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By: THE CHAIRPERSON OF THE BOARD OF COMMISSIONERS OF
INDONESIAN FINANCIAL SERVICES AUTHORITY
Number: 12/POJK.01/2017
Date: MARCH 16, 2017 (JAKARTA)
Title: THE IMPLEMENTATION OF ANTI-MONEY LAUNDERING AND
TERRORISM FINANCING PREVENTION PROGRAM IN THE FINANCIAL
SERVICES SECTOR

WITH THE GRACE OF THE ONE ALMIGHTY GOD

THE BOARD OF COMMISSIONERS OF INDONESIAN FINANCIAL SERVICES
AUTHORITY,

Considering:

- a. Whereas considering the increasing development in the complexity of financial products and services including their marketing (multi channel marketing), as well as the increasing use of information technology in the financial services industry, the risk for Financial Service Providers to be used as a means of Money Laundering and/or Terrorism Financing also increases;
- b. Whereas the increasing risk faced by Financial Service Providers needs to be balanced by the increase of the quality in the implementation of anti-Money Laundering and/or Terrorism Financing prevention program based on a risk based approach in accordance with internationally applicable general principles ;
- c. Whereas it necessary to have the harmonization and integration of regulations regarding the implementation of anti-Money Laundering and/or Terrorism Financing prevention program in the financial services sector;
- d. Whereas based on the considerations as referred in point a, point b, and point c, it is necessary to stipulate a Regulation of Indonesian Financial Services Authority regarding the Implementation of Anti-Money Laundering and Terrorism Financing Prevention in the Financial Services Sector.

In view of:

1. Law Number [8 Year 2012](#) regarding Prevention and Eradication of Money Laundering Crime (State Gazette of the Republic of Indonesia of 2010 Number 122, Supplement to State Gazette of the Republic of Indonesia Number 5164);

2. Law Number [21 Year 2011](#) regarding Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to State Gazette of the Republic of Indonesia Number 5253);
3. Law Number [9 Year 2013](#) regarding Prevention and Eradication of Terrorism Financing Crime (State Gazette of the Republic of Indonesia of 2013 Number 50, Supplement to State Gazette of the Republic of Indonesia Number 5406).

HAS DECIDED:

To stipulate:

REGULATION OF INDONESIAN FINANCIAL SERVICES AUTHORITY REGARDING THE IMPLEMENTATION OF ANTI MONEY LAUNDERING AND TERRORISM FINANCING PREVENTION PROGRAM IN THE FINANCIAL SERVICE SECTOR.

CHAPTER I GENERAL PROVISIONS

Article 1

Referred to herein as:

1. Financial Services Authority hereinafter abbreviated to OJK (*Otoritas Jasa Keuangan*) shall be an independent institution, having regulatory, supervisory, audit, and investigative functions, duties and authorities as referred in Law regarding Financial Services Authority.
2. Financial Service Provider hereinafter abbreviated to PJK (*Penyedia Jasa Keuangan*) shall be PJK in the Banking Sector, PJK in the Capital Market Sector, and PJK in the Non-Bank Financial Industry Sector.
3. PJK in the Banking Sector shall be commercial banks, including branch offices of foreign bank, sharia commercial banks, rural credit banks hereinafter referred to as BPR, and sharia rural credit banks hereinafter referred to as BPRS as intended in laws and regulations in the banking sector.
4. PJK in the Capital Market Sector shall be securities companies conducting business activities as securities underwriter, broker trader, and/or investment manager, as well as commercial banks conducting custodian function as intended in laws and regulations in the Capital Market sector.
5. PJK in the Non-Bank Financial Industry Sector shall be insurance companies, sharia insurance companies, insurance brokerage companies, financial institution pension funds (DPLK), financing companies, venture capital companies (PMV), infrastructure financing companies, Indonesian export financing institution (LPEI), pawnbroker companies, micro financial institution (LKM), and information technology-based loan services as intended in laws and regulations in the Non-Bank Financial Industry sector.

6. Money Laundering shall be money laundering as intended in Law regarding the prevention and eradication of Money Laundering crime.
7. Terrorism Financing shall be Terrorism Financing as intended in Law regarding the prevention and eradication of Terrorism Financing crime.
8. Prospective Customers shall be parties intending to use PJK services.
9. Customers shall be parties using PJK services.
10. Walk in Customers hereinafter abbreviated to WIC shall be parties using the services of PJK in the Banking Sector or PJK in the Capital Market Sector who do not have accounts within such PJK in the Banking Sector or PJK in the Capital Market Sector, excluding parties receiving orders or assignments from Customers to conduct transactions for the interest of the Customers.
11. Customer Due Diligence hereinafter abbreviated to CDD shall be activities of identification, verification and supervision conducted by PJK to ensure that the transaction is accordance with the profile, characteristics, and/or transaction pattern of the Prospective Customer, Costumers, or WIC.
12. Enhanced Due Diligence hereinafter abbreviated to EDD shall be exhaustive CDD conducted by PJK on high risk Prospective Customers, WIC, or Customers including PEP and/or those in high risk area.
13. High Risk Customers shall be Customers who based on their background, identity and history are considered as having high risk to conduct activities in relation to criminal acts of Money Laundering and/or Terrorism Financing.
14. Suspicious Financial Transaction shall be suspicious financial transaction as intended in Law regarding the prevention and eradication of Money Laundering crime and Law regarding the prevention and eradication of Terrorism Financing crime.
15. Cash Financial Transaction shall be cash financial transaction as intended in Law regarding the prevention and eradication of Money Laundering crime.
16. Indonesian Financial Transaction Reports and Analysis Center hereinafter abbreviated as PPATK (*Pusat Pelaporan dan Analisis Transaksi Keuangan*) shall be PPATK as intended in Law regarding the prevention and eradication of Money Laundering crime.
17. Anti-Money Laundering and Terrorism Financing Prevention hereinafter abbreviated as APU (*Anti Pencucian Uang*) and PPT (*Pencegahan Pendanaan Terorisme*) shall be the measures for the prevention and eradication of Money Laundering and Terrorism Financing crime.
18. Board of Directors:
 - a. For PJK in the Banking Sector, PJK in the Capital Market Sector, PJK in the Non-Bank Financial Industry Sector in the form of limited liability companies

shall be the board of directors as intended in Law regarding limited liability company;

- b. For BPR, insurance companies, sharia insurance companies, insurance brokerage companies, financing companies, PMV, infrastructure financing companies, pawnbroker companies, LKM or information technology-based loan services in the form of cooperatives shall be the administrators as intended in Law regarding cooperative.
- c. For insurance companies, sharia insurance companies or insurance brokerage companies in the form of mutual cooperation legal entity shall be the board of directors as intended in the articles of association of the companies;
- d. For PMV in the form of limited partnership (CV) shall be those equivalent to the board of director as intended in the articles of association of the companies;
- e. For DPLK, shall be the administrators as intended in Law regarding pension fund;
- f. For LPEI, shall be the executive directors as intended in Law regarding LPEI; and
- g. For BPR in the form of regional public service companies, regional government-owned limited liability companies, or regional government-owned enterprises shall be the board of directors as intended in Law regarding regional government.

19. Board of Commissioners:

- a. For PJK in the Banking Sector, PJK in the Capital Market Sector, PJK in the Non-Bank Financial Industry Sector in the form of limited liability companies shall be the board of commissioners as intended in Law regarding limited liability company;
- b. For BPR, insurance companies, sharia insurance companies, insurance brokerage companies, financing companies, PMV, infrastructure financing companies, pawnbroker companies, LKM or information technology-based loan services in the form of cooperatives shall be the supervisors as intended in Law regarding cooperative.
- c. For insurance companies, sharia insurance companies or insurance brokerage companies in the form of joint ventures shall be the board of commissioners as intended in the articles of association of the companies;
- d. For PMV in the form of limited partnership (CV) shall be those equivalent to the board of commissioners as intended in the articles of association of the companies;

- e. For DPLK, shall be the supervisors as intended in Law regarding pension fund;
 - f. For LPEI, shall be the board of directors as intended in Law regarding LPEI; and
 - g. For BPR in the form of regional public service companies, regional government-owned limited liability companies, or regional government-owned enterprises shall be the supervisors as intended in Law regarding regional government.
20. Beneficial Owner shall be any person:
- a. who are entitled to and/or receive certain benefits in relation to a Customer's account;
 - b. who is the original owner of the fund and/or securities placed in PJK (ultimately own account);
 - c. who controls a Customer's transactions;
 - d. who grants a power of attorney to conduct transactions;
 - e. who controls a corporation or other legal arrangement; and/or
 - f. who is the ultimate controller of transactions conducted through a legal entity or based on agreement.
21. Corporation shall be a group of people and/or an organized group, Either in the form of a legal person or otherwise, including among others: company, foundation, cooperative, religious group, political party, non-government organization or non-profit organization, and community organization.
22. Recommendations of the Financial Action Task Force hereinafter referred to FATF Recommendations shall be the standard for the prevention and eradication of Money Laundering and/or Terrorism Financing issued by FATF.
23. High Risk Countries shall be countries or territories which may potentially be used as:
- a. the place of the occurrence of or facilitating the commission of Money Laundering crime;
 - b. the place of the commission of the predicate crime; and/or
 - c. the place of the commission of Terrorism Financing activities.
24. State Institution shall be institution having the authority in executive, judicial or legislative field.
25. Government Institution shall be the collective name of government organization units in conducting duties and functions, including:

- a. coordinating ministries;
 - b. state ministries;
 - c. ministries;
 - d. non-ministerial state institutions;
 - e. provincial governments;
 - f. city governments;
 - g. regency governments;
 - h. State Institutions established based on laws; and
 - i. State Institutions performing government functions by using state budget and/or regional budget.
26. Politically Exposed Person hereinafter abbreviated to PEP shall include:
- a. Foreign PEP shall be a person who has been authorized to assume prominent function by other (foreign) country, such as head of state or government, senior politician, senior government official, military official or law enforcement official, senior executive in a state-owned company , prominent official in a political party;
 - b. Domestic PEP shall be a person who has been authorized to assume prominent function by the state, such as head of state or government, senior politician, senior government official, military official or law enforcement official, senior executive in a state-owned company , prominent official in a political party; and
 - c. A Person who has been authorized to assume prominent function by an international organization, such as senior manager including among others director, deputy director, and board member or any equivalent function.
27. Correspondent Banking shall be an activity of a bank (correspondent) in providing services for other banks (respondent) based on a written agreement in the context of the provision of payment services and other banking services.
28. Cross Border Correspondent Banking shall be Correspondent Banking where one of the correspondent bank or respondent bank is domiciled outside the territory of the Republic of Indonesia.
29. Bank shall be commercial bank implementing conventional business activities, including branch offices of banks domiciled abroad, and sharia commercial banks as set out in laws and regulations in the banking sector.
30. Fund Transfer shall be fund transfer as intended in Law regarding fund transfer.

31. Transferring Bank shall be the bank transmitting Fund Transfer orders.
32. Advising Bank shall be the bank forwarding Fund Transfer orders from a Transferring Bank.
33. Receiving Bank shall be the bank receiving Fund Transfer orders.
34. Financial Group shall be PJK within one group due to ownership and/or control relationship.

CHAPTER II
OBLIGATIONS IN THE IMPLEMENTATION OF ANTI MONEY LAUNDERING AND
TERRORISM FINANCING PREVENTION PROGRAM IN THE FINANCIAL SERVICE
SECTOR

Article 2

PJK shall be obligated to identify, assess, and understand the risk of Money Laundering and/or Terrorism Financing crime related to a customer, state or geographical area, product, service, transaction or delivery channels, including the obligations for:

- a. documenting risk assessment;
- b. considering all relevant risk factors before determining overall level of risk, as well as proper level and type of risk mitigation to be applied;
- c. updating risk assessment periodically; and
- d. having a proper mechanism related to the provision of risk assessment information to the relevant authority.

Article 3

- (1) PJK shall be obligated to have policies, supervision, and procedures for the management and mitigation of risks of Money Laundering and Terrorism Financing, which have been approved by the Board of Directors and Board of Commissioners, so that PJK shall be able to manage and mitigate the risks that have been identified.
- (2) PJK shall be obligated to monitor the application of the policies, supervision and procedures as intended in Paragraph (1) and to improve the application if necessary.
- (3) PJK shall be obligated to determine more exhaustive actions to manage and mitigate risks in the event that a higher risk is identified.

