

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

WITH THE BLESSINGS OF THE ONE ALMIGHTY GOD

GOVERNOR OF BANK INDONESIA,

- Considering:
- a. whereas with the increasing complexities of banking products, activities, and information technology, the risk of banks to be used for committing crimes of money laundering and financing of terrorism increases;
  - b. whereas the increase in risks confronted by banks needs to be balanced with improvement in the quality of implementation of risk management associated with programs for anti money laundering and combating the financing of terrorism;
  - c. whereas implementation of risk management associated with programs for anti money laundering and combating the financing of terrorism shall adhere to the generally accepted principles adopted internationally;
  - d. whereas in order of implementing programs for anti money laundering and combating the financing of terrorism more effectively, there was refinement and issuance of regulations and refinement of international standard concerning programs for anti money laundering and combating the financing of terrorism;
  - e. now therefore pursuant to considerations referred to in letter a, letter b, letter c, and letter d, it is deemed necessary to enact regulation concerning the implementation of anti money laundering and combating the financing of terrorism program for commercial bank in a Bank Indonesia Regulation;
- In view of:
1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia of 1992 Number 31, Supplement to the State

Gazette of the Republic of Indonesia Number 3472) as amended by Act Number 10 of 1998 (State Gazette of Republic of Indonesia of 1998 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 3790);

2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 6 of 2009 concerning Stipulation of Government Regulation in Lieu of Act Number 2 of 2008 concerning Second Amendment to The Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia of 2009 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4962);
3. Act Number 15 of 2003 concerning Government Regulation Replacement of Act Number 1 of 2002 concerning Eradication of the Crime of Terrorism to be the Law (State Gazette of the Republic of Indonesia of 2003 Number 45 and Supplement to the State Gazette of the Republic of Indonesia Number 4284);
4. Act Number 21 of 2008 concerning Islamic Banking (State Gazette of the Republic of Indonesia of 2008 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 4867);
5. Act Number 8 of 2010 concerning The Prevention and Eradication of The Crime of Money Laundering (State Gazette of the Republic of Indonesia of 2010 Number 122, Supplement to the State Gazette of the Republic of Indonesia Number 5164);
6. Act Number 3 of 2011 concerning Fund Transfer (State Gazette of the Republic of Indonesia of 2011 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 5204);

HAS DECREED:

To enact:           BANK           INDONESIA           REGULATION           CONCERNING  
IMPLEMENTATION OF ANTI MONEY LAUNDERING AND  
COMBATING THE FINANCING OF TERRORISM PROGRAM FOR  
COMMERCIAL.

CHAPTER I  
GENERAL PROVISIONS

Article 1

The terminology used in this Bank Indonesia Regulation has the following meaning:

1. Bank is a Commercial Bank as referred to in Act Number 7 of 1992 concerning Banking as amended with Act Number 10 of 1998, including Branch Offices of Foreign Banks, and Act Number 21 of 2008 concerning Sharia Banking.
2. Money Laundering is money laundering as referred to in Act that governs Crime of Money Laundering.
3. Financing of Terrorism is the use of assets, directly or indirectly, for terrorist activities as referred to in Act that governs Crime of Money Laundering.
4. Customer is a party that utilizes banking services and owns an account at the Bank.
5. Prospective Customer is a party that will conduct business relationship with a Bank.
6. Walk in Customer, hereinafter referred to as WIC, is a user of Banking services that does not own accounts in the Bank, however it does not include parties that are instructed or assigned by Customer to engage in a transaction for the benefit of the said Customer.
7. Customer Due Diligence, hereinafter referred to as CDD, is activities in the form of identification, verification, and monitoring performed by Banks to ensure that transactions correspond to Customer's profiles.
8. Enhanced Due Diligence, hereinafter referred to as EDD, is a more comprehensive CDD performed by Banks while engaging high risk customers, including that of a Politically Exposed Persons, with respect to the probability of money laundering and terrorism financing.
9. Suspicious Financial Transactions are suspicious financial transactions as referred to in the Act that governs the Crime of Money Laundering.
10. The Financial Transactions Reporting and Analysis Center, hereinafter referred to as PPATK, is PPATK as referred to in the Act that governs the Crime of Money Laundering.
11. Anti Money Laundering and Combating the Financing of Terrorism hereinafter referred to as APU and PPT, are efforts to prevent and eradicate criminal acts of money laundering and terrorism financing.

12. Beneficial Owner is any person who:
  - a. ultimately owns fund at the Bank;
  - b. controls Customer transaction;
  - c. confer power of attorney with regards to engaged transaction;
  - d. controls through a legal person; and/or
  - e. ultimately controls a transaction is being conducted over a legal person or an agreement.
13. Financial Action Task Force Recommendations, hereinafter referred to in as FATF Recommendations, are standards for the prevention and eradication of money laundering and terrorist financing issued by FATF.
14. High risk country is a country or territory which is potentially to be used as a place for:
  - a. Occurrence or facilities for criminal acts of money laundering;
  - b. *predicate offense*; and/or
  - c. activity of terrorism financing;
15. State/Government Agency is an agency that has executive, judicative and legislative powers.
16. Government Institution is a collective term for government organizational unit performing its duties and function in accordance with the applicable provisions, includes Ministry Coordinator / State Ministry / Department / Non-Departmental Government Institution, Provincial Government, City Government, County Government, and government organizations performing governmental functions by using the National Revenue and Cost Budget (APBN) and / or the Regional Revenue and Cost Budget (APBD).
17. Politically Exposed Person, hereinafter referred to as PEP, are individuals who are or have been entrusted with prominent public functions in either domestically or internationally, for example State Officials as referred to in laws and regulations that governs State Officials, and /or senior politicians that has influence on the party's policies and operations.
18. Correspondent Banking is activity of correspondent Banks to provide payment and other banking services to respondent Banks, based on an agreement.
19. Cross Border Correspondent Banking is Correspondent Banking where the domicile of one of the correspondent bank or respondent bank is located outside the territories of the Republic of Indonesia.

