

**PRESS RELEASE
IMPLEMENTING REGULATION ON OJK LEVY**

(Jakarta, April 3rd, 2014) - The Financial Services Authority (OJK) has issued regulation and circular letter regarding OJK levy for practitioners of financial services sector as a follow-up measure to implement Government Regulation in Lieu of Law (Perpu) No. 11 of 2014 on OJK levy, which was issued by the Indonesian government on February 12th, 2014.

The issued regulation is OJK Regulation No. 3/POJK.02/2014 on procedure for implementing OJK levy, whereas the circular letter is Circular Letter No. 4/SEOJK.02/2014 on mechanism of OJK levy payments, which contains explanation about payment methods for OJK levy payers that include financial services institutions, as well as individuals and institutions doing businesses in financial services sectors.

The issuance of these OJK regulation and circular letter on OJK levy indicates OJK's preparedness in implementing government regulations on levy while at the same time executing the mandate of articles 34, 35, 46 and 37 of OJK law on OJK budget.

First phase of annual OJK levy payments should be paid using OJK Levy Administration System (SIPO) by April 15th, 2014, at the latest.

Article 35 of OJK law and article 2 of government regulation on OJK levy stipulate that OJK levy is used to finance OJK operational activities, administrative costs, asset procurements and other supporting activities. Levy payments received during the current year are to be used for next year's budget.

Pursuant to Law No. 21 of 2011, OJK is mandated to ensure that the overall activities within the financial services sector are implemented in an organized, fair, transparent and accountable manner; able to realize the financial system that grows in a sustainable and stable manner; and capable of protecting the interests of consumers and the society.

The law also stipulates that OJK function is to promote and organize a system of regulations and supervisions that is integrated into the overall activities in the financial services sector.

The imposition of levy for financial services industry is certainly important for OJK in order for the authority to be able to implement its duties and function well accordingly with the law. The imposition of OJK levy is aimed at driving and promoting national financial services industry and not otherwise.

Various kinds of easiness and reliefs in levy payments are explained in the issued regulation. Therefore, financial services industry and society will not be burdened by the levy imposition.

The obligatory levy is believed to generate recycling benefits for financial services industry, manifested through diverse OJK programs with added values in the fields of integrated regulation and supervision, consumer protection and good governance.

The programs are directed to improve consumers' understanding and trust on financial services sector so as to be able to create and develop a sustainable growth in financial services sector.

OJK levy is aimed at promoting financial services sector in accordance with the objectives of establishing OJK. If the levy is paid by consumers and society, it will reduce industrial competitiveness, which in turn will bring damages to companies themselves.

OJK Regulation on Procedure for Implementing OJK Levy

OJK regulation on OJK levy comprises of four main subjects, namely: procedure for levy payments and calculation, procedure for levy billing, procedure for levy verification, and adjustment of obligatory levy payments.

The types of OJK levy include:

1. Licensing cost, approval cost, registration cost, validation cost, and corporate plan reviews or registration cost.
2. Annual fees for regulation, supervision, inspection, and research.

Licensing, approval, registration and validation costs, as regulated in government regulation on OJK levy, must be paid by levy payers prior to proposing for licensing, approval, registration and validation to OJK.

Whereas annual fees with percentage charges must be paid in four phases by April 15th, July 15th, October 15th and December 31st of the current year, with payment amounting 25% of total obligatory annual fees for each phase, and that is calculated in a self-assessment manner based on last year's audited annual financial report.

As for annual fee with certain nominal charge, it must be paid at the latest by June 15th of current year.

The regulation also stipulates that OJK can adjust obligatory levy payments as regulated in government regulation on levy.

OJK can adjust levy for:

1. Every institution that has financial difficulties and is doing efforts for financial soundness and/or fixing, OJK can adjust levy tariffs down to 0%.
2. In the case of a part or the whole financial industry is incapable of sustaining financial soundness, OJK can adjust levy tariffs down to 0%.
3. In the case of OJK prioritizing the development of certain industries, services, products or regions, OJK can adjust levy tariffs down to 25%.
4. The adjustment of levy charges as explained in point 2 and 3 is made after coordinating with Financial Minister.

Aside from that, if receivables from annual levy payments of the current year are already sufficient to finance OJK's budget and working plan for the next year, which has been approved by House of Representatives (DPR), OJK will impose 0% of levy tariffs for the remaining time of the current year.

OJK regulation on levy also regulates about imposing sanctions on levy payers that do not settle their obligatory payments until time limits as stipulated in government regulation on levy; sanctions will be preceded by warning letter.

Sanction on non-complying levy payers is administrative sanction in the form of fine, which is calculated based on how long the overdue levy payments occur. OJK can also announce the administrative sanction to public.

Furthermore, in the case that levy payers do not pay off their obligatory payments within a year since the scheduled time for payments ends, OJK will stipulate the obligatory payments as nonperforming debts and hand over the levy billing process to Committee for State Receivables Settlement (PUPN) pursuant to provisions in the prevailing laws.

Circular letter on mechanism of OJK levy payments covers all matters related to technical procedures of levy payments using OJK Levy Administration System (SIPO), which can be accessed through OJK official website www.ojk.go.id. SIPO provides available functions that include:

1. Calculation of the sum of annual payments by inputting basic charges;
2. Information on the remaining amount of OJK levy to be paid;
3. Management of annual payments, fines and sanctions;
4. Monitoring of payment status.