Article 4

PJK shall be obligated to apply APU and PPT program in order to manage and mitigate the risks that have been identified based on the risk assessment as intended in Article 2 and which has complied with the provisions set out in this OJK Regulation.

Article 5

- (1) APU and PPT program shall be part of the overall PJK risk management implementation.
- (2) The implementation of APU and PPT program as intended in Paragraph (1) shall at least include:
 - a. Active supervision by the Board of Directors and Board of Commissioners;
 - b. Policies and procedures;
 - c. Internal control;
 - d. Information management system; and
 - e. Human resources and training.

CHAPTER III ACTIVE SUPERVISION BY THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Part One Active Supervision by the Board of Directors

Article 6

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

- a. Ensuring that PJK has policies on and procedures for the implementation of APU and PPT program;
- b. Proposing written strategic policies and procedures regarding the implementation of APU and PPT program to the Board of Commissioners;
- c. Ensuring that the APU and PPT program is implanted in accordance with the written policies and procedures that have been stipulated;
- d. Forming a special working unit and/or appoint official responsible for the implementation of APU and PPT program;
- e. Conducting supervision of the compliance of the working unit in the implementation of APU and PPT program;
- f. Ensuring that the written policies and procedures regarding the implementation of APU and PPT program are in line with the changes and development of products, services and technology in the financial service sector and accordance with the development of Money Laundering and/or Terrorism Financing modus; and

- g. Ensuring that all employees, especially employees from the relevant working units and new employees, have participated in training relating to the implementation of APU and PPT program periodically.

Part Two
Active Supervision by the Board of Commissioners

Article 7

Active Supervision by the Board of Commissioners shall at least include:

- a. Approving the policies on and procedures for the implementation of APU and PPT program proposed by the Board of Directors;
- b. Conducting supervision on the implementation of the responsibilities of the Board of Directors related to the implementation of APU and PPT program; and
- c. Ensuring that discussions of Money Laundering and/or Terrorism Financing take place in the meetings of the Board of Directors and the Board of Commissioners.

Part Three
Party In Charge of the Implementation of APU and PPT Program

Paragraph 1
General Provisions

Article 8

- (1) PJK shall be obligated to establish a special working unit and/or assign an official as the person in charge of the implementation of APU and PPT program, that the head office and branch offices.
- (2) The special working unit and/or assigned official as intended in Paragraph (1) shall be stipulated as part of the organizational structure of the PJK and shall report to the Board of Directors.
- (3) For commercial banks, BPR and PJK in the Capital Market Sector, the special working unit and/or assigned official as intended in paragraph (1) shall report to the Director overseeing the compliance function.
- (4) For BPRS and PJK in the Non-Bank Financial Industry Sector, the position of the person in charge of implementation of APU and PPT program may be assumed by one of the members of the Board of Directors.
- (5) PJK shall be obligated to ensure that the special working unit and/or official responsible for the implementation of APU and PPT program as intended in Paragraph (1) have the proper capacity and authority to access all Customer data and other related information.
- (6) In the event that a PJK in the Capital Market Sector is a security company conducting business activities as an underwriter, securities broker trader, and/or investment

manager in a business entity, such PJK in the Capital Market Sector may only have one person in charge of the implementation of APU and PPT program.

- (7) In the event that the PJK in the Capital Market Sector is a custodian bank, the position of the person in charge of the implementation of APU and PPT program may be assigned to the person in charge of custodian bank or assumed concurrently by the person in charge of implementation of APU and PPT program in commercial bank.
- (8) In the event that PJK in the Capital Market Sector is a custodian bank which is a branch office of a foreign bank, the position of the person in charge of APU and PPT program shall be assumed by the chief of the branch office of the foreign bank.

Paragraph 2 Special Working Unit

Article 9

In the event that a PJK establishes a special working unit as the party in charge of the implementation of APU and PPT program, the following provisions shall apply:

- a. The special working unit shall at least consist of 1 (one) person acting as the leader and 1 (one) person acting as the executor;
- b. The leader and executor in the special working unit shall not hold other functions concurrently;
- c. The leader of the special working unit shall be stipulated/appointed by the Board of Directors;
- d. The special working unit shall be directly under the coordination of the Board of Directors in the organizational structure of the PJK; and
- e. The special working unit shall be independent from other function.

Paragraph 3 Assignment of Officials

Article 10

In the event that a PJK assigns an official as the person in charge of the implementation of APU and PPT program, such official must be stipulated or appointed by the Board of Directors and may only allowed to assume risk management function and/ compliance function concurrently.

Paragraph 4 Duties and Authorities

Article 11

The person in charge of the implementation of APU and PPT program as intended in Article 8 Paragraph (1) shall at least have the following duties:

- a. analyzing the assessment of Money Laundering and/or Terrorism Financing crime risks related to the Customers, countries or geographical areas, products, services, transactions or delivery channels periodically;
- b. preparing, updating, and proposing policies and procedures for the implementation of APU and PPT program which has been prepared for managing and mitigating the risks based on the risk assessment as intended in point a, for consideration and approval the of Board of Directors;
- c. Ensuring the existence of a system that can effectively identify, analyze, monitor and provide reports on the characteristics of transactions conducted by Customers;
- d. Ensuring that the policies and procedures that have been prepared as intended in point b are accordance with the changes and development of, among others, products, services, technology in the financial service sector, the activities and business complexity of the PJK, the volume of transactions of the PJK, as well as the modus operandi of Money Laundering and/or Terrorism Financing crimes;
- e. Ensuring that the forms related to Customers have accommodates data required for the implementation of APU and PPT program;
- f. Monitoring the Customers' accounts and the implementation of the Customers' transactions;
- g. Evaluating the results of the monitoring and analysis of Customers' transactions to ensure the existence of non-existence of Suspicious Financial Transactions, Cash Financial Transactions and/or fund transfers from and to other countries;
- h. Administering the results of the monitoring and evaluation;
- i. Ensuring the update of the data and profiles of Customers as well as the data and profiles of Customers' transactions;
- j. Ensuring that business activities having high risks of Money Laundering and/or Terrorism Financing crimes are identified effectively in accordance with the policies and procedures of the PJK and the provisions set out herein;
- k. Ensuring the existence of good communication from every working unit related to the special working unit or the official responsible for the implementation of APU and PPT program by keeping the confidentiality of the information and observing the anti-tipping off provisions;
- l. Conducting supervision related to the implementation of APU and PPT program on the relevant working units;
- m. Ensuring the existence of the identification of high risk areas related to the implementation of APU and PPT program by referring to laws and regulations and adequate information sources;

- n. Receiving, analyzing, and preparing reports on Suspicious Financial Transactions and/or cash financial transactions submitted by the working unit;
- o. preparing reports on Suspicious Financial Transactions, Cash Financial Transactions, and/or fund transfers from and to other countries;
- p. Ensuring that all activities in the context of the implementation of APU and PPT program are performed properly; and
- q. monitoring, analyzing, and recommending the required trainings regarding the implementation of APU and PPT program for the officials and/or employees of the PJK.

Article 12

The person in charge of the implementation of APU and PPT program as intended in Article 8 Paragraph (1) shall at least have the following authorities:

- a. to obtain access to the required information in all organizational units of the PJK;
- b. to establish coordination and conduct monitoring on the implementation of the APU and PPT program by the relevant working units;
- c. to recommend to the relevant officials and/or employees of the working unit to support the implementation of the APU and PPT program; and
- d. to submit reports on Suspicious Financial Transactions, Cash Financial Transactions, and/or fund transfers from and to other countries conducted by the Board of Directors, Board of Commissioners, and/or parties affiliated to the Board of Directors or Board of Commissioners, directly to PPATK.

CHAPTER IV POLICIES AND PROCEDURES

Article 13

- (1) PJK shall be obligated to have policies and procedures for managing and mitigating the identified risks of Money Laundering and/or Terrorism Financing according to risk assessment.
- (2) The policies and procedures for the implementation of APU and PPT program as intended in Paragraph (1) shall at least include:
 - a. the identification and verification of Customers;
 - b. the identification and verification of Beneficial Owners;
 - c. the closing of business relationship or rejection of transactions;

- d. sustainable management of Money Laundering and/or Terrorism Financing risks related to Customers, countries, products and services as well as delivery channels;
 - e. the maintenance of accurate data related to transactions, CDD process administration, as well as the administration of policies and procedures;
 - f. Update and monitoring;
 - g. Reporting to senior officials, Board of Directors, and Board of Commissioners related to the implementation of policies and procedures for the implementation of APU and PPT program; and
 - h. Reporting to PPATK.
- (3) Specifically for commercial banks, the scope of the guidelines on the implementation of APU and PPT program as intended in Paragraph (2) shall also cover Cross Border Correspondent Banking and Fund Transfer.
- (4) PJK shall be obligated to implement policies and procedures for the implementation of APU and PPT program as intended in Paragraph (1) consistently and continuously.
- (5) The policies and procedures for the implementation of APU and PPT program as intended in Paragraph (1) must be approved by the Board of Directors.

Article 14

- (1) PJK shall be obligated to identify and assess the risks of Money Laundering and/or Terrorism Financing crime related to the development of new product ands business practices, including new distribution mechanisms, and the application of new technology or the development of technology for new products or existing products.
- (2) PJK shall be obligated to conduct risk assessment as intended in paragraph (1) before the launch or application of products, business practices and technology.
- (3) PJK shall be obligated to take adequate actions for managing and mitigating the risks as intended in paragraph (1).

Article 15

PJK shall be obligated to conduct CDD procedure in the following events:

- a. establishing business relationship with Prospective Customers;
- b. there are financial transactions in Rupiah and/or foreign currency in the minimum value of at least or equivalent to Rp.100,000,000,00 (one hundred million rupiah);
- c. there are Fund Transfer transactions as intended in this OJK Regulation;

- d. there are indications of Suspicious Financial Transaction related to Money Laundering and/or Terrorism Financing; or
- e. PJK is in doubts of the validity of information provided by Prospective Customers, Customers, attorneys-in-fact and/or Beneficial Owners.

Article 16

- (1) PJK shall be obligated to classify Prospective Customers and Customers into groups based on the level of risk for the occurrence of Money Laundering and/or Terrorism Financing.
- (2) The classification of Prospective Customers and Customers based on the level of risk as intended in paragraph (1) shall be conducted based on an analysis which shall at least cover:
 - a. the identity of the Customer;
 - b. business location for corporate Customers;
 - c. the profile of the Customer;
 - d. Transaction frequency;
 - e. the business activities of the Customer;
 - f. Ownership structure for corporate Customers;
 - g. Products, services and delivery channels used by the Customer; and
 - h. Other information that may be used for measuring the risk level of the Customer.

Article 17

- (1) In the context of establishing business relationship with Prospective Customers, PJK shall be obligated to:
 - a. conduct the identification of Prospective Customer in order to learn about the profile of the Prospective Customer;
 - b. verify the information of the Prospective Customer as well as the supporting documents as referred to in sub-paragraph a.
- (2) PJK shall be obligated to verify the validity of the Prospective Customer's identity through face to face meeting with the Prospective Customer at the beginning of the establishment of business relationship in order to assure the validity of the Prospective Customer's identity.
- (3) The verification process through face to face meeting as intended to in paragraph (2) may be substituted by verification through electronic facilities owned by the PJK.

- (4) The verification process through face to face meeting as referred to in paragraph (2) may be exempted with the following conditions:
- a. the verification is conducted through electronic process and facilities owned by the PJK and/or the Prospective Customer;
 - b. the verification must utilize demographic data meeting 2 (two) authentication factors.

Article 18

- (1) PJK shall be prohibited from opening or managing anonymous account or account using a fictional name.
- (2) PJK shall be prohibited from establishing a business relationship with a Prospective Customer or maintaining a Customer's account if:
 - a. the Prospective Customer or Customer refuses to comply with laws regarding the implementation of APU and PPT program; or
 - b. the PJK is unable to assure the validity of the identity of the Prospective Customer or Customer and the completeness of documents.

Part One

The Identification and Verification of Prospective Customers and Customers

Article 19

PJK shall be obligated to identify and classify Prospective Customers or Customers into groups of natural person, Corporation, and other legal arrangements.