20. Transferring Banks are banks that transmit fund transfer orders.
21. Intermediary Banks are banks that forwards fund transfer orders from Transferring Banks.
22. Recipient Banks are banks that receive funds transfer orders.

#### Article 2

- (1) Banks are obliged to implement APU and PPT program.
- (2) In implementing APU and PPT Program, Banks shall adhere to the provisions stipulated in this Bank Indonesia Regulation.

#### Article 3

- (1) APU and PPT Program shall be an integral part in the implementation of risk management in its entirety.
- (2) The Implementation of APU and PPT Program referred to in paragraph (1) shall at minimum include:
  - a. active supervision of the Board of Directors and the Board of Commissioners;
  - b. policies and procedures;
  - c. internal control;
  - d. management information system; and
  - a. human resource and training.

### CHAPTER II

#### ACTIVE SUPERVISION OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

#### Article 4

Active supervision by the Board of Directors shall at least include:

- a. ensuring the Bank has policies and procedures for APU and PPT Program;
- b. recommends policies and procedures of APU and PPT Program to the Board of Commissioners;
- c. ensuring that the implementation of APU and PPT Program is based on established policies and procedures;
- d. establishing special units assigned to implement APU and PPT Program and/or appointing an officer duly responsible for APU and PPT Program at the Head Office;

- e. supervise the compliance of work units in implementing APU and PPT Program;
- f. ensuring the branch offices are required to have special unit and have:
  - 1) employees who perform functions of special unit; or
  - 2) officers who supervise implementation of APU and PPT program.
- 7. ensuring the branch offices with high business complexity to fulfill the obligations referred to in item f above and be separated from the work unit which implements the policies and procedures of APU and PPT program.
- 8. ensuring that policies and procedures for APU and PPT Program are in line with changes and developments in products, services and information technology of the Bank as well as in line with development in modus for money laundering or terrorist financing; and
- 9. ensuring that all employees, particularly employees of related work units and new employees have participated in ongoing training related to APU and PPT Program.

#### Article 5

Active supervision by the Board of Commissioners at minimum shall include:

- a. approval of policies and procedures of APU and PPT Program Implementations; and
- b. Supervise over the execution of the assigned responsibilities of the Board of Directors in implementing APU and PPT Program.

#### Article 6

- (1) Banks are obliged to establish a special unit and/or appoint an officer of the Bank duly responsible for implementing APU and PPT Program.
- (2) The special unit and/or officer of the Bank referred to in paragraph (1) shall be responsible to the Compliance Director.
- (3) Banks are obliged to ensure that the special unit and/or the officer of the Bank responsible for implementing APU and PPT Program referred to in paragraph (1), has sufficient capability and authority to access all Customers' data and other relevant information.

#### Article 7

Officers of the special unit or officers responsible for the APU and PPT Program are obliged to:

- a. compile and propose guidelines for the implementation of APU and PPT program to Board of Directors;
- b. ensure that:
  - 1) the availability of systems that supports APU and PPT Program;
  - 2) policies and procedures are in line with the development of the most recent APU and PPT Program, the Bank's product risk, activities and complexities of the Bank's business, and the Bank's transaction volume;
- c. monitors that:
  - 1) the updating of Customer's profiles and Customer's transactions profiles;
  - 2) there exist an effective communication mechanism within every work units associated with special units or officer responsible for implementing APU and PPT Program but at the same time can maintain information secrecy;
  - 3) relevant work units performs functions and duties in preparing reports concerning indications of Suspicious Transactions prior to submitting such report to the special unit or the officer responsible for implementing APU and PPT Program; and
  - 4) high risk areas associated with APU and PPT can be identified effectively in accordance to prevailing regulations and adequate information sources;
- d. perform coordination and monitoring of the implementation of policies for APU and PPT Program with relevant work units that interacts with Customers;
- e. receive reports from work units that interacts with Customers of financial transactions that have the potential to be red flagged (suspicious) and perform analysis of the said reports;
- f. prepare Suspicious Transactions Report and other reports as stipulated in the Act concerning the Criminal Act of Money Laundering to be submitted to PPATK with prior approval by the Compliance Director; and
- g. monitor, analyze and recommends training requirements of APU and PPT Program for Bank's employees.

CHAPTER III  
POLICIES AND PROCEDURES

Article 8

- (1) Banks are required to have guidelines for the implementation of APU and PPT.

- (2) Guidelines for the implementation of APU and PPT programs referred to in paragraph (1) includes written policies and procedures, at least including:
- a. request of information and documents;
  - b. Beneficial Owner;
  - c. document verifications;
  - d. simplified CDD;
  - e. termination of relationship and transaction refusal;
  - f. provisions concerning high risk areas and PEP;
  - g. implementations of CDD by a third party;
  - h. updating and monitoring;
  - i. Cross Border Correspondent Banking;
  - j. fund transfer;
  - k. administration of documents; and
  - l. reporting to PPATK.
- (3) Banks are required to implement the policies and procedures referred to in paragraph (1) consistently and continuously.
- (4) The Implementing Guidelines of APU and PPT Program referred to in paragraph (1) must be approved by the Board of Commissioners.

#### Article 9

- (1) Bank shall perform the identification, measurement, monitoring and control towards the risk of money laundering or terrorism financing from:
- a. development of new products and activities including its implementation;
  - b. the use or development of new technologies for new products or existing products.
- (2) For the implementation of the identification, measurement, monitoring and control as referred to in paragraph (1), Banks are required to comply with Bank Indonesia regulations concerning the application of risk management and Bank Indonesia provisions concerning the reporting of new products and activities.

#### Article 10

Banks are required to perform CDD measures when:

- a. establishing business relationship with prospective Customers;
- b. establishing business relationship with WIC;

- c. Bank has doubts about the veracity or adequacy of any information previously obtained by Customers, parties receiving power of attorneys, and/or beneficial owners; or
- d. there is a suspicion of money laundering and/or terrorist financing.

