

PRESS RELEASE

OJK SUPPORTS GLOBAL PROGRAMS AGAINST CYBERATTACKS OJK Chairman Speaks at World Bank-IMF Annual Meetings in Washington DC

Washington DC, October 18, 2017. Chairman of Financial Services Authority's (OJK) Board of Commissioners Wimboh Santoso stated that today the financial system has been exposed to the growing risk of cyberattacks, as a result of the rapidly increasing use of information and communication technology in the financial services industry.

“It is not possible for a country to carry out preventive efforts against cyberattacks single-handedly, instead, there should be global initiatives to fight them since hackers behind those attacks operate beyond borders,” Wimboh said at International Good Practices on Cybersecurity Preparedness seminar, in Washington DC, on Monday, local time. The seminar was one of the events featured during the World Bank Group – International Monetary Fund Annual Meetings.

He continued by saying that the rising internet use by governments, public services, and private companies—including those operating in the financial services industry—could have significant implications if it was not managed carefully.

“In Indonesia, the financial services industry is categorized as important infrastructure that needs to be guarded against security threats that come from the virtual world,” Wimboh said.

To address this issue, on the domestic front, the OJK has planned to launch a financial information services center that will be responsible for accelerating recovery from cyberattacks, and establish an institution that will provide training on how to handle such attacks.

Wimboh said that the financial services industry in each country should raise its awareness on cyberattack risks by reinforcing management of operating risks that were related to information technology.

Furthermore, to anticipate the escalating threats against cybersecurity, the OJK has joined a common initiative to set up a national cyber body together with a number of ministries and state agencies such as the Ministry of Communication and Information Technology, the Ministry of Defense, the Coordinating Ministry of Political, Legal and Security Affairs, the Police, etc.

On his visit to the US—at the invitation of the World Bank—Chairman of OJK's Board of Commissioners Wimboh Santoso also attended two high-level meetings where he sat together with representatives from central banks as well as financial services authorities from other countries to discuss two major issues, i.e. Regulatory Approaches for Non-Systemic Banks and the IFC-led Sustainable Banking Network (SBN) Annual Meeting.

He was also the keynote speaker at the IFC-led Sustainable Banking Network (SBN) Annual Meeting on Monday (Oct. 16). Speaking in front of 30 country representatives, Wimboh said that effects of climate change could disrupt the financial services sector, or even trigger an economic crisis.

There should be a global roadmap on sustainable finance, which is expected to accelerate funding for sustainable development goals (SDGs) by assigning a larger role to the private sector at global level,” Wimboh said.

He explained that for more effective sustainable finance development, each country should devise a national strategy that involves various agencies, scholars, the financial services industry and the business sector, and spurs them to establish a collective commitment and collaborate with each other.

The OJK has issued OJK Regulation No. 51/POJK.03/2017 on Application of Sustainable Finance to financial services institutions, issuers, and public companies.

Previously in December 2014, the OJK issued a roadmap for Sustainable Finance in Indonesia designed to define the position to be achieved in relation to sustainable finance in mid-term (2015-2019) and long-term (2015-2024) for the financial services industry under OJK’s supervision, and to set and establish milestones for programs to improve sustainable finance

At the Regulatory Approaches for Non-Systemic Banks forum, Wimboh explained that different countries had different banking structure, complexities and sizes, that it would be difficult to develop international standards of prudential regulations for non-systemic banks.

Instead, the more important issue was how countries would tailor their prudential standards and supervisory frameworks with the characters of their respective non-systemic banks (based on proportionality grounds). The objective was to prevent excessive regulation—that would lead to high compliance costs—without making regulation and supervision less effective.

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