Article 20

- (1) The identification of Prospective Customers in order to find out the profile of Prospective Customers as referred to in Article 17 paragraph (1) sub-paragraph a, shall be conducted by requesting data and information which shall at least include:
 - a. for natural person Prospective Customer:
 1. identity containing:
 - a) full name including alias (if any);
 - b) identity document number;
 - c) address as contained in the identity document and other residential address (if any);
 - d) place and date of birth;

- e) nationality;
 - f) occupation;
 - g) work place address and telephone number (if any);
 - h) gender; and
 - i) marital status;
2. the identity of Beneficial Owner, if any;
 3. the source of fund;
 4. average salary per year; and
 5. the intent and purpose of the business relationship or transaction to be established by the Prospective Customer.
- b. for Corporate Prospective Customer:
1. name;
 2. license number from the relevant authority;
 3. line of business or activity;
 4. domicile address;
 5. place and date of incorporation;
 6. form of legal entity or business entity;
 7. identity of the Beneficial Owner if the Prospective Customer has a Beneficial Owner;
 8. source of fund; and
 9. the objective and purpose of the business relationship or transaction to be established by the Prospective Customer.
- c. for Prospective Customer of other legal arrangements:
1. name;
 2. number of the license from the relevant authority (if any);
 3. domicile address;
 4. form of legal arrangement;

5. identity of the Beneficial Owner if the Prospective Customer has a Beneficial Owner;
 6. source of fund; and
 7. the objective and purpose of the business relationship or transaction to be established by the Prospective Customer.
- (2) In relation to WIC transactions, prior to conducting transaction with WIC, PJK in the Banking sector and PJK in the Capital Market sector shall be obligated ask for:
- a. all information as referred to in paragraph (1) for WIC in the form of natural person, Corporation, as well as other legal arrangement conducting transaction in the minimum amount of Rp100,000,000.00 (one hundred million rupiah) or equivalent, either conducted 1 (one) or in a number of transactions within 1 (one) working day;
 - b. information as referred to in paragraph (1) sub-paragraph a number 1 letter a), letter b), and letter c) for WIC in the form of natural person conducting transaction of less than Rp100,000,000.00 (one hundred million rupiah) or equivalent;
 - c. the information as referred to in paragraph (1) sub-paragraph b number 1 and number 4 for Corporation WIC that conducts transaction less than Rp100,000,000.00 (one hundred million rupiah) or equivalent amount; and
 - d. information as referred to in paragraph (1) sub-paragraph c number 1 and number 3 for WIC in the form of legal arrangement conducting transaction of less than Rp100,000,000.00 (one hundred million rupiah) or equivalent.

Article 21

For Prospective Customers in the form of natural person and WIC as referred to in Article 20 paragraph (2) sub-paragraph a, the information as referred to in Article 20 paragraph (1) sub-paragraph a number 1 shall be supported by the identity documents and signature specimen of the Prospective Customers.

Article 22

- (1) For Prospective Corporate Customers in the form of companies, the information as referred to in Article 20 paragraph (1) sub-paragraph b shall be supported by identity documents of the company and:
- a. for Prospective Corporate Customers in the form of companies classified as micro and small-scale enterprises, the following documents shall also be completed:
 1. signature specimen and power of attorney to the appointed party that is authorized to act for and on behalf of the company in establishing business relationship with the PJK;

2. Taxpayer identification number (NPWP) card for Customers required to have NPWP in accordance with laws and regulations; and
 3. business place permit or other documents required by the relevant authorities;
- b. for Prospective Corporate Customer in the form of a company not classified as micro enterprise and small enterprise in addition to the documents as referred to in letter a number 2 and number 3, the following documents shall also be completed:
1. financial report or description of the company's business activities;
 2. the company's management structure;
 3. the company's ownership structure; and
 4. identity documents of the members of the Board of Directors or attorneys of the members of the Board of Directors authorized to represent the company in establishing business relationship.
- (2) For Prospective Corporate Customer in the form of PJK, the documents submitted shall at least include:
- a. deed of establishment/articles of association of the PJK;
 - b. business license from the relevant authority; and
 - c. signature specimen and power of attorney for the appointed party authorized to act for and on behalf of the PJK in establishing business relationship with PJK.

Article 23

- (1) For Prospective Customers other than natural persons and Corporation in the form of companies as referred to in Article 20, Article 21 and Article 22, PJK shall be obligated to request for information as referred to in Article 20 paragraph (1) sub-paragraph b.
- (2) PJK shall be obligated to request for supporting documents of information for Prospective Customers as referred to in paragraph (1) at least encompass:
 - a. for Prospective Corporate Customers in the form of foundation:
 1. the foundation's activity permit;
 2. the foundation's activity description;
 3. the structure and names of the foundation's management; and
 4. identity documents of members of the management boards or representatives of members of the management boards authorized to

represent the foundation in establishing business relationship with the PJK.

- b. for Prospective Corporate Customers in the form of other than company and foundation, either in the form of legal entity or otherwise:
 - 1. evidence of license from the relevant authority;
 - 2. name of the Corporation;
 - 3. deed of establishment and/or articles of association and bylaws; and
 - 4. identity documents of the parties authorized to represent the Corporation in establishing business relationship with PJK.
- c. for Prospective Customers with other legal arrangement:
 - 1. proof of registration with the relevant authority;
 - 2. name of the legal arrangement;
 - 3. deed of establishment and/or articles of association and bylaws (if any); and
 - 4. identity documents of the party authorized to represent such other legal arrangement in establishing business relationship with PJK.

Article 24

- (1) For Prospective Customers in the form of State Institution, Government Agency, international institution, and representative of foreign state, PJK must request information regarding the name and domicile address of such institution, agency or representative.
- (2) The information as referred to in paragraph (1) must be completed with the following documents:
 - a. appointment letter for the party authorized to represent the institution, agency or representative in conducting business relationship; and
 - b. specimen of signature of the party authorized to represent the institution, agency or representative in conducting business relationship.

Article 25

- (1) PJK shall be obligated to verify the Prospective Customer's information and supporting documents as referred to in Article 20, Article 21, Article 22, Article 23, and Article 24, based on other documents and/or independent and trusted information sources as well as ensuring that such data is the latest data.

- (2) PJK shall be obligated to verify that the party acting for and on behalf of the Customer has obtained authorization from the Customer, and to identify and verify the identity of such party.
- (3) The verification as referred to in paragraph (1) must be based on the risks of Money Laundering and/or Terrorism Financing that have been identified by the risk assessment conducted by PJK and must fulfill the requirements set out herein.
- (4) PJK may conduct interview with Prospective Customers to scrutinize and assure the validity and accuracy of the documents, in the event of doubt over data, information, and/or supporting documents received.
- (5) In the event of doubt, PJK shall be obligated to request the Prospective Customer to provide more than one identity document issued by the relevant authority to ensure the accuracy of the Prospective Customer's identity.
- (6) PJK shall be obligated to complete the verification process of the Prospective Customer's and/or Beneficial Owners' identity, if the Prospective Customer has Beneficial Owner, prior to opening business relationship with the Prospective Customer or prior to conducting transaction with WIC.
- (7) In the event that PJK has implemented risk management procedures, PJK may conduct business relationship or transaction prior to the completion of the verification process as referred to in paragraph (6).
- (8) The verification process as referred to in paragraph (7) must be concluded as soon as possible, after the occurrence of the customer's business relationship with PJK, with due observance that the Money Laundering and Terrorism Financing risks may be managed effectively and that such direct meeting process shall not hinder normal business activities.

Article 26

PJK shall be obligated to understand the profile, intent and purpose of business relationship, and transaction conducted by the Customer and Beneficial Owner through identification and verification.

Part Two Identification and Verification of Beneficial Owners

Article 27

- (1) PJK shall be obligated to ensure that Prospective Customers, Customers, or WIC opening business relationship or conducting transaction are acting for themselves or for the interest of their Beneficial Owners.
- (2) In the event that the Prospective Customers, Customers, or WIC are acting for the interest of Beneficial Owners, PJK shall be obligated to conduct CDD on the Beneficial Owners.

- (3) In the event that the Beneficial Owners as referred to in paragraph (2) are classified as PEP, the procedures to be implemented shall be EDD procedures.
- (4) In the event that there is a difference of risk rate between the Prospective Customer, Customer, or WIC with the Beneficial Owner, CDD shall be implemented in accordance with the higher risk rate.
- (5) The obligation to conduct CDD on Beneficial Owner as referred to in paragraph (2) shall be inapplicable for Prospective Customers, Customers or WIC having low risk rate.

Article 28

- (1) In the event that the Prospective Customer, Customer or WIC is not the Beneficial Owner, PJK shall be obligated to identify and verify the Beneficial Owner's identity, including among others:
 - a. for Beneficial Owner of Prospective Customer, Customer or WIC in the form of natural person:
 1. identity information and documents as referred to in Article 20 paragraph (1) sub-paragraph a and Article 21;
 2. legal relationship between the Prospective Customer, Customer or WIC with the Beneficial Owner as indicated by an appointment letter, agreement letter, power of attorney or other form;
 3. statement of the Prospective Customer, Customer or WIC regarding the accuracy of the Beneficial Owner's identity or the Beneficial Owner's source of fund; and
 4. statement of the Beneficial Owner that the party concerned is the true owner of the Prospective Customer, Customer or WIC's fund;
 - b. for Beneficial Owner of Prospective Corporate Customer, Customer or WIC:
 1. identity information and documents as referred to in Article 20 paragraph (1) sub-paragraph b and Article 22
 2. legal relationship between the Prospective Customer, Customer or WIC with the Beneficial Owner as indicated by an appointment letter, agreement letter, power of attorney or other form;
 3. identity document and/or information of a natural person, if any, who is the owner or ultimate controller of the Corporation;
 4. statement of the Prospective Customer, Customer or WIC regarding the accuracy of the Beneficial Owner's identity and the Beneficial Owner's source of fund; and

5. statement of the Beneficial Owner that the party concerned is the true owner of the Prospective Customer, Customer or WIC's fund;
- c. for Beneficial Owner of Prospective Customer, Customer or WIC with other legal arrangement in the form of trust:
1. identity of the settlor;
 2. identity of the trustee;
 3. identity of the protector (if any);
 4. identity of the beneficiary or class of beneficiary; and
 5. natural person controlling the trust.
- d. for Beneficial Owner of Prospective Customer, Customer or WIC with other legal arrangement in other forms, shall be the identity of the natural person having the same or equivalent position as the party in trust as referred to in letter c.
- (2) In the event that PJK is unsure whether the party holding control through ownership is the Beneficial Owner as referred to in paragraph (1) sub-paragraph b, or in the event there is no natural person controlling through ownership, PJK shall be obligated to identify and verify the identity of the natural person (if any) controlling the Corporation or other legal arrangements.
 - (3) In the event there is no natural person identified as Beneficial Owner as referred to in paragraph (1) sub-paragraph b and paragraph (2), PJK shall be obligated to identify and verify the relevant natural persons' identity holding the position as director or equivalent position.
 - (4) In the event that the Prospective Customer, Customer, or WIC is a different domestic PJK acting for and on behalf of the Beneficial Owner, the documents regarding the Beneficial Owner may be in the form of a written statement from the Prospective Customer, Customer, or WIC.
 - (5) In the event that the Prospective Customer, Customer, or WIC is a different foreign PJK implementing APU and PPT program at least equivalent to this OJK Regulation and having Beneficial Owner, the documents regarding the Beneficial Owner shall be in the form of a written statement of such foreign PJK that the Beneficial Owner's identity has been verified by such foreign PJK.
 - (6) In the event that implementation of the APU and PPT program as referred to in paragraph (3), conducted by the foreign PJK is not equivalent to this OJK Regulation, such PJK shall be obligated to implement APU and PPT program based on this OJK Regulation.
 - (7) In the event that the PJK is doubtful or cannot assure the Beneficial Owner's identity, PJK shall be obligated to reject the business relationship or transaction with Prospective Customer, Customer, or WIC.

Article 29

The obligation to submit documents and/or information of the owner's identity or last controller of the Beneficial Owner as referred to in Article 28 paragraph (1) sub-paragraph b number 2 shall not be applicable for Beneficial Owner in the form of:

- a. State Institution or Government Agency;
- b. company whose majority shares are owned by a state; or
- c. publicly listed company or issuer .

