



REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 32 OF 2024
CONCERNING
DEVELOPMENT AND STRENGTHENING OF SECURITIES
TRANSACTIONS AND INSTITUTIONS

BY THE GRACE OF GOD THE ALMIGHTY

BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY,

- Considering :
- a. that to contribute positively and support inclusive and sustainable economic growth, it is necessary to undertake efforts to develop and strengthen the capital market sector, particularly with respect to regulations on securities transactions and institutions;
 - b. that the efforts to develop and strengthen the capital market sector as referred to in letter a are to be implemented through the adjustment of existing provisions and the establishment of new regulations related to securities transactions and institutions;
 - c. that to implement the provisions of Article 5D paragraph (4), Article 14 paragraph (3), Article 55 paragraph (1), paragraph (3), and paragraph (7), Article 55A, Article 70 paragraph (3), Article 89A paragraph (4), and Article 89B paragraph (4) of Law Number 8 of 1995 concerning Capital Market, as amended by Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector, it is necessary to issue further regulation in the form of the Regulation of Financial Services Authority;
 - d. that based on the considerations referred to in letter a, letter b, and letter c, it is deemed necessary to enact the Regulation of Financial Services Authority concerning Development and Strengthening of Securities Transactions and Institutions.

- In view of :
1. Law Number 8 of 1995 concerning Capital Market (State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 3608) as amended by Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
 2. Law Number 21 of 2011 concerning Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253) as amended

by Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);

HAS DECIDED:

To enact : REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING DEVELOPMENT AND STRENGTHENING OF SECURITIES TRANSACTIONS AND INSTITUTIONS.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regulation of Financial Services Authority, the following terms are defined as follows:

1. Capital market is part of the financial system that is related to the following activities:
 - a. public offering and securities transactions;
 - b. investment management;
 - c. issuers and publicly owned companies related to the securities they issue; and
 - d. institutions and professions related to securities.
2. Securities are securities or investment contracts, either in conventional and digital form or other forms in accordance with technological developments that give the owner the right to directly or indirectly obtain economic benefits from the issuer or from a certain party based on an agreement and any derivatives of Securities, which can be transferred and/or traded in the capital market.
3. Market Organizer is Party who organizes and provides systems and/or facilities to bring together parties that conduct transactions on Securities or financial instruments in the Capital Market or organized financial market.
4. Securities Exchange is a Market Organizer in the Capital Market for exchange transactions.
5. Clearing and Guarantee Institution is a Party who provides clearing and/or guarantee services for the settlement of Securities transactions implemented through Market Organizers in the Capital Market as well as other services that can be implemented to support inter-market activities.
6. Depository and Settlement Institution is a Party who:
 - a. organizes central custodian activities for custodian banks, Securities companies and other parties; and
 - b. provides other services that can be implemented to support inter-market activities.
7. Securities Company is a party engaging in activities as an underwriter and/or broker-dealer or investment manager.
8. Securities Transactions are any activity or contract for the purpose of obtaining, releasing or using Securities

- which results in a transfer of ownership or does not result in a transfer of ownership in the Capital Market.
9. Exchange Transactions are contracts made by members of Securities Exchange in accordance with the requirements determined by Securities Exchange regarding the sale and purchase of Securities, borrowing and lending of Securities, or other contracts regarding Securities or the price of Securities.
 10. Guarantee Fund is a collection of funds and/or Securities administered and managed by the Clearing and Guarantee Institution which is used to guarantee the settlement of Securities Transactions by the Clearing and Guarantee Institution.
 11. Deposit Insurance Corporation is a deposit insurance corporation as referred to in the law on Deposit Insurance Corporation.
 12. Professional Investor is a Party who has the ability to purchase Securities and implement risk analysis on investments in the Securities.
 13. Party is an individual, legal entity, company, joint venture, association or organized group.

