

PRESS RELEASE**OJK ISSUES REGULATION TO DRIVE KNOW YOUR CUSTOMERS EFFICIENCY IN
THE CAPITAL MARKET SECTOR**

Jakarta, August 28, 2023. Indonesia Financial Services Authorities (OJK) issues Financial Services Authorities Regulation Number 15 of 2023 on Implementation of Know Your Customers Principle in Administrative Services (POJK 15/2023), which aims to further optimize infrastructure of the administrative services of Know Your Customers principle in Capital Market.

The regulation is expected to be able to support supervision enforcement in the Capital Market sector through Customer Due Diligence (CDD) and/ or Enhanced Due Diligence (EDD) by Financial Services Actors (PJK) to prospective customers and customers.

Previously, the customers are required to repeatedly entail CDD and/ or EDD on different financial services institution to open an account.

Based on this fact, OJK considers centralizing data and documents resources management of prospective customers and customers to create an efficient CDD and/ or EDD with accurate data.

In addition to enhancing efficiency and centralizing data and document resources management, the Implementation of Know Your Customers Principle in Administrative Services (LAPMN) POJK will also enforce supervision of CDD and/or EDD activities in implementing anti money laundering, terrorism funding prevention, and mass destruction weapon proliferation funding prevention in the financial services sector.

LAPMN Implementation scope in the POJK includes:

1. Static data receipt of prospective customers and customers, data update receipt, CDD and/ or EDD data and documents centralization;
2. CDD and/ or EDD data and document sharing to LAPMN users; and
3. CDD and/ or EDD data and document update information notification to LAPMN users, where the customers are registered.

The regulatory substances of Financial Services Authority Regulations Number 15 of 2023 stipulates:

1. Party who can become LAPMN providers.
2. Parties who can and must become LAPMN users.
3. Implementation of Securities subaccount as Customer Fund Account alternative for customers' savings.
4. LAPMN user obligations and restrictions.
5. Regulation on LAPMN provision.
6. Agreement of LAPMN use.
7. Report and notification from LAPMN providers.
8. Sanction provisions.

The issuance of POJK 15/2023 does not invalidate financial services institution (PUJK) verification during the CDD and/ or EDD process. LAPMN providers aims to manage prospective customers and customers' data and document resources in a centralized manner

in the CDD and/ or EDD process. PUJK is still required to verify the validity of customers' data and document managed and shared by LAPMN providers.

For more information:

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