Part Three

Identification and Verification of High Risk Prospective Customer and Customer

Article 30

- (1) PJK shall be obligated to have sufficient risk management system to determine whether a Prospective Customer, Customer, Beneficial Owner, or WIC is classified as meeting the criteria of having high risk.
- (2) The criteria of high risk Prospective Customer, Customer, Beneficial Owner, or WIC as referred to in paragraph (1) may be identified based on:
 - a. the background or profile of the Prospective Customer, Customer, Beneficial Owner, or WIC classified as High Risk Customers;
 - b. financial service product having high risk to be used as Money Laundering and/or Terrorism Financing facility;
 - c. transaction with parties originating from High Risk Countries;
 - d. transaction not in accordance with the profile;
 - e. being classified in the PEP category;
 - f. business line of the Prospective Customer, Customer, Beneficial Owner, or WIC is classified as High Risk Business;
 - g. the countries or territory of origin, domicile, or the place where transactions are conducted by the Prospective Customer, Customer, Beneficial Owner, or WIC are classified as High Risk Countries;
 - h. Prospective Customer, Customer, Beneficial Owner, or WIC is contained in the list of terrorism and terrorism organization suspect; or
 - i. transaction conducted by the Prospective Customer, Customer, Beneficial Owner, or WIC is suspected to be involved with criminal activities in the financial services sector, criminal activity of Money Laundering, and/or criminal activity of Terrorism Financing.

Article 31

- (1) PJK shall be obligated to conduct assessment to determine that the Customer, Beneficial Owner, or WIC is a PEP.
- (2) In the event that the Prospective Customer, Customer, Beneficial Owner, or WIC is classified as having high level of risks, including PEP, PJK shall be obligated to conduct EDD.

Article 32

- (1) With regard to foreign PEP, in addition to implementing CDD process as set forth in Article 20, PJK shall be obligated to comply with the following provisions:
 - a. having a risk management system to determine whether a Customer or Beneficial Owner has met the criteria of PEP;
 - b. appointing senior official responsible for the business relationship with such Customer, Beneficial Owner, or WIC.
 - c. conducting periodical EDD at least in the form of analysis against information regarding the customer or Beneficial Owner, source of fund, and source of wealth; and
 - d. applying stricter monitoring of business relationship among other through the increase of the number and frequency of the monitoring and selection of transaction schemes.
- (2) Senior official as referred to in paragraph (1) sub-paragraph b shall have the authority to:
 - a. give approval or rejection to Prospective Customer, Customer, Beneficial Owner, or WIC classified as having high risk; and
 - b. decide either to continue or cease the business relationship with Prospective Customer, Customer, Beneficial Owner, or WIC classified as having high risk.

Article 33

Against domestic PEP or person granted the authority to assume prominent function in an international organization, in addition to implementing the CDD process as set forth in Article 20, PJK shall be obligated to comply with the following provisions:

- a. PJK shall be obligated to have risk management system to determine whether the Customer or Beneficial Owner meets the PEP criteria; and
- b. in the event that there is a higher risk with regard to the business relationship between PJK and such Customer or Beneficial Owner, PJK shall be obligated to implement the provisions as referred to in Article 32 paragraph (1) sub-paragraph b, sub-paragraph c, and sub-paragraph d.

Article 34

Provisions applicable for high risk Customers, Beneficial Owners, or WIC, as referred to in Article 27 paragraph (3) and paragraph (4), as well as Article 28 paragraph (1), paragraph (2), and paragraph (3) shall also be applicable to family members or close associates of PEP.

Article 35

Prospective Customers, Customers, Beneficial Owners, or WIC meeting the criteria of high risk shall be included in a separate list.

Article 36

In the event that PJK enters into a business relationship with a Customer and/or engages in transaction originating from High Risk Countries published by FATF subject to countermeasures, the PJK shall conduct EDD by requesting confirmation and clarification to the relevant authority.

Part Four

CDD on the Beneficiary of Life Insurance and other Investment Products Related to Insurance Policy

Article 37

- (1) In addition to CDD required for Prospective Customers and Beneficial Owners as set forth in Article 15, PJK shall be obligated to conduct CDD on the beneficiary of life insurance and other investment products related to insurance policies, immediately after the beneficiary is identified or determined with the following provisions:
 - a. for beneficiary identified as individual or non-individual, PJK shall be obligated to request for the name of the natural person or Corporation or other legal arrangement of such beneficiary; or
 - b. for beneficiary appointed based on the characteristics or by other methods, PJK shall be obligated to request for sufficient information regarding the beneficiary to convince the PJK that such information may be used as evidence to prove the beneficiary's identity during the insurance claim payment.
- (2) All information as referred to in paragraph (1), must be recorded and managed in accordance with the provisions of this OJK Regulation.
- (3) The verification of the beneficiary's identity as referred to in paragraph (1), must be conducted at the time of the insurance claim payment.

Article 38

- (1) PJK shall be obligated to include the beneficiary of life insurance policy as one of the relevant risk factor in ensuring whether or not EDD needs to be implemented.

- (2) In the event that the PJK determines that the beneficiary is classified as high risk category or PEP, PJK shall be obligated to conduct EDD including identification and verification of the identity of the Beneficial Owner of the beneficiary at the time of the insurance claim payment.

Article 39

In the event that the beneficiary and/or Beneficial Owner of the beneficiary at the time of insurance claim payment is a PEP, PJK shall be obligated to inform senior officials prior to the insurance claim payment to conduct further monitoring of the business relationship with the policy holder and report it as Suspicious Financial Activity.

Part Five Simple CDD

Article 40

- (1) PJK may apply simple CDD procedure from the CDD procedure as referred to in Article 20, Article 21, Article 22, Article 23, Article 24, and Article 28, on Prospective Customers or transactions with low rate of risk of the occurrence of Money Laundering and/or Terrorism Financing and meeting the following criteria:
- a. the opening of the account is for paying or receiving salary;
 - b. the Prospective Customer is an issuer or publicly listed company subject to the provisions of laws and regulations regarding the obligation to disclose its performance;
 - c. the Prospective Customer is a company whose majority shares is owned by the government;
 - d. the Prospective Customer is a State Institution or Government Agency;
 - e. the opening of the account is for a purpose related to a government program for improving the public welfare and/or alleviating poverty; and/or
 - f. the Prospective Customer based on risk assessment on the occurrence of Money Laundering and/or Terrorism Financing is classified as having low rate of risk and meeting the criteria of Prospective Customer with simple profile and characteristics.
- (2) With regard to Prospective Customers meeting the provisions as referred to in paragraph (1), PJK shall be obligated to request for information with the following provisions:
- a. for Prospective Customers of natural person meeting the provisions as referred to in paragraph (1) sub-paragraph a, PJK shall be obligated to request for information as referred to in Article 20 paragraph (1) sub-paragraph a number 1 letter a), letter b), letter c), and letter d);

- b. for Prospective Customers in the form of Corporation, State Institution or Government Agency meeting the provisions as referred to in paragraph (1) sub-paragraph a, letter b, and/or letter c, PJK shall be obligated to request for information as referred to in Article 20 paragraph (1) sub-paragraph b number 1 and number 4;
 - c. for Prospective Customers in the form of other legal arrangement meeting the provisions as referred to in paragraph (1) sub-paragraph a, letter b, and/or letter c, PJK shall be obligated to request for information as referred to in Article 20 paragraph (1) sub-paragraph c number 1) and number 3); and
 - d. for Prospective Customer meeting the provisions as referred to in paragraph (1) sub-paragraph e, PJK shall be obligated to request for information as referred to in Article 20 paragraph (1) sub-paragraph a number 1) sub-paragraph a), letter c), letter d), and letter f).
- (3) The information as referred to in paragraph 2 must be supported by:
- a. identity document as referred to in Article 21, for Prospective customers in the form of natural persons as referred to in paragraph (1) sub-paragraph a;
 - b. identity document of the company with signature specimen and power of attorney to the party having the authority to act for and on behalf of the company, for Prospective Corporate Customer in the form of company classified as micro enterprise and small enterprise meeting the provisions as referred to in paragraph (1) sub-paragraph a;
 - c. identity document of the company and identity documents of the members of the Board of Directors or holder of the power of attorney from the member of the Board of Director authorized to represent the company, for Prospective Corporate Customer in the form of company not classified as micro enterprise and small enterprise meeting the provisions as referred to in paragraph (1) sub-paragraph a, letter b, and/or letter c; or
 - d. other document as substitute to identity document that can provide assurance to PJK regarding such Prospective Customer's profile, and f signature specimen, for Prospective Customer meeting the provisions as referred to in paragraph (1) sub-paragraph e.
- (4) PJK may implement a separate simple CDD in accordance with the risk assessment of the Prospective Customer meeting the provisions as referred to in paragraph (1) sub-paragraph f.
- (5) In the event that PJK implement separate simple CDD as referred to in paragraph (4), PJK shall be obligated to notify such matter to OJK whereas such notification includes information regarding:
- a. criteria for the identification of Customer and low risk transaction is consistent with risk assessment conducted by PJK;

- b. the requirements of the simple CDD are able to manage the level of Money Laundering and/or Terrorism Financing threat against Prospective Customer and the transaction has been identified as having low level of risk of Money Laundering and/or Terrorism Financing;
 - c. the requirements of simple CDD do not include Customers who based on laws and regulation are classified as high risk Customers or transactions; and
 - d. starting time of the simple CDD process implementation.
- (6) PJK shall be obligated to implement and be responsible for the implementation of such separate CDD procedure as referred to in paragraph (4).
 - (7) Simple CDD procedure as referred to in paragraph (1) shall be inapplicable if there is alleged occurrence of Money Laundering and/or Terrorism Financing transaction or increase of the level of risk.
 - (8) PJK shall be obligated to make and maintain a list of Customers who have been subject to simple CDD.
 - (9) In the event that the use of an account is not in accordance with the purposes as referred to in paragraph (1) sub-paragraph a, the PJK shall be obligated to conduct CDD procedure as intended in Article 20 paragraph (1) sub-paragraph a and Article 21 on the relevant Customers.

Part Six
Implementation of CDD by Third Party

Article 41

- (1) PJK may use the results of CDD conducted by a third party on Prospective Customers who have become Customers of such third party.
- (2) In terms of PJK used the results of the third party CDD as referred to in paragraph (1), PJK shall be obligated to:
 - a. Understand the purpose and objective of the business relationship as referred to in Article 26; and
 - b. Identify and verify the Customers and the Beneficial Owners as referred to in Article 27, Article 28 and Article 29.
- (3) In the event that PJK uses the results of CDD conducted by a third party, the responsibility of the CDD shall remain with the PJK.
- (4) In the event that PJK uses the results of CDD by a third party:
 - a. the PJK shall be obligated to obtain necessary information related to the CDD procedures as referred to in Article 19 and Article 28 as soon as possible;

- b. PJK shall be obligated to have cooperation with third parties in the form of a written agreement;
 - c. PJK shall be obligated to take adequate measures to ensure that the third party is willing to comply with requests for information and copies of supporting documents immediately when they are required by the PJK in the context of the implementation of the APU and PPT program;
 - d. PJK shall be obligated to ensure that the third party is a financial institution and provider of goods and/or services and certain profession having CDD procedures and subject to the supervision of the competent authorities in accordance with the provisions of laws and regulations; and
 - e. PJK shall be obligated to observe information related to the risk of the country of origin of the third party.
- (5) In the event that a third party as referred to in paragraph (3) is domiciled in a High Risk Country, such third party shall meet the following criteria:
- a. existing in the same financial group with the PJK;
 - b. the financial group has implemented CDD, administration of documents, and APU and PPT program effectively in accordance with the FATF Recommendations; and
 - c. the financial group is supervised by a competent authority.
- (6) In the event that the PJK uses the results of CDD conducted by a third party which is in the same financial group, the PJK or the parent company must consider the requirements as referred to in paragraph (4) and (5) under the following conditions:
- a. the financial group applies the CDD provisions, administration of documents, and APU and PPT programs as stipulated in this OJK Regulation;
 - b. the implementation of CDD, the administration of documents, and the APU and PPT programs is subject to the supervision of financial group by a competent authorities; and
 - c. adequate mitigation measures have been taken with regard to High Risk Countries by APU and PPT units under the policies of APU and PPT programs at the financial group level.