CHAPTER II SECURITIES EXCHANGE, CLEARING AND GUARANTEE INSTITUTION, AND DEPOSITORY AND SETTLEMENT INSTITUTION

Part One Securities Exchange

Article 2

- (1) Securities Exchange is established as a Market Organizer in the Capital Market for orderly, fair and efficient Securities Exchange Transactions.
- (2) Securities Exchange may provide other services based on provisions set out or approval granted by the Financial Services Authority for each of other services.
- (3) Other services as referred to in paragraph (2) may be provided for financial market infrastructure provision activities and other service provision activities in the Capital Market sector.
- (4) Financial market infrastructure provision activities as referred to in paragraph (3) may include:
 - a. provision of financial instrument transaction infrastructure;
 - b. provision of digital asset transaction infrastructure;
 - c. provision of financial instrument reporting infrastructure;
 - d. provision of digital asset reporting infrastructure;
 - e. implementation of government program support mandates; and
 - f. other activities mandated to the Securities Exchange in order to support financial market infrastructure.
- (5) Other service provision activities in the Capital Market sector as referred to in paragraph (3) may include:

- a. alternative Market Organizer;
- b. organizer of carbon unit trading through carbon exchanges;
- c. electronic public bidding system provider;
- d. Capital Market data providers and/or index preparation in the Capital Market; and
- e. other activities mandated to Stock Exchange in order to support Capital Market infrastructure.

Article 3

In providing other services as referred to in Article 2 paragraph (2), Securities Exchange is obligated to ensure that the provision of other services:

- a. does not conflict with the provisions of laws and regulations; and
- b. based on adequate risk management to mitigate the risks that arise.

Part Two

Clearing and Guarantee Institution and Depository and Settlement Institution

Article 4

- (1) Clearing and Guarantee Institution is established with the aim of providing clearing and/or guarantee facilities for the settlement of Securities Transactions in an orderly, fair and efficient manner.
- (2) Clearing and Guarantee Institution may provide other services based on the provisions set out or approval given by the Financial Services Authority for each of other services.
- (3) Other services as referred to in paragraph (2) may be provided for financial market infrastructure provision activities and other service provision activities in the Capital Market sector.
- (4) Financial market infrastructure provision activities as referred to in paragraph (3) may include:
 - a. clearing facility organizer and/or guarantee of settlement of inter-market financial instrument transactions;
 - b. triparty repurchase agreement infrastructure organizers and financial instrument lending and borrowing;
 - c. risk management facility organizer;
 - d. collateral management facility organizer; and
 - e. other activities mandated to the Clearing and Guarantee Institution in order to support financial market infrastructure.
- (5) Other service provision activities in the Capital Market sector as referred to in paragraph (3) may include:
 - a. triparty repurchase agreement infrastructure organizer and bilateral securities lending and borrowing;
 - b. collateral management service providers;
 - c. risk management facility organizer;
 - d. provision of an electronic public bidding system;
 - e. provision of information, data and reporting

- services: and
- f. other activities mandated to Clearing and Guarantee Institution in order to support Capital Market infrastructure.

Article 5

- (1) Depository and Settlement Institution is established with the aim of providing central custodian services and transaction settlement in an orderly, fair and efficient manner.
- (2) Depository and Settlement Institution may provide other services based on the provisions set out or approval given by the Financial Services Authority for each of other services.
- (3) Other services as referred to in paragraph (2) may be provided for financial market infrastructure provision activities and other service provision activities in the Capital Market sector.
- (4) Financial market infrastructure provision activities as referred to in paragraph (3) may include:
 - a. provision of financial instrument custodian services;
 - b. deposit and settlement of other asset transactions;
 - c. provider of identity numbers for entities wishing to conduct transactions internationally; and
 - d. other activities mandated to Depository and Settlement Institution in order to support financial market infrastructure.
- (5) Other service provision activities in the Capital Market sector as referred to in paragraph (3) may include:
 - a. provision of central custodian services that electronically record Securities that are not part of collective custody;
 - b. fund deposit service provider;
 - c. service provider for administering data and information related to customers;
 - d. provider of information services, administration and settlement of customer transactions;
 - e. provider of electronic general meeting services for securities holders;
 - f. internationally valid securities code provider; and
 - g. other activities mandated to the Depository and Settlement Institution in order to support Capital Market infrastructure.

Article 6

In providing other services as referred to in Article 4 paragraph (2) and Article 5 paragraph (2), Clearing and Guarantee Institution and Depository and Settlement Institution are obligated to ensure that the provision of other services:

- a. does not conflict with the laws and regulations; and
- b. based on adequate risk management to mitigate the risks that arise.

