of providing the sandbox are:

- a. to encourage technological innovation; and
- b. to carry out monitoring and detection over opportunities and risks of technological innovation, toward the development of digital economic and financial ecosystem and the implementation of the Payment System.

Article 213

The trial to develop Payment System technological innovations as referred to in Article 210 are conducted by Bank Indonesia through trials of:

- a. innovation development that have not been used or have been used in the Payment System industry on a limited basis (innovation lab);
- b. innovation on Payment System policies or provisions (regulatory sandbox); and
- c. innovation that has been used in the Payment System industry and needs promotion to be used widely (industrial sandbox).

Division Two

Application for Payment System Technological Innovation Development Trials

Article 214

The trial of Payment System technological innovation development may come from:

- a. application submitted by:
 1. PJP; or
 2. other parties as designated by Bank Indonesia;or
- b. Bank Indonesia initiative.

Article 215

- (1) PJP or other parties designated by Bank Indonesia who file an application for trials of Payment System technological innovation development must submit a written application in the Indonesian language to Bank Indonesia.
- (2) The application as referred to in paragraph (1) is supplemented by supporting documents.

Article 216

- (1) Supporting documents as referred to in Article 215 paragraph (2) includes:
 - a. profile of prospective participants includes information on entity;
 - b. contact person; and
 - c. data and information.
- (2) Data and information as referred to in paragraph (1) letter c, consists of:
 - a. product features, activities, services, and business models to be tested;
 - b. elements of innovation in products, activities, services, and business models to be tested;
 - c. benefits for customers and/or the economy;
 - d. aspects of risk management, information security, customer protection, anti-money laundering and prevention of terrorism financing, as well as infrastructure and operational preparedness;
 - e. proposed trial scenario for the development of Payment System technological innovation;
 - f. scope of trial, covering limits on the number of users or merchants, transaction nominal limits, regional nominal limits, and other limits; and/or
 - g. duration of implementation of the trial of Payment System technological innovation development.
- (3) For the industrial sandbox trial application, in addition to supporting documents as referred to in paragraph (2), it also includes information on the list of parties participating in the trial and profiles of all prospective participants.

- (4) If necessary, Bank Indonesia may request additional supporting documents for the application for testing the development of Payment System technological innovations as referred to in paragraphs (1) and (2).

Article 217

- (1) The application as well as supporting documents as referred to in Article 215 shall be submitted to Bank Indonesia through the Bank Indonesia licensing app.
- (2) In the event that the app as referred to in paragraph (1) cannot be implemented or is having a trouble, the application and supporting documents shall be submitted directly in accordance with the mechanism specified by Bank Indonesia.

Division Three

Sandbox for the Development of Payment System Technological innovation

Article 218

- (1) Bank Indonesia may stipulate:
- a product, activity, service, technology, and business model related to the implementation of the Payment System to be facilitated through a sandbox for the development of Payment System technological innovation; and
 - participants in the sandbox for the development of Payment System technological innovation.
- (2) The stipulation as referred to in paragraph (1) shall be submitted by Bank Indonesia to participants in the sandbox for the development of Payment System technological innovation by mail or other media specified by Bank Indonesia.

Article 219

The sandbox for the development of Payment System technological innovation is implemented by applying the following principles:

- criteria-based process;
- transparency;
- proportionality;
- fairness;
- equal treatment; and
- forward looking.

Article 220

To carry out trial for the development of Payment System technological innovations, Bank Indonesia may involve SROs and/or other parties.

Article 221

- (1) The duration of sandbox for the development of Payment System technological innovation is set at a maximum 6 (six) months as of the date of designation of participants in the sandbox for the development of Payment System technological innovation.
- (2) If necessary, the duration as referred to in paragraph (1) may be extended 1 (one) time for a maximum period of 6 (six) months.
- (3) The application for duration extension as referred to in paragraph (2) shall be submitted in writing by participants in the sandbox for the development of Payment System technological innovation to Bank Indonesia no later than 1 (one) month prior to the end of the trial duration as referred to in paragraph (1), supplemented by the reasons and required extension duration.
- (4) Bank Indonesia shall respond to the application for duration extension that is submitted before the duration as referred to in paragraph (1) expires.

Article 222

- (1) During the process of trial for the development of Payment System technological innovation, Bank Indonesia may specify certain policies for participants in the sandbox for the development of Payment System technological innovation, including but not limited to:
 - a. certain limitations including certain limits of area, number of users and/or a duration; and/or
 - b. ease to develop Payment System technological innovations during the trial process.
- (2) Stipulation of certain policies as referred to in paragraph (1), is based on the following considerations:
 - a. characteristics of the tested products, activities, services, technologies and business models;
 - b. development of Payment System technological innovation; and/or
 - c. development of the digital economic and financial ecosystem that is able to support the implementation of the Payment System.

Division Four

Coordination to Carry Out Trials for the Development Payment System Technological Innovation

Article 223

- (1) Bank Indonesia may coordinate with other authorities within the country and/or abroad to conduct trials for the development of Payment System technological innovation.
- (2) The coordination as referred to in paragraph (1) is implemented to:
 - a. synchronize of the implementation of Payment System technological innovations that intersecting functions or authority among authorities;
 - b. identification and response to issues in relation to matters that have not been regulated by each authorities in implementing the Payment System technological innovations;
 - c. development and integration of digital economy and finance; and/or
 - d. other matters related to the implementation of trials for the development of Payment System technological innovation deemed necessary by Bank Indonesia and other authorities.
- (3) Synchronization of the implementation of Payment System technological innovations that have intersecting functions or authorities as referred to in paragraph (2) letter a is carried out by taking into

account:

- a. conducting trial according to the respective trial scenario for product, activity, service, technology, and business model associated with the relevant functions or authorities of the relevant authorities; and/or
- b. other considerations related to the synchronization of the implementation of Payment System technological innovations.

Division Five

Results of Trials for the Development of Payment System Technological Innovation

Article 224

- (1) Bank Indonesia shall stipulate the status of results of trials for the development of Payment System technological innovation based on the assessment results of all series of activities during the trial.
- (2) The assessment as referred to in paragraph (1) is carried out by taking the following into considerations:
 - a. conformity with the proposed trial scenario;
 - b. relation to the Payment System;
 - c. features and risk levels;
 - d. system preparedness and reliability;
 - e. application of customer protection principles and risk management and prudence; and/or
 - f. compliance with the provisions of laws and regulations.
- (3) Based on the assessment results as referred to in paragraph (2), Bank Indonesia shall determine the status of results of trials for the development of Payment System technological innovation, as follows:
 - a. successful; or
 - b. not successful.
- (4) Bank Indonesia inform the status of results of trials for the development of Payment System technological innovation to the applicants of the trial for the development of Payment System technological innovation by mail or other media as specified by Bank Indonesia.
- (5) In the event that the trial is declared successful as referred to in paragraph (3) letter a and the product, activity, service and business model fall into category of Payment System operation, the participants shall not market the product, activity, service, and business model being tested before first securing a permit and/or an approval in accordance with Regulation of Bank Indonesia concerning Payment Systems.
- (6) In the event that the trial is declared unsuccessful as referred to in paragraph (3) letter b and the products, activities, services, and business models fall under the category of the implementation of the Payment System, participants shall not market products and/or services as well as use technology and/or business models which are being tested.
- (7) PJP that breaches provisions as referred to in paragraph (6) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or

- c. revocation of license as a PJP.
- (8) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (7) shall be regulated in the Regulation of Members of the Board of Governors.

Article 225

The evaluation results of trials for the development of Payment System technological innovation can be considered by Bank Indonesia to formulate regulation, supervision, and development of products, activities, services, and business models in the development of the digital economy and finance.

Article 226

Bank Indonesia may publish at the Website of Bank Indonesia regarding trials for the development of Payment System technological innovations to be carried out and the results of the said trials for the development of Payment System technological innovation.

CHAPTER V

PAYMENT SYSTEM SUPERVISION

Division One

Supervision Approach

Article 227

Bank Indonesia supervises the implementation of the Payment System using a risk-based and/or compliance approach.

Division Two

Purpose of Supervision

Article 228

The supervision of the implementation of the Payment System is intended to ensure the achievement of objective to implement Payment System while still encouraging innovation in the Payment System industry and taking into account international standards and practices.

Division Three

Object of Supervision

Article 229

- (1) The object of supervision shall be toward the operation of the Payment System which is the PJP.

- (2) To supervise the PJP as referred to in paragraph (1), Bank Indonesia may supervise the parties entering into cooperation with the PJP.
- (3) The party entering into cooperation with PJP as referred to in paragraph (2) is the Supporting Operator or other parties entering into cooperation with PJP to facilitate payment transactions.

Division Four

Supervision Mechanism

Article 230

- (1) Supervision to the implementation of Payment System is carried out through:
 - a. indirect supervision; and
 - b. direct supervision.
- (2) Bank Indonesia may assign other parties for and on behalf of Bank Indonesia to perform direct supervision as referred to in paragraph (1) letter b.
- (3) The other party as referred to in paragraph (2) must comply with the provisions of Bank Indonesia.

Article 231

- (1) Indirect supervision as referred to in Article 230 paragraph (1) letter a is carried out through monitoring, identification, and/or assessment through analyses of reports, data, and information acquired by Bank Indonesia.
- (2) The direct supervision as referred to in Article 230 paragraph (1) letter b is carried out through periodic and/or occasional inspections, either face-to-face or other mechanisms specified by Bank Indonesia.
- (3) The inspection as referred to in paragraph (2) is carried out to documents, infrastructure, information systems, and other aspects used by PJP.

