

PRESS RELEASE

OJK FOLLOWS UP INDONESIA AUDIT BOARD'S INSPECTION RESULTS

Jakarta, June 6, 2024. The Financial Services Authority (OJK) appreciates the BPK's audit findings on compliance with regulations and supervision of lending and financing activities in the banking sector and Non-Bank Financial Industry (NBFI), as contained in the Semester II 2023 Audit Result Summary (IHPS), and is committed to following up and resolving these audit findings.

Related to the Indonesia Audit Board and the recommendations to refine the Roadmap of Indonesia Sharia Banks through the work program derived from the roadmap, OJK has carried out the following actions:

1. OJK issued the Roadmap of Indonesia Sharia Bank Development and Strengthening ("RP3SI") 2023 – 2027 on November 27, 2023. The Roadmap contained OJK's vision in developing and strengthening Indonesia Sharia bank industry: "Developing healthy, efficient, and competitive Sharia banks with high integrity and significant contribution to the national economic for common welfare."

The roadmap also includes work programs and implementation plan from each pillar and strategy in the RP3SI.

2. OJK prepared the POJK Number 17 of 2023 on Governance Implementation for Common Banks, which was issued on September 14, 2023. The POJK stipulates the general governance prevailing in the Conventional Common Banks, Sharia Common Banks, and Sharia Business Units.

To regulate governance in Sharia principles implementation, OJK issued POJK Number 2 of 2024 on February 15, 2024, on Sharia Governance Implementation for Sharia Common Banks and Sharia Business Units.

Meanwhile, Indonesia Audit Board's findings and the recommendation to align the regulation for supervision on raising and distributing funds when BPR/BPRS listed as Banks under Special Supervision with IDIC's regulations, described as follows:

1. OJK has issued POJK No.28 of 2023, wherein the Article 21 emphasizes on prohibition to carry out fund-raising and fund distribution, which is one of OJK's supervisory action, which can be instructed to Banks in Recovery.
2. OJK and IDIC have also renewed the Memorandum of Understanding in MOU-9/D.01/2023 dated September 14, 2023, which mentioned OJK's obligation to always notify IDIC the Bank supervisory status changes and OJK's supervisory actions toward the Banks in Recovery. OJK continuously coordinates with IDIC on the matters drawn up in the Memorandum of Understanding.

The following are the information regarding the Indonesia Audit Board's inspection results on the supervisory performance on Financing Companies whose business permits are terminated:

1. OJK is in the process to refine the regulations on obligation to provide closing balance sheet for financing companies whose business permits are terminated, in the form of Financial Services Authority Regulations (POJK), a derivative regulation based on the P2SK Law.
2. OJK has refined the SOP on the business permit termination process on Financing Companies, namely requesting the availability of the company's closing balance sheets.

OJK is committed to constantly improve its duty implementations to continuously strengthen the financial services sector and protect consumers.

For more information:

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