

Type: REGULATION (PER)
By: GOVERNOR OF BANK INDONESIA
Number: 19/12/PBI/2017
Date: NOVEMBER 29, 2017 (JAKARTA)
Title: THE OPERATION OF FINANCIAL TECHNOLOGY

BY THE GRACE OF THE ALMIGHTY GOD

GOVERNOR OF BANK INDONESIA,

Considering:

- a. whereas the development of technology and information systems continue to produce innovations, particularly those related to financial technology to fulfill various needs of the community including access to financial services and transaction processing;
- b. whereas the development of financial technology on the one hand proves to bring benefits to consumers, business actors and the national economy, but on the other hand has potential risks that if not properly mitigated can disrupt the financial system;
- c. whereas financial technology ecosystems need to be continuously monitored and developed to support the creation of monetary stability, financial system stability, and efficient, smooth, secure and reliable payment systems to support sustainable and inclusive national economic growth;
- d. whereas the implementation of financial technology must adopt the principles of consumer protection and risk and prudent management with due regard to the expansion of access, national interest, and applicable international standards and practices;
- e. whereas responses to the policy that Bank Indonesia has in place on the development of financial technology must remain in sync, harmonious and integrated with other policies of Bank Indonesia such as the processing of payment transactions and national payment gateways and need to be coordinated with the relevant authorities;
- f. whereas based on the considerations as intended in letter a to letter e, it is necessary to stipulate a Bank Indonesia Regulation regarding the Operation of Financial Technology;

In view of:

1. Law Number 23 Year 1999 regarding Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended few times, lastly with Law Number 6 Year 2009 regarding the Stipulation of the Government Regulation as Substitute of Law Number 2 Year 2008 regarding the Second Amendment to Law Number 23 Year 1999 regarding Bank Indonesia to be Law

(State Gazette of the Republic of Indonesia Year 2009 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4962);

2. Law Number 11 Year 2008 regarding Information and Electronic Transaction (State Gazette of the Republic of Indonesia Year 2008 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 4843) as amended with Law Number 19 Year 2016 regarding the Amendment to Law Number 11 Year 2008 regarding Information and Transaction Electronic (State Gazette of the Republic of Indonesia Year 2016 Number 251, Supplement to the State Gazette of the Republic of Indonesia Number 5952);
3. Law Number 3 Year 2011 regarding Fund Transfer (State Gazette of the Republic of Indonesia Year 2011 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 5204);
4. Law Number 7 Year 2011 regarding Currency (State Gazette of the Republic of Indonesia Year 2011 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 5223);

HAS DECIDED:

To stipulate: BANK INDONESIA REGULATION REGARDING THE OPERATION OF FINANCIAL TECHNOLOGY.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Bank Indonesia Regulation referred to as:

1. Financial technology shall be the use of technology in financial systems that produce new products, services, technology, and/or business models and could have an impact on monetary stability, financial system stability, and/or efficiency, smoothness, security and reliability of payment systems.
2. Financial Technology Operator shall be any party that organizes the activities of Financial Technology.
3. Payment System Service Provider shall be the Payment System Service Provider as intended in Bank Indonesia that governs the implementation of payment transaction processing.
4. *Regulatory Sandbox* shall be a safe, secure testing room to test the Financial Technology Operator along with its products, services, technology and/or business model.

CHAPTER II PURPOSE AND SCOPE

Article 2

Bank Indonesia shall govern the implementation of Financial Technology to promote

financial innovation by applying the principles of consumer protection and risk management and prudence in order to maintain monetary stability, financial system stability and efficient, smooth, safe and reliable payment systems.

Article 3

- (1) Operation of Financial Technology shall be divided into the categories as follows:
 - a. payment system;
 - b. market supporters;
 - c. investment management and risk management;
 - d. loans, financing, and capital provision; and
 - e. other financial services.
- (1) The financial technology as intended in paragraph (1) shall have the following criteria:
 - a. innovative;
 - b. may affect the existing product, service, technology, and/or financial business model;
 - c. can benefit the society;
 - d. can be widely used; and
 - e. other criteria as established by Bank Indonesia.

Article 4

The scope of regulation on Financial Technology shall include:

- a. registration;
- b. Regulatory Sandbox;
- c. licenses and approval; and
- d. monitoring and supervision.