Division Five

Scope of Supervision

Article 232

The scope of Bank Indonesia's supervision to object of supervision includes:

- a. risk exposure, including compliance with provisions of laws and regulations;
- b. implementation of governance and risk management; and
- c. other aspects specified by Bank Indonesia.

Article 233

The supervision mechanism, intensity, and focus by Bank Indonesia shall be carried out by taking into account the PJP classification and the scope of supervision as referred to in Article 232.

Division Six

Data and/or Information for Supervision

Article 234

- (1) PJP must submit to Bank Indonesia or other parties assigned by Bank Indonesia including but not limited to:
 - a. documents, data, information, and/or reports;
 - b. information and/or particulars, both verbally and written; and/or
 - c. access to infrastructure and/or information systems required in the supervision.
- (2) If requested by Bank Indonesia, the obligations as referred to in paragraph (1) regarding the Payment System shall apply to parties involved in cooperation with PJP.
- (3) PJP is responsible to ensure that parties cooperating with PJP fulfill the obligations as referred to in paragraph (2).
- (4) PJP as referred to in paragraph (1) and parties involved in cooperation with PJP as referred to in paragraph (2) shall be responsible for the validity, correctness, completeness, and timeliness of any submission to Bank Indonesia or other parties assigned by Bank Indonesia as referred to in paragraph (1).
- (5) Documents, data, information, reports, information, and/or explanations as referred to in paragraph (1) shall be submitted through:
 - a. reporting;
 - b. face-to-face meetings; and/or
 - c. other media specified by Bank Indonesia.
- (6) Further provisions concerning the obligation to submit data and/or information for supervision as referred to in paragraphs (1) and (2) shall be regulated in the Regulation of Members of the Board of Governors.

Article 235

- (1) PJP that breaches provisions as referred to in Article 234 paragraph (1) or paragraph (4) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Seven

Integrated Supervision

Article 236

- (1) Bank Indonesia may conduct integrated supervision toward and its holding company, subsidiary, and/or other affiliated parties.
- (2) The integrated supervision is carried out to:
 - a. identify and mitigate risk exposures arising from ownership, control, business and financial relationships, which may affect continuity of PJP operational activities and payment processing, as well as the Payment System ecosystem;
 - b. ensure the fulfillment of institutional and legal aspects, business feasibility, governance, and risk management by PJP;
 - c. ensure fair industrial business competition and efficiency, as well as support financial system stability; and
 - d. ensure compliance with other aspects specified by Bank Indonesia.
- (3) Integrated supervision as referred to in paragraph (1) is carried out through:
 - a. indirect supervision; and/or
 - b. direct supervision.
- (4) Indirect supervision as referred to in paragraph (3) letter a is carried out through monitoring, identification, and/or assessment of the parent company, subsidiary, and/or other affiliated parties by analyzing reports, data, and information obtained by Bank Indonesia.
- (5) Direct supervision as referred to in paragraph (3) letter b is carried out by auditing holding company, subsidiary, and/or other affiliated parties periodically and/or at any time either face-to-face or by other mechanisms.
- (6) The audit as referred to in paragraph (5) is carried out on documents, infrastructure, information systems used by PJP, and on other inspection objects.
- (7) If Bank Indonesia requests, holding company, subsidiary, and/or other affiliated parties must provide:
 - a. information and data requested;
 - b. opportunity to check all bookkeeping, documents, and physical facilities related to their business activities; and/or
 - c. other necessary matters,to implement the integrated supervision as referred to in paragraph (2).
- (8) PJP, holding company, subsidiary, and/or other affiliated parties, shall not obstruct the supervision process by Bank Indonesia.
- (9) Bank Indonesia may coordinate with other authorities in the event that the holding company, subsidiary, and/or other affiliated parties are under the supervision of other authorities.

Article 237

- (1) PJP that breaches the provisions as referred to in Article 236 paragraph (7) or paragraph (8) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or

- c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Eight

Follow-up to the Supervision

Article 238

- (1) Based on the results of supervision as referred to in Article 230 paragraph (1), Bank Indonesia shall conduct follow-up to the supervision in the forms of:
 - a. asking PJP to:
 1. to do or not do something;
 2. limiting its activities or operations; and/or
 3. temporarily, partially or totally suspend all activities including the cooperation implementation; and/or
 - b. revoking license and/or approval that has been granted.
- (2) Follow-up to the supervision as referred to in paragraph (1) may be accompanied by:
 - a. adjustment of PJP license category;
 - b. announcement to the public;
 - c. suspension of processing on an approval for activity development, product development, and/or cooperation approval; and/or
 - d. submission of information and/or recommendations on results of supervision to other authorities, in the event that there are any result of supervision in relation to the authority of other authorities, by Bank Indonesia.
- (3) Follow-up to the supervision as referred to in paragraph (1) can be carried out by taking into account the PJP classification.
- (4) Bank Indonesia may carry out the follow up to supervision toward PJPs that are deemed to have potential difficulties that may harm business continuity.
- (5) PJP as referred to in paragraph (4) is assessed on the following aspects:
 - a. business performance and capital;
 - b. risk management and adequacy of information systems security and reliability; and/or
 - c. integrity and/or competence of management board and shareholders
- (6) PJP must notify and implement the action plan in an effort to improve the problems according to the aspects referred to in paragraph (5).
- (7) PJP that breaches provisions as referred to in paragraph (6) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;

- b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (8) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Article 239

- (1) Bank Indonesia is authorized to impose administrative sanctions on PJPs in the forms of:
 - a. reprimand;
 - b. fine;
 - c. temporary, partial or total suspension of activities including the implementation of cooperation; and/o
 - d. revocation of license as a PJP
- (2) In imposing administrative sanctions to PJPs, Bank Indonesia shall consider the following aspects:
 - a. level of error and/or violation; and
 - b. consequences impacted for:
 - 1. aspects of the Payment System smoothness and security;
 - 2. aspects of customer protection;
 - 3. aspects of anti-money laundering and prevention of terrorism financing; and/or
 - 4. other aspects as specified by Bank Indonesia.
- (3) The imposition of administrative sanctions as regulated in paragraph (1) may be accompanied by:
 - a. announcement to public;
 - b. suspension of processing on approval for activity development, product development, and/or cooperation; and/or
 - c. adjustment of PJP license category;
by Bank Indonesia.
- (4) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Article 240

- (1) In the event that PJP does not fulfill the obligation to pay the fine as referred to in Article 239 paragraph (1) letter b, Bank Indonesia may change the fine sanction imposed to the PJP into the sanction of termination of activities or license revocation.
- (2) The change of fine sanction to activities suspension or license revocation as referred to in paragraph (1) shall be imposed in the event that the PJP does not make payments within the deadline specified by Bank Indonesia.
- (3) Based on the changes of sanctions as referred to in paragraph (2), the fines are declared null and void.

Article 241

- (1) Other parties that breach provisions as referred to in Article 230 paragraph (3) are subject to administrative sanctions in the forms of:
 - a. written reprimand; and/or
 - b. recommendations to relevant agencies to:
 1. remove other assigned parties from the list of certain professions; and/or
 2. revoke the business license.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Article 242

- (1) Each party shall not perform Payment System activities before obtaining the license from Bank Indonesia.
- (2) PJP shall not market products, activities and/or cooperation categorized as moderate or high risk before obtaining approval from Bank Indonesia.
- (3) PJP that breaches provisions as referred to in paragraph (2) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (4) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (3) shall be regulated in the Regulation of Members of the Board of Governors.

CHAPTER VI

TERMINATION OF PAYMENT SYSTEM OPERATION

Division One

Evaluation of PJP License

Article 243

- (1) Bank Indonesia evaluates the licenses that have been granted to PJPs.
- (2) The license as referred to in paragraph (1) is evaluated regularly every 3 (three) years as of the date of issuance of the license by Bank Indonesia or at any time.
- (3) The evaluation as referred to in paragraph (1) is carried out based on:
 - a. results of Bank Indonesia supervision;
 - b. corporate actions carried out by PJPs;

- c. license extension license application in the event that Bank Indonesia stipulates the license validity period;
 - d. recommendations from other authorities;
 - e. the court decision having permanent legal force;
 - f. PJP's request to cease its activities; and/or
 - g. other considerations in order to create a fast, easy, cheap, safe, and reliable Payment System.
- (4) To evaluate the license as referred to in paragraph (3) letter a, Bank Indonesia shall carry out follow-up to the supervision as referred to in Article 238 paragraph (3) to paragraph (6).
- (5) To evaluate the license as referred to in paragraph (3), Bank Indonesia shall consider aspects including but not limited to:
- a. transaction performance;
 - b. business or institutional activities;
 - c. efficiency or concentration level of the Payment System industry; and/or
 - d. compliance with the provisions of laws and regulations.
- (6) The license evaluation as referred to in paragraph (2) and/or follow-up supervision as referred to in paragraph (4) may become the basis for Bank Indonesia to:
- a. shorten or extend the license validity period in the event that the license is granted at a period of time;
 - b. revoke PJP license; or
 - c. maintain PJP's business continuity.

Article 244

- (1) The PJP whose license is revoked must notify all parties involved in the cooperation that PJP's license PJP has been revoked.
- (2) PJP that still has the license from Bank Indonesia must terminate cooperation with PJP that is subject to the license revocation sanction no later than the following business day as of the date of receipt of the notification of license revocation as referred to in paragraph (1).
- (3) PJP must ensure the customer protection aspect during the processing period of cooperation termination.
- (4) The cooperation termination as referred to in paragraph (2) must be notified in writing and shall be received by Bank Indonesia no later than 10 (ten) business days as of the date of the cooperation termination.

