

JOINT PRESS RELEASE

MEMORANDUM OF UNDERSTANDING BETWEEN FINANCIAL SERVICES AUTHORITY (OJK) AND INDONESIAN NATIONAL POLICE (POLRI)

ON

COOPERATION IN HANDLING CRIMES IN FINANCIAL SERVICES SECTOR

(Jakarta, November 25, 2014). Financial Services Authority (OJK) and the Indonesian National Police (Polri) signed a memorandum of understanding (MoU) on cooperation in handling crimes in financial services sector. The MoU was signed by Chairman of OJK Board of Commissioners Muliaman D. Hadad and National Police Chief Gen. Drs. Sutarmanto.

The MoU is mandated by Law No. 21 of 2011 on OJK (OJK Law), which gives authority to OJK to implement investigation function on crimes in financial services sector, comprising crimes in banking, capital market, insurance and pension fund sectors.

The OJK Law still gives authority to the National Police to conduct investigation on crimes in financial services sector. Thereby, OJK and the National Police together hold the mandate of OJK Law to conduct investigation on crimes in financial services sector. In an effort to achieve synergy in implementing the mandate of OJK Law, a good coordination is required between OJK and the National Police, which was then formally made into the MoU.

The MoU covers cooperation in the fields as follow:

1. **Field of crime prevention** in financial services sector, by conveying information and giving education for practitioners of financial services industry and society, both about crimes in financial services sector and other crimes that bring impacts to financial services sector;
2. **Field of law enforcement**, through exchange of data or information and investigation supports both in technical and tactical supports. The National Police's investigation supports for OJK are really required due to various considerations, among others are:
 - limited number of investigators in OJK, especially in the beginning of implementation of OJK's investigation function;
 - potential crimes in regional areas, therefore requiring coordination between OJK and regional police;
 - limited authority of OJK's civil servant officials (PPNS), for instance in arresting and detaining suspects; and

- supporting facilities for investigation owned by the National Police that can be utilized to conduct investigation on crimes in financial services sector, for instance the National Police's forensic laboratory.
- 3. **Field of security**, by securing OJK and OJK's activities;
- 4. **Field of coordination**, by establishing coordination forum between officials of OJK and the National Police or between regulating officials, which is used for discussion about the focus and strategy of law enforcement in financial services sector and about the effectiveness of handling, analysis and evaluation on implementation of handling crimes in financial service sector. Additionally, in the framework of the coordination, a task force in a more technical level will be formed, involving elements of managing officials in OJK and regional police;
- 5. **Field of assignment and assignment closure of the National Police officers (investigators)**, by assigning National Police investigators in OJK to carry out the investigation duty; and
- 6. **Field of education and training**, through programs in improving the quality and competency of human resources in OJK and the National Police, particularly for those who carry out investigation function, involving competency in financial service sector and in investigation technical skills.

In order to implement the MoU, OJK and the National Police will together create a work guidance that contains more detailed description about those fields. The work guidance will be stipulated immediately after the MoU signing. With this cooperation between OJK and the National Police, it is expected that crime prevention and law enforcement in financial services sector can be carried out effectively and optimally for the sake of society's interests. OJK continuously drives development in financial services sector so that it grows healthily, sustainably and is able to contribute more maximally in improving national economy and social prosperity.

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