#### Article 11

- (1) In accepting Customers, Banks shall be required to utilize a risk based approach by classifying Customers based on the risk level of money laundering or financing of terrorism might occur.
- (2) Classification of Customers based on risk level as referred to in paragraph (1) shall be conducted at minimum by analyzing:
  - a. Customer's identity;
  - b. Customer's business location;
  - c. Customer's profile;
  - d. transaction amount;
  - e. Customer's business activities;
  - f. ownership structure of a Customer that is a legal person; and
  - g. other information that may be used to measure risk level of a Customer.
- (3) Provisions concerning the classification of Customer risk shall be stipulated further in a Bank Indonesia Circular Letter.

#### Article 12

- (1) In order of performing a business relationship with Customers, the following provisions shall apply:
  - a. Banks are required to request information that would enable Banks to identify the profile of the prospective Customer.
  - b. the identity of prospective customers must be attested through the existence of supporting documents.
  - c. Banks are required to scrutinize the validity of supporting documents for the identity of prospective customers as referred to in Letter b.
  - d. Banks shall not open or maintain anonymous accounts or accounts in fictitious names.
  - e. Banks are required to conduct face-to-face meeting with prospective Customers at the initiation of a business relationship in order to ascertain the accuracy of the

identity of prospective Customers.

- (2) Bank shall be aware of the transaction or business relationship with the customers who are from or related to the country which are categorized as high risk.

#### Part One

### INFORMATION AND DOCUMENT REQUEST

#### Article 13

Banks shall identify and classify prospective Customers into groups of natural persons, legal persons, or Beneficial Owners.

#### Article 14

- (1) The Information referred to Article 12 paragraph (1) shall at minimum include:
  - a. For Customer classified as natural persons:
    - 1) Customer identity that includes:
      - a) full name including aliases, if any;
      - b) document identity number;
      - c) address printed in the identity card and other address, if any;
      - d) place and date of birth;
      - e) nationality;
      - f) occupation;
      - g) gender;
      - h) marital status; and
    - 2) identity of Beneficial Owners, if a Customer is acting on behalf of Beneficial Owners;
    - 3) sources of funds;
    - 4) the estimated value of transaction within 1 (one) year;
    - 5) purposes and objectives of business relationship or transaction to be performed by Prospective Customer with the Bank;
    - 6) Taxpayer Identification Number (NPWP); and
    - 7) other information that may enable Banks to ascertain the profile of prospective customers, including the information instructed by other related provisions and regulations.

- b. For Customer, that is legal person other than Banks:
  - 1) name of the company;
  - 2) operational license number from an authorized agency;
  - 3) line of business;
  - 4) address where a company is located;
  - 5) place and date of the company's establishment;
  - 6) form of legal entity of the company;
  - 7) identity of Beneficial Owners if the prospective customer has a *Beneficial Owner*;
  - 8) sources of funds;
  - 9) purposes and objectives of business relationship or transaction to be performed by prospective Customer with the Bank; and
  - 10) other information that may enable Banks to ascertain the profile of prospective customers, including the information instructed by other related provisions and regulations.
- (2) Prior to engaging in transactions with WIC, Banks are required to ask for:
  - a. all the information referred to in paragraph (1) for WIC who is a natural person or a legal person that engages in transaction in the amount equal to or greater than Rp 100,000,000.00 (one hundred million rupiah) or its equivalent, that is executed as a 1 (one) time transaction or multiple transactions within 1 (one) business day.
  - b. Information referred to in paragraph (1) Letter a Number 1), Number 2), and Number 3) for WIC who is a natural person engaging in transaction in an amount of less than Rp 100,000,000.00 (one hundred million rupiah) or its equivalent.
  - c. Information referred to in paragraph (1) Letter b Number 1) and Number 4) for WIC that is a legal person engaging transaction in an amount of less than Rp 100,000,000.00 (one hundred million rupiah) or its equivalent.

#### Article 15

For Customers who are natural persons and WIC as referred to in Article 13 paragraph (2) Letter a, the information referred to in Article 13 paragraph (1) Letter a Number 1) must be supported by Customer identity documents and specimen signature.

## Article 16

- (1) For Customers that is a legal persons, the information referred to in Article 14 paragraph (1) Letter b Number 1), Number 2), Number 3), Number 4), Number 5), Number 6), Number 7), and Number (8) must be supported by Company identity documents and:
  - a. For customers classified as micro and small business enterprises shall be added with;
    - 1) specimen signature and power of attorney conferred to parties assigned to have authority to act for and on behalf of the company in engaging business relation with the Bank;
    - 2) Tax Register Number for Customers obliged to have Tax Register Number in accordance to prevailing laws and regulations; and
    - 3) Business Location Permit (SITU) or other documents required by authorized institution.
  - b. For customers not classified as micro and small business enterprise, in addition to documents referred to in letter a number 2) and number 3), shall be added with:
    - 1) financial statements or descriptions of the company's business activities;
    - 2) management structure of the company;
    - 3) ownership structure of the company; and
    - 4) identity documents of members of the Board of Directors authorized to represent the company for engaging a business relationship with the Bank.
- (2) For Customers in the form of Banks, submitted documents shall at least include:
  - a. deed of establishment/article of association of the Bank;
  - b. operational license from authorized agency; and
  - c. specimen signature and power of attorney conferred to parties assign to act for and on behalf of the Bank in engaging a business relationship with the Bank.

## Article 17

- (1) For prospective Customers other than a natural persons and a legal persons as referred to in Article 14, Article 15 and Article 16, Banks are required to request information as referred to in Article 14 paragraph (1) Letter b.
- (2) For prospective Customers referred to in paragraph (1) the following provisions shall apply:

- a. For prospective Customers in the form of charities, documents submitted must at least include:
  - 1) license of business activity/purpose of the charity;
  - 2) description of activities performed by the charity;
  - 3) management structure of the charity; and
  - 4) identity documents of members of management authorized to represent the charity in engaging business relationship with the Bank.
- b. For Customers in the form of associations, documents submitted must at least include:
  - 1) proof of registration at the authorized agency;
  - 2) names of the organizer; and
  - 3) parties authorized to represent the association in engaging business relationship with the Bank.