Part Three
Administrative Sanctions

Article 7

- (1) Any Party who violates the provisions as referred to in Article 3 and Article 6 is subject to administrative sanctions.
- (2) The sanctions as referred to in paragraph (1) are also be imposed on the Party who causes the violation as referred to in paragraph (1).
- (3) The sanctions as referred to in paragraph (1) and paragraph (2) are imposed by the Financial Services Authority.
- (4) The sanctions referred to in paragraph (1) may be in the form of:
 - a. written admonition;
 - b. fine, namely obligation to pay a specified amount of money;
 - c. restriction on business activities;
 - d. suspension of business activities; and/or
 - e. revocation of business license.
- (5) Administrative sanctions as referred to in paragraph (4) letter b, letter c, letter d, or letter e may be imposed with or without being preceded by the imposition of an administrative sanction in the form of a written admonition as referred to in paragraph (4) letter a.
- (6) Administrative sanction in the form of fine as referred to in paragraph (4) letter b may be imposed separately or simultaneously with the imposition of administrative sanctions as referred to in paragraph (4) letter c, letter d, or letter e.
- (7) The procedure for imposing sanctions as referred to in paragraph (3) is implemented in accordance with the provisions of laws and regulations in the Capital Market sector.

CHAPTER III
SETTLEMENT OF SECURITIES TRANSACTIONS AND
GUARANTEE FUNDS

Part One
Settlement of Securities Transactions

Article 8

- (1) The settlement of Securities Transactions can be implemented by bookkeeping settlement, physical settlement, or settlement by other means.
- (2) The settlement of bookkeeping as referred to in paragraph (1) is the fulfillment of rights and obligations arising as a result of Securities Transactions implemented by subtracting Securities and/or funds from one Securities account and/or adding the Securities and/or funds to another Securities account at the custodian.
- (3) The completion of bookkeeping as referred to in paragraph (1) can be done electronically.

- (4) Physical settlement as referred to in paragraph (1) is the settlement of Securities Transactions on script Securities.
- (5) The settlement of Securities Transactions by other means as referred to in paragraph (1) is implemented by:
 - a. the settlement of Securities Transactions directly on the list of Securities holders without going through the Securities account at the custodian;
 - b. the settlement of Securities Transactions internationally or through other countries;
 - c. the settlement of Securities Transactions digitally or other mechanisms that may be discovered and implemented in the future in accordance with technological developments; or
 - d. the settlement of other Securities Transactions that must be implemented in accordance with the provisions of laws and regulations.
- (6) The settlement of Securities Transactions by other means is obligated to first obtain approval from the Financial Services Authority.
- (7) The settlement of Securities Transactions is implemented for Securities Transactions on either on-Exchange and off-Exchange.

Article 9

- (1) The Clearing and Guarantee Institution is obligated to guarantee the settlement of Securities Transactions as regulated in the regulation of Financial Services Authority.
- (2) The guarantee of Securities Transaction settlement provided by Clearing and Guarantee Institution includes the settlement of On-Exchange Transaction and settlement of Off-Exchange Transaction.
- (3) The guarantees for the settlement of On-Exchange Transaction are implemented in accordance with the provisions of laws and regulations on guarantees for the settlement of Exchange Transactions.
- (4) The regulations related to the guarantees for the settlement of Off-Exchange Transactions refer to the type/nature of the Securities transacted or Securities Transaction mechanism as regulated in the provisions enacted by the Financial Services Authority.
- (5) The Clearing and Guarantee Institution may refrain from guaranteeing the settlement of certain securities transactions based on provisions stipulated by Securities Exchange, Market Organizers outside Securities Exchange, and/or Clearing and Guarantee Institution or by the orders of the Financial Services Authority.
- (6) The Clearing and Guarantee Institution, either alone or alongside the Securities Exchange or Market Organizers outside the Securities Exchange, may determine certain Securities for which the settlement of Securities Transactions is not guaranteed.

Article 10

- (1) The settlement of Securities Transactions provided by the Clearing and Guarantee Institution may be in the form of transfers of Securities, funds, or other substitute assets.
- (2) The Clearing and Guarantee Institution is obligated to regulate the mechanism for the transfers of securities, funds or other substitute assets as referred to in paragraph (1).

Part Two Guarantee Fund

Article 11

- (1) The Clearing and Guarantee Institution manages Guarantee Fund which is used to guarantee the settlement of Securities Transactions.
- (2) The Clearing and Guarantee Institution separates Guarantee Fund for On-Exchange Transactions and Securities Transactions at Market Organizers outside the Securities Exchange.
- (3) Guarantee Fund belongs to the capital market industry and is not the property of the Party making the Guarantee Fund contribution payment nor the Clearing and Guarantee Institution.
- (4) Further provisions on the formation, use and management of the Guarantee Fund as referred to in paragraph (1) are regulated in the regulation of Financial Services Authority on guarantees for the settlement of Securities Transactions.
- (5) In the event of the Clearing and Guarantee Institution guarantees the settlement of inter-market financial instrument transactions, the Clearing and Guarantee Institution is obligated to separate guarantee fund or bridging funds from the Guarantee Fund owned by the Capital Market industry.