Article 245

- (1) PJP applying for activity termination or license revocation at its own request must submit an application in writing to Bank Indonesia concerning the plan on activity termination or license revocation no later than 30 (thirty) business days prior to the activity termination or license revocation date.
- (2) The application as referred to in paragraph (1) is accompanied by information and documents regarding:
- a. reasons of activities termination;
 - b. effective date of activities termination;

- c. notification or publication mechanisms to related parties concerning the termination of activities plan;
 - d. mechanisms for the settlement of rights and obligations; and
 - e. other information requested by Bank Indonesia.
- (3) Bank Indonesia issues letters on activity termination or revocation of license as a PJP, based on the application for activity termination or license revocation as referred to in paragraph (1), after the settlement of rights and obligations of the PJP.
- (4) PJP must report the implementation of activity termination or license revocation in writing to Bank Indonesia no later than 10 (ten) business days as of the date of the letters of activity termination or license revocation from Bank Indonesia as referred to in paragraph (2), which is accompanied by:
- a. documents or evidence of rights and obligations settlement to related parties; and
 - b. declaration from the management that all claims arising after activity termination or license revocation are the full responsibility of the management.
- (5) Information on the revocation of license as PJP by Bank Indonesia is published on the Website of Bank Indonesia or other media specified by Bank Indonesia.

Article 246

- (1) PJP that breaches provisions as referred to in Article 245 shall be subject to administrative sanctions in the forms of:
- a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Two

Settlement of PJP Obligations

Article 247

- (1) PJP must settle all obligations to Service Users and/or parties involved in cooperation regarding the operation of the Payment System before the PJP license is revoked by Bank Indonesia.
- (2) Mechanisms and period for the settlement of all obligations arising in the operation of the Payment System as referred to in paragraph (1) shall be specified by Bank Indonesia with due observance of the action plan submitted by the PJP.
- (3) If necessary, Bank Indonesia may determine the extension of the period as referred to in paragraph (1) based on the PJP application supplemented by reasons and proposals for the required extension period.
- (4) Application for the extension of the period as referred to in paragraph (3) shall be submitted in writing to Bank Indonesia no later than 30 (thirty) business days prior to the expiration of the period to settle obligations determined by Bank Indonesia as referred to in paragraph (2).

- (5) If the PJP has not been able to settle the obligations within the stipulated extension of the period as referred to in paragraph (3), Bank Indonesia may revoke the license which may be accompanied by a follow-up to the settlement of obligations.
- (6) The follow-up to the settlement of obligations as referred to in paragraph (5) is carried out by transferring PJP obligations to the Property and Heritage Agency or other follow-up actions.
- (7) Upon the revocation of the license by Bank Indonesia, any consequence arising from the obligations between PJP and the Service User and the parties involved in cooperation shall be the responsibility of PJP.

Article 248

- (1) The follow-up in the form of transferring PJP obligations to the Property and Heritage Agency as referred to in Article 247 paragraph (6) shall be carried out no later than 30 (thirty) business days since the end of the obligations settlement period as referred to in Article 247 paragraph (2) and paragraph (3).
- (2) The transfer of obligations from PJP to the Property and Heritage Agency as referred to in paragraph (1) is carried out in accordance with the provisions of laws and regulations.
- (3) In transferring the obligations as referred to in paragraph (1), PJP may impose a transfer fee that is charged upon the obligations to be transferred to the Property and Heritage Agency.

Division Three

License Revocation at Its Own Request

Article 249

- (1) In the event that the revocation of license is carried out upon a written request from a PJP, the PJP must submit a written application to Bank Indonesia regarding the plan to terminate the activity no later than 30 (thirty) business days prior to the date of activity termination.
- (2) The application as referred to in paragraph (1) is supplemented by information and documents regarding:
 - a. reasons of activity termination;
 - b. effective date of activity termination;
 - c. notification or publication mechanisms to related parties concerning the plan to terminate the activity;
- (3) The revocation of license as the PJP by Bank Indonesia shall be carried out after all obligations arising during the operation of the Payment System are settled by the PJP.
- (4) In the event that the obligations arising during the operation of the Payment System as referred to in paragraph (2) cannot be settled, the PJP may transfer the said obligations to the Property and Heritage Agency in accordance with the provisions of the laws and regulations.
- (5) After the obligations arising during the operation of the Payment System are transferred to the Property and Heritage Agency as referred to in paragraph (4), Bank Indonesia may revoke the license as a PJP.
- (6) PJP must report the implementation of activity termination in writing to Bank Indonesia no later than 10 (ten) business days as of the date of the license revocation letter from Bank Indonesia, supplemented by:
 - a. documents on the settlement of rights and obligation to related parties; and

- b. statement from the management board that all claims arising after activity termination as PJP become the full responsibility of the management board.
- (7) Information on the revocation of license as PJP by Bank Indonesia is published on the Website of Bank Indonesia or other media specified by Bank Indonesia.
- (8) Bank Indonesia may re-evaluate a license revocation based on an application from PJP, in the event that there is a request for the cancellation of license revocation from PJP that still undergo the obligation settlement process or license revocation processes.
- (9) Application for the cancellation of license revocation as referred to in paragraph (8) is submitted by PJP to Bank Indonesia in writing and is supplemented by documents or information indicating:
 - a. reasons for the cancellation of license revocation;
 - b. improvement efforts that have been carried out toward Payment System activities that are operated; and
 - c. commitment of PJP to re-organize Payment System activities in accordance with the provisions of the Regulation of Bank Indonesia.
- (10) Based on the application for license revocation as referred to in paragraph (1) or evaluation as referred to in paragraph (8), Bank Indonesia may:
 - a. approve; or
 - b. reject,the license revocation.



CHAPTER VII

DATA AND/OR INFORMATION

Division One

Subjects of Data and/or Information Acquisition

Article 250

- (1) PJP must submit data and/or information related to the Payment System to Bank Indonesia.
- (2) Data and/or information related to the Payment System as referred to in paragraph (1) consist of:
 - a. payment transactions;
 - b. details of payment transaction information
 - c. PJP performance
 - d. Payment System organization; and/or
 - e. other data and/or information
- (3) The data and/or information as referred to in paragraph (2) shall be in the forms of:
 - a. documents, reports, raw data, and/or processed data; and/or
 - b. information and/or explanation, either in verbal and in writing,

regarding the Payment System.

- (4) Bank Indonesia may process data and/or information as referred to in paragraph (1) including using it for the benefit of Bank Indonesia.

Article 251

- (1) In the event that data and/or information are requested by Bank Indonesia, other parties involved in cooperation with PJP must submit them in the forms of:
- documents, reports, raw data, and/or processed data; and/or
 - information and/or explanation, either in verbal and in writing, regarding the Payment System.
- (2) Other parties that are involved in cooperation with PJP as referred to in paragraph (1) include but are not limited to:
- Supporting Operators; and
 - Goods and/or Service Provider.
- (3) The data and/or information as referred to in paragraph (1) include:
- payment transactions; and/or
 - details of payment transaction information.

Article 252

- (1) PJP that breaches provisions as referred to in Article 250 paragraph (1) or Article 251 paragraph (1) shall be subject to administrative sanctions in the forms of:
- reprimand;
 - temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - revocation of license as a PJP.
- (2) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Two

Data and/or Information Acquisition Mechanism

Article 253

- (1) The mechanism to acquire data and/or information related to the Payment System from PJP and/or other parties that are involved in cooperation with PJP is carried out by:
- submitting reports to Bank Indonesia;
 - data collection through inter-system connections (data capturing); and/or
 - other mechanisms specified by Bank Indonesia.

- (2) Submission of report to Bank Indonesia as referred to in paragraph (1) letter a may be carried online through the Bank Indonesia system and/or offline periodically or incidentally.
- (3) Data retrieval through inter-system connections (data capturing) as referred to in paragraph (1) letter b can be carried out directly and in real time.
- (4) Submission of data and/or information through other mechanisms as referred to in paragraph (1) letter c, may be in the form of a meeting with Bank Indonesia or other media specified by Bank Indonesia.
- (5) Procedures and mechanisms to acquire data and/or information as referred to in paragraph (1) shall be carried out in accordance with the provisions of Regulation of Bank Indonesia concerning data acquisition.

Article 254

- (1) PJP must submit a report on the operation of the Payment System to Bank Indonesia.
- (2) The report submitted to Bank Indonesia as referred to in paragraph (1) includes the aspects of:
 - a. institution;
 - b. capital and finance;
 - c. governance and risk management;
 - d. information system capability; and
 - e. other aspects as specified by Bank Indonesia.
- (3) The report as referred to in paragraph (1) consists of:
 - a. periodic reports; and
 - b. incidental reports.
- (4) Submission of periodic reports as referred to in paragraph (3) letter a, including but not limited to:
 - a. daily Report;
 - b. weekly report;
 - c. monthly report;
 - d. quarterly reports;
 - e. annual report;
 - f. report on the results of information system audit and security testing from internal or external independent auditors; and/or
 - g. report on payment system capital obligation calculation.
- (5) The incidental report as referred to in paragraph (3) letter b, consists of:
 - a. report on changes in capital and/or the structure of ownership and control as well as changes to the composition of the PJP management board;
 - b. report on changes of data and information in the documents submitted at the time of filing a license application to Bank Indonesia;
 - c. reports on disturbances in processing payment transactions and follow-up actions that have been carried out;
 - d. report on the force majeure event during the implementation of payment transaction processing;

- e. report on the results of an information system audit from an independent auditor which are conducted in the event that there is a significant change; and
 - f. other reports required by Bank Indonesia.
- (6) The occurrence of disturbance as referred to in paragraph (5) letter c and force majeure as referred to in paragraph (5) letter d must be notified to Bank Indonesia no later than 1 (one) hour after the incident.