CHAPTER III REGISTRATION

Part One Obligation to Conduct Registration

Article 5

- (1) The Financial Technology Operator that wishes to conduct or has conducted activities that fulfill the criteria as intended in Article 3 paragraph (2) shall be obligated to register itself with Bank Indonesia.
- (2) The obligation to do the registration as intended in paragraph (1) shall be exempted for:
 - a. Payment System Service Provider that has obtained a license from Bank Indonesia; and/or

- a. Financial Technology Operator that falls under the jurisdiction of other authorities.
- (3) The Payment System Service Provider as intended in paragraph (2) letter a shall continue conveying information to Bank Indonesia regarding new products, services, technology and/or business models that fulfill the criteria of Financial Technology.
- (4) The Financial Technology Operator which falls under the jurisdiction of other authorities as intended in paragraph (2) letter b that operates Financial Technology in the field of payment system shall be obligated to register itself with Bank Indonesia as intended in paragraph (1).

Article 6

- (1) The Financial Technology Operator as intended in Article 5 paragraph (1) must constitute a business entity.
- (2) Financial Technology Operator in the form of an institution other than a bank that fulfills the category as the Payment System Service Provider must constitute an Indonesian incorporated legal entity.

Part Two Procedures of Registration

Article 7

- (1) Registration as intended in Article 5 paragraph (1) shall be made by the competent authority representing the Financial Technology Operator submits a written application to Bank Indonesia.
- (2) The application as intended in paragraph (1) shall be accompanied by documents as follows:
 - a. copy of deed of establishment of legal entity or business entity;
 - b. data of ownership in legal entity or business entity;
 - c. list of composition of the board of management;
 - d. general description of the company;
 - e. brief explanation in writing about the products, services, technology provided, and/or business models that have been running and/or will be developed that fulfill the criteria of Financial Technology as intended in Article 3 paragraph (2); and
 - f. data and other information related to the activities of Financial Technology.
- (3) Bank Indonesia shall register the Financial Technology Operator by considering the completeness and conformity of documents as intended in paragraph (2) and by taking into account the provisions of laws and regulations.

- (4) Further provisions regarding the procedure of registration shall be set out in a Regulation of the Members of the Board of Governor.

Article 8

- (1) The Financial Technology Operator that has been registered with Bank Indonesia shall be obligated:
- to apply the principle of consumer protection in accordance with the products, services, technology, and/or business models that are implemented;
 - to maintain the confidentiality of data and/or consumer information including data and/or transaction information;
 - to apply risk management and prudential principles;
 - to use rupiah in every transaction conducted in the territory of the Unitary State of the Republic of Indonesia in accordance with the provisions of laws governing currency;
 - to apply the principles of anti-money laundering and terrorism financing in accordance with the provisions of laws and regulations governing anti-money laundering and prevention of terrorism financing; and
 - to comply with the provisions of other laws and regulations.
- (2) In addition to the obligations as intended in paragraph (1), the Financial Technology Operator shall be prohibited from conducting payment system activities using virtual currency.
- (3) The Financial Technology Operator must submit a statement of compliance with the obligations as intended in paragraph (1) to Bank Indonesia within 3 (three) months as from the registration of Financial Technology Operator with Bank Indonesia.
- (4) Further provisions regarding risk management and prudential principles shall be governed by a Regulation of the Members of the Board of Governor.

Article 9

- (1) Bank Indonesia shall announce the Financial Technology Operator registered with Bank Indonesia as intended in Article 7 paragraph (3) on the official page of Bank Indonesia periodically.
- (2) Further provisions regarding the announcement of the Operators of Financial Technology registered with Bank Indonesia shall be stipulated in a Regulation of the Member of the Board of Governor.

Article 10

Registration as intended in Article 7 paragraph (3) and the announcement as intended in Article 9 paragraph (1) shall not eliminate the obligations of the Financial Technology Operator and the responsibilities of the Financial Technology Operator.

CHAPTER IV REGULATORY SANDBOX

Article 11

- (1) In order to make room for the Financial Technology Operator to ensure further that its products, services, technology and/or business model fulfill the criteria of Financial Technology as intended in Article 3 paragraph (2), Bank Indonesia shall organize Regulatory Sandbox.
- (2) Bank Indonesia shall designate the Financial Technology Operator along with its products, services, technology and/or business model to be tested in the Regulatory Sandbox.
- (3) The Financial Technology Operator and its products, services, technology and/or business model which may be specified in the Regulatory Sandbox shall be a Financial Technology Operator registered with Bank Indonesia as intended in Article 7 paragraph (3) or has submitted information to Bank Indonesia as intended in Article 5 paragraph (3).

