

ELUCIDATION
OF
BANK INDONESIA REGULATION
NUMBER: 14/27/PBI/2012
CONCERNING
IMPLEMENTATION OF ANTI MONEY LAUNDERING AND
COMBATING THE FINANCING OF TERRORISM PROGRAM FOR
COMMERCIAL BANK

I. GENERAL

With the existence of national, regional and global level dynamics, accompanied by the development of products, activities and an increasingly complex bank information technology, causing potential to increase the opportunities for criminals to abuse the facility and banking products as a means of money laundering and financing of terrorism, with a more sophisticated mode of operation.

In terms of preventing money laundering and combating terrorism, the coordination, cooperation and attention from various national and international parties is absolutely necessary.

In this case the national banking industry has a crucial role to assist law enforcement in implementing anti-money laundering and combating the financing of terrorism. It is expected that the implementation of programs for anti money laundering and combating the financing of terrorism can mitigate various risks that might surface, such as legal risk, reputational risk, operational risk, and concentration risk.

In implementing programs for anti money laundering and financing of terrorism Banks shall adhere to international standards for the prevention and eradication of money laundering and/or financing of terrorism issued by The Financial Action Task Force on Money Laundering (FATF), referred to as FATF Recommendations. The recommendations are also used by the international community in assessing a country's compliance with respect to program implementations for anti money laundering and financing of terrorism.

In line with national and global developments, up to the present several regulations related to anti-money laundering and combating the financing of terrorism has been issued including Act of Prevention and Combating Money Laundering and Act of Funds Transfer. In addition, the FATF Recommendations also have been adjusted to be more comprehensive in supporting efforts to prevent money laundering and combating the financing of terrorism.

Furthermore, the provision of Bank Indonesia concerning Implementation of Anti-Money Laundering and Combating the Financing of Terrorism which has been applied, is deemed necessary to be adjusted in order to harmonize the regulations and international standards. Adjustment of the regulations includes:

- a. Provision concerning fund transfer.
- b. Provision concerning high-risk area.
- c. Provision concerning a simple *Customer Due Dilligence* (CDD) particularly in order to support national and global strategy of *financial inclusion*.
- d. Provisions concerning Cross Border Correspondent Banking.

With effective implementation of programs for anti money laundering and combating the financing of terrorism by banks, it is expected that banks can operate soundly, hence, in the end will augment the resiliency and stability of the financial system.

II. ARTICLE BY ARTICLE

Article 1

Self explanatory.

Article 2

Paragraph (1)

Money laundering as stipulated in Act concerning the Crime of Money Laundering shall mean the act of placing, transferring, disbursing, granting, donating, entrusting, carrying out of the country, exchanging, or other acts, of assets that is known or presume to derived from proceeds of criminal activities, with the intention to conceal, or obscure the origins of the asset hence as if the asset are legitimate.

Financing of Terrorism shall mean the utilization of assets, directly or indirectly, for terrorism activities as referred to in the Act concerning the Crime of Money Laundering. In this regard, it shall include attempt by a person to intentionally assist or provide leniencies by furnishing or lending money or goods or other assets to agents of terrorism as stipulated in Act concerning Eradication of the Criminal Acts of Terrorism.

Paragraph (2)

Self explanatory.

Article 3

Paragraph (1)

Self explanatory.

Paragraph (2)

Self explanatory.

Article 4

For branch offices of foreign banks, the definition of "Board" is the head of the branch office of foreign banks, who are the leader of bank branch and officials one level below the leader of bank branch.

Letter a

Self explanatory.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Establishment of a special unit and/or the appointment of an officer without establishing a special unit has to be conducted in accordance with the bank requirements.

Letter e

Self explanatory.

Letter f

For branch offices of foreign banks, this provision shall also apply to Sub-Branch Office.

Letter g

The term "high business complexity" is by considering the type of products and services, as well as the number of high-risk customers based on the provisions of PPAATK concerning guidelines for identification of products, customers, businesses, and high-risk countries for financial service providers.

Letter h

Self explanatory.

Letter i

Relevant unit shall mean, among other, work units that interact, directly or indirectly, with Customers and/or WIC, such as front liner, marketing officer, and officer related to the management and development of information technology, as well as internal auditor.

Article 5

Self explanatory.

Article 6

Paragraph (1)

The establishment of a special unit and/or the appointment of an officer without establishing a special unit shall be conducted in accordance to the needs and complexities of issues of the Bank.

