

PRESS RELEASE

OJK AND CENTRAL BANK OF TIMOR-LESTE DISCUSS COOPERATION IN FINANCIAL SECTOR

Jakarta, May 27, 2015. Financial Services Authority (OJK) and Central Bank of Timor-Leste (Banco Central de Timor-Leste) agreed to promote cooperation in financial sector as a part of bilateral cooperation between Indonesia and Timor-Leste that has been running well.

Discussion on the continuation of cooperation between the two authorities became the point of meeting between OJK and Central Bank of Timor-Leste during the bank's working visit to OJK office at Soemitro Djohadikusumo building in Jakarta on Wednesday.

Chairman of OJK Board of Commissioners Muliaman D. Hadad and Governor of Central Bank of Timor-Leste Abraao de Vasconcelos attended the meeting. OJK's high-ranking officials Chief Executive for Banking Supervision Nelson Tampubolon, Chief Executive for Non-Bank Financial Industry Supervision Firdaus Djaelani, Chief Executive for Capital Market Supervision Nurhaida, Member of OJK Board of Commissioners for Education and Consumer Protection Kusumaningtuti S. Soetiono also attended the meeting, along with delegation from Central Bank of Timor-Leste, namely Director of Administration Raquel G. da Costa and Manager of Banking Supervision Pascoela M.R. da Silva.

The meeting discussed an agenda related to supervisory cooperation, with sub-topics included joint examination, capacity building and financial inclusion. This must be done considering both authorities have major cooperation opportunities in their effort to improve capacity and skills in supervising financial services sector.

The meeting reached several agreements, among others are:

1. Closer cooperation between OJK and Central Bank of Timor-Leste is required, which will be formalized into a memorandum of understanding (MoU) and will be completed this year.
2. The MoU will be in the form of home-host supervision and covers capacity improvement in supervision over financial services sector, including financial inclusion and financial education.
3. The MoU has become imperative considering that Bank Mandiri, which is an Indonesian bank, has operated in Timor-Leste and dominated the country's markets. Sinarmas insurance has also existed in the country. Moreover, other Indonesian banks are likely to exist in Timor-Leste after the MoU is signed.

“Interinstitutional communication is highly important in order to avoid miscommunication and misperception that might occur, and thus hinder procedures in licensing and supervision over financial services institutions,” Governor Abraao de Vasconcelos said.

While Chairman of OJK Board of Commissioners Muliaman D. Hadad said, “OJK supports financial services industry development in Timor-Leste and is willing to share experiences as well as knowledge through cooperation in developing regulation and master plan of financial services sector in Timor-Leste.”

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