Part Seven

Rejection of Transaction and Termination of Business Relations

Article 42

- (1) PJK shall be obligated to refuse to enter into a business relationship with a Prospective Customer and/or implement a transaction with WIC, in the event that the Prospective Customer or WIC:

- a. does not comply with the provisions as referred to in Article 17, Article 20, Article 21, Article 22, Article 23, Article 24, and Article 28;
 - b. is known and/or suspected of using false documents;
 - c. conveys information which accuracy is doubtful; and/or
 - d. in the shape of shell banks or commercial banks or sharia banks that allow their accounts to be used by shell banks.
- (2) PJK shall be obligated to reject transaction, cancel transaction, and/or terminate business relationship with Customer in the event that:
- a. the criteria as referred to in paragraph (1) are met;
 - b. the Customer's source of transaction funds is known and/or should be suspected as coming from the proceeds of a criminal act; and/or
 - c. the Prospective Customer or Customer is on the list of suspected terrorists and terrorist organizations.
- (3) The PJK shall still be obligated to complete the process of identification and verification on the identity of the Prospective Customer or WIC and the Beneficial Owner, in the event of a rejection of business relationship with a Prospective Customer and/or rejection of transaction with WIC pursuant to the provisions as referred to in paragraph (1) sub-paragraph b and sub-paragraph c.
- (4) In the event that PJK suspects the existence of financial transactions relating to the criminal act of Money Laundering and Terrorism Financing, and the PJK believes that the process of CDD will violate the provisions of anti tipping-off, the PJK shall not continue the CDD procedures and shall report such Suspicious Financial Transactions to PPATK.
- (5) PJK shall be obligated to document Prospective Customers, Customers or WIC meeting the criteria as referred to in paragraph (1) and paragraph (2).
- (6) PJK shall report the Prospective Customer, Customer or WIC as referred to in paragraph (1), paragraph (2) and paragraph (3) in the Suspicious Transaction Report if the transaction is suspicious.
- (7) The obligation of PJK to refuse, cancel and/or terminate business relationship with Customers as referred to in paragraph (2) shall be disclosed in the account opening agreement and shall be notified to Customers.

Article 43

- (1) In the event of the closure of business relationship as referred to in Article 42 paragraph (2), the PJK shall notify the Customer in writing of the closing of the business relationship.

- (2) In the event that after the notification as referred to in paragraph (1), the Customer does not take any remaining funds deposited with the PJK, the settlement of the remaining funds of the Customer deposited with the PJK shall be conducted in accordance with the prevailing laws and regulations.

Part Eight
Updates and Monitoring

Article 44

- (1) PJK shall be obligated to monitor business relationships with Customers by monitoring the Customers' transactions in order to ensure that the transactions are conducted in line with the understanding of PJK on the Customers, business activities and risk profile of the Customers, including their sources of funds.
- (2) PJK shall be obligated to update data, information and/or supporting documents as referred to in Article 20, Article 21, Article 22, Article 23, Article 24, and Article 28 in the event of any changes discovered from the PJK's monitoring of the Customers or other reliable information.
- (3) PJK shall be obligated to document the data updating as referred to in paragraph (2).
- (4) In conducting the data update as referred to in paragraph (2), PJK shall be obligated to:
- a. monitor Customers' information and documents;
 - b. prepare report on data updating plan; and
 - c. prepare data update realization report.
- (5) The reports as referred to in paragraph (4) sub-paragraph b and sub-paragraph c shall be approved by the Board of Directors.

Article 45

- (1) PJK shall be obligated to analyze all transactions that are not in accordance with the profiles of the relevant Customers.
- (2) PJK may request for information on the background and the purpose of the transactions with regard to transactions that are inconsistent with the profile of the Customers, with due observance of the anti tipping-off provisions as set out in the Law on the prevention and eradication of Money Laundering crime.
- (3) In conducting the monitoring as referred to in Article 44 paragraph (1) PJK shall have a system which shall be able to:
- a. identify, analyze, monitor, and provide reports effectively regarding the profile, characteristics and/or patterns of transactions conducted by Customers; and

- b. track every transaction, if necessary, including tracking of the Customer's identity, transaction form, transaction date, number and denomination of transactions, and the source of funds used for transactions.
- (4) In the event that the data and/or information submitted by a Customer do not provide a convincing explanation, the PJK shall report the Suspicious Financial Transaction to the PPATK.
- (5) PJK shall be obligated to conduct continuous monitoring of business/transaction relationships with:
- a. Customers from High Risk Countries; and
 - b. PJK located in High Risk Countries.

Article 46

- (1) PJK shall be obligated to maintain a list of suspected terrorists and terrorist organizations.
- (2) PJK shall be obligated to periodically identify and ensure that the names of Customers having similar names and other information with the names and information contained in the list alleged terrorists and terrorist organizations as referred to in paragraph (1).
- (3) In the event that there is a similarity of a Customer's name with a name listed in the list of alleged terrorists and the terrorist organizations as referred to in paragraph (1), the PJK shall ensure the conformity of the Customer's identity with other relevant information.
- (4) In the event that there is a similarity of the name of a Customer and similarity of other information with those listed in the list of alleged terrorists and the terrorist organizations as referred to in paragraph (1), the PJK shall immediately block and report it as a Suspicious Financial Transaction report.

Part Nine

Cross Border Correspondent Banking

Article 47

- (1) Prior to providing Cross Border Correspondent Banking services, Banks shall be obligated to understand the business activities of the Receiving Bank and/or the Advising Bank by requesting information regarding:
- a. the profile of the prospective Receiving Bank and/or Advising Bank;
 - b. the reputation of the Receiving Bank and/or the Advising Bank based on the information that can be accounted for;
 - c. the level of APU and PPT program implementation in the country of domicile of the Receiving Bank and/or Advising Bank; and

- d. other relevant information required by the Bank to find out the profile of the prospective Receiving Bank and/or Advising Bank.
- (2) The information as referred to in paragraph (1) shall be based on adequate public information issued and determined by the competent authorities.
 - (3) Banks shall be obligated to appoint senior officials responsible for business relationships with prospective Receiving Bank and/or Advising Bank.
 - (4) Banks shall be obligated to conduct an assessment of the application of APU and PPT programs on the Receiving Bank and/or Advising Bank.
 - (5) Banks shall be obligated to understand the responsibility for the implementation of APU and PPT program of each party related to Cross Border Correspondent Banking activities.

Article 48

Banks shall be obligated to conduct CDD on Receiving Bank and/or Advising Bank which shall be adjusted to the risk based approach if:

- a. there are substantial changes in the profile of the Receiving Bank and/or Advising Bank; and/or
- b. the information on the profile of the Receiving Bank and / or Advising Banks available is not completed with information as referred to in Article 47 paragraph (1).

Article 49

In the event that a Customer has access to payable through account in Cross Border Correspondent Banking services, the Transferring Bank shall be obligated to ensure that:

- a. The Receiving Bank and/or Advising Bank have implemented adequate CDD and monitoring processes which shall at least be equal to those set forth in this OJK Regulation; and
- b. The Receiving Bank and/or the Advising Bank are willing to provide the relevant Customer identification data when requested by the Transferring Bank.

Article 50

Transferring Bank providing Cross Border Correspondent Banking services shall be obligated to:

- a. document all Cross Border Correspondent Banking transactions;
- b. refuse to have relationship and/or continue Cross Border Correspondent Banking relationship with shell bank; and

- c. Ensure that the Receiving Bank and/or the Advising Bank do not allow their accounts to be used by a shell bank at the time of entering into business relationships related to Cross Border Correspondent Banking.

Part Ten
Fund Transfer

Article 51

- (1) For Banks conducting Fund Transfer activities within Indonesian territory as well as internationally, the following provisions apply:

- a. Transferring Bank shall be obligated to:

- 1. obtain information and perform the identification and verification on the sending Customer/WIC and/or the receiving Customer/WIC, which shall at least include:

- a) the name of the sending Customer or WIC;
- b) the account number of the sending Customer or WIC;
- c) the address of the sending Customer or WIC;
- d) the identity document number, identification number, or place and date of birth of the sending Customer or WIC;
- e) the source of funds of the sending Customer or WIC;
- f) the name of the receiving Customer or WIC;
- g) the account number of the receiving Customer or WIC;
- h) the address of the receiving WIC;
- i) the amount of money and the type of currency; and
- j) transaction date.

- 2. submit information as referred to in number 1 to the Receiving Bank; and

- 3. document all Fund Transfer transactions;

- b. The Advising Bank shall forward the Fund Transfer messages and orders, as well as administer the information received from the Transferring Bank;
- c. The Receiving Bank shall ensure the completeness of the information of the sending Customer and the sending WIC as referred to in sub-paragraph a number 1;

- (2) For Fund Transfer activities within the territory of Indonesia, the Transferring Bank shall deliver in writing the required information within 3 (three) working days based on a written request from the Receiving Bank, and/or from the competent authority if the receiving Bank only obtains information on the account number or transaction reference number.

Article 52

- (1) In the event that there are several Fund Transfers from one sending Customer or WIC contained in one document which are addressed to several receiving Customers or WIC, the document must contain complete information regarding the sending Customer or WIC and complete information regarding the receiving Customers or WIC
- (2) The information as intended in paragraph (1) must be able to be tracked in the countries of the receiving Customers or WIC.
- (3) Banks shall be obligated to include the account numbers or transaction reference numbers of the sending Customer or WIC.

Article 53

The following parties shall be exempted from the provisions set out in Article 51:

- a. Fund Transfer using debit card, ATM card or credit card; or
- b. Fund Transfer conducted between PJKs and for the interest of the relevant PJKs.

Article 54

- (1) In the event that the information as referred to in Article 51 paragraph (1) sub-paragraph a number 1) is not fulfilled, the Transferring Bank shall refuse to conduct the Fund Transfer.
- (2) In the event that the Advising Bank and/or the Receiving Bank receive transfer orders from overseas Transferring Banks which are not completed with the information as referred to in Article 51 paragraph (1) sub-paragraph a number 1), the Advising Bank and/or the Receiving Bank may:
 - a. conduct the Fund Transfer;
 - b. Refuse to conduct the Fund Transfer; or
 - c. Suspend the Fund Transfer transaction,which shall be followed by adequate follow-up measures.
- (3) In determining the action referred to in paragraph (2), the Advising Bank and/or the Receiving Bank shall have risk-based policies and procedures.

Article 55

In the event there are Fund Transfers meeting the criteria of Suspicious Financial Transactions as referred to in the provisions of laws and regulations regarding the prevention and eradication of the crimes of Money Laundering and/or Terrorism Financing, Banks shall be obligated to report such Fund Transfers as Suspicious Financial Transactions to PPATK.

Part Eleven
Document Administration

Article 56

- (1) PJK shall be obligated to administer:
 - a. documents relating to the data of Customers or WIC for a minimum period of 5 (five) years as from:
 1. the expiry of business relationship or transactions with the Customers or WIC; or
 2. the finding of irregular transactions made for economic and/or business objectives;
 - b. documents relating to the financial transactions of Customer or WIC made with a period of time as stipulated in the Law concerning corporate documents.
- (2) Documents related to Customer or WIC data as referred to in paragraph (1) shall at least include:
 - a. the identity of the Customer or WIC including the supporting documents;
 - b. transaction information which shall include the type and amount of currency used, the date of the transaction order, the origin and destination of the transaction, and the account number associated with the transaction;
 - c. the results of analysis that has been done; and
 - d. correspondence with the Customer or WIC.
- (3) PJK shall be obligated to keep records and documents concerning the entire process of Suspicious Financial Transactions identification in accordance with the provisions of laws and regulations.
- (4) PJK shall be obligated to provide data, information, and/or documents administered when requested by OJK and/or other relevant authorities.

CHAPTER V
INTERNAL CONTROL

Article 57

- (1) PJK shall be obligated to have an effective internal control system.
- (2) The implementation of an effective internal control system shall be prove, among others, by:
 - a. having adequate internal policies, procedures and monitoring;
 - b. the existence of limitation of authority and responsibility of work unit related to the implementation of APU and PPT program; and
 - c. conducting independent checks to ensure the effective implementation of APU and PPT program.