Article 255

- (1) Submission of periodic reports as referred to in Article 254 paragraph (4) shall comply with the following provisions:
- a. the daily report as referred to in Article 254 paragraph (4) letter a is submitted no later than the end of the following day;
 - b. the weekly report as referred to in Article 254 paragraph (4) letter b shall be submitted no later than Wednesday of the following week;
 - c. the monthly report as referred to in Article 254 paragraph (4) letter c shall be submitted no later than the 15th day of the following month;
 - d. the quarterly report as referred to in Article 254 paragraph (4) letter d is submitted no later than the 15th day of the following month;
 - e. the annual report as referred to in Article 254 paragraph (4) letter e, is submitted under the following provisions:
 1. payment system annual report, is submitted no later than 15 December of the current year;
 2. report on the management and supervisory results of the board of commissioners, are submitted no later than 4 (four) months after the end of the fiscal year; and
 3. audited financial statements are submitted no later than 6 (six) months after the end of the fiscal year;
 - f. the report on the results of the information system audit and security testing from the internal or external independent auditor as referred to in Article 254 paragraph (4) letter f is submitted no later than 10 (ten) business days after the audit report is completed; and
 - g. the payment system capital obligation calculation report as referred to in Article 254 paragraph (4) letter g, shall be submitted no later than 7 (seven) months after the end of the fiscal year, which its calculations refers to the audited financial statements in December and transactions processed in the fiscal year.
- (2) The submission of incidental reports as referred to in Article 254 paragraph (5) shall comply with the following provisions:
- a. reports on changes in capital and/or ownership and control structure changes as well as changes of the composition of PJP management as referred to in Article 254 paragraph (5) letter a and reports on data and information changes as referred to in Article 254 paragraph (5) letter b shall be submitted no later than 20 (two) twenty business days after the change;
 - b. report on disturbance as referred to in Article 254 paragraph (5) letter c, is submitted no later than 3 (three) days after the event;
 - c. report on the event of force majeure as referred to in Article 254 paragraph (5) letter d is submitted no later than 3 (three) business days after the incident; and
 - d. report on the results of the information system audit from the independent auditor that is carried out

in the event that there are significant changes as referred to in Article 254 paragraph (5) letter e is submitted no later than 10 (ten) business days after the audit report is completed.

- (3) In the event that the submission of the report as referred to in paragraph (1) and paragraph (2) falls on Saturday, Sunday, public holiday, and/or joint leave specified by Bank Indonesia, the report is submitted on the following business day.
- (4) The submission of periodic reports online and imposition of sanctions shall be implemented in accordance with the provisions of Regulation of Bank Indonesia.
- (5) Provisions regarding changes of reference for the fulfillment of capital obligations during the implementation of business activities (ongoing capital) as referred to in paragraph (1) letter g are regulated under the Regulation of Members of the Board of Governors.

Article 256

- (1) PJP that breaches provisions as referred to in Article 254 paragraph (1) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. fine;
 - c. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - d. revocation of license as a PJP.
- (2) Administrative sanctions in the forms of fine as referred to in paragraph (1) letter b for PJP that breaches provisions as referred to in Article 255 paragraph (1) letter e number 2, paragraph (1) letter f, and/or paragraph (2) letter b, is set at IDR7,500,000.00 (seven million five hundred thousand rupiah) per report.
- (3) The mechanism for paying fines as referred to in paragraph (2) is carried out through:
 - a. debiting the checking account at Bank Indonesia;
 - b. transfer of funds to the account specified by Bank Indonesia; or
 - c. other payment methods specified by Bank Indonesia.
- (4) Further provisions on the mechanism for paying fines as referred to in paragraph (3) shall be regulated in the Regulation of Members of the Board of Governors

Division Three

Data and/or Information Processing

Article 257

- (1) In the processing of data and/or information related to the Payment System, PJP and/or parties cooperating with PJP must:
 - a. implement the principles of personal data protection including fulfilling the aspects of the Service Users' approval for the use of their personal data that include:
 - 1. personal data collection shall carried out in a limited and specific, legally valid, appropriate, and transparent manner;

2. personal data processing is carried out in accordance with its purpose;
 3. personal data processing is carried out by guaranteeing the rights of personal data owners;
 4. personal data processing is carried out in accurate, complete, not misleading, up-to-date, accountable manners, and taking into account the purpose of personal data processing;
 5. personal data processing is carried out by protecting the security of personal data from loss, misuse, unauthorized access and disclosure, and alteration or destruction of personal data;
 6. personal data processing is carried out by notifying the purpose of collection, processing activities, and failure to protect personal data; and
 7. personal data processing are destroyed and/or deleted unless they are still in the retention period in accordance with the needs based on the provisions of laws and regulations.
- b. comply with the processing mechanism for data and/or information related to the Payment System specified by Bank Indonesia, including the processing mechanism through the data infrastructure and the infrastructure of Bank Indonesia Payment System;
 - c. fulfill the mechanism for the use of third party data infrastructure as specified by Bank Indonesia;
 - d. implementing cyber risk management in operating the Payment System, including information system security standards;
 - e. pay attention to the integrity of data representing the actual facts or circumstances and is consistent by making use transparent methods; and
 - f. comply with the provisions of laws and regulations.
- (2) The personal data protection principle as referred to in paragraph (1) letter a, is implemented by considering aspects of the public interest and/or other requirements specified by the authorities.
- (3) The processing mechanism for data and/or information related to the Payment System as referred to in paragraph (1) letter b consists of:
- a. mechanism for processing payment data and/or information between the Service Users and the PJP;
 - b. mechanism for processing payment data and/or information between PJPs;
 - c. mechanism for processing payment data and/or information between PJP and Bank Indonesia;
 - d. mechanism for processing payment data and/or information between Service Users; and
 - e. mechanism for processing payment data and/or information between the Service Users and Bank Indonesia.
- (4) PJP that breaches provisions as referred to in Article 4 paragraph (4) shall be subject to administrative sanctions in the forms of:
- a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (5) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Article 258

The processing mechanism for data and/or information related to the Payment System as referred to in Article 257 paragraph (1) letter b includes:

- a. access and processing procedures;
- b. data standardization, technical standardization, security standardization, and governance standardization; and/or
- c. other mechanisms specified by Bank Indonesia.

Article 259

- (1) to implement data standardization, technical standardization, security standardization, and governance standardization as referred to in Article 258 letter b, PJP and/or other parties must fulfill:
 - a. implementation of standards;
 - b. testing and verification of standards;
 - c. system development, change and maintenance; and
 - d. other obligations specified by Bank Indonesia.
- (2) Provisions regarding other obligations as referred to in paragraph (1) letter d are regulated in the Regulation of Bank Indonesia.
- (3) PJP that breaches provisions as referred to in Article 4 paragraph (4) shall be subject to administrative sanctions in the forms of:
 - a. reprimand;
 - b. temporary, partial or total suspension of activities including the implementation of cooperation; and/or
 - c. revocation of license as a PJP.
- (4) Further provisions concerning the procedures for imposing administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Article 260

In the event that processing of data and/or information related to the Payment System that is carried out through the use of third party data infrastructure, PJP and/or parties involved in cooperation with PJP shall at least fulfill the following:

- a. Bank Indonesia access and surveillance;
- b. risk management and information system security;
- c. data protection;
- d. service reliability; and
- e. data integrity.

Article 261

To follow up on the supervision results, Bank Indonesia may establish certain policies regarding the processing of data and/or information to PJP.

CHAPTER VIII

SRO

Division One

Obligations of SRO

Article 262

SRO must:

- a. carry out the duties that have been specified by Bank Indonesia; and
- b. maintain the confidentiality of data and/or information.

Article 263

- (1) In the event that the SRO breaches the provisions as referred to in Article 262, Bank Indonesia is authorized to impose administrative sanctions in the forms of:
 - a. reprimand; and/or
 - b. management replacement.
- (2) Further provisions regarding the procedures to impose administrative sanctions as referred to in paragraph (1) shall be regulated in the Regulation of Members of the Board of Governors.

Division Two

SRO Membership

Article 264

- (1) PJP must be the member of SRO as designated by Bank Indonesia.
- (2) Registration as the member of SRO for prospective PJP may be conducted simultaneously with the submission of an application for a license as a PJP to Bank Indonesia.
- (3) PJP membership in SRO is effective when PJP has obtained a license as PJP from Bank Indonesia.

Division Three

Provisions on SRO

Article 265

- (1) To support the implementation of authority in the Payment System sector, Bank Indonesia may assign SRO to prepare and issue provisions in the Payment System sector that have technical and micro characteristics under the approval of Bank Indonesia.

- (2) SRO may establish provisions other than the ones assigned by Bank Indonesia as referred to in paragraph (1) for the benefit of its members provided that they do not conflict with Regulation of Bank Indonesia.
- (3) SRO shall request an approval from Bank Indonesia on any strategic matters in carrying out its functions and duties.
- (4) PJP as a member of the SRO must comply with the provisions issued by the SRO.
- (5) Violation against SRO provisions by the PJP as referred to in paragraph (4) can be used as a basis for Bank Indonesia to consider taking follow-up supervision.