Paragraph (2)

Self explanatory.

Paragraph (3)

Sufficient capability shall include having experiences and knowledge concerning the development of AML and CFT regime.

Article 7

Letter a

Self explanatory.

Letter b

Number 1

System that supports shall mean systems that enable the identification of Customers, Suspicious Financial Transactions and other financial transactions as required under the Act concerning the Crime of Money Laundering.

Number 2

Self explanatory.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

Self explanatory.

Letter f

Self explanatory.

Letter g

Self explanatory.

Article 8

Paragraph (1)

Guidelines for Implementation of APU and PPT Program refers to the Standard Guidelines for Implementation of APU and PPT Program enacted in the Circular Letter of Bank Indonesia.

Paragraph (2)

Letter a

Self explanatory.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

Self explanatory.

Letter f

Establishment of high-risk areas shall be conducted in accordance to provisions of PPATK that governs guidelines for product identifications, customers, businesses, and high risk countries for provider of financial services and guidelines concerning the identification of suspicious financial transactions in connection with terrorism financing for provider of financial services.

Letter g

Self explanatory.

Letter h

Self explanatory.

Letter i

Self explanatory.

Letter j

Self explanatory.

Letter k

Self explanatory.

Letter l

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Article 9

Paragraph (1)

Bank in conducting identification, measurement, monitoring and control needs to consider the risks arising from the issuance of product, the implementation of new activities, the use or development of new technologies, and seek the appropriate actions to manage and mitigate the risks arising.

Paragraph (2)

Self explanatory.

Article 10

Letter a

In the case that an account is a joint account than CDD is performed against all account holders of such joint account.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Extraordinary transactions are transactions that meets one of the criteria of suspicious financial transactions, however, still requires further investigation to ensure if such transaction shall be classified as suspicious financial transaction obliged to be reported to PPATK.

Article 11

Paragraph (1)

To categorize customer effectively, information from customer and other publicly available information is necessary.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Article 12

Paragraph (1)

Letter a

In order of requesting information, Bank may be represented by another party. The other party which represents Bank should know the basic principles of CDD.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Fictitious accounts shall include Customer accounts registered under a name that is not in accordance to the information described in the Customer identity documents.

Letter e

Business relationship shall include the use of banking services through electronic medias.

In conducting a direct meeting (*face to face*), Bank may be represented by another party. The other party which represents Bank should know the basic principles of CDD.

Paragraph (2)

The risk level of a country can be viewed in the page of www.fatf-gafi.org atau www.apgml.org

Article 13

Self explanatory.

Article 14

Paragraph (1)

Letter a

Number 1)

Letter a)

Self explanatory.

Letter b)

Self explanatory.

Letter c)

This information shall only be required for individual Customers whose residency address differs from the address described in the identity card.

Letter d)

Self explanatory.

Letter e)

Self explanatory.

Letter f)

Information on occupation shall include name of company/institution, address of company/institution and the job position.

Letter g)

Self explanatory.

Letter h)

Self explanatory.

Number 2)

Self explanatory.

Number 3)

Self explanatory.

Number 4)

Self explanatory.

Number 5)

Self explanatory.

Number 6)

This obligation applies to prospective customers who shall have a Taxpayer Identification Number (NPWP) and already have Taxpayer Identification Number (NPWP) under the applicable Acts.

Number 7)

Other information, for example, telephone number, billing address of phone / electric / credit cards, and others.

The meaning of “other related provisions and regulations” includes provisions and regulations concerning the implementation of Know Your Customer principles that apply to non-bank financial institutions.

Letter b

Number 1)

Self explanatory.

Number 2)

Operational licenses shall include other licenses that are equal to that of operational license, issued by an authorized agency.

Number 3)

Self explanatory.

Number 4)

Self explanatory.

Number 5)

Self explanatory.

Number 6)

Self explanatory.

Number 7)

Self explanatory.

Number 8)

Self explanatory.

Number 9)

Self explanatory.

Number 10)

Other information, for example, telephone number, billing address of phone / electric / credit cards, and others.

The meaning of “other related provisions and regulations” includes provisions and regulations concerning the implementation of Know Your Customer principles that apply to non-bank financial institutions.

Paragraph (2)

Letter a

Provisions in this paragraph shall apply to intermediaries or parties that obtained a power of attorney from Customers to perform transaction on behalf of the Customer, which transaction is classified as extraordinary or suspicious.