#### Article 18

- (1) For prospective Customers in the form of State/Government Agencies, International Agencies, and foreign country representatives, Banks are required to request information concerning the name and place of domicile of the agencies or representatives concerned.
- (2) Information referred to in paragraph (1) must be supported with the following documents:
  - a. the appointment letter for parties authorized to represent the agency or representative in engaging a business relationship with the Bank; and
  - b. specimen signatures.

#### Part Two

#### BENEFICIAL OWNER

#### Article 19

- (1) Banks are required to ensure if a prospective Customer or WIC is representing Beneficial Owners in opening a business relationship or engaging a transaction.
- (2) If a prospective Customer or WIC represents a Beneficial Owner in opening business relationship or engaging transactions, Banks are obliged to execute CDD procedures

against Beneficial Owners that are as strict as CDD procedures for a prospective Customer or WIC.

- (3) If the Beneficial Owner as referred to in paragraph (2) classified as PEP, accordingly the applicable procedure is EDD procedure.

#### Article 20

- (1) Banks are required to obtain evidence of the identity and/or other information regarding a Beneficial Owners, such as:
  - a. for Beneficial Owner who is a natural person:
    - 1) information and identity documents referred to in Article 14 paragraph (1) Letter a and Article 15;
    - 2) legal relationship between prospective Customers or WIC with Beneficial Owners which is demonstrated with a letter of assignment, agreements, power of attorney, or other forms; and
    - 3) statements from prospective Customers or WIC concerning the accuracy of identity and funds sources of the Beneficial Owners.
  - b. for Beneficial Owners in the form of legal persons, charities, or associations:
    - 1) documents referred to in Article 16 and Article 17;
    - 2) documents and/or information on the identity of owners or ultimate controller of the company, charity, or association; and
    - 3) statements from prospective Customers or WIC concerning the accuracy of the identity as well as funds sources from Beneficial Owners.
- (2) In the case of the prospective customer is another domestic Bank representing a Beneficial Owner, accordingly the documents shall be in the form of written statements from the domestic Bank stated that identity of Beneficial Owner has been verified by other domestic Bank.
- (3) In the case of the prospective customer is another foreign Bank implementing APU and PPT Program that at least equal to this Bank Indonesia regulation and the Bank representing a Beneficial Owner, accordingly the documents shall be in the form of written statements from the foreign Bank stated that identity of Beneficial Owner has been verified by other foreign Bank.
- (4) In the case of Banks suspects or cannot assure the identity of Beneficial Owners, then Banks are obliged to refuse to open business relationship or transact with prospective

Customers or WIC.

## Article 21

The obligations for submission of documents and/or information on the owner's identity or ultimate controller of Beneficial Owner as referred to in Article 20 paragraph (1) Letter b Number 2) shall not apply to Beneficial Owner in the form of:

- a. government agency; or
- b. companies listed at the Stock Exchange.

## Part Three

### DOCUMENT VERIFICATION

## Article 22

- (1) Banks shall be required to scrutinize the accuracy of supporting documents and perform verifications of supporting documents containing information referred to in Article 14 and Article 18 paragraph (1), based on documents and/or other sources of information that are reliable and independent as well as to ensure that the data are updated data.
- (2) Banks may conduct interviews with prospective Customer to analyze and ensure the legality and accuracy of documents referred to in paragraph (1).
- (3) If in doubt, Banks shall be required to request to prospective Customers to provide more than one identity documents issued by an authorized party, to ensure the accuracy of a prospective Customer's identity.
- (4) Banks are required to complete the verification process of a prospective Customers identity and Beneficial Owners before establishing business relations with prospective Customers or before conducting transactions with WIC.
- (5) In certain circumstances, Banks may engage in business relations prior to the verification process as referred to in paragraph (4) is completed.
- (6) The verification process as referred to in paragraph (5) must be completed no longer than:
  - a. 14 (fourteen) business days after a business relationship is effective, for Customers who is a natural person.
  - b. 90 (ninety) business days after a business relationship is effective, for Customers in the form of a legal person.

Part Four  
SIMPLIFIED CDD  
Article 23

- (1) Banks may implement CDD procedures that are more simplified than CDD procedures referred to in Article 14, Article 15, Article 16, Article 17, Article 18, and Article 20 for prospective Customers or transactions having a low level of risk for the occurrence of money laundering or financing of terrorism and that meets the following criteria:
  - a. the purpose for the opening of account is for the payment of salaries;
  - b. customers in the form of a public company subjected to regulations concerning performance disclosure obligations;
  - c. prospective customers of company which majority shares owned by Government;
  - d. customers in the form of State/Government Agencies;
  - e. transactions for the cashing of cheques by WIC that is a legal person;
  - f. the purpose of opening account associated with the Government program in order to increase social welfare and poverty alleviation; or
  - g. the maximum amount of initial deposit is Rp50.000,00 (fifty thousand rupiah), the maximum amount of balance at the end of month is Rp1.000.000,00 (one million rupiah), and the maximum amount of transaction within 1 (one) month is Rp5.000.000,00 (five million rupiah).
- (2) For prospective customers in the form of a legal person that meets the provisions referred to in paragraph (1), Banks are required to requests:
  - a. For a prospective customer who is a natural person that meets the provisions referred to in paragraph (1) letter a, Banks shall be required to request information as referred to Article 14 paragraph (1) letter a number 1) letter a), letter b), letter c), and letter d);
  - b. For a prospective customer which is a company, Government agency or institution that complies with the provisions referred to in paragraph (1) letter a, b, c, and d, Bank shall request the information referred to in Article 14 paragraph (1) letter b number 1) and 4);
  - c. For WIC of a company that meets the provisions as referred to in paragraph (1), the Bank shall be obliged to request for information as referred to in Article 14 paragraph (1) Letter b Number 1 and Number 4; and
  - d. For prospective Customers as referred to in paragraph (1) letter f and letter g, the

Bank shall be obliged to request for information as referred to in Article 14 paragraph (1) Letter a Number 1) letter a), letter c), letter d), and letter f).