Part Three Administrative Sanctions

Article 12

- (1) Any Party who violates the provisions as referred to in Article 8 paragraph (6), Article 9 paragraph (1), Article 10 paragraph (2), and Article 11 paragraph (5) is subject to administrative sanctions.
- (2) The sanctions as referred to in paragraph (1) are also be imposed on the Party who causes the violation as referred to in paragraph (1).
- (3) The sanctions as referred to in paragraph (1) and paragraph (2) are imposed by the Financial Services Authority.
- (4) The sanctions referred to in paragraph (1) may be in the form of:
 - a. written admonition;
 - b. fine, namely obligation to pay a specified amount of money;

- c. restriction on business activities;
 - d. suspension of business activities; and/or
 - e. revocation of business license.
- (5) Administrative sanctions as referred to in paragraph (4) letter b, letter c, letter d, or letter e may be imposed with or without being preceded by the imposition of an administrative sanction in the form of a written warning as referred to in paragraph (4) letter a.
 - (6) Administrative sanction in the form of fine as referred to in paragraph (4) letter b may be imposed separately or simultaneously with the imposition of administrative sanctions as referred to in paragraph (4) letter c, letter d, or letter e.
 - (7) The procedure for imposing sanctions as referred to in paragraph (3) is implemented in accordance with the provisions of laws and regulations in the Capital Market sector.

CHAPTER IV TRADING OF DEBT AND/OR *SUKUK* SECURITIES OF DEPOSIT INSURANCE CORPORATION

Article 13

- (1) In implementing its functions, the Deposit Insurance Corporation may issue debt securities and/or *sukuk* without a prior registration statement to the Financial Services Authority.
- (2) The debt and/or *sukuk* securities of the Deposit Insurance Corporation as referred to in paragraph (1) are obligated to be issued in scripless form and administered by the Depository and Settlement Institution.
- (3) The debt and/or *sukuk* securities of the Deposit Insurance Corporation as referred to in paragraph (1) may only be transacted on the secondary market.
- (4) The debt and/or *sukuk* securities of the Deposit Insurance Corporation as referred to in paragraph (1) may only be transacted by professional investors.
- (5) Professional investors are investors that meet the criteria of Professional Investors as referred to in the Regulation of Financial Services Authority concerning public offering of debt securities and/or *sukuk* to professional investors.

Article 14

- (1) Transactions on debt securities and/or *sukuk* of the Deposit Insurance Corporation are obligated to be reported to the Financial Services Authority through the recipient of Securities Transaction reports.
- (2) Reports on Securities Transactions in the form of debt and/or *sukuk* of the Deposit Insurance Corporation is obligated to be submitted electronically using the system and/or facilities provided by the recipient of Securities Transaction reports.
- (3) The Procedure for reporting on debt and/or *sukuk* securities transactions of the Deposit Insurance Corporation as referred to in paragraph (2) is

implemented in accordance with the provisions of laws and regulations on the reporting of Securities Transactions.

Article 15

- (1) Any Party who violates the provisions as referred to in Article 13 paragraph (2), Article 14 paragraph (1) and paragraph (2) is subject to administrative sanctions.
- (2) The sanctions as referred to in paragraph (1) are also be imposed on the Party who causes the violation as referred to in paragraph (1).
- (3) The sanctions as referred to in paragraph (1) and paragraph (2) are imposed by the Financial Services Authority.
- (4) The sanctions referred to in paragraph (1) may include:
 - a. written admonition; and/or
 - b. fine, namely obligation to pay a specified amount of money.
- (5) Administrative sanction in the form of fine as referred to in paragraph (4) letter b may be imposed with or without being preceded by the imposition of an administrative sanction in the form of a written warning as referred to in paragraph (4) letter a.
- (6) Administrative sanction in the form of fine as referred to in paragraph (4) letter b may be imposed separately.
- (7) The procedure for imposing sanctions as referred to in paragraph (3) is implemented in accordance with the provisions of laws and regulations in the Capital Market sector.