Letter b

Self explanatory.

Letter c

Self explanatory.

Article 15

Supporting documents for the identity of individual Customers with Indonesian Nationality shall be the National Identity Card (KTP), Driver License (SIM), Taxpayer Identification Number (NPWP), or a valid passport. Whilst, supporting documents for the identity of individual Customers with foreign nationality shall be passports accompanied by Temporary Residence Permit in accordance to immigration provisions. Supporting documents of identity is also required for individuals appointed to act for and on behalf of the company.

Temporary Residence Permit Documents can be replaced by any other documents that can provide assurance to Bank regarding the profile of Prospective Customers with foreign nationality include reference letter from:

- a. an Indonesian citizen or company / institution / Government of Indonesia regarding the profile of Prospective Customers with foreign nationality; or
- b. financial service providers in the domicile country or jurisdiction of Prospective Customers and the country or jurisdiction is not classified as high-risk.

Included as specimen signatures for individual Prospective Customers with Indonesia nationality is a thumbprint or fingerprint.

Article 16

Paragraph (1)

Supporting documents for Customers that is a body corporate shall be:

- a. Deed of establishment and/or articles of association of the company; and
- b. Operational licenses or other licenses issued by an authorized agency. For example: operational license from Bank Indonesia for Foreign Exchange Houses and Remittance Services, or a business license from the Ministry of Forestry for businesses in forestry/wood industry.

Letter a

Number 1)

Customers classified as micro and small businesses enterprise are Customers who are a body corporate that meets the criteria of micro and small enterprise as stipulated in regulations concerning Micro, Small, and Medium Enterprise.

Number 2)

Self explanatory.

Number 3)

Self explanatory.

Letter b

Number 1)

Description of business activity of a company shall include information regarding business sector, profiles of customers, business location and business phone number.

Number 2)

Self explanatory.

Number 3)

Self explanatory.

Number 4)

Members of the Board of Directors authorized to represent a company in engaging transactions with the Bank shall mean members of Directors who have an authorized signature.

Paragraph (2)

Self explanatory.

Article 17

Paragraph (1)

Self explanatory.

Paragraph (2)

Letter a

Self explanatory.

Letter b

Associations shall include, non government organizations, religious associations, political parties, non-profit organizations.

Article 18

Self explanatory.

Article 19

Paragraph (1)

Beneficial Owner in this paragraph shall include other Beneficial Owners related with a potential Customer or WIC, if there are more than one Beneficial Owners.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Article 20

Paragraph (1)

Letter a

Included as individual *Beneficial Owner* in this paragraph is the individual *Beneficial Owner* of Prospective Customers which is a Government Agency or Institution.

Letter b

Number 1)

Self explanatory.

Number 2)

The ultimate owner or ultimate controller of a company, foundation or association shall be individuals who are, based on the Bank's assessments, have and/or performs ultimate control in management decisions of such company.

Identity documents of the ultimate owner/ultimate controller may be in the form of a statement or other documents containing information on the identity of the ultimate owner/ultimate controller.

Number 3)

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Article 21

Letter a

Government agencies referred to in this letter shall cover Government Agencies of the Republic of Indonesia and foreign government agencies.

Letter b

Self explanatory.

Article 22

Paragraph (1)

To ensure legitimacy of the identity of an individual Customer, the identity documents shall be in the form of valid documents containing a self picture issued by an authorized agency.

Paragraph (2)

Self explanatory.

Paragraph (3)

More than one document identity shall mean, other than the National Identity Card, passport or driver license.

Paragraph (4)

Self explanatory.

Paragraph (5)

Certain conditions shall include:

- a. completeness of documents may not be met at the time a business relation is about to be conducted, for example due to documents still in process.; and
- b. circumstances when the risk level of potential Customer is low.

Paragraph (6)

Self explanatory.

Article 23

Paragraph (1)

This includes Risk level of a Customer's country of origin.

Letter a

In this case, the account is an account owned by a company used for the periodic payment of employees' salaries and/or employees' accounts used only for receiving salary from the employer.

Letter b

Public companies referred to in this letter are companies listed in the stock exchange whereby information regarding the identity of the company and the Beneficial Owner of the company are published to the public.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

Self explanatory.

Letter f

Government Programs referred to in this letter include the Government's program for social purposes, cash assistance services and Indonesia's saving motions.