- (3) The information referred to in paragraph (2) shall be supported by:
  - a. documents of identity referred to in Article 15, for individual prospective customers referred to in paragraph (1) letter a;
  - b. documents of company identity added with signature specimen and power of attorney conferred to parties assigned to act for and on behalf of the company in engaging a business relationship with the Bank for customers classified as micro and small business enterprises as referred to in paragraph (1) letter a and e;
  - c. documents of company and board of directors identity which authorized to represent the company in engaging a business relationship with the Bank for customers not classified as micro and small enterprises as referred to in paragraph (1) letter a, b, c, d, and e, or;
  - d. other documents as a substitute to the documents of identity which can provide assurance to Bank on the profiles and specimen signatures, for prospective customers as referred to in paragraph (1) letter f and g.
- (4) Simplified CDD procedure as referred to in paragraph (1) shall not be effective whenever there is suspicion of money laundering or terrorist financing or specific higher risk scenarios apply.
- (5) Banks are required to prepare and file Customers' list that are subjected to simplified CDD.
- (6) In the case of account usage is not in accordance with purposes referred to in paragraph (1) letter a or the maximum amount of balance and/or the maximum amount of Customer transactions exceed the limits referred to in paragraph (1) letter g, Bank must perform CDD procedures referred to in Article 14 paragraph (1) letter a and Article 15 towards the Customer.

## Part Five

### BUSINESS RELATIONSHIP TERMINATION OR TRANSACTION REFUSAL

#### Article 24

- (1) Banks are required to refuse to open an account with any prospective Customers and/or to perform the transactions with WIC, in the event the prospective Customers or WIC:
  - a. do not meet provisions as referred to in Article 12, Article 14, Article 15, Article

- 16, Article 17, Article 18, Article 18, and Article 19;
- b. is known and/or suspected to use false documents;
  - c. deliver apocryphal information; and / or
  - d. is a form of *Shell Bank* or Banks that permits its accounts to be used by *Shell Bank*.
- (2) Banks shall refuse or cancel transactions, and/or terminate business relationship with Existing Customers in the event:
- a. the criteria referred to in paragraph (1) are met; and/or
  - b. have a source of funds transactions which are known and/or suspected originating from criminal acts.
- (3) Banks are still required to complete the identification and verification process of the identity of prospective Customer or WIC and Beneficial Owner, in the case of rejection of business relationships with prospective customers and/or rejection of transaction with the WIC in accordance with the provisions of paragraph (1) letter b and c
- (4) Banks are required to document prospective Customers, Customers, or WIC that meets the criteria referred to paragraph (1) and paragraph (2).
- (5) Banks are obliged to report prospective Customers or Existing Customers referred to in paragraph (1) and paragraph (2) in the Suspicious Financial Transactions Report in the event transactions performed are unusual or suspicious.
- (6) The obligation of Bank to refuse, cancel and/or terminate a business relationship with Customer as referred to in paragraph (2) shall be included in the account opening agreement and notified to Customer.

#### Article 25

- (1) In the case of termination of business relationship as referred to in Article 24 paragraph (2), Bank shall notify the Customer in a form of written statements concerning termination of the business relationship.
- (2) In the event that after the notification referred to in paragraph (1), Customer did not take the remaining funds stored in Bank, accordingly settlement towards the remaining funds stored in Bank conducted in accordance with the applicable regulations.

## Part Six

### POLITICALLY EXPOSED PERSON AND HIGH RISK AREA

#### Article 26

- (1) Banks are required to scrutinize the existence of Customers and Beneficial Owners that met the high-risk criteria or PEP.
- (2) Customers and Beneficial Owners that meets the high-risk criteria or PEP shall be listed in a separate list.
- (3) In the event Customers or Beneficial Owners are classified as high risk or PEP, then Banks shall perform:
  - a. ongoing EDD by at least conducting analysis of information concerning Customers or Beneficial Owners, sources of funds, purpose of transactions, and business relationship with related parties; and
  - b. stricter monitoring against Customers or Beneficial Owners.
- (4) The Obligations of Banks referred to in paragraph (2) shall also be applied to Customers and WIC, who:
  - a. utilize high risk banking products to facilitate money laundering or financing of terrorism;
  - b. perform transactions with high risk countries;
  - c. perform transactions inconsistent with its risk profiles; or
  - d. is a party related to the PEP.
- (5) In the event, Banks intend to enter into a business relationship with prospective Customers classified as high risk or PEP, Banks are required to appoint a senior management duly responsible for the business relationship with such Customers.
- (6) The senior management referred to paragraph (5) shall be authorized to:
  - a. approve or refuse a prospective Customers classified as high risk or PEP; and
  - b. decide to continue or terminate business relationship with Customers or Beneficial Owners classified as high risk or PEP.

## Part Seven

### CDD IMPLEMENTATION BY THIRD PARTY

#### Article 27

- (1) Bank may use the the results of CDD conducted by a third party against Prospective Customers who have become customers of the concerned third party.

- (2) The third party referred to in paragraph (1) must be a financial institution that meets the following requirements:
  - a. has CDD procedures which is in accordance with the applicable provisions;
  - b. has agreements with the Bank in the form of a written agreement;
  - c. comply with the supervision of the authorities in accordance with applicable provisions;
  - d. willing to fulfill requests of information and copies of supporting documents immediately if required by the Bank in the implementation of APU and PPT program; and
  - e. domiciled in countries that are not classified as high risk.
- (3) In the case of any third party referred to in paragraph (2) domiciled in countries classified as high risk, accordingly the third party shall meet with the following criteria:
  - a. The third party has to be in the same business group with Bank; and
  - b. The business group has run CDD, administration of documents, and the APU and PPT program effectively in accordance with FATF Recommendations.
- (4) Banks are required to identify and verify the result of CDD that have been conducted by a third party referred to in paragraph (1).
- (5) Bank using the results of CDD from third party referred to in paragraph (1) is responsible for conducting administration of the documents referred to in Article 41.