CHAPTER VI
THE IMPLEMENTATION OF APU AND PPT PROGRAM IN OFFICE NETWORK AND
SUBSIDIARIES

Article 58

- (1) Financial group shall be obligated to apply APU and PPT program at all domestic and overseas office network and subsidiaries, and to monitor its implementation including:
 - a. information exchange policies and procedures for the purpose of CDD and risk management against money laundering and Terrorism Financing;
 - b. arrangements, in the compliance function, auditing function, and APU and PPT function at the group level which must obtain information regarding customer, accounts and transactions for APU and PPT purposes from all office networks and subsidiary; and
 - c. in conducting such information exchange, the financial group must have adequate provisions on information security.
- (2) All office networks and subsidiaries, domestic and overseas, shall implement the policies and procedures of the APU and PPT program as referred to in paragraph (1).
- (3) In the event that the country where offshore office and subsidiaries are domiciled as intended in paragraph (1) has a stricter APU and PPT rules than those stipulated in this OJK Regulation, such office and the subsidiary shall be subject to the provisions issued by the authority in the aforementioned country.
- (4) In the event that the country where the office and subsidiary office as referred to in paragraph (1) are domiciled has not complied with the FATF Recommendations or has complied with them but its APU and PPT program standards are more lenient than those stipulated in this OJK Regulation, such office and subsidiary shall implement the APU and PPT program as regulated in this OJK Regulation.
- (5) In the event that the application of APU and PPT program as regulated in this OJK Regulation results in the violation of the provisions of laws and regulations prevailing

in the country of domicile of the office and subsidiary, the officials of PJK overseas office shall inform the head office of PJK and OJK that the said PJK office cannot apply the APU and PPT programs as regulated in this OJK Regulation.

CHAPTER VI MANAGEMENT INFORMATION SYSTEM

Article 59

- (1) PJK shall be obligated to have an information system that can identify, analyze, monitor and provide effective reports on the characteristics of transactions conducted by Customers.
- (2) PJK shall be obligated to own and maintain a single customer identification file, which shall at least include information as referred to in Article 20 and Article 24 paragraph (1).
- (3) PJK shall be obligated to own and maintain WIC profile as referred to in Article 20 paragraph (2) sub-paragraph a.
- (4) The policies and procedures as referred to in Article 13 paragraph (2) must take the information technology factors potentially abused by Money Laundering or Terrorism Financing perpetrators into considerations.

BAB VII HUMAN RESOURCES AND TRAINING

Article 60

To prevent the use of PJK as a medium or target of Money Laundering and/or Terrorism Financing involving the internal party of the PJK, the PJK shall be obligated to implement:

- a. screening procedures for accepting new employees (pre employee screening); and
- b. recognition and monitoring of employee profiles.

Article 61

PJK shall be obligated to provide continuous training regarding:

- a. the application of the provisions of laws and regulations related to APU and PPT program;
- b. the techniques, methods and typologies of Money Laundering and/or Terrorism Financing; and
- c. the policies and procedures for the implementation of APU and PPT program and the roles and responsibilities of employees in preventing and eradicating Money Laundering and/or Terrorism Financing crimes.

CHAPTER VIII REPORTS

Article 62

- (1) PJK shall be obligated to submit to OJK:
 - a. action plan for the implementation of APU and PPT program by no later than the end of May 2017;
 - b. adjustment of policies and procedures for the implementation of APU and PPT program as referred to in Article 11 by no later than 6 (six) months following the promulgation of this OJK Regulation;
 - c. report on data updating activity plan as referred to in Article 44 paragraph (4) sub-paragraph b which shall be submitted annually by no later than the end of December; and
 - d. report on the realization of data updating as referred to in Article 44 paragraph (4) sub-paragraph c which shall be submitted annually by no later than the end of December.
- (2) In the event that the reporting date falls on a holiday, the reports shall be submitted on the following day.
- (3) In the event of any changes to the action plan, policies and procedures for the implementation of APU and PPT Program, report on data updating plan, which have been submitted to OJK as referred to in paragraph (1) sub-paragraph a, sub-paragraph b and sub-paragraph c, the PJK shall be obligated to submit the changes within 7 (seven) working days after the making of such changes.
- (4) The obligation of PJK to submit reports to OJK as referred to in paragraphs (1) and (2), may become part of the report on the performance of the duties of the Director in charge of the compliance function.

Article 63

- (1) PJK shall be obligated to submit Suspicious Financial Transaction report, Cash Financial Transaction reports and other reports to PPATK as stipulated in the provisions of laws and regulations governing the prevention and eradication of Money Laundering crime.
- (2) The obligation of PJK to submit Suspicious Financial Transaction report shall also apply to transactions suspected as being related to terrorism or Terrorism Financing activities.
- (3) The reports as referred to in paragraph (1) shall be submitted by referring to the provisions issued by PPATK.

CHAPTER IX
MISCELLANEOUS PROVISIONS

Article 64

PJK shall be obligated to cooperate with law enforcement agencies and relevant authority in combating Money Laundering and/or Terrorism Financing crimes.

CHAPTER X
SANCTIONS

Article 65

- (1) PJK that are late in submitting the reports as referred to in Article 62 and Article 63 shall be subject to administrative sanction in the form of fine, namely the obligation to pay an amount of money with the following details:
 - a. in the amount of Rp100,000.00 (one hundred thousand rupiah) per day of delay per report and in a maximum amount of Rp10,000,000.00 (ten million rupiah) for PJK in the form of commercial banks, securities companies, insurance companies, sharia insurance companies, insurance brokers, DPLK, infrastructure finance companies, LPEI, pawnbroker companies and investment managers; or
 - b. in the amount of Rp.50,000.00 (fifty thousand rupiah) per day of delay per report and in a maximum amount of Rp5,000,000.00 (five million rupiah) for PJK in the form of BPR, BPRS, financing company and PMV.
- (2) LKM and information technology-based money lending and borrowing service providers that are late in submitting reports as referred to in Article 62 and Article 63 shall be subject to administrative sanction in the form of written warning.

Article 66

- (1) Violation of the provisions as set out in this OJK Regulation other than violation of late submission of reports shall be subject to administrative sanctions in the form of:
 - a. written warning or reprimand;
 - b. fines in the form of obligation to pay an amount of money;
 - c. decrease of the soundness rating;
 - d. limitation of certain business activities;
 - e. suspension of certain business activities;
 - f. dismissal of the Bank's management and subsequently appointing a temporary replacement until the general meeting of shareholders or meetings

of cooperative members appoints permanent replacements with OJK approval; and/or

- g. inclusion of the members of the Board of Directors and members of the Board of Commissioners, employees of PJK, shareholders in the list of disgraceful persons in the financial services sector.
- (2) Sanctions as referred to in paragraph (1) sub-paragraph b, sub-paragraph c, sub-paragraph d, sub-paragraph e, sub-paragraph f, or sub-paragraph g may be imposed with or without prior imposition of sanction in the form of written warning as referred to in paragraph (1) sub-paragraph a.
 - (3) The fine as referred to in paragraph (1) sub-paragraph b may be imposed separately or together with the imposition of sanctions as referred to in paragraph (1) sub-paragraph c, sub-paragraph d, sub-paragraph e, sub-paragraph f, or sub-paragraph g.
 - (4) OJK may announce the imposition of administrative sanctions as referred to in paragraph (1) to the public.

BAB XI TRANSITIONAL PROVISIONS

Article 67

- (1) PJK which have already had policies and procedures for the implementation of APU and PPT Program shall be obligated to adjust such policies and procedures to this OJK Regulation, by no later than 6 (six) months following the promulgation of this OJK Regulation.
- (2) For LKM and information technology-based lending and borrowing service providers, the provisions of this OJK Regulation shall be applicable after 4 (four) years as of the date of the promulgation of this OJK Regulation.

CHAPTER XII CLOSING PROVISIONS

Article 68

Further provisions regarding the application of APU and PPT program in the financial services sector shall be set out in OJK Circulars.

Article 69

At the time this OJK Regulation comes into force, the provisions regarding the application of APU and PPT as set out in:

- a. Bank Indonesia Regulation Number [12/20/PBI/2010](#) concerning the Implementation of Anti Money Laundering and Counter Terrorism Financing Program for Rural Banks

and Sharia Rural Banks (State Gazette of the Republic of Indonesia Year 2012 Number 290, Supplement to State Gazette of the Republic of Indonesia Number 5385);

- b. Bank Indonesia Regulation Number [14/27/PBI/2012](#) concerning the Implementation of Anti Money Laundering and Counter-Terrorism Financing Program for Commercial Banks (State Gazette of the Republic of Indonesia Year 2012 Number 290, Supplement to State Gazette of the Republic of Indonesia Number 5385);
- c. OJK Regulation Number [22/POJK.04/2014](#) concerning Principles of Knowing-Your-Customers by Financial Service Provider in Capital Markets Sector (State Gazette of the Republic of Indonesia Year 2014 Number 353, Supplement to State Gazette of the Republic of Indonesia Number 5631); and
- d. OJK Regulation No. [39/POJK.05/2015](#) on the Implementation of Anti Money Laundering and Counter-Terrorism Financing Program by Providers of Financial Services in the Non-Bank Financial Industry Sector (State Gazette of the Republic of Indonesia Year 2015 Number 320, Supplement to State Gazette of the Republic of Indonesia Number 5790)

shall be revoked and declared null and void.

Article 70

This OJK Regulation shall come into effect on the date of its promulgation

For Public cognizance, it is hereby ordered that this OJK Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On March 16, 2017

CHAIRPERSON OF THE BOARD OF COMMISSIONERS OF INDONESIAN FINANCIAL SERVICES AUTHORITY,

Signed

MULIMAN D. HADAD

Promulgated in Jakarta
On March 21, 2017

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA

Signed

YASONNA H.LAOLY

THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2017 NUMBER 57

Issued as true copy

Director of Legal Affairs 1 of the Legal Affairs Department

Signed

Yuliana

ELUCIDATION
ON
REGULATION OF INDONESIAN FINANCIAL SERVICES AUTHORITY
NUMBER 12/POJK.01/2017
REGARDING
THE IMPLEMENTATION OF ANTI-MONEY LAUNDERING AND TERRORISM FINANCING
PREVENTION PROGRAM IN THE FINANCIAL SERVICES SECTOR

I. General

The existence of globalization in the financial services sector accompanied by the constant development of financial services products including its marketing (multi-channel marketing), conglomeration, as well as financial services industry activities and technology which continue to grow in complexity in the aspects of products, services, and use of information technology potentially increases the risk of the utilization of financial services industry as a Money Laundering and/or Terrorism Financing facility, by its various *modus operandi* which have become more and more diverse and developed.

In relation to that matter and in accordance with Article 5 of Law Number 21 Year 2011 regarding Indonesian Financial Services Authority, which emphasizes that OJK shall function to provide an integrated regulatory and supervision system towards all of activities in the financial services sector, it is necessary to have integrated regulations and supervision (including uniformity of regulation) in the implementation of Anti-Money Laundering and Terrorism Financing Prevention (APU and PPT) program by PJK conducting activities in the financial services sector.

In addition, integrated regulations and supervision in the implementation of APU and PPT program by PJK conducting activities in the financial services sector should be based on risk-based supervision (risk based approach) in accordance with international standards as recommended by The Financial Action Task Force on Money Laundering (FATF) which emphasize that the implementation of anti Money Laundering and counter Terrorism Financing regime needs to put forward risk-based approach in the drafting of policies and procedures. If the level of Money Laundering and/or Terrorism Financing risk is high, the policies and procedures stipulated will be stricter in comparison to if the level of Money Laundering and/or Terrorism Financing is lower.