Article 12

- (1) Bank Indonesia shall stipulate a period of time for the Financial Technology Operator to conduct trials in the Regulatory Sandbox as intended in Article 11.
- (2) After the period as intended in paragraph (1) has expired, Bank Indonesia shall stipulate the test result status of the Operator of Technology in the form of:
 - a. successful;
 - b. not successful; or
 - c. other status as stipulated by Bank Indonesia.
- (3) In the event that the trial is declared successful as intended in paragraph (2) letter a and its products, services, technology and/or business model fall into the category of Financial Technology of payment system then the Financial Technology Operator shall be prohibited to market the tested products, services, technology and/or business model prior to first applying for a license and/or approval in accordance with the provisions of Bank Indonesia governing the implementation of payment transaction processing.
- (4) In the event that the trial is declared unsuccessful as intended in paragraph (2) letter b and its products, services, technology and/or business model falls into the category of Financial Technology of payment system, the Financial Technology Operator shall be prohibited from marketing the tested products and/or services and using technology and/or business models.
- (5) In the event that its products, services, technology and/or business model falls into other category of Financial Technology than the payment system category, Bank Indonesia may submit the status of the results of Financial Technology Operator as intended in paragraph (2) to the competent authority.

Article 13

- (1) During the trial process in the Regulatory Sandbox, Bank Indonesia may

establish certain policies for the Financial Technology Operator.

- (2) The stipulation of certain policies as intended in paragraph (1) shall be conducted by taking into account the characteristics of products, services, technology and/or business models being tested.

Article 14

Further provisions regarding the Regulatory Sandbox shall be governed in a Regulation of the Members of the Board of Governor.

CHAPTER V LICENSES AND APPROVAL

Article 15

- (1) A Financial Technology Operator, which belongs to the Payment System Service Provider, must obtain a license from Bank Indonesia in accordance with the provisions of Bank Indonesia governing the operation of payment transaction processing.
- (2) In order to obtain the permit as intended in paragraph (1), the Financial Technology Operator, which falls into the category of other Payment System Service Provider as stipulated by Bank Indonesia as intended in the provisions of Bank Indonesia governing the operation of payment transaction processing, shall fulfill the aspect of eligibility.
- (3) A Payment System Service Provider that produces new products, services, technologies and/or business models which are:
 - a. development of payment system services activities; and/or
 - b. development of payment system service products and/or activities,

but fail to fulfill the criteria of Financial Technology as intended in Article 3 paragraph (2), prior to proceeding with the marketing of products and/or services and using its technology and/or business model, shall first obtain approval from Bank Indonesia in accordance with the provisions of Bank Indonesia governing the operation of processing payment transactions.

CHAPTER VI MONITORING AND SUPERVISION

Article 16

- (1) Bank Indonesia shall monitor the Financial Technology Operator which has been registered with Bank Indonesia.
- (2) The Financial Technology Operator as intended in paragraph (1) shall submit data and/or information requested by Bank Indonesia.
- (3) Further provisions regarding monitoring and procedures for the submission of data and/or information shall be regulated in a Regulation of the Members of the Board of Governor.

Article 17

- (1) Bank Indonesia shall supervise the Financial Technology Operator in the form of a Payment System Service Provider who has obtained a license and/or approval from Bank Indonesia.
- (2) Supervision as intended in paragraph (1) shall be conducted in accordance with the provisions of Bank Indonesia regarding the operation of payment transaction processing.

CHAPTER VII COOPERATION BETWEEN PAYMENT SYSTEM SERVICE OPERATOR AND FINANCIAL TECHNOLOGY OPERATOR

Article 18

- (1) Cooperation between a Payment System Service Provider and a registered Financial Technology Operator as intended in Article 5 paragraph (1) shall first obtain the approval of Bank Indonesia in accordance with the provisions of Bank Indonesia governing the operation of payment transaction processing.
- (2) A Payment System Service Provider shall not cooperate with a Financial Technology Operator who does not register and/or obtain permit as intended in Article 5 paragraph (1) or paragraph (2).