#### Article 28

- (1) In the event Banks acts as selling agent for products of other financial institutions, Banks are required to meet the request for information of CDD results and copies of the supporting documents if at any time required by other financial institution in the implementation of APU and PPT Program.
- (2) Procedures in fulfilling the request for information of CDD results and copies of the supporting documents as referred to in paragraph (1) are set forth in an agreement between the Bank and other financial institutions.

#### Part Eight

#### DATA UPDATING AND MONITORING

#### Article 29

- (1) Banks shall update data of the information and documents as referred to in Article 14,

Article 15, Article 16, Article 17, Article 18, and Article 20, as well as administer such information and documents.

- (2) In updating data as referred to in paragraph (1), Banks are required to:
  - a. monitor Customers' information and documents;
  - b. prepare reports on the data updating plan; and
  - c. prepare reports on the data updating realization.
- (3) Reports referred to in paragraph (2) letter b and letter c shall be subject to approval from the Board of Directors.

#### Article 30

- (1) Banks shall maintain database of Terrorist List which is based on publish data by the United Nations (UN) and received from Bank Indonesia every 6 (six) months.
- (2) Banks shall periodically ensure names of Customers that exhibit similarities to the names contained in the database of Terrorist List.
- (3) Should there be similarities in the Customer's name with the names listed in the database of Terrorist List Banks shall be required to ensure compatibility of the Customer's identification with other relevant information.
- (4) Should there be similarity in Customers' name and other relevant information with the names listed in the database of Terrorist List, Bank shall be required to report such Customer in the report of Suspicious Financial Transactions.

#### Article 31

- (1) Banks shall continuously monitor conformity between Customer transactions with Customer profiles and shall administer documents as referred to in Article 41.
- (2) Banks shall analyze overall transactions that do not conform to the risk profile of Customers.
- (3) Banks may request information concerning the background and purpose of transactions that are inconsistent with the profile of Customers, in consideration of provisions of anti tipping-off as stipulated in The Act concerning The Crime of Money Laundering.
- (4) Banks are required to perform ongoing monitoring towards business relationship/ transaction with customers from high-risk countries and/or Bank which are domiciled in high-risk countries.

## Article 32

Banks shall perform CDD on existing Customers in accordance to the Risk Based Approach, in the event:

- a. a transaction of significance takes place;
- b. there is a significant change on a customer's profile;
- c. information of a customer's profiles described in the Customer Identification File is not furnished with documents as referred to in Article 15, Article 16, Article 17 paragraph (2), Article 18 paragraph (2), and Article 20; and/or
- d. anonymous accounts or accounts with fictitious names are used.

## Part Nine

### CROSS BORDER CORRESPONDENT BANKING

## Article 33

- (1) Prior to providing Cross-border Correspondent Banking services, Banks shall request information concerning:
  - a. profiles of prospective Recipient Banks and/or Intermediary Banks;
  - b. reputations of Recipient Banks and/or Intermediary Banks based on information that is accountable;
  - c. level of compliance of APU and PPT Program in a country where the Recipient Banks and/or Intermediary Banks reside; and
  - d. other relevant information required by Banks in identifying the profile of prospective Recipient Banks and/or Intermediary Banks.
- (2) Information sources for ensuring the validity of information referred to paragraph (1) shall be based on adequate public information issued and established by authorities.
- (3) Bank shall appoint a senior officer in charge of business relationship with the prospective Recipient Bank and/or Intermediary Bank.

## Article 34

Banks shall perform CDD against Existing Recipient Banks and or Intermediary Banks adjusted with Risk Based Approach if:

- a. there are substantial modifications on the profiles of Recipient Banks and/or Intermediary Banks; and/or
- b. available information on profiles of Recipient Banks and/or Intermediary Banks have yet to be supported with information as referred to in Article 31 paragraph (1).

#### Article 35

In the event, there are Customers that have access to Payable Through Accounts in Cross Border Correspondent Banking services, Transferring Banks shall ensure:

- a. Recipient Banks and/or Intermediary Banks has performed adequate CDD and monitoring processes, at minimum similar with standards stipulated in this Bank Indonesia Regulation; and
- b. Recipient Banks and/or Intermediary Banks are willing to provide identification data of the Customer concerned, if requested by the Transferring Banks.

#### Article 36

Transferring Banks providing Cross Border Correspondent Banking services shall be required to:

- a. document all Cross Border Correspondent Banking transactions;
- b. refuse to have dealings and/or continue dealings of Cross Border Correspondent Banking with shell Banks; and
- c. ensure that Recipient Banks and/or Intermediary Banks do not authorize the use of accounts by Shell Banks when engaging business dealings associated with Cross Border Correspondent Banking.

#### Part Ten

#### FUND TRANSFER

#### Article 37

(1) In performing fund transfer activities within Indonesian region or cross border, the following provisions shall apply:

- a. Transferring Banks shall be required to:
  - 1) obtain information and perform identification as well as verification on the Sending Customer/WIC and/or Receiving Customer/WIC, which shall at minimum covers:

- a) name of the Sending Customer/WIC;
  - b) account number of the Sending Customer/WIC;
  - c) address of the Sending Customer/WIC;
  - d) the number of identity document, identification number, or the place and date of birth of the Sending Customer/WIC;
  - e) source of fund of the Sending Customer/WIC;
  - f) name of the Receiving Customer/WIC;
  - g) account number of the Receiving Customer/WIC;
  - h) address of the Receiving Customer/WIC;
  - i) the amount of money and type of currency; and
  - j) transaction date;
- 2) deliver information as referred to in number 1) to the Recipient Bank; and
  - 3) documenting all of the fund transfer transactions.
- b. Intermediary Banks shall forward messages and instructions of fund transfer, as well as administer information received from Transferring Banks.
  - c. Recipient Banks shall ensure completeness of information of Sending Customer/WIC as referred to in Letter a number 1).
- (2) For activities of fund transfer within Indonesia, Bank shall submit written information within 3 (three) working days based on written request from the Recipient Bank, and/or the competent authority, if the Recipient Bank only obtain information regarding

#### Article 38

The provisions of Article 37 excluded towards:

- a. fund transfer using a debit card, ATM card or credit card.
- b. fund transfer conducted between financial service providers and for the benefit of the financial services provider.