CHAPTER IX MISCELLANEOUS

Article 266

Payment system service providers that have obtained the license will be converted into PJP license based on an assessment conducted by Bank Indonesia in accordance with the provisions of Regulation of Bank Indonesia concerning Payment Systems.

Article 267

- (1) Bank Indonesia evaluates the license for payment system service providers that have obtained licenses before Regulation of Bank Indonesia concerning Payment Systems comes into effect, in accordance with the provisions of this Regulation of Bank Indonesia.
- (2) License evaluation as referred to in paragraph (1) shall be stipulated as follows:
 - a. for payment system service providers declaring their ability to fulfill PJP licensing requirements, their license shall be evaluated no later than 2 (two) years after this Regulation of Bank Indonesia comes into force; or
 - b. for payment system service providers that have fulfilled the requirements for PJP licensing, the license evaluation shall be carried out no earlier than 3 (three) years after this Regulation of Bank Indonesia comes into force or at any time if deemed necessary.
- (3) Based on the results of the evaluation as referred to in paragraph (2), Bank Indonesia may:
 - a. declare that the PJP license remains valid; or
 - b. revoke the PJP license.

CHAPTER X TRANSITIONAL PROVISIONS

Article 268

At the time this Regulation of Bank Indonesia comes into force, any payment system service provider license that has a validity period and is granted before the Regulation of Bank Indonesia concerning the Payment System comes into force, shall be stipulated as a PJP in accordance with the results of license conversion as regulated in this Regulation of Bank Indonesia.

Article 269

- (1) In the event that after the entry into force of Regulation of Bank Indonesia Number 22/23/PBI/2020 on the Payment System (State Gazette of the Republic of Indonesia of 2020 Number 311, Supplement to the State Gazette of the Republic of Indonesia Number 6610), there are no changes in the composition of foreign ownership by foreign citizens or there are no changes of the control by a foreign party, provisions on the composition of share ownership and/or provisions on domestic control as stipulated in the said Regulation of Bank Indonesia, shall not apply to PJP as referred to in Article 266.
- (2) The provision as referred to in paragraph (1) shall apply for PJPs that have complied with Regulation of Bank Indonesia concerning the composition of share ownership before Regulation of Bank Indonesia Number 22/23/PBI/2020 on Payment Systems (State Gazette of the Republic of Indonesia of 2020 Number 311, Supplement to the State Gazette of the Republic of Indonesia Number 6610) comes into force with due observance of the equity principle.
- (3) The PJP that do not comply with provisions of Regulation of Bank Indonesia concerning the composition of share ownership before Regulation of Bank Indonesia Number 22/23/PBI/2020 on Payment Systems (State Gazette of the Republic of Indonesia of 2020 Number 311, Supplement to the State Gazette of the Republic of Indonesia Number 6610) shall submit an action plans to comply with the provisions on the composition of share ownership and/or domestic control as regulated in this Regulation of Bank Indonesia.
- (4) The action plan as referred to in paragraph (3) shall obtain approval from Bank Indonesia.

Article 270

PJP as referred to in Article 266 is stipulated as PSPS, PSPK, or PSPU as of this Regulation of Bank Indonesia comes into force.

Article 271

- (1) PJP as referred to in Article 270 must comply with the provisions on certain obligations according to the PJP classification as referred to in Article 62 paragraph (2) no later than 2 (two) years as of this Regulation of Bank Indonesia comes into force.
- (2) PJP as referred to in Article 270 that has not complied with certain obligations according to the PJP classification as referred to in Article 62 paragraph (2), shall submit an action plan and obtain approval from Bank Indonesia.
- (3) In the event that the PJP does not implement the action plan that has been approved by Bank Indonesia as referred to in paragraph (2), Bank Indonesia may evaluate the PJP license.

Article 272

PJP as referred to in Article 270 must become a member of SRO no later than 1 (one) year as of this Regulation of Bank Indonesia comes into force.

CHAPTER XI

CLOSING PROVISION

Article 273

At the time this Regulation of Bank Indonesia comes into force:

- a. Regulation of Bank Indonesia Number 11/11/PBI/2009 on the Implementation of Card-Based Payment Instrument Activities (State Gazette of the Republic of Indonesia of 2009 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 5000) as amended by Regulation of Bank Indonesia Number 14/2/PBI /2012 on the Amendment to Regulation of Bank Indonesia Number 11/11/PBI/2009 on the Implementation of Card-Based Payment Instrument Activities (State Gazette of the Republic of Indonesia of 2012 Number 11, Supplement to the State Gazette of the Republic of Indonesia Number 5275);
- b. Regulation of Bank Indonesia Number 18/40/PBI/2016 on the Implementation of Payment Transaction Processing (State Gazette of the Republic of Indonesia of 2016 Number 236, Supplement to State Gazette of the Republic of Indonesia Number 5945);
- c. Regulation of Bank Indonesia Number 19/12/PBI/2017 on the Implementation of Financial Technology (State Gazette of the Republic of Indonesia of 2017 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6142); and
- d. Regulation of Bank Indonesia Number 20/6/PBI/2018 on Electronic Money (State Gazette of the Republic of Indonesia of 2018 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 6203),

are repealed and declared invalid.

Article 274

At the time this Regulation of Bank Indonesia comes into force:

- a. provisions on the regulation and supervision of the Payment System in Regulation of Bank Indonesia Number 18/9/PBI/2016 on the Regulation and Supervision of the Payment System and Management of Rupiah, (State Gazette of the Republic of Indonesia of 2016 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 5885);
- b. provisions on licensing in Regulation of Bank Indonesia Number 14/23/PBI/2012 on Fund Transfer, (State Gazette of the Republic of Indonesia of 2012 Number 283, Supplement to the State Gazette of the Republic of Indonesia Number 5381),

are repealed and declared invalid.

Article 275

At the time this Regulation of Bank Indonesia comes into force, all implementing regulations of:

- a. Regulation of Bank Indonesia Number 11/11/PBI/2009 on the Implementation of Card-Based Payment Instrument Activities (State Gazette of the Republic of Indonesia of 2009 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 5000) as amended by Regulation of Bank Indonesia Number 14/2/PBI/2012 on the Amendment to Regulation of Bank Indonesia Number 11/11/PBI/2009 on the Implementation of Card-Based Payment Instrument Activities (State Gazette Republic of Indonesia of 2012 Number 11, Supplement to the State Gazette of the Republic of Indonesia Number 5275);
- b. Regulation of Bank Indonesia Number 18/40/PBI/2016 on Implementation of Payment Transaction Processing (State Gazette of the Republic of Indonesia of 2016 Number 236, Supplement to State Gazette of the Republic of Indonesia Number 5945);
- c. Regulation of Bank Indonesia Number 19/12/PBI/2017 on the Implementation of Financial Technology

- (State Gazette of the Republic of Indonesia of 2017 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6142); and
- d. Regulation of Bank Indonesia Number 20/6/PBI/2018 on Electronic Money (State Gazette of the Republic of Indonesia of 2018 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 6203),
- are to remain valid up to a maximum of 1 (one) year as of this Regulation of Bank Indonesia comes into force, provided that they are not in contrary with the provisions of this Regulation of Bank Indonesia.

Article 276

This Regulation of Bank Indonesia comes into force from the date of its promulgation.

For the purpose of public cognizance, it is hereby ordered that this Regulation of Bank Indonesia be promulgated in the State Gazette of the Republic of Indonesia.

Established in Jakarta

On 1 July 2021

THE GOVERNOR OF BANK INDONESIA,

SIGNED

PERRY WARJIYO

Promulgated in Jakarta

On 1 July 2021

THE MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

SIGNED

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2021 NUMBER 147

**ELUCIDATION
OF
REGULATION OF BANK INDONESIA
NUMBER 23/6/PBI/2021 OF 2021
ON
PAYMENT SYSTEM SERVICE PROVIDERS**

I. GENERAL

Payment System regulatory reform has the purpose to maintain a balance between efforts to optimize digital innovation opportunities with efforts to maintain stability in order to create a fast, easy, cheap, safe, and reliable Payment System, while still paying attention to the expansion of access and customer protection.

Payment System regulatory reforms are directed to be able to restructure the Payment System industry in an end-to-end manner that puts forward fair business practices and regulatory simplification beginning with the issuance of Regulation of Bank Indonesia Number 22/23/PBI/2020 on Payment Systems (State Gazette of the Republic of Indonesia of 2020 Number 311, Supplement to the State Gazette of the Republic of Indonesia Number 6610).

To implement the main regulatory reforms in Regulation of Bank Indonesia Number 22/23/PBI/2020 on the Payment System (State Gazette of the Republic of Indonesia of 2020 Number 311, Supplement to the State Gazette of the Republic of Indonesia Number 6610) further regulation is required, including to accommodate regulatory needs and risk mitigation, based on innovation and business models development in the Payment System sector while still prioritizing the principles of forward looking, agile, and structured.

The follow-up to the Payment System regulatory reform stated in this Regulation of Bank Indonesia is directed to regulate provision of payment services, including, *inter alia*, access to industry, implementation, supervision, termination of the operation of activities, as well as processing of Payment System data and/or information supported by strengthening of the functions and authorities of Bank Indonesia and the operational obligation for PJP.