Letter g

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Letter a

Self explanatory.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Other documents as a substitute of identity documents include:

- a. Identification cards issued by the government which include a self-picture, for example a program participant card issued by Government;
- b. identity documents and reference letters from other customers who acknowledge the profile of Prospective Customer;
- c. reference letter from the Village or Head of Village in which the Prospective Customer is domiciled which include a self-picture; or
- d. student identification cards for Individual Prospective Customers whom not yet eligible to have National Identity Card (KTP) accompanied with identity document and approval letter from their parents or other parties responsible for the Prospective Customer.

Paragraph (4)

Self explanatory.

Paragraph (5)

Prepared list shall contain information regarding reasons for determination of risk, hence, being classified as low risk.

Paragraph (6)

Self explanatory.

Article 24

Paragraph (1)

Letter a

Self explanatory.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

"*Shell bank*" is a bank which has no *physical presence* in the jurisdiction where the Bank is established and licensed, and is not affiliated with the group of financial services which are subject to effective consolidated supervision.

Paragraph (2)

Self explanatory.

Paragraph (3)

Bank obligation in conducting identification and verification process of the identity of WIC and Prospective Customer or Beneficial Owner is intended for the purpose of reporting Suspicious Financial Transactions to PPATK.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Paragraph (6)

Self explanatory.

Article 25

Paragraph (1)

Notification can be made in writing which addressed to the Customer based on the address listed in Bank database or announced through the print media, electronic media and other media.

Paragraph (2)

The term "settlement towards the remaining customer funds" includes handing over the remaining funds to Treasure Hall Relics.

Article 26

Paragraph (1)

Classification of high risk category shall be conducted in accordance to the provisions of PPATK that governs guidelines for the identification of products, customers, businesses, and high risk countries for provider of financial services and guidelines concerning the identification of suspicious financial transactions related to the financing of terrorism for financial service providers.

Paragraph (2)

Preparation of a separate list shall be for the purpose of simplifying identification and monitoring.

Paragraph (3)

Letter a

Self explanatory.

Letter b

The definition of "a stricter monitoring" is a regularly process of monitoring by the Bank with a higher frequency on Customers' transactions. In setting a higher frequency, the Bank may specify further classification of *high risk* according to the profile of customer or *Beneficial Owner*.

Paragraph (4)

Letter a

High risk banking products shall include funds transfer, private banking, internet banking.

Letter b

High risk countries shall include countries identified as Tax Haven.

Letter c

Self explanatory.

Letter d

A party related to the PEP includes:

- a. companies owned or managed by PEP;
- b. family members of PEP up to the second degree anggota; and/or
- c. parties which are generally and publicly known to have a close relationship with PEP.

Paragraph (5)

A senior officer shall mean an officer of the Bank having knowledge and experience on anti money laundering and financing of terrorism and holds high position within the Bank's organization, for example division heads or department heads at the Bank's head office or branch managers.

Paragraph (6)

Letter a

Self explanatory.

Letter b

In this case, particularly for Customers whose status changes from regular Customer to PEP or high risk, including Customers recently identified as PEP or high risk.

Article 27

Paragraph (1)

Self explanatory.

Paragraph (2)

Letter a

CDD procedure shall include identification and verification of potential Customers.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Information referred to in this letter shall at minimum contain information regarding full name as indicated in the identity card, , address or place and date of birth, identity card number and nationality of potential Customers.

Letter e

A country compliance with FATF Recommendations can be observe from the website <http://www.fatf-gafi.org> or <http://www.apgml.org>

Paragraph (3)

Self explanatory.

Paragraph (4)

Ultimate responsibility of the identification and verification results of a prospective Customer should remain with the Bank.

Paragraph (5)

Self explanatory.

Article 28

Self explanatory.

Article 29

Paragraph (1)

Updating of identity documents is necessary if there are financial transactions that meet the criteria as suspicious financial transactions referred to in the provisions concerning the prevention and combating of money laundering.

Paragraph (2)

Report on data updating shall include quantitative data and qualitative data.

Quantitative data shall include statistics on the number of Customers whose data have been or have not been updated..

Qualitative data shall include obstacles, efforts undertaken by the Bank, and progress of such efforts.

Paragraph (3)

Self explanatory.

Article 30

Paragraph (1)

Terrorists List is a list of terrorist names recorded in the Resolution of the UN Security Council 1267.