CHAPTER V

ADVERSE CONDITIONS THAT ENDANGER THE BUSINESS CONTINUITY OF MARKET ORGANIZERS IN THE CAPITAL MARKET, SECURITIES EXCHANGE, CLEARING AND GUARANTEE INSTITUTION, DEPOSITORY AND SETTLEMENT INSTITUTION, AND/OR SECURITIES COMPANIES

Part One

Determination of Adverse Conditions that Endanger the Business Continuity

Article 16

- (1) Adverse Conditions that endanger the business continuity of Market Organizers in the Capital Market, Securities Exchange, Clearing and Guarantee Institution, and/or Depository and Settlement Institution include the following conditions:
 - a. a system disruption that makes operational activities unable to be implemented normally for a period of more than 3 (three) business days;
 - b. being unable to cover business losses;
 - c. being potentially unable to meet financial obligations;
 - d. the management of Market Organizers, Securities Exchanges, Clearing and Guarantee Institution, and/or Depository and Settlement Institution, is

- unable to implement proper operational implementation;
 - e. the state of absence of the entire management;
 - f. the legal disputes that cause Market Organizers, Securities Exchanges, Clearing and Guarantee Institution, and/or Depository and Settlement Institution to be unable to implement activities normally; and/or
 - g. other conditions that endanger the business continuity of Market Organizers in the Capital Market, Securities Exchange, Clearing and Guarantee Institution, and/or Depository and Settlement Institution.
- (2) In addition to the conditions referred to in paragraph (1), adverse conditions which specifically endanger the business continuity of the Clearing and Guarantee Institution's business activities include the following conditions:
- a. There are adverse conditions that cannot be resolved with an action plan and have the potential to disrupt the continuity of the Clearing and Guarantee Institution's business activities;
 - b. Clearing members are reluctant to participate in the recovery process; and/or
 - c. There are unpredictable losses due to member failure.
- (3) Adverse Conditions that endanger the business continuity of a Securities Company include the following conditions:
- a. failure to fulfill the obligation to settle Securities Transactions implemented by the Securities Companies;
 - b. system disruption that makes the Securities Company unable to implement normal activities for a period of more than 7 (seven) business days;
 - c. a significant decrease in the value of the Securities Company's adjusted net working capital which results in the failure to meet the minimum value of adjusted net working capital in a period of more than 30 (thirty) business days;
 - d. being unable to cover business losses;
 - e. being unable to complete financial obligations that have legal or operational impacts on the business;
 - f. violations that cause the Securities Company to be subject to the suspension of business activities for a certain period;
 - g. the state of absence of the entire management;
 - h. legal disputes that makes the Securities Company unable to implement activities normally; and/or
 - i. other adverse conditions that endanger the continuity of the Securities Company's business activities.
- (4) Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies are obligated to submit detailed reports regarding adverse conditions that endanger the

business continuity as referred to in paragraph (1), paragraph (2), and paragraph (3), to the Financial Services Authority no later than the same day as the occurrence of the conditions.

- (5) Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies are declared to be experiencing adverse conditions that endanger the business continuity based on the determination of the Financial Services Authority.

Article 17

Based on the determination of the Financial Services Authority as referred to in Article 16 paragraph (5), the Financial Services Authority may order the Clearing and Guarantee Institution to implement a recovery plan through the mechanism as determined by the Financial Services Authority.

Part Two

Settlement actions for Adverse Conditions that Endanger the Business Continuity

Article 18

- (1) In the event that the Financial Services Authority has determined that there are adverse conditions that endanger the business continuity as referred to in Article 16 paragraph (5), Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies are obligated to submit a settlement action plan to the Financial Services Authority.
- (2) The settlement actions as referred to in paragraph (1) include:
 - a. requesting shareholders of Market Organizers in the Capital Market, Securities Exchange, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies to increase capital;
 - b. temporarily dismissing some or all members of the board of commissioners and/or directors of Market Organizers in the Capital Market, Securities Exchange, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies and appoint statutory managers;
 - c. requesting shareholders of Market Organizers in the capital market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies to hold a general meeting of shareholders;
 - d. strengthening risk management;
 - e. preparing implementation of business continuity plans;

- f. ordering certain Parties to implement or not to implement actions that are deemed to be able to overcome the adversities faced by Market Organizers in the Capital Market, Securities Exchange, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies; and/or
 - g. other actions to resolve adversities that may endanger the continuity of the business of Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies.
- (3) The settlement action plan is obligated to be submitted within the time limit set by the Financial Services Authority.
 - (4) The Financial Services Authority has the authority to request Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies to make adjustments to the settlement action plan as referred to in paragraph (1).

Article 19

- (1) Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies are obligated to submit reports on the implementation of the settlement action plan as referred to in Article 18.
- (2) Reports on the implementation of the settlement action plan as referred to in paragraph (1) are obligated to be submitted to the Financial Services Authority no later than 2 (two) business days from the implementation of the settlement action plan.