OJK also continually monitor the process of levy payments by setting up OJK Levy Call Center on (+62 21) 29600000 and email at pungutan@ojk.go.id.

Deputy Commissioner I for Strategic Management

Lucky F.A. Hadibrata

Enclosure:

Table of OJK Levy Tariffs based on Government Regulation No. 11 of 2014

Levy Tariffs

No.	Type of OJK main levy	Unit	2014	Starting 2015
A. Licensing, approval, registration and validation costs				
1.	Stock exchange, Stock Market Clearing House (LKP), Central Securities Depository (LPP), government bond (SUN) trading provider other than stock exchange, commercial bank, life insurance, general insurance, reinsurance, and investment manager.	Per company	Rp 66,666,667	Rp 100,000,000
2.	Rating agency, underwriter, rural bank, Sharia rural bank, finance company, venture capital firm, and other financial services institutions (grouped as LDKL)	Per company	Rp 33,333,333	Rp 50,000,000
3.	Securities broker-dealer that administers customer's securities account.	Per company	Rp 20,000,000	Rp 30,000,000
4.	Securities broker-dealer that does not administer customer's securities account, investment consultant, Securities Administration Bureau (BAE), Bond Pricing Agency (LPHE)	Per company	Rp 3,333,333	Rp 5,000,000
5.	Approval for issuer of Sharia Securities List, custodian bank; bank-support institution, that is rating agency.	Per company	Rp 3,333,333	Rp 5,000,000
6.	Licensing for supporting institutions of non-bank financial industry, namely insurance broker company, reinsurance broker company, loss adjuster company, actuarial consultant company, and insurance agent company.	Per company	Rp 3,333,333	Rp 5,000,000
7.	Trustee	Per company	Rp 3,333,333	Rp 5,000,000
8.	Mutual fund selling agent	Per company	Rp 20,000,000	Rp 30,000,000
9.	Validation for Financial Institution Pension Fund (DPLK) and Employer Pension Fund (DPPK)	Per institution	Rp 33,333,333	Rp 50,000,000
10.	Investment manager representative and investment adviser	Per person	Rp 666,667	Rp 1,000,000

No.	Type of OJK main levy	Unit	2014	Starting 2015
A. Licensing, approval, registration and validation costs (continuation)				
11.	Underwriter representative, securities broker-dealer representative, and mutual fund selling agent representative	Per person	Rp 333,333	Rp 500,000
12.	Supporting profession	Per person	Rp 3,333,333	Rp 5,000,000
13.	Registration statement for public offering: Equity securities, debt securities, for capital additions using rights issue (HMETD), for capital additions without rights issue, securities that can be converted into shares, and by shareholders.	Issue size	0.033% Maximum at Rp 500,000,000	0.05% Maximum at Rp 750,000,000
14.	Sukuk (Islamic bond)	Issue size	0.033% Maximum at Rp 100,000,000	0.05% Maximum at Rp 150,000,000
15.	Registration statement of public company	Per registration statement	Rp 6,666,667	Rp 10,000,000
16.	Registration statement for voluntary tender offer	Per offer	Rp 16,666,667	Rp 25,000,000

Levy Tariffs

No.	Type of OJK main levy	Unit	2014	Starting 2015
Costs for corporate plan reviews				
1.	Capital additions without rights issue through public offering, not for improving financial position.	Issue size	0.017% Maximum at Rp 333,333,333	0.025% Maximum at Rp 500,000,000
2.	Fusion or merger of open companies.	Fusion/merger pro forma assets	0.033% Maximum at Rp 166,666,667	0.05% Maximum at Rp 250,000,000
3.	Altering open company into private company voluntarily	Per alteration	Rp 666,666,667	Rp 1,000,000,000
4.	Taking over of open company.	Per taking over	Rp 16,666,667	Rp 25,000,000

Levy Tariffs

No.	Type of OJK main levy	Unit	2014	Starting 2015
B. Annual fees for regulation, supervision, inspection, and research				
1.	Stock exchange, Stock Market Clearing House (LKP), Central Securities Depository (LPP), government bond (SUN) trading provider other than stock exchange, commercial bank, life insurance, general insurance, reinsurance, and investment manager.	Business income	10%	15%
2.a.	Banking, insurance, pension fund, finance company, capital venture firm, and other financial services institutions.	Assets	0.03% (minimum at Rp 6,666,667)	0.045% (minimum at Rp 10,000,000)
b.	Investment manager	Managed fund	0.03% (minimum at Rp 6,666,667)	0.045% (minimum at Rp 10,000,000)
3.a.	Underwriter, securities broker-dealer, investment adviser, and mutual fund selling agent.	Business income	0.8% (minimum at Rp 6,666,667)	1.2% (minimum at Rp 10,000,000)
b.	Rating agency and supporting institutions.	Business income	0.8% (minimum at Rp 3,333,333)	1.2% (minimum at Rp 5,000,000)
4.a.	Issuer	Issue size	0.02% (minimum at Rp 10 million, maximum at Rp 100 million)	0.03% (minimum at Rp 15 million, maximum at Rp 150 million)
b.	Public company	Per company	Rp 10,000,000	Rp 15,000,000
5.a.	Public accountant office, public appraiser office, law firm, notary office, and actuarial consultant company.	Contract value of activities in the financial services sector	0.8%	1.2%
b.	Other supporting professions and individual practitioners	Per person	Rp 3,333,333	Rp 5,000,000