In relation to the FATF Recommendations, OJK Regulations need to set out provisions on several FATF Recommendations including but not limited to provisions on the implementation of risk-based (risk approach) APU and PPT programs in the financial services sector, such as:

1. The obligation of PJK to conduct a TPPU and TPPT risk assessment relating to customers, countries or geographical areas, products, services, transactions, or distribution networks (delivery channels), serving as the basis of risk management and mitigation;
2. provisions on simple CDD in accordance with a separate risk assessment by PJK which is allowed to be implemented as long as:
 - a. It meets the criteria for customers or low risked transactions consistent with risk management; and
 - b. Simple CDD requirements are capable of managing the level of TPPU and/or TPPT threats which have been identified as of a low risked level.
3. simple CDD requirements shall not include Customers which based on statutory regulations are categorized as high risk Customers or transactions;
4. provisions on Politically Exposed Person (PEP), which consist of among others identification and verification of domestic PEP, foreign PEP, people authorized to conduct prominent functions in an international institution/organization, and members of the family of affiliates/ close affiliates of the PEP;
5. provisions on CDD on beneficiary of life insurance and other insurance-related products, among others the obligation to conduct verification of the identity of the beneficiary during life insurance claim payment; and
6. provisions on policies and procedures for the implementation of APU and PPT for Financial Conglomeration (financial group).

By applying APU AND PPT program in the financial services sector with international standards, PJK are expected to be able to carry out their activities in a healthy manner and with more global competitiveness so that at the end will push the growth of financial services industry nationally.

By this OJK Regulation, provisions relating to APU and PPT set out in every financial services sector, such as Banking, Capital Market, and Non-Bank Financial Industrial, are harmonized in an integrated manner including but not limited to among others differences in regulations in each financial services sector, the independence and responsibility of persons in charge of the implementation of APU and PPT program, supporting information and documents regarding the procedures for Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD), as well as the imposition of sanctions.

Considering the development of financial services products and facilities, which are intended to support government programs for increasing the public welfare and/or poverty alleviation, or to fulfill the public needs for financial service products and facilities using technology and information development, OJK Regulations may need to set out provisions on:

1. Direct (face to face) meeting and signing of documents by Prospective Customers or Customers for the purpose of CDD which are allowed to be conducted electronically through the system provided by PJK; and
2. Simple CDD procedures which are allowed if the purpose of account opening is related to Government programs for the purpose of increasing public welfare and/or poverty alleviation such as non-office financial services for the purpose of inclusive finance, student savings, and social aid to state ministries/ institutions.

In addition to the aforementioned matters, for the purpose of law enforcement especially in relation to the implementation of APU and PPT program in the financial services sector, this OJK Regulation also needs to set out provisions on the uniformity of sanctions for violations of this OJK Regulation by taking into account the size of PJK in each financial services sector whereby such sanctions are divided into sanctions in the form of penalties for the violation of reporting obligations and other sanctions for the violation of this OJK Regulation other than reporting obligations.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Sub-article a

Self-explanatory.

Sub-article b

Self-explanatory.

Sub-article c

Referred to as “periodically” is that it is conducted at least 1 (one) time in 1 (one) year or determined in accordance with the needs and risk assessment of PJK.

Sub-article d

Self-explanatory.

Article 3

Paragraph (1)

Approval of the Board of Directors is required for policies, supervision, and management and mitigation procedures of Money Laundering and Terrorism Financing risks which are technical in nature.

Approval of the Board of Commissioners is required for policies, supervision, and management and mitigation procedures of Money Laundering and Terrorism Financing which are strategic in nature.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 4

Self-explanatory.

Article 5

Self-explanatory.

Article 6

For branch offices of PJK located overseas, referred to as “Board of Directors” is the head of the branch office of the PJK located overseas which is the head of the PJK branch office and an official one level below the head of branch office.

Sub-article a

Self-explanatory.

Sub-article b

Further policies and procedures which are technical in nature, which are a further provision from the written policies and procedures which are strategic in nature, do not have to obtain approval from the Board of Commissioners, and approval from the Board of Directors is sufficient.

Sub-article c

Self-explanatory.

Sub-article d

The formation of a special work unit and/or the appointment of official as the person in charge of the implementation of APU and PPT

program shall be conducted in accordance with the needs, business complexity, and risk assessment of PJK.

Sub-article e

Self-explanatory.

Sub-article f

Self-explanatory.

Sub-article g

Referred to as “relevant work unit” shall be among others work unit which are related to, either directly or indirectly, Customers and/or WIC, such as customer services officer (front liner), marketing officer, officer related to the management and development of information technology, as well as internal audit.

Article 7

Sub-article a

Approval of policies and procedures on the implementation of APU and PPT programs by the Board of Commissioners, shall be only for written policies and procedures which are strategic in nature.

Sub-article b

Self-explanatory.

Sub-article c

The frequency of discussions relating to Money Laundering and Terrorism Financing at meetings of the Board of Directors and the Board of Commissioners is in accordance with the needs and risk assessment of each PJK.

Article 8

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Referred to as “adequate capacity” includes among others experience, knowledge including experiences and knowledge regarding the implementation of APU and PPT programs.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Sub-article a

Self-explanatory.

Sub-article b

Self-explanatory.

Sub-article c

Self-explanatory.

Sub-article d

Self-explanatory.

Sub-article e

Self-explanatory.

Sub-article f

Self-explanatory.

Sub-article g

Self-explanatory.

Sub-article h

Self-explanatory.

Sub-article i

Self-explanatory.

Sub-article j

Self-explanatory.

Sub-article k

Self-explanatory.

Sub-article l

Referred to as “conducting supervision relating to the implementation of APU and PPT programs towards the relevant work unit” is among others supervising whether the relevant work unit have conducted its functions and duties for the purpose of preparing a report regarding allegations of Suspicious Financial Transactions prior to delivering it to the special work unit or official in charge of the implementation of APU and PPT programs.

Sub-article m

Self-explanatory.

Sub-article n

Self-explanatory.

Sub-article o

Self-explanatory.

Sub-article p

Self-explanatory.

Sub-article q

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Sub-paragraph a

Policies and procedures related to the identification and verification of customers among others also include simple CDD, CDD by third parties, and EDD.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Sub-paragraph d

Self-explanatory.

Sub-paragraph e

Self-explanatory.

Sub-paragraph f

Self-explanatory.

Sub-paragraph g

Referred to as “senior official” is an official who has knowledge and/or experience on anti Money Laundering and/or counter Terrorism Financing for example head of divisions or head of department in the main office or heads in the branch office.

Sub-paragraph h

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Sub-article a

Self-explanatory.

Sub-article b

Referred to as “financial transactions in rupiah currency and/or foreign currency of which the nominal value must be at least or equivalent to Rp100.000.000,00 (one hundred million rupiah)”, includes transactions which are conducted in one transaction or conducted in several transactions which are appropriately suspected to be related.

Sub-article c

Self-explanatory.

Sub-article d

CDD Procedures which are conducted when there is an indication of Suspicious Financial Transaction which is related to Money Laundering and/or Terrorism Financing is conducted without taking into account the existence of exceptions of limitations of transaction value as regulated in this OJK Regulation.

Sub-article e

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Paragraph (1)

Self-explanatory.

Sub-paragraph a

For the purpose of Prospective Customer identification to discover the profile of the Prospective Customer, PJK may be represented by another party, under the condition that the other Party representing such PJK shall be obligated to know the basic principles of CDD.

Sub-paragraph b

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The implementation of face to face verification by way of electronic facilities owned by PJK may be conducted among others by video banking using devices owned by PJK which are directly online with officers from PJK.

Paragraph (4)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Referred to as “2 (two) authentication factors” shall be:

1. what you have, namely identity documents owned by the Prospective Customer which is electronic Identification Card (*Kartu Tanda Penduduk* or “KTP”); and
2. what you are, which is biometric data among others in the form of the Prospective Customer’s fingerprint.

Article 18

Paragraph (1)

The definition of fictitious accounts shall include Customer accounts using names which are not in accordance with what is stated in the identity documents of the relevant Customer.

Paragraph (2)

Self-explanatory.

Article 19

Self-explanatory.

Article 20

Paragraph (1)

Sub-paragraph a

Self-explanatory.

Number 1)

Letter a)

Self-explanatory.

Letter b)

Self-explanatory.

Letter c)

Information regarding other residential addresses is needed if the natural person Prospective Customer has residential address which is different from the address stated on the identification documents.

Letter d)

Self-explanatory.

Letter e)

Self-explanatory.

Letter f)

Self-explanatory.

Letter g)

Self-explanatory.

Letter h)

Self-explanatory.

Letter i)

Self-explanatory.

Number 2)

Self-explanatory.

Number 3)

Self-explanatory.

Number 4)

Self-explanatory.

Number 5)

Self-explanatory.

Sub-paragraph b

Number 1)

Self-explanatory.

Number 2)

The licenses shall include other licenses which are made equal with the licenses issued by the relevant authority.

Number 3)

Self-explanatory.

Number 4)

Self-explanatory.

Number 5)

Self-explanatory.

Number 6)

Self-explanatory.

Number 7)

Self-explanatory.

Number 8)

Self-explanatory.

Number 9)

Self-explanatory.

Sub-paragraph c

Referred to as “other legal arrangement” shall include among others trustees. Example: commercial banks acting as trustees (manager or receiver or trust assets).

Number 1)

Self-explanatory.

Number 2)

The licenses shall include other licenses which are made equal with the licenses issued by the authorized institution.

Number 3)

Self-explanatory.

Number 4)

Self-explanatory.

Number 5)

Self-explanatory.

Number 6)

Self-explanatory.

Number 7)

Self-explanatory.

Paragraph (2)

Sub-paragraph a

The provisions in this paragraph shall also apply to agents or parties who obtain power from a Customer to make transactions for the interest of the Customer whose transaction is categorized as unusual or suspicious.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Sub-paragraph d

Self-explanatory.

Article 21

Supporting documents for the identification of individual Prospective Customers who are of Indonesian nationality may be in the form of Identification Card (KTP), Driver's License (*Surat Izin Mengemudi* "SIM"), or valid passport. Whereas supporting documents for the identification of individual Prospective Customers who are of foreign nationality are passports equipped with Stay Permit in accordance with immigration provisions. Such supporting identification documents are also required for individuals appointed to act for and on behalf of the company. Stay Permit documents may be replaced by other documents which can convince PJK on the profile of such Prospective Customer with foreign nationality among other reference letters from:

- a. A person of Indonesian nationality or Indonesian company/institution/government regarding the profile of the Prospective Customer of foreign nationality; or
- b. PJK in the states or jurisdictions of the location of the Prospective Customer and such states or jurisdictions is not categorized as high-risked.

Signature specimen for Prospective individual Customers with Indonesian nationality shall include thumbprints or fingerprints.

Article 22

Paragraph (1)

Company identification documents may be in the form of, among others:

- a. the company's deed of establishment and/or articles of association; and
- b. business license or other licenses from a competent institution.

Example: business license as foreign exchange merchant, cash transmission business activity license, or business license from the ministry of forestry for business activities in the field of timber/forestry.

Sub-paragraph a

Referred to as "micro business and small businesses" are micro business and small business as referred to in the laws which regulation on micro business and small business.

Number 1)

Self-explanatory.

Number 2)

Self-explanatory.

Number 3)

Self-explanatory.

Sub-paragraph b

Number 1)

Description of company business activities covers information on business field, customer profile, address of business activity and phone number of business activity and company phone number.

Number 2)

Self-explanatory.

Number 3)

Self-explanatory.

Number 4)

Referred to as "members of the Board of Directors which are authorized to represent the company to conduct transactions

with PJK” are members of the Board of Directors which own a signature specimen (authorized signature).

Paragraph (2)

Self-explanatory.

Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Paragraph (1)

To ensure the veracity of the identity of the individual Customer, identification documents should constitute documents which contain a self-portrait which is issued by an authorized party with a valid period.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Referred to as “more than one identification documents” for example in addition to identity cards are passports or driver’s license.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Examples of business relationships or transactions before the verification process is conducted are transactions of stocks at stock exchanges which must be conducted as soon as possible by taking into account market conditions, whereby such stock transaction is made before the verification process is conducted.

Paragraph (8)

Self-explanatory.

Article 26

Self-explanatory.

Article 27

Self-explanatory.

Article 28

Paragraph (1)

Sub-paragraph a

natural person Beneficial Owner in this paragraph shall include natural person Beneficial Owner from the Prospective Customer which is a State Bodies or State Institution.

Number 1)

Self-explanatory.

Number 2)

Self-explanatory.

Number 3)

Self-explanatory.

Number 4)

Self-explanatory.