Article 20

The Financial Services Authority has the authority to conduct inspections on the implementation of the settlement action plan.

Part Three

Other Actions for Adverse Conditions that Endanger the Business Continuity

Article 21

- (1) The Financial Services Authority may take certain actions, in the following cases:
 - a. settlement actions cannot overcome the adversities faced by Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies; and/or
 - b. based on the assessment of Financial Services Authority, the condition of Market Organizers in

the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution and/or Securities Companies can endanger the Capital Market industry.

- (2) Certain actions as referred to in paragraph (1) include:
 - a. revoking the business licenses of Market Organizers in the Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Companies;
 - b. ordering the board of directors or statutory managers to immediately hold a general meeting of shareholders to dissolve the legal entity of the Market Organizer in the Capital Market, Securities Exchange, Clearing and Guarantee Institution, Depository and Settlement Institution, and/or Securities Company and form a liquidation team; and/or
 - c. appointing a certain Party as a temporary organizer of the Market Organizer function in the capital market, Securities Exchange, Clearing and Guarantee Institution, or Depository and Settlement Institution.

Article 22

- (1) Any Party who violates the provisions as referred to in Article 16 paragraph (4), Article 18 paragraph (1) and paragraph (3), and Article 19 is subject to administrative sanctions.
- (2) The sanctions as referred to in paragraph (1) are also be imposed on the Party who causes the violation as referred to in paragraph (1).
- (3) The sanctions as referred to in paragraph (1) and paragraph (2) are imposed by the Financial Services Authority.
- (4) The sanctions referred to in paragraph (1) may include:
 - a. written admonition;
 - b. fine, namely obligation to pay a specified amount of money;
 - c. restriction on business activities;
 - d. suspension of business activities; and/or
 - e. revocation of business license.
- (5) Administrative sanctions as referred to in paragraph (4) letter b, letter c, letter d, or letter e may be imposed with or without being preceded by the imposition of an administrative sanction in the form of a written warning as referred to in paragraph (4) letter a.
- (6) Administrative sanction in the form of fine as referred to in paragraph (4) letter b may be imposed separately or simultaneously with the imposition of administrative sanctions as referred to in paragraph (4) letter c, letter d, or letter e.
- (7) The procedure for imposing sanctions as referred to in paragraph (3) are implemented in accordance with the provisions of laws and regulations in the Capital Market sector.

CHAPTER VI
MISCELLANEOUS PROVISIONS

Article 23

In addition to the administrative sanctions as referred to in this Regulation of Financial Services Authority, the Financial Services Authority may take certain actions against any Party who violates the provisions of this Regulation of Financial Services Authority.

Article 24

The Financial Services Authority may announce the imposition of administrative sanctions as referred to in this Regulation of Financial Services Authority and certain actions as referred to in Article 23 to the public.

CHAPTER VII
CONCLUDING PROVISIONS

Article 25

This Regulation of Financial Services Authority comes into effect on the date of promulgation.

For public cognizance, ordering the promulgation of this Regulation of Financial Services Authority to be published in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 19 December 2024

CHAIR OF BOARD OF
COMMISSIONERS OF FINANCIAL
SERVICES AUTHORITY OF THE
REPUBLIC OF INDONESIA,

MAHENDRA SIREGAR

Promulgated in Jakarta
on 23 December 2024

MINISTER OF LAW OF THE REPUBLIC OF INDONESIA,

SUPRATMAN ANDI AGTAS

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2024 NUMBER 44/OJK



EXPLANATORY NOTES
TO
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 32 OF 2024
CONCERNING
DEVELOPMENT AND STRENGTHENING OF SECURITIES
TRANSACTIONS AND INSTITUTIONS

I. GENERAL

Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector is intended to contribute positively and support inclusive and sustainable economic growth toward a prosperous, advanced, and dignified Indonesia. It is also expected to serve as a trusted legal framework that provides regulatory solutions at the statutory level to address implementation challenges arising from the limitations of Law Number 8 of 1995 concerning Capital Market, which is no longer fully adequate to meet the evolving demands of legal development and capital market industry. Consequently, it has become less effective in supporting the realization of an efficient and globally competitive Indonesian Capital Market.

