

PRESS RELEASE

OJK ISSUES NINE REGULATIONS TO DEVELOP AND STRENGTHEN FINANCING INSTITUTIONS, CAPITAL VENTURE COMPANIES, MICROFINANCE INSTITUTIONS, AND OTHER FINANCIAL SERVICES COMPANIES

Jakarta, February 6, 2025. Indonesia Financial Services Authority (OJK) issued nine OJK Regulations (POJK) to develop and strengthen Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies (“PVML”) supervision.

The 9 (nine) POJK issued nearing the end of 2024 follow up the mandate from Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (P2SK Law) and is expected to create more stable, transparent PVML sector that provides better consumer protection and drives inclusive and continuous growth.

The nine recently-issued POJK are as follows:

1. POJK Number 39 of 2024 on Pawnshop (POJK 39/2024);
2. POJK Number 40 of 2024 on Information Technology-Based Joint Financing Services (POJK 40/2024);
3. POJK Number 41 of 2024 on Microfinance Insitutions (POJK 41/2024);
4. POJK Number 42 of 2024 on Implementation of Risk Management for PVML (POJK 42/2024);
5. POJK Nomor 43 of 2024 on Human Resources Quality Development in PVML (POJK 43/2024);
6. POJK Number 46 of 2024 on the Development and Strengthening of Financing Companies, Infrastructure Financing Companies, and Capital Venture Companies (POJK 46/2024);
7. POJK Number 47 of 2024 on Cooperatives in the Financial Services Sector (POJK 47/2024);
8. POJK Number 48 of 2024 on Good Governance for PVML (POJK 48/2024); dan
9. POJK Number 49 of 2024 on Supervision, Supervision Status Determination, and Supervision Follow-Up of PVML (POJK 49/2024).

Enhancing skills for effective identification, mitigation, and risk management are required for the PVML sector to create a more stable and sustainable financial sector. Thereby, OJK issued POJK 42/2024, which stipulates active supervision on the Board of Directors, Board of Commissioners, Sharia Supervision Board, and the Management, internal control system, and organization strengthening and risk management functions within the PVML sector.

Moreover, OJK issued POJK 48/2024 to promote good governance in the PVML sector. The POJK stipulates aspects such as the duties and responsibilities of Board of Directors, Board of Commissioners, Sharia Supervision Board, completeness and implementation of committee tasks, work units responsible for internal control, and conflict of interest management.

On human resources in PVML, OJK issued POJK 43/2024, which included sustainable HR development, obligation to finance trainings and educations, and work competency certifications to enhance PVML HR capacity for better adaptation to challenges and industry developments.

To strengthen PVML sector supervision, OJK issued POJK 49/2024, which stipulated various provisions on supervision procedures, supervision status determination, and supervision follow up actions. The regulation aims to ensure effective and efficient supervision, with clear procedures in determining the supervision status and necessary actions taken in accordance with the supervision results.

For Financing Companies, Infrastructure Financing Companies, and Capital Venture Companies, OJK issued POJK 46/2024 to develop and strengthen the sector. There are several provisions added, such as technological uses in the digital financing, security system, and personal data protection. Roles of association and sharia business unit provisions were also clarified in this regulation.

For Information Technology-Based Joint Financing Services (LPBBTI) Industry or Online Loans, OJK issued POJK Nomor 40/2024, strengthening preexisting regulations, such as health level assessment of Online Loans Operators, strengthening of risk management and governance, provisions on sharia business unit, and scoring credit obligation enforcement. Therefore, Online Loans Operators shall operate with prudence, providing more protection for lenders and borrowers.

For pawnshops and healthier, more competitive and sustainable pawnshop development, OJK issued POJK 39/2024. The POJK refined existing regulations, such as the obliged existence of controlling shareholders, capital increase, obligation to have certified assessors, loan receivables quality and maximum limit of loan provision assessment, and effective risk management.

For Microfinance Institutions (MFI), OJK issued POJK 41/2024, regulating various provisions for MFI strengthening, such as MFI categorization based on business scale (small, medium, and large) criteria. Moreover, the regulation stipulates loan quality assessment and loan write-offs, as well as MFI health level with certain aspects. This regulation is expected to cement MFI's roles in financial inclusion, especially in the micro sectors.

To follow up P2SK Law's mandate on **Cooperatives in the Financial Services Sector,** OJK issued POJK 47/2024. The regulation included provisions such as scopes and capital, as well as business license for cooperatives that choose to become a financial services institution. The regulation clarifies the regulatory frameworks for cooperatives, which is expected to contribute more to the economy and the public.

The 9 (nine) POJK was prepared with the involvement of various related parties and inputs from business actors and stakeholders in the PVML sector.

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