

## **PRESS RELEASE**

### **OJK RELEASES IMPLEMENTING REGULATION ON FINANCIAL SERVICES AND/OR PRODUCTS OFFERS**

The Financial Services Authority (OJK) has released on July 24, 2014 the OJK Circular Letter Number 12/SEOJK.07/2014 on delivery of information in the framework of financial services and/or products marketing.

The OJK circular letter is an implementing regulation of OJK Regulation Number 1/POJK.07/2013 dated August 6, 2013 on protection over consumers of financial services sector, which is effective starting on August 6, 2014.

The circular letter regulates that offers by financial services businesses must use data that is preliminary approved by consumers or society who are willing to be contacted using short message service (SMS), phone or email.

The regulation stipulates that OJK prohibits the use of freelance telemarketing that applies long codes in ways as if the offers are delivered privately. The offers must be clear in stating the identity of financial services businesses. And if offers are conducted by phone, financial services businesses must first obtain consumer's willingness to receive their offers.

This circular letter on marketing also regulates about procedure for publication of advertisements by financial services businesses, obligating them to put their company logo in the advertisements along with a statement informing that they are registered companies and supervised by OJK.

This regulation is formulated so that society will not be trapped by companies offering financial products that are not under OJK's supervision. Experience shows that allegedly illegal investments often offer investments with interest or profit sharing beyond normal rates, while actually the companies offering such investments have not obtained any license and OJK is not supervising them.

With the regulation, OJK also regulates the use of the term `syarat dan ketentuan berlaku` (condition and provision apply), which is usually written in small font along with asterisk symbol (\*), the use of superlative words (such as `terkuat` or the strongest, `teraman` or the most safety), and several other matters.

Other important thing that the society must know is that financial services businesses will provide a summary of product and/or service info, which contains information about benefits, costs and risks. Consumers must learn about it and give accurate data/information to the financial services businesses.

OJK appreciates financial services businesses, associations in financial services sector, academic experts, members of Indonesian Advertisement Council (DPI) who have participated as resource persons in drafting OJK circular letter on marketing as implementing regulation of OJK Regulation No. 1/POJK.07/2013.

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