This Regulation of Financial Services Authority, as an implementing regulation of Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector—particularly with regard to securities transactions and institutions—is necessary to address and resolve the following issues:

1. the existence of current regulations that are impacted by the provisions stipulated in Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector, necessitating the harmonization of these provisions to ensure legal certainty; and
2. the need to issue further provisions pursuant to the delegation of authority under Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector, which provides a general mandate to Financial Services Authority to regulate further through a Regulation of Financial Services Authority.

That in order to implement the mandate of the provisions of Article 5D paragraph (4), Article 14 paragraph (3), Article 55 paragraph (1), paragraph (3) and paragraph (7), Article 55A, Article 70 paragraph (3), Article 89A paragraph (4), and Article 89B paragraph (4) of Law Number 8 of 1995 concerning Capital Market as amended by Law Number 4 of 2023 concerning Development and Strengthening of Financial Sector, it is deemed necessary to issue further regulations in the Regulation of Financial Services Authority.

II. ARTICLE PER ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

“Orderly, fair and efficient Securities Exchange transactions” means transactions that are implemented based on clear rules and implemented consistently.

Paragraph (2)

“Provisions stipulated by Financial Services Authority” means through regulations issued by Financial Services Authority.

“Approval granted by Financial Services Authority” means through a letter of approval by Financial Services Authority.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

The business activities of providing Capital Market data and/or compiling indexes include the provision of Capital Market data on a paid basis, including the granting of cooperation licenses to third parties for the use of such data and/or indexes.

Letter e

Self-explanatory.

Article 3

Letter a

Self-explanatory.

Letter b

Adequate risk management includes:

1. risk identification by taking risk inventory in all parts of the company for the implementation of other activities;
2. risk measurement by explaining the steps for measuring/assessing risk;
3. risk monitoring by explaining monitoring steps and the party responsible for implementing monitoring of risks related to other activities; And
4. control of risks inherent in other activities by explaining the control steps and the parties responsible for implementing them.
5. control over risks associated with other activities.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

See the explanatory notes of Article 2 paragraph (2).

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

The clearing and/or guarantee facility organizers for the

settlement of inter-market financial instrument transactions include central counter party organizers for the money and foreign exchange markets.

Letter b

Triparty repurchase agreement infrastructure organizers include triparty repurchase agreement providers for financial instruments in the money and foreign exchange markets.

Borrowing and lending of financial instruments includes the borrowing and lending of securities conducted by banks or securities companies, provided that the securities qualify as money market financial instruments.

Letter c

Risk management facility organizer includes collateral management providers.

Letter d

Collateral management facilities include collateral optimization, general collateral, offshore collateral, and collateral reinvestment.

Letter e

Other activities mandated to the Clearing and Guarantee Institution include the provision of uncleared transaction facilities, the provision of marketplace facilities for borrowing and lending securities that have not been provided by the Securities Exchange, the provision of trade compression facilities, and trade repositories.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Collateral management service providers are collateral optimization, general collateral, offshore collateral, and collateral reinvestment.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Examples of providing information, data and reports are paid provision of information, data and reports.

Letter f

Self-explanatory.

Article 5

Paragraph (1)

Self-explanatory.

Paragraph (2)

See the explanatory notes of Article 2 paragraph (2).

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

The service providers for administering data and information related to customers include service providers for administering the principle of recognizing customers.

Letter d

Providers of information services, administration and settlement of customer transactions include providers of integrated multi-investment systems and providers of crowdfunding service platforms.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Article 6

Letter a

Self-explanatory.

Letter b

See explanatory notes of Article 3 letter b.

Article 7

Self-explanatory.

Article 8

Paragraph (1)

Self-explanatory.

Paragraph (2)

Bookkeeping settlement is implemented by reducing Securities and/or funds from one Securities account and adding the Securities and/or funds in question to another Securities account at the custodian, including collective custody Securities accounts or other Securities accounts.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Settlement of Securities Transactions on Securities in the form of scripts includes, among other things, implementing the handover of Securities in the form of scripts accompanied by the issuance of new Securities in the form of scripts by the Securities Administration Bureau or Issuer and/or publicly owned companies that administers the Securities itself or by signing on the Securities certificate sheet in the form of scripts (endorsement).

Paragraph (5)

Letter a

Settlement of Securities Transactions directly on the list of Securities holders without going through Securities accounts at custodians, including settlement of Securities Transactions in carbon trading through carbon exchanges.

Letter b

Settlement of Securities Transactions internationally or through other countries, including offshore collateral settlement through global custodians.

Letter c

Settlement of Securities Transactions digitally, including by using blockchain technology.