Banks may actively update Terrorist List based on the database of Terrorist List publish through internet media such as the UN <http://www.un.org/sc/committees/1267/consolist.shtml> or other common sources.

Paragraph (2)

Self explanatory.

Paragraph (3)

Other information shall include place and date of birth as well as the Customer's address.

Paragraph (4)

A Customer's name shall include Customer aliases.

Other information shall include place and date of birth as well as the address.

Article 31

Paragraph (1)

Self explanatory.

Paragraph (2)

The definition of transactions which do not fit the profile of Customers is the transaction as set forth in provisions concerning the prevention and combating of money laundering.

Paragraph (3)

Self explanatory.

Paragraph (4)

Information concerning the adequacy of a Country's AML and CFT program may be obtained from published information by foreign authorities such as the Financial Action Task Force on Money Laundering (FATF), Asia Pacific Group on Money Laundering (APG), the United Nations, etc.

Article 32

The term "risk based approach" is an approach which considers the level of materiality and risk.

Article 33

Paragraph (1)

Letter a

Information on profiles of the Sender Bank and/or Intermediary Bank shall include the compositions of the Board of Directors and the Board of Commissioners, business activities, and generated income.

Letter b

In analyzing the reputation of Recipient Banks and/or Intermediary Banks, Banks are required to scrutinize negative reputation such as sanctions that have been imposed by the authority against such Banks and/or Intermediary Banks, in relation with violation of provisions issued by the authorities and/or FATF Recommendations.

Letter c

Level of compliance of a country's AML and CFT Program may be observed from the risk rating of the country where the Bank resides regarding the possibilities of money laundering and/or financing of terrorism as issued by FATF or Asia Pacific Group on Money Laundering (APG).

Letter d

Other relevant information shall include:

- a. Ownership, controlling and structure of management, to ascertain the existence of PEP within the ownership structure or as controllers;
- b. financial position of the Recipient Bank and/or Intermediary Bank; and
- c. profiles of the principal/holding company and subsidiaries.

Paragraph (2)

National authorities for example are PPATK and Bank Indonesia, while foreign authorities for example are Financial Action Task Force on Money Laundering (FATF), Asia Pacific Group on Money Laundering (APG), the United Nations (UN), etc.

Paragraph (3)

The definition of "senior officer" is the Executive Officer as stipulated in Bank Indonesia provisions concerning commercial banks and which has knowledge and/or experience of anti-money laundering or combating the financing of terrorism, such as head of division or chief at the Bank's head office or chairman at the Bank's branch offices.

Article 34

Self explanatory.

Article 35

Payable Through Accounts are correspondent accounts utilized directly by third party to engage in transactions on behalf of the concerned third party.

Article 36

Letter a

Documentation activities shall mean documentation activities as referred to in Article 41 of this Bank Indonesia Regulation.

Letter b

"*Shell bank*" is a bank which has no *physical presence* in the jurisdiction where the Bank is established and licensed, and is not affiliated with the group of financial services which are subject to effective consolidated supervision.

Letter c

Self explanatory.

Article 37

Paragraph (1)

Letter a

Sender Banks shall also include Banks that perform business activities as agent of money remittance services.

Number (1)

Letter a)

Self explanatory.

Letter b)

Self explanatory.

Letter c)

Self explanatory.

Letter d)

The definition of "identification number" is a number which uniquely identifies the Sending Customer / WIC from the data of information managed by the Transferring Bank. In this case, the identification number is different with the transaction number.

Letter e)

Self explanatory.

Letter f)

Self explanatory.

Letter g)

Self explanatory.

Letter h)

Self explanatory.

Letter i)

Self explanatory.

Letter j)

Self explanatory.

Number 2)

Self explanatory.

Number 3)

Documentation activities shall mean documentation activities as referred to in Article 41 of this Bank Indonesia Regulation.

Letter b

Information shall mean information regarding a party who initially issued a fund transfer order.

Letter c

Self explanatory.

Paragraph (2)

Information or written inquiry may be in the form of signed letters, as well as information or inquiries submitted through other electronic media.

Authority authorized in this paragraph, including law enforcement authorities with respect to the provisions and regulations governing bank secrecy.

Article 38

Letter a

Self explanatory.

Letter b

Provider of financial services referred to in this paragraph as stipulated in the regulation governing the prevention and combating of money laundering.