CHAPTER VIII COORDINATION AND COOPERATION

Article 19

- (1) To implement this Bank Indonesia Regulation, Bank Indonesia shall coordinate and/or cooperate with:
 - a. other authorities within the country; and/or
 - b. authorities in other countries, international organizations, and/or international agencies.
- (2) The coordination as intended in paragraph (1) shall include:
 - a. exchange of data and information in relation to institution, transactions, products, services, technology, and/or business model;
 - b. discussion of emerging issues related to Financial Technology; and/or
 - c. other matters as deemed necessary by Bank Indonesia and other authorities.

CHAPTER IX SANCTION

Article 20

- (1) A Financial Technology Operator violating the provisions as intended in Article 5 paragraph (1) and/or Article 5 paragraph (4) shall be subject to sanctions in the form of:
 - a. written warning;
 - b. termination of business activities;
 - c. certain actions related to the operation of payment system activities; and/or
 - d. recommendation to the competent authority to revoke the business license granted by the competent authority.
- (2) A Financial Technology Operator violating the provisions as intended in Article 8 paragraph (1), Article 8 paragraph (2), Article 8 paragraph (3), Article 12 paragraph (3), Article 12 paragraph (4), and/or Article 16 paragraph (2) shall be subject to administrative sanctions in the form of:
 - a. written warning; and/or
 - b. removal from the list of the Financial Technology Operators maintained at Bank Indonesia.
- (3) A Payment System Service Provider violating the provisions as intended in Article 18 and/or Article 26 shall be subject to administrative sanctions in the form of:
 - a. written warning;
 - b. penalty;
 - c. temporary suspension of part or all of the payment system service product; and/or
 - d. revocation of license as a Payment System Service Provider.

Article 21

In the event that the Financial Technology Operator as intended in Article 20 paragraph (1) and/or Article 20 paragraph (2) constitutes a Payment System Service Provider, other than being subject to sanctions as intended in Article 20 paragraph (1) and/or Article 20 paragraph (2), it shall be also subject to sanctions in accordance with the provisions of Bank Indonesia governing the operation of payment transaction processing.

Article 22

A Payment System Service Provider that violates the provisions as intended in Article 18 and/or Article 26, in addition to being subject to the administrative sanctions as intended in Article 20 paragraph (3), shall be also subject to sanctions in the form of order to terminate their cooperation.

CHAPTER X OTHER PROVISIONS

Article 23

Bank Indonesia may submit information and/or recommendation to the competent authority in the event that the Financial Technology Operator violates this Bank Indonesia Regulation or the provisions of other laws and regulations.

Article 24

- (1) Bank Indonesia shall have the authority to stipulate policies for the operation of Financial Technology.
- (2) The stipulation of policies as intended in paragraph (1) shall be based on the following considerations:
 - a. the development of certain innovation related to the administration of Financial Technology; and/or
 - b. the development of the ecosystem of Financial Technology to support the national economy.

Article 25

The implementation of duties in Bank Indonesia related to the implementation of Financial Technology shall be handled by a work unit that performs the functions of financial technology management.

CHAPTER XI TRANSITIONAL PROVISIONS

Article 26

When this Bank Indonesia Regulation comes into effect:

- a. Payment System Service Operator shall be obligated to identify any cooperation with the Financial Technology Operator; and
- b. in the event of cooperation with an unregistered Financial Technology Operator, the Payment System Service Provider shall be obligated to ensure that such cooperation complies with the provisions of Article 18 by no later than 6 (six) months since this Bank Indonesia Regulation comes into effect.

CHAPTER XII CLOSING PROVISIONS

Article 27

Provisions regarding the obligation to do registration as intended in Article 5 paragraph (1) shall come into effect 1 (one) month after the promulgation of this Bank Indonesia Regulation.

Article 28

The Bank Indonesia Regulation shall come into effect on the date of its promulgation.