Letter d

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Settlement of Securities Transactions including settlements related to investment products.

Article 9

Self-explanatory.

Article 10

Paragraph (1)

Example of Settlement of Securities Transactions by handing over funds can be done as a substitute for the obligation to hand over Securities (alternate cash settlement).

Examples of other substitute assets used in Securities Transaction settlement process by Clearing and Guarantee Institution are deposits, bank guarantees, other financial instruments, or other assets.

Paragraph (2)

Self-explanatory.

Article 11

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The current arrangements for guaranteeing the settlement of Stock Exchange Transactions are regulated in the Regulation of Financial Services Authority Number 26/POJK.04/2014 concerning Guarantees for Settlement of Securities Exchange Transactions.

Regulations regarding guarantees for settlement of Securities Transactions outside Stock Exchange are determined by Financial Services Authority.

Paragraph (5)

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“Professional investor” means a Professional Capital Investor

Paragraph (5)
Self-explanatory.

Article 14

Paragraph (1)
“Recipient of Securities Transaction report” means the Party appointed by Financial Services Authority to provide the system and/or facilities and receive Securities Transaction reporting as regulated in the Regulation of Financial Services Authority regarding Securities Transaction reporting.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Article 15

Self-explanatory.

Article 16

Paragraph (1)
“Business Continuity (going concern)” means a condition that reflects a business that is currently operating or under construction, or a premise in an assessment, where the business appraiser assumes that a company will continue its operations on an ongoing basis.
Adverse conditions that endanger business continuity are not only measured from the financial condition of Market Organizers in Capital Market, Securities Exchanges, Clearing and Guarantee Institution, Depository and Settlement Institution, or Securities Companies but also take into account non-financial factors.

Letter a
Self-explanatory.

Letter b
Examples of inability to cover business losses:
1. experiencing losses for 5 (five) consecutive years;
2. having not experienced losses for 5 (five) consecutive years but having caused the retained loss balance to exceed 50% (fifty percent) of the capital contribution; or
3. While experiencing losses, the company does not attempt to increase paid-in capital or subordinated debt.

Letter c
Self-explanatory.

Letter d
Self-explanatory.

Letter e
Example of a state of absence of the entire management:
1. a situation where the management's term of office has expired, but no reappointment has been made by the general meeting of shareholders; or
2. none of the management could be contacted by the Financial Services Authority.

Letter f
Self-explanatory.
Letter g
Self-explanatory.

Paragraph (2)

Letter a
Self-explanatory.
Letter b
Self-explanatory.
Letter c

Examples of unforeseen losses due to member failure:
The return of financial resources that have been used to settle the failure of the Securities Exchange Transaction, is only sufficient to fill/replenish Guarantee Fund, and is not sufficient to refill the Clearing and Guarantee Institution's guarantee reserves that have been used. The Clearing and Guarantee Institution's guarantee reserves are taken from the Clearing and Guarantee Institution's profit allocation.

Paragraph (3)

Letter a
Self-explanatory.
Letter b
Self-explanatory.
Letter c
Self-explanatory.
Letter d
Self-explanatory.
Letter e
Self-explanatory.
Letter f
Self-explanatory.
Letter g
See the explanatory note of Article 16 paragraph (1) letter e.
Letter h
Self-explanatory.
Letter i
Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 17

Recovery plan is defined as a market infrastructure action, consistent with rules, procedures and contractual agreements, to address losses, liquidity shortages or capital inadequacies, whether arising from member failure or other causes (such as operational incapacity of the business or other structure) including actions to restore reserve financial resources and borrowing contracts.

Article 18

Paragraph (1)

A settlement action plan is any action taken by the authorities, with or without the involvement of other parties, which is intended to maintain financial stability and/or

resolve serious problems in financial services institutions that endanger business continuity, where without taking settlement action, the institution is no longer viable and has no prospects.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

An example of the implementation of a business continuity plan for a Clearing and Guarantee Institution is the implementation of a failure recovery mechanism for guaranteeing transaction settlement.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 19

Paragraph (1)

See the explanatory note of Article 18 paragraph (1).

Paragraph (2)

Self-explanatory.

Article 20

See the explanatory note of Article 18 paragraph (1).

Article 21

Paragraph (1)

See the explanatory note of Article 18 paragraph (1).

Paragraph (2)

Self-explanatory.

Article 22

Self-explanatory.

Article 23

"Certain actions" include orders to correct errors, conditions and/or circumstances arising from violations.

Article 24

Self-explanatory.

Article 25

Self-explanatory.