

PRESS RELEASE**OJK COMMITS TO STRENGTHEN SUPERVISION OF FINANCING AND TECHNOLOGY INNOVATION FINANCING IN THE FINANCIAL SECTOR**

Jakarta, August 18, 2023. Indonesia Financial Services Authority (OJK) commits to strengthen regulation and supervision of Financing Institutions, Capital Venture Companies, Micro Financial Institutions, and other Financial Services Institutions as well as the Technology Innovation in the Financial Sector, Digital Financial Assets and Crypto Assets.

Two Commissioner Board (ADK) Members of OJK who were inaugurated in the Supreme Court on Wednesday (8/9) sets a new milestone for OJK's duties and roles in carrying out the mandate of Law 4/2023 on the Development and Strengthening of the Financial Sector (PPSK).

Article 10 of PPSK Law specifies two additions of ADK OJK: Chief Executive of Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies Supervision along with Chief Executive of Technology Innovation, Digital Assets, and Crypto Assets Supervision.

The addition to the ADK OJK members is expected to enforce OJK's duties, functions, authorities, and roles in carrying out the mandate of PPSK Law, which initially aims to encourage financial sector's contribution to an inclusive, sustainable, and fair economic growth to improve public's livelihood, lessen economic disparity, and realize prosperous, developed, dignified Indonesia.

Agusman was appointed as the Chief Executive of Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies Supervision and Hasan Fawzi as Chief Executive of Technology Innovation, Digital Assets, and Crypto Assets Supervision.

Supervision of Financing Institutions

Chief Executive of Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies Supervision (PVML) will bear duties and functions to coordinate supervision, authorization, regulation, special inspection and direction development, strategies, provisions, quality assurance and management and information system supervision as well as permit and *surveillance* and risk management protocol in both conventional and sharia PVML sectors.

The financial services industry scope under the supervision of PVML Commissioner consists of: Financing Companies, Infrastructure Financing Companies, Capital Ventures, Special Financial Institution (*sui generis*), Fintech Lending and Paylater, Mortgage, Micro Financial Institutions, and Other Financial Services Institution, including cooperation in the financial services sector.

Sui generis financial institution under the supervision of PVML Chief consists of Indonesia Exim Bank ("LPEI"), Badan Pengelola Tabungan Perumahan Rakyat ("BP Tapera"), PT Sarana Multigriya Finansial ("SMF"), and PT Permodalan Nasional Madani ("PT PNM").

Agusman is committed to carry out prudential enforcement policy and encourage healthy and sustainable growth of all PVML industry sectors, including as follows:

1. PVML resilience and competitiveness strengthening through capital enforcement, governance and risk management, funding source expansion, financing access expansion, human resources competency, as well as literacy and consumer protection.
2. Development of elements in the PVML sector ecosystem through synergism of financial services institutions, priority economics, MSMEs, credit rank system and halal industry as well as conducting interactive information dissemination of collateral collection and execution.

3. PVML sector digital transformation acceleration through information technology capacity use, industry digitalization mapping and staging, digital transformation capacity enhancement and regulatory technology capacity enhancement.
4. Enforcement of regulation, supervision and clearance through level playing field provision refinement, spin off regulation refinement, Governance, Risk, and Compliance (GRC) requirement refinement, technology-based provisions preparation as well as sustainable finance.
5. For *sui generis* financial services institutions, in addition to GRC strengthening, OJK is committed to support each financial institution role and contribution improvement as a special mission vehicle as their core competency.

Technology Innovation in the Financial Sector

Chief Executive of Technology Innovation (ITSK), Digital Assets, and Crypto Assets Supervision (IAKD), will bear duties and functions to coordinate supervision, permit, regulation, special inspection systems, as well as to develop directions, strategies, and policies of IAKD.

In accordance with PPSK Law, IAKD scope includes technology innovation in crowdfunding, investment management, and bonds transactions. In addition of including technology innovation in the risk management, claim management, distribution and sales as well as technology innovation in fund raising and/or distribution.

IAKD will also include market-supporting technology innovation to fulfil IJK necessities, such as credit scoring, aggregator, and e-know your customer.

IAKD will then include activities related to digital finance assets, involving crypto assets, as well as other digital financial services activities.

Hasan Fawzi is committed to **INOVASI** strategy in developing technology innovation in the financial sector and digital financial assets, including crypto in Indonesia, as follows:

- **Investor Protection and Consumer Protection** through a holistic investor and consumer protection program, coordinating with Chief Executive of Behavioral Supervisory of Financial Services Business, Education, and Consumer Protection
- **Normalization** of OJK regulation and supervision, which supports innovative, balanced, and collaborative development;
- **Optimization** of literacy, inclusion, and Technology Innovation, Digital Assets, and Crypto Assets program; coordinating with Chief Executive of Behavioral Supervisory of Financial Services Business, Education, and Consumer Protection
- **Variation** of Technology Innovation, Digital Assets, and Crypto Assets strategies and programs;
- **Acceleration** of Green Economy and New Economy development;
- **Synergism** and collaboration to develop the industry; and
- **Integrity** of the market through industry ecosystem development and institution transformation relating to governance, human resources, and technology.

The seven strategies are implemented through combination of policies and strategic plans that support innovative, balanced, and collaborative development by prioritizing the main principles of: consumer protection, market integrity, and systemic risk prevention.

For more information:

Head of Literacy, Financial Inclusion and Communication Department, Aman Santosa;

Tel. (021) 29600000; E-mail: humas@ojk.go.id