

## **FREQUENTLY ASKED QUESTIONS**

### **Bank Indonesia regulation Number 14/12/PBI/2012, dated 15<sup>th</sup> October 2012 regarding the Head Office Reports of Commercial Banks**

#### **Background**

**1. What is the background behind the promulgation of this Bank Indonesia regulation?**

The background behind the promulgation of Bank Indonesia Regulation Number 14/12/PBI/2012 is as follows: (a) the need for additional new information, hitherto reported offline, to be reported online through the LKPBU system in order to enhance the efficacy of policy monitoring and to boost efficiency in the banking sector; (b) the need for additional reporting periods, previously monthly and quarterly, to be extended to weekly, monthly, quarterly and annually; and (c) the need to expedite the LKPBU report submission process, thereby bringing it inline with other reports like the LBU and LBBU.

**2. What are the specifics of this Bank Indonesia regulation?**

The specifics of this Bank Indonesia regulation, among others, are: (a) additional online reports; (b) additional reporting periods; and (c) expediting the deadline for the submission of certain reports.

**3. Which additional reports shall be required according to the LKPBU system?**

The additional reports in the LKPBU system include the following:

- a. cash flow projections;
- b. bank activity as a sales agent for non-Bank products, including:
  - a) bancassurance;
  - b) sales agent for mutual funds; and

c) international financial products.

- c. e-banking;
- d. structured products;
- e. executive officers;
- f. the office network;
- g. bank published financial reports; and
- h. bank human resources report.

**4. Which additional reporting periods shall be required?**

The number of reporting periods shall be expanded from 2 (two), namely monthly and quarterly, to 4 (four) periods, more specifically: (1) weekly; (2) monthly; (3) quarterly; and (4) annually.

**5. How does the new regulation affect the submission period of several reports?**

- a. The deadline for submitting reports and report corrections shall be reduced from 15 working days to 5 at the beginning of each month for custodian activities, domestic document-based letter of credit (SKBDN), remittances from Indonesian workers overseas, movements of government accounts, e-banking, structured products, executive offices, the office network, bank published monthly financial reports and customer complaints.
- b. The deadline for submitting other reports shall continue to use the existing schedule of the fifteenth calendar day of the month.

**6. When will the new regulation become effective?**

The new regulation shall become effective on 1<sup>st</sup> November 2012.