#### Article 39

- (1) In the case of information referred to in Article 37 paragraph (1) letter a number 1) is not fulfilled, the Transferring Bank shall refuse to execute the fund transfer.
- (2) In the case of Intermediary Bank and/or Recipient Bank receives transfer order from overseas Transferring Bank which are not completed with the information referred to in

Article 37 paragraph (1) letter a number 1), the Intermediary Bank and/or Recipient Bank may:

- a. execute the fund transfer;
  - b. refuse to execute the fund transfer; or
  - c. delay the fund transfer,
- accompanied by adequate follow-up.

#### Article 40

In the event the fund transfers meets suspicious criteria as referred to in the Act concerning The Crime of Money Laundering, Banks shall be required to report the fund transfer as Suspicious Financial Transaction.

#### Part Eleven

#### RECORD KEEPING

#### Article 41

- (1) Banks shall maintain:
  - a. documents associated with Customers or WIC data no less than 5 (five) years as of:
    - 1) the termination of business relationship or transactions with Customers or WIC; or
    - 2) the discovery of irregularities between transactions and economic purpose and/or business objectives.
  - b. Customers' or WIC documents associated with financial transactions within the period stipulated in Act concerning Company Documentations.
- (2) Associated documents as referred to in paragraph (1) shall at least include:
  - a. Identity of Customers or WIC; and
  - b. Transactions information including but not limited to types and total currency used, date of transaction's instruction, transaction's origin and purposes, as well as account number associated with the transactions.
- (3) Banks shall provide information and/or documents referred to in paragraph (1) to Bank Indonesia and/or other competent authorities as ordered by Laws and Regulations, when required.

CHAPTER IV  
INTERNAL CONTROL

Article 42

- (1) Banks shall have an effective internal control system.
- (2) Implementations of effective internal control shall among other be demonstrated by:
  - a. its adequate policies, procedures and internal monitoring;
  - b. establishment of limits and responsibilities of work units associated with the implementation of APU and PPT Program; and
  - c. examinations by the internal audit unit with respect to the effective implementations of APU and PPT Program.

CHAPTER V  
MANAGEMENT OF INFORMATION SYSTEM

Article 43

- (1) Banks shall be required to have information system that would enable effective identification, analysis, monitoring, and reporting concerning transaction characteristics performed by the Bank's Customers.
- (2) Banks are required to have and maintain Single Customer Identification file that consist of information referred to in Article 14, Article 17, and Article 18 paragraph (1).
- (3) Bank shall have and maintain WIC profile as referred to in Article 14 paragraph (2) letter a.
- (4) Policies and procedures referred to in Article 8 paragraph (2) shall consider the factors of information technology which potentially to be misused by the subject of money laundering or financing of terrorism.

CHAPTER VI  
HUMAN RESOURCE AND TRAINING

Article 44

To prevent the use of Bank as the media or purpose of money laundering or financing of terrorism involving internal parties of the Bank, it shall perform:

- a. Screening procedure in hiring new employees (*pre-employee screening*); and
- b. introduction and monitoring of employee profiles

## Article 45

Banks shall organize ongoing training regarding:

- a. implementations of laws and regulations associated with APU and PPT Program;
- b. techniques, methods and typologies of money laundering or terrorist financing; and
- c. policies and procedures for the implementation of APU and PPT Program as well as roles and responsibilities of employees to assist in the eradication of money laundering or terrorist financing.

## CHAPTER VII

### APU AND PPT PROGRAM IMPLEMENTATION AT THE BANK'S OFFICE AND SUBSIDIARIES IN FOREIGN JURISDICTION

## Article 46

- (1) Banks legally incorporated in Indonesia shall forward policies and procedures for APU and PPT Program to its foreign branch offices and subsidiaries, and monitor its implementations.
- (2) In the event the country of domicile of the branch offices and subsidiaries as referred to in paragraph (1) have APU and PPT provisions that are stricter than the provisions in this Bank Indonesia Regulation, then the branch offices and subsidiaries shall adhere to provisions issued by the authority of such countries.
- (3) In the event the country of domicile of the branch offices and subsidiaries as referred to in paragraph (1) are not comply or has applied the FATF recommendations but to a less stringent standard than the provisions in this Bank Indonesia Regulation, the branch offices and subsidiaries shall implement APU and PPT Program in accordance to provisions in Bank Indonesia Regulation.
- (4) In the event implementations of APU and PPT Program as referred to in this Bank Indonesia Regulation would result in a violation of the prevailing laws and regulations of the countries of domicile of the branch offices and subsidiaries, the officer of the branch offices or subsidiaries shall be required to inform to the head office and Bank Indonesia that the branch offices or subsidiaries are unable to apply APU and PPT Program as accordance to Bank Indonesia Regulation.

## CHAPTER VIII

### REPORTING

#### Article 47

- (1) In the implementations of APU and PPT Program, Banks are required to submit:
  - a. Action plan of implementation of APU and PPT program as part of the report concerning implementation of duties of Compliance Director in June 2013;
  - b. Guidelines for the Implementation of APU and PPT Program as referred to in Article 8 paragraph (1) no later than 6 (six) months as of the enactment of this Bank Indonesia Regulation;
  - c. Data updating plan report as referred to in Article 29 paragraph (2) letter b, which shall be submitted annually as part of the report concerning implementation of duties of Compliance Director on December; and
  - d. Data updating realization report as referred to in Article 29 paragraph (2) letter c, which shall be submitted annually as part of the report concerning implementation of duties of Compliance Director on December.
- (2) In the event of any changes to the *action plan*, the Implementation Guidelines of APU and PPT Program, data updating plan report which has been submitted to Bank Indonesia as referred to in paragraph (1) letter a, b and c, Bank shall submit the changes not later than 7 (seven) days after the changes take place.