In terms of access to the Payment System industry, the regulation has the purpose to simplify PJP activity scopes as well as processing and licensing requirements, including interconnectivity between the licensing process and the sandbox for the development of Payment System technological innovation. Furthermore, the regulation is also directed to ensure the implementation of fair business practices related to ownership and control arrangements. Regulatory reform was also carried out by optimizing SRO functions in issuing technical and micro regulations as well as SRO membership to increase the effectiveness of Regulation by Bank Indonesia.

In the aspect of the implementation of the Payment System, the regulation has the purpose to ensure the fulfillment of the general principles for the implementation of the Payment System that includes the operational obligation for PJP, policies related to pricing schemes, as well as building the capability and integrity of human resources and organizations to realize fair business practices.

Furthermore, to strengthen Bank Indonesia's policy space regarding aspects of domestic payment transaction processing, as well as to ensure operation, approach to the implementation of the Payment System is carried out based on risk according to the PJP classification, including the determination of classification criteria, capital obligations, as well as risk management and information systems. On the other hand, Bank Indonesia's supervisory function will also be strengthened by optimizing follow-up to the supervision toward PJPs, including integrated supervision.

Further arrangements are also required to reform the function of Bank Indonesia in facilitating the development of Payment System technological innovations, simplifying processing and requirements in relation to the development of risk-based activities, products, and/or cooperation, as well as integrating regulations regarding Sources of Fund and access to Sources of Fund, including the authority of Bank Indonesia in stipulating policies related to pricing schemes.

In the aspects of terminating the implementation of the Payment System, there is a need for further regulation to accommodate the revitalization of the PJP licensing evaluation function and follow-up to the supervision by taking into account business performance, institutions, and compliance with laws and regulations, including restructuring the mechanism for the settlement of obligations in the termination of PJP implementation.

In the aspect of data and/or information processing, regulatory reform will be directed to ensure the obligations of PJP and parties involved in cooperation with PJP in implementing principles of personal data protection, cyber risk management, and the use of third party infrastructure.

Payment System regulatory reforms will be carried out on sustainable basis to ensure the establishment of a fast, easy, cheap, secure, and reliable Payment System that is in line with the development of activities, business models and innovations as well as efforts to maintain stability and mitigate risk.

II. ARTICLE BY ARTICLE

Article 1

Self-Explanatory.

Article 2

Paragraph (1)

Letter a

Provision of information on sources of funds is known as account information services.

Letter b

Self-Explanatory.

Letter c

Administration of Sources of Fund is known as account issuance services.

Letter d

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Article 3

Self-Explanatory.

Article 4

Self-Explanatory.

Article 5

Self-Explanatory.

Article 6

Self-Explanatory.

Article 7

Self-Explanatory.

Article 8

Self-Explanatory.

Article 9

Self-Explanatory.

Article 10

Letter a

Self-Explanatory.

Letter b

Number 1

Self-Explanatory.

Number 2

Self-Explanatory.

Number 3

Self-Explanatory.

Number 4

Self-Explanatory.

Number 5

Self-Explanatory.

Number 6

Provision of other supporting services related to the implementation of PJP activities include, among others, the provision of card printing, provision of card personalization, provision of terminals, provision of security features, and operators trading through electronic systems that

facilitate payment transactions.

Article 11

Self-Explanatory.

Article 12

Self-Explanatory.

Article 13

Self-Explanatory.

Article 14

Self-Explanatory.

Article 15

Self-Explanatory.

Article 16

Self-Explanatory.

Article 17

Paragraph (1)

“members of the board of directors” shall also include members of the function or organ that perform supervisory functions for PJP in the form of Non-bank Institutions incorporated in a form other than limited liability companies.

Paragraph (2)

Responsibilities as a member of the board of directors include, among others, to ensure the effectiveness of supervision performed by Bank Indonesia, including participating in physical meetings if required by Bank Indonesia.

Article 18

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Letter a

Self-Explanatory.

Letter b

"a certain crime" are:

1. money laundering crime;
2. terrorism financing crime;
3. predicate crimes as referred to in the law on the prevention and eradication of the crime of money laundering, are:
 - a. corruption;
 - b. bribery;
 - c. narcotics;
 - d. psychotropic;
 - e. labor trafficking;
 - f. migrant trafficking;
 - g. in the banking sector;
 - h. in the capital market sector;
 - i. in the insurance sector;
 - j. customs;
 - k. excise;
 - l. human trafficking;
 - m. illicit arms trade;
 - n. terrorism;
 - o. kidnapping;
 - p. theft;
 - q. embezzlement;
 - r. fraud;
 - s. counterfeiting money;
 - t. gambling;
 - u. prostitution;
 - v. in the taxation sector;
 - w. in the forestry sector;
 - x. in the environmental sector; or
 - y. in the marine affairs and fisheries sector;
- or
4. Other crimes punishable by 4 (four) years imprisonment or more.

Letter c

Self-Explanatory.

Letter d

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Article 19

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Letter a

The materiality scale include, among others, portion of share ownership with a certain number of shares and the complexity of the ownership structure.

Letter b

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 20

Paragraph (1)

Self-Explanatory.

Paragraph (2)

The materiality scale include, among others, the portion of control through the number of shares, voting rights, and certain special rights as well as the complexity of the control structure.

Paragraph (3)

Self-Explanatory.

Article 21

Self-Explanatory.

Article 22

Self-Explanatory.

Article 23

Self-Explanatory.

Article 24

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

"shall take into account the provisions on the fulfillment of capital regulated by the competent authority" is in the event that there are provisions governing capital obligations that are stricter or higher than those required by Bank Indonesia, the provisions of the competent authority shall apply.

In the event that the provisions of the competent authority governing the capital obligation are looser or lower than those required by Bank Indonesia, the capital obligation as stipulated in this Regulation of Bank Indonesia shall prevail.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Self-Explanatory.

Article 25

Article 26

Paragraph (1)

Operational risk includes cyber risk.

Paragraph (2)

Letter a

The scope of active supervision includes, among others, the determination of accountability, policies, and control processes to manage risks that may arise from the operation of the Payment System.

Letter b

The availability of policies and procedures as well as the fulfillment of organizational structure adequacy shall include the availability of:

1. clear organizational structure and segregation of duties or authorities;
2. risk measurement methods; and
3. risk management procedures.

Letter c

Risk management processes and risk management functions, as well as human resources are at least complied with by having a special function that handles risk management.

Letter d

Internal control over the operation of the Payment System includes:

1. procedures and security measures taken to provide services;
2. audit trail on processed payment transactions;
3. adequate procedures to guarantee the integrity of data and/or information; and
4. measures to protect the confidentiality of data and/or information.

Article 26

Self-Explanatory.

Article 27

Self-Explanatory.

Article 29

Self-Explanatory.

Article 30

Self-Explanatory.

Article 31

Self-Explanatory.

Article 32

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

An on-site visit shall be by visiting the PJP business location which is carried out to verify the validity and suitability of the documents submitted, as well as to ensure operational preparedness.

Article 33

Self-Explanatory.

Article 34

Self-Explanatory.

Article 35

Self-Explanatory.

Article 36

Self-Explanatory

Article 37

Self-Explanatory.

Article 39

Self-Explanatory.

Article 41

Self-Explanatory.

Article 42

Self-Explanatory.

Article 43

Self-Explanatory

Article 44

Letter a

Self-Explanatory.

Letter b

Self-Explanatory.

Letter c

Human resource capabilities shall include, among others, competence.

Article 45

Self-Explanatory.

Article 46

Self-Explanatory.

Article 47

Self-Explanatory.

Article 48

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)

Letter a

"use of electronic systems and/or activities that are integrated with the PJP's head office located outside the territory of the Unitary State of the Republic of Indonesia" include, among others:

1. an electronic system used for risk management;
2. an electronic system used for the application of anti-money laundering and the prevention of terrorism financing; and/or
3. transaction reconciliation,

that are implemented in an integrated manner with the PJP's head office outside the territory of the Unitary State of the Republic of Indonesia.

"PJP's head office located outside the territory of the Unitary State of the Republic of Indonesia" include, among others, the main office or main entity office domiciled outside the territory of the

Unitary State of the Republic of Indonesia.

Letter b

Self-Explanatory.

Letter c

Self-Explanatory.

Paragraph (8)

Self-Explanatory.

Article 49

the obligation to connect with PIP apply to each payments instrument and/or channel.

The example of instrument that can interoperate without going through PIP shall include, among others, chip-based electronic money.

Article 50

Self-Explanatory.

Article 51

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Examples of actions that may harm and/or not in accordance with the designation are actions of a Goods and/or Services Providers that are harmful for PJP, PIP, and/or Service Users, such as collaborating with criminals (fraudsters), processing cash withdrawal transactions of credit cards, or impose surcharge to Service Users for fees that should be charged by PJP to the Goods and/or Services Providers.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 52

Self-Explanatory.

Article 53

Self-Explanatory.

Article 54

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Letter a

Examples of pricing schemes from PJP to Service Users include fees for topping up balance of money on instruments, cash withdrawal fees, transfer fees, and interest rate capping.

Letter b

Examples of pricing schemes from PJP to Goods and/or Service Providers include merchant discount rate fees, and online transaction fees.

Letter c

Examples of pricing schemes between PJP, PIP, and/or other related parties include terminal usage fees, sharing infrastructure, and distribution of pricing schemes.

Letter d

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Paragraph (6)

Self-Explanatory.

Paragraph (7)

Self-Explanatory.

Self-Explanatory.

Article 55

Self-Explanatory.

Article 56

Self-Explanatory.

Article 57

Self-Explanatory.

Article 58

Self-Explanatory.

Article 59

Self-Explanatory.