For public cognizance, hereby ordering that the promulgation of this Bank Indonesia Regulation is published in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On November 29, 2017

GOVERNOR OF BANK INDONESIA,

signed
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
On November 30, 2017

THE MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2017 NUMBER 245

ELUCIDATION OF
BANK INDONESIA REGULATION
NUMBER 19/12/PBI/2017
REGARDING
THE OPERATION OF FINANCIAL TECHNOLOGY

I GENERAL

Technological innovation and its penetration with financial features continue and mark the emergence of momentum of transformation in the financial world. The era of economic digitalization triggers more efficient use of internet technology, smart phones, and big data to end consumer level, whether in terms of time, access, and cost. In this context, the flow of economic digitization including Financial Technology has the greatest potential to encourage the allocation of economic resources more efficiently and in turn encourages increased productivity and provides greater benefits to society

On the other hand, the consolidation of technological innovations with financial features also brings its own risks. Conventional functions tend to have their roles reduced even often displaced by new functions introduced by technological innovations that tend to be disruptive. New players emerge due to less barriers to entry in the financial industry. These new players generally reach out segments of the public and/or the business world that often are or have not been touched by the formal financial sector, whether caused by the limited capacity of the formal financial sector or because they have or do not meet the risk management criteria required by the formal financial sector.

In relation to the above matters, in order to perform the duties of establishing and implementing monetary policy, establishing and implementing policies on the stability of financial system including macro prudential, as well as establishing and implementing policies in the field of payment system, Bank Indonesia needs to stipulate regulation, supervision and monitoring of the implementation of Financial Technology. These regulation, supervision and monitoring are crucial so that the implementation of Financial Technology could be monitored and directed properly and therefore the benefits of Financial Technology could be enjoyed by the community and various risks including the potential for shadow economy transactions to emerge and develop could be properly mitigated. In addition, these regulation and supervision are also important to continue encouraging the development of the ecosystem of Financial Technology to be more beneficial to the community. Along with the increasingly adopted Financial Technology by the community, it becomes crucial for Bank Indonesia to require Financial Technology Operators to continue applying the principles of consumer protection and risk management and prudence.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Paragraph (1)

Letter a

Payment system includes authorization, clearing, final settlement, and payment execution.

Examples of the operation of financial technology in the category of payment systems include the use of blockchain technology or distributed ledger for the administration of funds transfers, electronic money, electronic wallets, and mobile payments.

Letter b

Referred to as "market support" is Financial Technology using information technology and/or electronic technology to facilitate the provision of faster and cheaper information related to products and/or financial services to the public.

Examples of the operation of financial technology in the category of market support are among others, providing data comparison of product information or financial services.

Letter c

Examples of the operation of financial technology in the category of investment management and risk management include the provision of online investment products and insurance online.

Letter d

Examples of the operation of financial technology in lending, financing or funding, and capital raising categories include peer-

to-peer lending and crowd-funding.

Letter e

Referred to as "other financial services" is Financial Technology other than the category of payment system, market support, investment management and risk management, as well as loans, financing, and capital provision.

Paragraph (2)

Self-explanatory.

Article 4

Self-explanatory.

Article 5

Paragraph (1)

In conducting registration, Bank Indonesia takes into account the provisions of laws and regulations related to the business activities of the Financial Technology Operator. Examples of provisions of relevant laws and regulations include provisions on peer-to-peer lending services.

Registration is intended to enable Bank Indonesia to monitor the operation of Financial Technology activities for the performance of its duties in the field of monetary, financial system stability, and payment systems.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

An example of Financial Technology Operator which falls under the jurisdiction of other authorities is peer-to-peer lending service operator.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 6

Self-explanatory.

Article 7

Paragraph (1)

The party authorized to represent the Financial Technology Operator includes:

- a. for the Financial Technology Operator incorporated as limited liability company, namely the board of directors as intended in the provisions of laws and regulations governing limited liability company; and

- b. for the Financial Technology Operator incorporated as cooperative, namely the management as intended in the provisions of laws and regulations governing cooperatives.

Paragraph (2)

Letter a

Copy of deed of establishment of a legal entity includes articles of association as approved by the competent authority and their amendment if any.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Examples of other data and information include copy of evidence of registration and/or licenses from supervisory authorities, distribution of transaction and user related areas, business potential, volume and value of transactions, market opportunities, and target markets.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 8

Paragraph (1)

Letter a

Referred to as "applying the principle of consumer protection" is the Financial Technology Operator applies the principles as stipulated in the provisions of laws and regulations governing the consumer protection.

Letter b

Maintaining the confidentiality of data and/or consumer information including data and/or transaction information is conducted among others by managing and administering transaction documents and/or consumer properly and orderly and not providing data and/or information on transaction and/or consumer to other parties except upon written consent from the consumer or as required by the provisions of laws and regulations.