Article 39

Paragraph (1)

Self explanatory.

Paragraph (2)

The definition of "adequate follow-up" includes stricter monitoring, reporting of Suspicious Financial Transactions.

Article 40

Self explanatory.

Article 41

Paragraph (1)

Documents may be administered in its original form, copies, electronic forms, microfilm or documents that may be used as evidence pursuant to prevailing laws.

Letter a

The definition of "documents associated with Customers or WIC Data" includes identity documents, analysis report related to profile of customer or WIC, and correspondence with the Customer or WIC.

Letter b

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Article 42

Paragraph (1)

To ensure effective implementation of AML and CFT program by Banks, Banks shall optimize existing Internal Audit Work Unit, among other, to perform compliance test (including the use of sample testing) towards AML and CFT related policies and procedures.

Paragraph (2)

Self explanatory.

Article 43

Paragraph (1)

Information system used must enable Banks to trace individual transactions if needed, whether for internal purpose and or Bank Indonesia, as well as in relation to judicial proceedings.

Paragraph (2)

Integrated Customer profiles shall mean Customer data profiles encompassing all accounts owned by an individual Customer at a Bank, such as saving accounts, deposits accounts, current accounts, and loans.

Paragraph (3)

Self explanatory.

Paragraph (4)

The use of technology which potentially to be misused such as account opening and/or transactions conducted by mail, fax, telephone, internet banking, and ATM.

Article 44

The use of banking services as a media for committing money laundering and financing of terrorism may possibly involve the Bank's employees. Hence, to prevent or to detect occurrences of money laundering conducted through Banks requires the implementation of Know Your Employee (KYE), including through screening procedures, introduction and monitoring of profile which includes character, behaviors and lifestyle of employees.

Article 45

Self explanatory.

Article 46

Paragraph (1)

Policies and procedures of APU and PPT program referred to in this paragraph shall include policies and procedures of information exchange for CDD purposes and risk management towards money laundering and financing of terrorism. The exchange of information shall consider the level of information security and applicable provisions.

The term "subsidiaries" is subsidiaries which majority shares owned by Bank.

Paragraph (2)

In this case, Banks need to ensure that provisions of this Bank Indonesia regulation are less restrictive compare to provisions issued by relevant authorities in the place of jurisdiction of the Bank's branch offices and subsidiaries abroad.

Paragraph (3)

In this case, Banks need to ensure that provisions of this Bank Indonesia regulation are more restrictive compare to provisions issued by relevant authorities in the place of jurisdiction of the Bank's branch offices and subsidiaries abroad.

Paragraph (4)

Self explanatory.

Article 47

Paragraph (1)

Letter a

Action plans shall at minimum encompass implementing actions of AML and CFT programs in relation to compliance with provisions of this Bank Indonesia Regulation obliged to be carried out by Banks and completed within a certain time period. Matters required to be accommodated in action plans, among others, are establishing guidelines for AML and CFT, improving infrastructures related to information technology, setting up human resources and updating programs of Customers data.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Self explanatory.

Paragraph (2)

Self explanatory.

Article 48

Paragraph (1)

Self explanatory

Paragraph (2)

Self explanatory

Paragraph (3)

Self explanatory

Article 49

Self explanatory.

Article 50

Self explanatory.

Article 51

Included in cooperation with law enforcement referred to in this paragraph are submitting documents or information to law enforcement in relation to the identity of Customers suspected to engage in criminal activities categorized as predicate crime of money laundering in accordance to prevailing laws and regulations.

Article 52

Paragraph (1)

Self explanatory

Paragraph (2)

The procedure in submitting task report of Director in charge of task compliance functions is performed by referring to Bank Indonesia provision concerning the implementation of compliance functions for commercial banks.

Paragraph (3)

Letter a

Self explanatory

Letter b

Penalties shall be levied after Banks obtains 2 (two) written notices within an interval of 7 (seven) consecutive working days for each of the notices, as well as after considering affecting factors that instigate the un-implementation of commitments.

Letter c

The definition of “a significant impact” includes raising risk in bank reputation.

Paragraph (4)

Self explanatory.

Article 53

Self explanatory.

Article 54

Self explanatory.

Article 55

Self explanatory.

Article 56

Self explanatory.

SUPPLEMENT TO STATE GAZETTE OF REPUBLIC OF INDONESIA NUMBER 5385