Article 60

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

The size criteria are measured, inter alia, using nominal and volume of transactions processed by PJP.

Paragraph (4)

The interconnectivity criteria are measured, inter alia, using the nominal, volume, and/or interconnectivity of transactions processed by PJP.

Paragraph (5)

The complexity criteria are measured by considering the complexity of payment services such as digital banking and online payment services.

Paragraph (6)

The replaceability criteria is measured, inter alia, by considering the provision of payment channels and payment processing for the instruments issued.

Article 61

Self-Explanatory.

Article 62

Self-Explanatory.

Article 63

Self-Explanatory.

Article 64

Self-Explanatory.

Article 65

Self-Explanatory.

Article 66

Self-Explanatory.

Article 67

Self-Explanatory.

Article 68

Self-Explanatory.

Article 69

Self-Explanatory.

Article 70

Self-Explanatory.

Article 71

Self-Explanatory.

Article 72

Self-Explanatory.

Article 73

"with due observance of the provisions on capital and risk management and information system security standards regulated by other authorities" is in the event that there are provisions regulating capital obligations and risk management and information system security standards that are stricter or higher than those required by Bank Indonesia, then the provisions of other authorities will apply.

In the event that the provisions of other authorities governing capital obligations and risk management and information system security standards are looser or lower than those required by Bank Indonesia then the capital and financial obligations that prevail are risk management and information system security standards as regulated in this Regulation of Bank Indonesia.

Article 74

Self-Explanatory.

Article 75

Self-Explanatory.

Article 76

Self-Explanatory.

Article 77

Self-Explanatory.

Article 78

Self-Explanatory.

Article 79

Self-Explanatory.

Article 80

Self-Explanatory.

Article 81

Self-Explanatory.

Article 82

Self-Explanatory.

Article 83

Self-Explanatory.

Article 84

Self-Explanatory.

Article 85

Paragraph (1)

Self-assessment is carried out by paying attention to, inter alia, the catalog of business model for the development of activities, products, and/or cooperation issued by Bank Indonesia.

The self-assessment by PJP includes, inter alia, the results of the risk category assessment and an

explanation of the selected risk category assessment.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 86

Self-Explanatory.

Article 87

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Self-Explanatory.

Letter c

Other documents constitute documents required by Bank Indonesia to support reports submitted by PJP.

Examples of other documents include an explanation of the business model and/or transaction flow of the development of products, activities, and/or collaborations which are carried out.

Paragraph (6)

Self-Explanatory.

Article 88

Self-Explanatory.

Article 89

Self-Explanatory.

Article 90

Self-Explanatory.

Article 91

Self-Explanatory.

Article 92

Self-Explanatory.

Article 93

Self-Explanatory.

Article 94

Self-Explanatory.

Article 95

Self-Explanatory.

Article 96

Self-Explanatory.

Article 97

Self-Explanatory.

Article 98

Self-Explanatory.

Article 99

Self-Explanatory.

Article 100

Self-Explanatory.

Article 101

Self-Explanatory.

Article 102

Self-Explanatory.

Article 103

Self-Explanatory.

Article 104

Self-Explanatory.

Article 105



Article 106

Self-Explanatory.

Article 107

Self-Explanatory.

Article 108

Self-Explanatory.

Article 109

Self-Explanatory.

Article 110

Self-Explanatory.

Article 111

Self-Explanatory.

Article 112

Self-Explanatory.

Article 113

Self-Explanatory.

Article 114

Self-Explanatory.

Article 115

Self-Explanatory.

Article 116

Self-Explanatory.

Article 117

Self-Explanatory.

Article 118

Self-Explanatory.

Article 119

Self-Explanatory.

Article 120

Self-Explanatory.

Article 121

Self-Explanatory.

Article 122

Self-Explanatory.

Article 123

Self-Explanatory.

Article 124

Self-Explanatory.

Article 125

Self-Explanatory.

Article 126

Self-Explanatory.

Article 127

Self-Explanatory.

Article 128

Self-Explanatory.

Article 129

Evaluation is carried out to ensure that the provision of supporting services keep supporting the implementation of safe, efficient, smooth, and reliable payment transactions by taking into account aspects of customer protection.

Article 130

Self-Explanatory.

Article 131

Self-Explanatory.

Article 132

An example of a Supporting Operator who forwards payments from PJP to Goods and/or Services Providers is a merchant aggregator.

Article 133

Self-Explanatory.

Article 134

Self-Explanatory.

Article 135

Self-Explanatory.

Article 136

Self-Explanatory.

Article 137

Self-Explanatory.

Article 138

Self-Explanatory.

Article 139

Self-Explanatory.

Article 140

Self-Explanatory.

Article 141

Self-Explanatory.

Article 142

Self-Explanatory.

Article 143

Self-Explanatory.

Article 144

Self-Explanatory.

Article 145

Self-Explanatory.

Article 146

Self-Explanatory.

Article 147

Self-Explanatory.

Article 148

Self-Explanatory.

Article 149

Letter a

Self-Explanatory.

Letter b

Examples of Electronic Data Capture (EDC) machines include Electronic Data Capture (EDC) machines for card-based payment instruments and electronic money readers.

Letter c

Self-Explanatory.

Letter d

“proprietary channel” is a payment channel developed and owned by PJP with the activity of administering the source of funds exclusively for the benefit of the customers themselves, which uses technologies, inter alia, based on short message service, mobile, web, subscriber identity module toolkit, and/or unstructured supplementary service data.

Letter e

Self-Explanatory.

Article 150

Paragraph (1)

Letter a

Number 1

Self-Explanatory.

Number 2

Self-Explanatory.

Number 3

Examples of standards for the operation of access to Sources of Funds include the national standard for chip technology and the national standard for quick response codes for payments.

Number 4

Self-Explanatory.

Number 5

Self-Explanatory.

Letter b

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Article 151

Article 152

Article 153

Article 154

Article 155

Article 156

Article 157

Article 158

Letter a

"closed loop" is an electronic money that can only be used as a payment instrument to the Goods and/or Services Providers that is the PJP that carries out the administration activities of the Sources of Funds.

Letter b

"open loop" is an electronic money that can be used as the payment instrument to Goods and/or services providers that are not PJPs that carry out the administration activities of the Sources of Funds.

Article 159

Letter a

Number 1

"server based" is an electronic money with storage media in the form of a server.

Number 2

The term of "chip based" is an electronic money with storage media in the form of a chip.

Letter b

"electronic money user" is a Service User using electronic money instruments.

Number 1

"registered" is an electronic money whose User identity data is registered and recorded with the PJP that organizes the administration activities of the Sources of Funds.

Number 2

"unregistered" is an electronic money whose User identity data is not registered and is not recorded with the PJP that organizes the administration activities of the Sources of Funds.

Article 160

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Included as incoming transactions are, among others, initial deposits, incoming fund transfers, and/or top ups.

Paragraph (4)

"accounts for recording the value of electronic money" is a recording account that is only used by the Goods and/or Services Providers to receive payment for transactions of goods and/or services provided by the Goods and/or Services Providers and cannot be used for outgoing transactions.

Included as outgoing transactions are, among others, payment for shopping transactions, bill payments, fund transfers, and/or cash withdrawals.

Paragraph (5)

Self-Explanatory.

Paragraph (6)

Self-Explanatory.

Article 161

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

"does not remove and/or eliminate the value of electronic money that has not been used" is that the user of electronic money still has the right to claim.

Paragraph (4)

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Article 162

Article 163

Article 164

Article 165

Article 166

Paragraph (1)

Examples of the prohibited use of float funds for other purposes are the use of float funds as collateral to third parties or for the operational interests of PJPs that carry out administration activities of Sources of Fund in the form of electronic money issuance.

Paragraph (2)

Self-Explanatory.

Article 167

Self-Explanatory.

Article 168

Self-Explanatory.

Article 169

Self-Explanatory.

Article 170

Self-Explanatory.

Article 171

Paragraph (1)

"to provide public services" is the provision of services intended for the community such as transportation, electricity, health, and education.

Paragraph (2)

Self-Explanatory.

Article 172

Self-Explanatory.

Article 173

Self-Explanatory.

Article 174

Self-Explanatory.

Article 175

Self-Explanatory.

Article 176

Self-Explanatory.

Article 177

Self-Explanatory.

Article 178

Self-Explanatory.

Article 179

Self-Explanatory.

Article 180

Self-Explanatory.

Article 181

Automated teller machine cards are known to the public as ATM cards.

Article 182

Self-Explanatory.

Article 183

Self-Explanatory.

Article 184

Self-Explanatory.

Article 185

Self-Explanatory.

Article 186

Paragraph (1)

Letter a

“credit card users” are Service Users who use credit card instruments.

Letter b

“minimum income” is income after the deduction of liabilities including taxes and debt payments to the employer (take home pay).

To analyze the minimum income limit for prospective credit card users, PJP that organizes

administration activities of Sources of Fund when issuing credit card instruments or virtual forms that have characteristics similar to credit cards can take into account other income (surrogate income) of prospective credit card users.

Letter c

Self-Explanatory.

Letter d

Self-Explanatory.

Letter e

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Article 187

Article 188

Article 189

Article 190

Article 191

Article 192

Article 193

"users of automated teller machine cards " are a Service User using an automated teller machine card instrument.

Article 194

Self-Explanatory.

Article 195

Self-Explanatory.

Article 196

Self-Explanatory.

Article 197

Self-Explanatory.