Letter c

Referred to as "applying the principle of risk management" is the Financial Technology Operator has identified, measured, monitored and controlled any risks that may arise in its business activities.

Letter d

Self-explanatory.

Letter e

The application of anti-money laundering and terrorism financing principles is conducted in compliance with the provisions of laws and regulations governing the principles of anti-money laundering and the prevention of terrorism financing including regulations issued by supervisory and regulatory agencies related to the business and/or existence of the relevant Financial Technology Operator.

Letter f

Examples of the provisions of other laws and regulations include regulations on the establishment of legal entities as well as the administration of electronic systems and transactions.

Paragraph (2)

Referred to as "virtual currency" is digital money issued by a party other than the monetary authority which is acquired by way of mining, purchase, or transfer of reward. Prohibition to conduct payment system activities using virtual currency is applied because virtual currency is not a valid payment tool in Indonesia.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Obligations of the Financial Technology Operator include the obligation to apply for registration, licensing, or approval to the relevant authorities.

Responsibilities of the Financial Technology Operator include the responsibility for the administration of Financial Technology including the obligation to apply the principles of consumer protection, risk management, prudence, and legal relationships between the Financial Technology Operator with the users of the services and/or other parties.

Article 11

Paragraph (1)

The implementation of the Regulatory Sandbox is one of Bank Indonesia's efforts to continue to drive innovation of Financial Technology while continue applying the principles of consumer

protection and risk management and prudence.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Article 12
Paragraph (1)
Self-explanatory.

Paragraph (2)

Letter a
Self-explanatory.

Letter b
Self-explanatory.

Letter c
Another example of status stipulated by Bank Indonesia is if at the time of and/or after the trial, the products, services, technology and/or business model do not fall in the payment system category.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
Submission to the competent authority is intended to be followed-up in accordance with the laws and regulations governing the products, services, technology and/or business models which fall in the category of Financial Technology of other than payment system.

Article 13
Paragraph (1)
Certain policies include certain restrictions such as territorial limits, number of users and/or certain periods of time, and/or facility for conducting Financial Technology activities during the trial process through the Regulatory Sandbox.

Paragraph (2)
Self-explanatory.

Article 14
Self-explanatory.

Article 15
Paragraph (1)
Self-explanatory.

Paragraph (2)

Coverage of feasibility aspects includes:

- a. legality and company profile;
- b. law;
- c. operational readiness;
- d. security and reliability of the system;
- e. business feasibility;
- f. adequacy of risk management; and
- g. consumer protection.

Paragraph (3)

Self-explanatory.

Article 16

Paragraph (1)

Monitoring is conducted to detect the potential negative impact of the development of financial technology which is too expansive on the implementation of monetary policy, financial system stability policy including macro prudential, and payment system policy to maintain monetary stability, financial system stability, and efficient, smooth, safe and reliable payment system.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Paragraph (1)

In order to obtain approval from Bank Indonesia, the Payment System Service Provider must provide information on the products, services, technology and/or business model of the Financial Technology Operator to Bank Indonesia.

Paragraph (2)

Self-explanatory.

Article 19

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Coordination and/or cooperation with authorities in other countries, international organizations, and/or international institutions is conducted by taking into account the principles such as national interests, reciprocity, and confidentiality of data and/or information.

Paragraph (2)

Letter a

Data and information including data and information of Financial Technology Operator which have been registered and/or licensed by other authority in the country.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Article 20

Paragraph (1)

Letter a

Self-explanatory.

Letter b

The imposition of sanctions in the form of termination of business activities is conducted by Bank Indonesia or in cooperation with the authorities/authorized party.

Letter c

Referred to as certain actions include restrictions on applying for license as an Payment System Service Provider.

Letter d

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 21

Self-explanatory.

Article 22

Self-explanatory.

Article 23

Self-explanatory.

Article 24

Paragraph (1)

Policy on the implementation of Financial Technology is intended for the Financial Technology Operator which falls under the authority of Bank Indonesia is within the scope among other the aspects of Institutional and Financial Technology Operator ownership as well as the use of certain technological innovations.

Paragraph (2)
Self-explanatory.

Article 25
Self-explanatory.

Article 26
Self-explanatory.

Article 27
Self-explanatory.

Article 28
Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 6142

NOTE

Source: LOOSE-LEAF OF REGULATIONS OF GOVERNOR OF BANK
INDONESIA YEAR 2017