#### Article 48

- (1) Banks shall be required to submit to PPATK reports of Suspicious Financial Transactions, cash transactions, and other reports as stipulated in Act concerning The Crime of Money Laundering.
- (2) Banks' obligations to report Suspicious Financial Transactions shall also apply to transaction suspected to be associated with terrorism or financing of terrorism.
- (3) Submission of reports as referred to in paragraph (1) shall be conducted in accordance to provisions issued by PPATK.

#### Article 49

Submissions of guidelines and reports as referred to in Article 45 shall be addressed to:

- a. the relevant Bank Supervision Directorates, Bank Indonesia, Jl. M.H. Thamrin No. 2

Jakarta 10350, for Banks having head office is located in the administrative area of Bank Indonesia's Head Office;

- b. the regional Bank Indonesia Office, for Banks having head office outside the administrative area of Bank Indonesia's Head Office.

## CHAPTER IX MISCELLANEOUS PROVISIONS

### Article 50

Banks should be required to have policies in place or take such measures as may be needed to prevent the misuse of technological development in money laundering or terrorist financing schemes.

### Article 51

Banks are required to cooperate with law enforcement and authorities in the eradication of money laundering and/or financing of terrorism.

## CHAPTER X SANCTIONS

### Article 52

- (1) Banks deemed late in submitting:

- a. adjustment of *action plan* as referred to in Article 47 letter a;
- b. adjustment of guidelines as referred to in Article 47 letter b;
- c. data updating plan report as referred to in Article 47 letter c;
- d. data updating realization report as referred to in Article 47 letter d; or
- e. report as referred to in Article 48,

shall be liable for financial penalties in the form of an obligation to pay Rp 1,000,000 00 (one million rupiah) per day of delay per reports with a maximum amount of Rp 30,000,000, 00 (thirty million rupiah).

- (2) Banks failing to submit:

- a. adjustment of *action plan* as referred to in Article 47 letter a;
- b. adjustment of guidelines as referred to in Article 47 letter b;
- c. data updating plan report as referred to in Article 47 letter c;
- d. data updating realization report as referred to in Article 47 letter d; or

e. report as referred to in Article 48,

in more than 1 (one) month after the deadline for submission referred to in Article 47 paragraph (1) and Article 48, shall be sanctioned with a written warning and an obligation to pay Rp 50,000,000, 00 (fifty million rupiah).

(3) Banks that:

- a. do not implement commitments to settle audit finds of Bank Indonesia within 2 (two) audit periods; and/or
- b. do not implement commitments that have been conveyed in the plans for data updating activities as referred to in Article 47 letter a and letter c,
- c. do not implement policies and procedures set forth in the guidelines for the implementation of APU and PPT program as referred to in Article 47 letter (b) which have a significant impact towards the implementation of APU and PPT program,

shall be liable for financial penalties no more than Rp100,000,000.00 (one hundred million rupiah).

(4) Banks that do not implement provisions as stipulated in Article 2, Article 4, Article 5, Article 6 paragraph (1) and paragraph (3), Article 7, Article 8, Article 9, Article 10, Article 11 paragraph (1), Article 12, Article 13, Article 14, Article 15, Article 16, Article 17, Article 18, Article 19, Article 20 paragraph (1) and paragraph (4), Article 22 paragraph (1), paragraph (4) and paragraph (6), Article 23 paragraph (2), paragraph (3), paragraph (5), and paragraph (6), Article 24, Article 25 paragraph (1), Article 26 paragraph (1), paragraph (3), paragraph (4), and paragraph (5), Article 27 paragraph (4), Article 28 paragraph (1), Article 29 paragraph (1), Article 30, Article 31 paragraph (1), paragraph (2), and paragraph (4), Article 32, Article 33 paragraph (1) and paragraph (3), Article 34, Article 35, Article 36, Article 37, Article 39 paragraph (1), Article 41 paragraph (1) and paragraph (3), Article 42 paragraph (1), Article 43, Article 44, Article 45, Article 46, Article 50, Article 51, and other relevant provisions, shall be liable for financial penalties as referred to Article 52 of Act Number 7 Year 1992 concerning Banking as amended by Act Number 10 Year 1998 and Article 58 of Act Number 21 Year 2008 concerning Sharia Banking, which include:

- a. written notices;
- b. downgrading of Bank soundness rating;
- c. cease and desist order of specified business activities;

- d. termination of Bank management and subsequently designate and appoint a temporary replacement until Shareholders General Meeting (RUPS) or Cooperative Member Meeting (RAK) appoint a permanent replacement with the approval of Bank Indonesia; and/or
- e. inclusion of the members of Board of Directors and Board of Commissioners, bank employees, shareholders in the list of despicable people in Banking.

## CHAPTER XI TRANSITIONAL PROVISIONS

### Article 53

Banks that have in place Implementing Guidelines of Know Your Customer Principles shall adjust and improve such guidelines into The Implementing Guidelines for APU and PPT Program no later than 6 (six) months as of the enactment of this Bank Indonesia Regulation.

## CHAPTER XII CONCLUDING PROVISIONS

### Article 54

Implementation provisions concerning The Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program shall be further stipulated in a Bank Indonesia Circular Letter.

### Article 55

- (1) With the enactment of this Bank Indonesia Regulation, then Bank Indonesia regulation Number 11/28/PBI/2009 concerning The Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program (State Gazette of the Republic of Indonesia of 2009 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 5032), shall be revoked and declared no longer valid.
- (2) All Bank Indonesia Regulations that refer to the Regulation concerning The Implementation of Anti Money Laundering and Combating the Financing of Terrorism Program hereinafter shall refer to this Bank Indonesia Regulation, unless stipulated separately.

Article 56

This Bank Indonesia Regulation shall come into force as of the date of enactment.

For the purpose of public cognizance, it is ordered that this Bank Indonesia Regulation be promulgated in State Gazette of the Republic of Indonesia

Enacted in Jakarta

On December 28, 2012

GOVERNOR OF BANK INDONESIA,

DARMIN NASUTION

Promulgated in Jakarta

On December 28, 2012

MINISTER OF LAW AND HUMAN RIGHTS

REPUBLIC OF INDONESIA,

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2012 NUMBER 290

DPNP