Article 198

Paragraph (1)

"active users" are users of payment instrument data storage services who perform payment transactions using payment instrument data storage services on a regular basis and/or make payment transactions using payment instrument data storage services at least 1 (one) time in 1 (one) month.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 199

Paragraph (1)

"users of the instrument data storage service" are Service Users using instrument data storage service.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Article 200

Self-Explanatory.

Article 201

Self-Explanatory.

Article 202

Examples of “virtual currencies” include Bitcoin, BlackCoin, Dash, Dogecoin, Litecoin, Namecoin, Nxt, Peercoin, Primecoin, Ripple, and Ven.

Article 203

Self-Explanatory.

Article 204

Paragraph (1)

Letter a

Values represented digitally or other media include credit, vouchers, customer loyalty rewards or points, assets in online games.

Letter b

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Article 205

Self-Explanatory.

Article 206

Self-Explanatory.

Article 207

Self-Explanatory.

Article 208

Self-Explanatory.

Article 209

Self-Explanatory.

Article 210

Self-Explanatory.

Article 211

Self-Explanatory.

Article 212

Self-Explanatory.

Article 213

Self-Explanatory.

Article 214

Self-Explanatory.

Article 215

Self-Explanatory.

Article 216

Self-Explanatory.

Article 217

Self-Explanatory.

Article 218

Self-Explanatory.

Article 219

Self-Explanatory.

Article 220

“other parties” are, among others, relevant ministries and institutions.

Article 221

Self-Explanatory.

Article 222

Self-Explanatory.

Article 223

Self-Explanatory.

Article 224

Self-Explanatory.

Article 225

Self-Explanatory.

Article 226

Self-Explanatory.

Article 227

Self-Explanatory.

Article 228

Self-Explanatory.

Article 229

Self-Explanatory.

Article 230

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

"the provisions of Bank Indonesia" include, among others, provisions regarding the obligation to maintain data confidentiality.

Article 231

Paragraph (1)

Self-Explanatory.

Paragraph (2)

An example of inspection with other mechanisms include, among others, inspections through online communication.

Paragraph (3)

Self-Explanatory.

Article 232

Self-Explanatory.

Article 233

Self-Explanatory.

Article 234

Self-Explanatory.

Article 235

Self-Explanatory.

Article 236

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

An example of inspections with other mechanisms include, among others, inspection through online communication.

Paragraph (6)

Self-Explanatory.

Paragraph (7)

Self-Explanatory.

Paragraph (8)

Self-Explanatory.

Paragraph (9)

Self-Explanatory.

Self-Explanatory.

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Letter a

An example of follow-up to supervision related to aspects of business performance and capital is an increase in capital from shareholders, corporate actions, and other Sources of Fund.

Letter b

An example of follow-up to supervision related to aspects of risk management and adequacy of information system security and reliability is information technology.

Letter c

The examples of follow-up to supervision related to aspects of integrity and/or competence of management board and shareholders are fitness and properness, replacement of management, audit or certification.

Paragraph (6)

Self-Explanatory.

Paragraph (7)

Self-Explanatory.

Paragraph (8)

Self-Explanatory.

Article 239

Self-Explanatory.

Article 240

Self-Explanatory.

Article 241

Self-Explanatory.

Article 242

Self-Explanatory.

Article 243

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Letter a

Self-Explanatory.

Letter b

Self-Explanatory.

Letter c

Self-Explanatory.

Letter d

Self-Explanatory.

Letter e

Self-Explanatory.

Letter f

Self-Explanatory.

Letter g

Other considerations include, among others, the development and sustainability of PJP's business.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Paragraph (6)

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Self-Explanatory.

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Article 244

Article 245

Article 246

Article 247

Paragraph (6)

"PJP obligations" include, among others, float fund obligations that have not been paid to electronic money users.

Paragraph (7)

Self-Explanatory.

Article 248

Self-Explanatory.

Article 249

Paragraph (1)

"activity termination" is the cessation of PJP's main activity or product discontinuation.

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.

Paragraph (10)

Self-Explanatory.

Article 250

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Letter a

"data and/or information on payment transactions" shall mean at least the instrument, nominal, and payment channel.

Letter b

"data and/or information on details of payment transaction information" shall mean at least the profile of the Goods and/or Service Provider, the profile of the Service User, payment method, transaction area, and product.

Letter c

"data and/or information on PJP performance" shall at least include financial statements, business performance reports, capital change plans reports, and PJP business plans.

Letter d

"data and/or information on Payment System organization" shall be at least customer complaints, fraud, incidents, and cyber intrusion.

Letter e

"data and/or information on compliance monitoring of Payment System infrastructure participants organized by Bank Indonesia" shall be at least aspects of governance, operations, infrastructure, business continuity plan related to cyber incidents and intrusion, fraud, and customer protection.

Letter f

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 251

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Letter a

"data and/or information on payment transactions" shall mean, among others, instruments, nominal, and payment channels.

Letter b

"data and/or information on details of payment transaction information" shall at least be the profile of the Goods and/or Service Provider, the profile of the Service User, payment method, transaction area, and product.

Article 252

Self-Explanatory.

Article 253

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

“data retrieval through inter-system connections directly and in real time” include, among others, those carried out through data infrastructure operated by Bank Indonesia, other authorities, or provision of access to information systems to Bank Indonesia.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Article 254

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Letter a

An example of daily report is an available system reports and daily report on float funds managed by PJP with license category one that carries out the administration activities of Sources of Fund in the form of electronic money.

Letter b

An example of weekly report is a weekly payment transaction report.

Letter c

An example of monthly report is monthly payment transaction reports, fraud reports, and reports of disruptions and availability of information technology infrastructure.

Letter d

An example of a quarterly report is an unaudited financial statement.

Letter e

Examples of annual reports are:

1. Payment System annual report including, among others, business plans and realization of payment system operation activities, updating of basic data, and self-assessment of information systems;
2. management report and the results of the supervision of the board of commissioners shall include, among others, governance including ownership and control structure, risk management and information system security standards, and the results of the supervision of the board of commissioners.
3. audited financial statements.

Letter f

Self-Explanatory.

Paragraph (5)

Letter a

Self-Explanatory.

Letter b

The report on changes of data and information shall contain, among others, changes of PJP's name, office address, changes in the main documents of business relations, changes in the arrangement of rights and obligations of the parties, changes in cooperation agreements, and changes in collaborating parties, as well as changes in procedures and dispute resolution mechanisms.

Letter c

Disturbances in processing payment transactions are troubles encountered by PJP, including the efforts that have been made to overcome them, including:

1. Malfunction of data center and disaster recovery center;
2. network failure in processing payment transactions; and/or
3. fraud that occurred and accompanied by information related to chronology and the impact of losses caused.

Letter d

Force majeure is a condition occurring beyond PJP's control, which causes the implementation of payment transaction processing cannot be carried out due to, but not limited to, fires, mass riots, sabotage, and natural disasters such as earthquakes and floods declared by the local competent authorities or officials, including Bank Indonesia.

Letter e

Self-Explanatory.

Letter f

Self-Explanatory.

Paragraph (6)

Notice on the occurrence of disturbances and force majeure shall be submitted to Bank Indonesia by telephone, facsimile, and/or other means of information.

Article 255

Self-Explanatory.

Article 256

Self-Explanatory.

Article 257

Paragraph (1)

Letter a

Self-Explanatory.

Letter b

Bank Indonesia's data infrastructure includes, among others, information systems and data infrastructure operated by Bank Indonesia such as Integrated Payment Interfaces and data hubs, or the ones operated by parties appointed by Bank Indonesia.

Bank Indonesia Payment System Infrastructure includes, among others, the infrastructure used to organize or facilitate clearing and/or settlement of payment transactions.

Letter c

Use of third party data infrastructure shall include, among others, the use of cloud computing technology

Letter d

Cyber risk management includes aspects of governance, prevention, and troubleshooting.

Letter e

Self-Explanatory.

Letter f

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Article 258

The processing mechanism for data and/or information related to the Payment System is carried out with standardization, including standardization of open application programming interfaces (open API).

Article 259

Self-Explanatory.

Article 260

Letter a

“access and surveillance” shall mean to ensure access rights, audit rights and guarantees for access rights and data and/or information acquisition.

Letter b

Self-Explanatory.

Letter c

“data protection principle” shall mean to ensure the confidentiality and protection of data stored or processed using third party data infrastructure.

Letter d

Self-Explanatory.

Letter e

“data integrity” shall mean to ensure that data processing is carried out accurately, representing the actual facts or circumstances and consistent by using transparent methods.

Article 261

Self-Explanatory.

Article 262

Self-Explanatory.

Article 263

Self-Explanatory.

Article 264

Self-Explanatory.

Article 265

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

The approval that must be requested from Bank Indonesia by the SRO includes, among othes, the determination of a pricing or fee scheme.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory.

Article 266

Self-Explanatory.

Article 267

Self-Explanatory.

Article 268

Self-Explanatory.

Article 269

Paragraph (1)

"change in the composition of foreign ownership" shall mean a change of the percentage of foreign share ownership by a foreign party for all shares owned by a foreign party in an entity, whether it becomes higher or lower, and experiences a material and/or significant change.

"change of control by a foreign party" is a change of a foreign party that control the entity, whether due to a change in the number (percentage) of the composition of shares with voting rights or special rights, or the controlling subject as stated in the company deed.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 270

Self-Explanatory.

Article 271

Self-Explanatory.

Article 272

Self-Explanatory.

Article 273

Self-Explanatory.

Article 274

Self-Explanatory.

Article 275

Self-Explanatory.

Article 276

Self-Explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 6692**DISCLAIMER**

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