Sub-paragraph b

In the event the Customer or owner or end controller of a Corporation is an opened company and shall be obligated to conduct an information disclosure on the controller of such Corporation, or the majority affiliate is owned by such opened company, PJK does not need to conduct an identification and verification towards the shareholders or Beneficial Owner of such opened company. The relevant identification data may be obtained from the competent authority, from the Customer, or from another reliable source.

Number 1)

Self-explanatory.

Number 2)

Self-explanatory.

Number 3)

Referred to as “owner or end controller of the company, foundation or association (ultimate owner/ultimate controller” is individuals who according to the assessment of PJK has and/or conducts a final control to make a decision in the management of the company. The identification documents of the owner or end controller may be in the form of statement letter or other documents which contain information on the identity of the owner or end controller.

End controller of the Corporation may not be identified because the end controller of the Corporation may be very diverse therefore there are no natural person, both individually or jointly, control the Corporation through ownership.

Number 4)

Self-explanatory.

Number 5)

Self-explanatory.

Sub-paragraph c

Number 1)

Self-explanatory.

Number 2)

Self-explanatory.

Number 3)

Self-explanatory.

Number 4)

Self-explanatory.

Number 5)

Trust control may be conducted through ownership or capability to control.

Sub-paragraph d

Identity of the individual from other legal arrangements which has the same position as the trustee.

Paragraph (2)

Example of Corporation control through other forms is control through the capability to appoint or replace the Board of Directors of the Corporation.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 29

Self-explanatory.

Article 30

Paragraph (1)

Self-explanatory.

Paragraph (2)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Referred to as “products of high-risk financial services sector” among others are:

1. private banking;
2. anonymous transactions (including cash transactions);
or
3. payments accepted from an unrecognized or unrelated third party.

Sub-paragraph c

Examples of High Risk Countries among others consists of:

1. Jurisdictions which by organizations that conduct mutual assessment towards a state (such as : Financial Action Task Force on Money Laundering (FATF), Asia Pacific Group on Money Laundering (APG, Caribbean Financial Action Task Force (CFATF), Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), The Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG), The Grupo de Accion Financiera de Sudamerica (GAFISUD), Intergovernmental Anti-Money Laundering Group in Africa (GIABA) or Middle East & North Africa Financial Action Task Force (MENAFATF)) are identified as not implementing FATF Recommendation adequately;
2. States which are identified as not cooperative or Tax Haven by the Organization for Economic Cooperation and Development (OECD);
3. States with a low good governance as determined by the World Bank;
4. States with a high risk of corruption as identified in the Transparency International Corruption Perception Index;
5. States which are widely known to be a place which produces and center of narcotics trade;
6. States which are being imposed with sanctions, embargo, or its kind, among others by the United Nations; or

7. States or jurisdictions which are identified by a reliable institution, as a financier or supporter of terrorism activities, or which allow terrorist organization activities in its state.

Sub-paragraph d

Self-explanatory.

Sub-paragraph e

Self-explanatory.

Sub-paragraph f

Self-explanatory.

Sub-paragraph g

Self-explanatory.

Sub-paragraph h

Information on the party enlisted in the list of suspected terrorists and terrorist organizations may derive from:

1. the Police of the Republic of Indonesia;
2. United Nations Security Council Resolution 1267; or
3. other sources which are commonly used.

Sub-paragraph i

Self-explanatory.

Article 31

Paragraph (1)

Definition of PEP is not meant to cover parties from a mid or more junior level. Referred to as "international organization" among others are the International Monetary Fund (IMF), World Bank, United Nations (UN), Organization for Economic Co-operation and Development (OECD), Asian Development Bank (ADB), and Islamic Development Bank (IDB).

Paragraph (2)

The making of an individual list is purposed to simplify identification and monitoring.

Article 32

Paragraph (1)

Self-explanatory.

Paragraph (2)

“Senior official” is official with knowledge and experience on anti-Money Laundering and/or prevention of Terrorism Financing, for instance, head of division or head of section of the head office or head of branch office.

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

This provision is applicable for Customer whose status is converted from general Customer to PEP including new Customer identified as PEP.

Article 33

Self-explanatory.

Article 34

Referred to as “Family members of PEP” shall be the family members of PEP up to its second degree, either horizontal or vertical, namely:

1. biological/step/adopted parents;
2. biological/step/adopted siblings;
3. biological/step/adopted children;
4. biological/step/adopted grandfather or grandmother;
5. biological/step/adopted grandchildren;
6. biological/step/adopted siblings of the parents;
7. husband or wife;
8. in-laws;

9. husband or wife of biological/step/adopted children;
 10. grandfather or grandmother of the husband or wife;
 11. husband or wife of the biological/step/adopted grandchildren;
 12. biological/step/adopted siblings of the husband; or
 13. wife and husband or wife of the siblings,
- concerned.

Referred to as “Parties related to PEP” shall be, among others:

1. company owned or managed by PEP; or
2. parties which generally and known by the public to have a close relationship with PEP. For example driver, personal assistant, personal secretary.

Article 35

Self-explanatory.

Article 36

Referred to as “Relevant authority” shall be, among others, PPATK.

Article 37

Paragraph (1)

Sub-paragraph a

Name of individual of the beneficiary in the form of non-individual may be the name of the manager or person representing that non-individual.

Sub-paragraph b

Beneficiary based on characteristics, shall be, for example, husband or wife, or children at the time the insurance risk occurs.

Referred to as “Beneficiary by virtue of other methods” shall be, for example, beneficiary appointed by virtue of testament.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Referred to as “senior official” is official with knowledge and experience on anti-Money Laundering and/or prevention of Terrorism Financing, for instance head of division or head of section of the head office or head of branch office.

Article 40

Paragraph (1)

Including risk level of the Customer’s country of origin.

Sub-paragraph a

Referred to as “Account” is an account owned by the company which is used solely for periodic payment of salary of the company’s employees and/or the employee’s account which is used solely to receive payment of salary from the employer.

Sub-paragraph b

Identity of the company and Beneficial Owner of public company or issuer has been available as public document.

Sub-paragraph c

Self-explanatory.

Sub-paragraph d

Self-explanatory.

Sub-paragraph e

Referred to as “Government program for the development of welfare of the community and/or eradication of poverty” shall be, among others, Indonesia saving movement, financial service without office for inclusive finance, students’ saving, micro insurance, cattle business insurance, paddy business insurance, family prospect program (*program keluarga harapan* or PKH), and cash aid.

Sub-paragraph f

For example:

1. product or service marketing through telemarketing;
2. a Prospective Customer is a recipient of Securities in the context of employee stock ownership program (ESOP) from an issuer or publicly listed company.
3. a Prospective Customer is a party who orders stock at initial public offering up to Rp100.000.000,00 (one hundred million rupiah);
4. a participant of DPLK registered with the employer of independent participant who pays contribution to DPLK, the amount of which is up to 20% (twenty percent) from monthly earnings or more than 20% (twenty percent) from the earnings but does not exceed Rp5.000.000,00 (five million rupiah) per month;
5. insurance product which does not guarantee refund before or after the insurance period;
6. insurance product of which the total of its regular premium payment does not exceed Rp.25.000.000,00 (twenty five million rupiah);
7. an insurance product the regular premium payment of which, when annualized, is less than Rp25,000,000.00 (twenty-five million rupiah).
8. payment made by financing company or PMV of which the value does not exceed Rp50.000.000,00 (fifty million rupiah);
9. Prospective Customer and/or Customer in the form of public company;
10. the type of collateral in the form of household equipment or warehouse goods with nominal value up to Rp.20.000.000,00 (twenty million rupiah); and/or
11. nominal of loan or fund collection up to Rp20.000.000,00 (twenty million Rupiah).

Paragraph (2)

Self-explanatory.

Paragraph (3)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Sub-paragraph d

Other documents as replacement for identity document among others:

- a. identity card issued by the government which incorporates personal photo such as participant card issued by the government;
- b. identity document and reference letter from other Customer who knows the profile of Prospective Customer;
- c. reference letter from the sub-district or head of village of the domicile of the Prospective Customer which incorporates personal photo; or
- d. student identification card for Individual Prospective Customer who has not fulfilled the requirement to obtain citizen identity card together with identity document and approval letter from the parents or other party responsible for such Prospective Customer.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

The list to be made shall include, among others, information regarding the reason for risk determination resulting in the low-risk classification.

Paragraph (9)

Self-explanatory.

Article 41

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Referred to as “information” shall at least be in the form of information regarding full name as stated on identity card, address or place and date of birth, identity card number, and nationality of the Prospective Customer.

Sub-paragraph d

Self-explanatory.

Sub-paragraph e

Self-explanatory.

Paragraph (5)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Referred to as “competent authority” is:

- a. an authority at the place of origin of the financial group, which supervises the application of policies and procedures at the financial group level; and
- b. an authority at the place where a branch or subsidiary of the financial group is located.

Paragraph (6)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Article 42

Paragraph (1)

Sub-paragraph a

Self-explanatory.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Sub-paragraph d

Referred to as “shell bank” shall be a Bank which does not have physical presence in the territory where such Bank is incorporated and has obtained licenses, and is not affiliated

with any Financial Group of Financial Service which is the subject of effective consolidated supervision.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The obligation of PJK to continue conducting identification and verification process on Prospective Customer or WIC and Beneficial Owner is intended for the interest of the reporter of Suspicious Financial Transaction to the PPATK.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 43

Paragraph (1)

Announcement may be made in writing addressed to the Customer in accordance with the address stated in the database of PJK or announced in printed media, electronic media, or other media.

Paragraph (2)

Referred to as “settlement of remaining fund of the Customer” shall be among others in the form of delivery of the remaining fund to the Chancery Court.

Article 44

Paragraph (1)

Self-explanatory.

Paragraph (2)

Update of identity document shall, among others, be conducted if there is a financial transaction which fulfills the criteria of Suspicious Financial Transaction as referred to in the laws and regulations concerning the prevention and eradication of Money Laundering offence.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Report of data update shall include quantitative data and qualitative data.

Referred to as "Quantitative data" shall be, among others, statistic of total Customer of which the data has or has not been updated.

Referred to as "Qualitative data" shall be, among others, obstacles, efforts which have been conducted by PJK and progress of such efforts.

Paragraph (5)

Self-explanatory.

Article 45

Paragraph (1)

Self-explanatory.

Paragraph (2)

Referred to as "transaction which is inconsistent with the Customer's profile" us a transaction as regulated in the laws and regulations concerning the prevention and eradication of Money Laundering offence.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 46

Paragraph (1)

Referred to as “List of suspected terrorists and terrorist organizations” shall be the list issued by the Chief of the National Police of the Republic of Indonesia based on the stipulation of Central Jakarta district court.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Referred to as “Other information” shall be, among others, place and date of birth and address of the Customer.

Paragraph (4)

In blocking and reporting, PJK shall refer to the Joint Regulation on the Incorporation of Identity of a Person or Corporation in the List of Suspected Terrorist and Terrorist Organization and Automatic Blocking of Fund Owned by a Person or Corporation Listed in the List of Suspected Terrorist and Terrorist Organization.

Article 47

Paragraph (1)

Sub-paragraph a

Information regarding the profit of potential Receiving Bank and/or Successor Bank shall, among others, include the composition of members of Board of Directors and Board of Commissioners, business activity, and the output of such business.

Sub-paragraph b

In reviewing the reputation of Receiving Bank and/or Successor Bank, Bank shall review negative reputation, such as penalty which has been imposed by the authority to the Receiving Bank and/or Successor Bank relating to the breach of the authority’s provisions including provisions relating to FATF Recommendation, or Receiving Bank and/or Successor Bank is currently subject to investigation and/or rehabilitation process by competent authority with regard to Money Laundering and/or Terrorism Financing.

Sub-paragraph c

The level of implementation of APU and PPT program of a country may be observed from the level of risk of the country where such Bank is domiciled issued by FATF or Asia Pacific Group on Money Laundering (APG) on the possibility of the occurrence of Money Laundering and/or Terrorism Financing.

Sub-paragraph d

Referred to as “other relevant information” shall be, among others, regarding:

- a. ownership, control, and structure of the management, to ensure whether there is a PEP in the ownership competition or as the controller;
- b. financial position of the Receiving Bank and/or Successor Bank; and
- c. profile of parent company and subsidiaries.

Paragraph (2)

Competent domestic authority such as PPATK and Bank Indonesia, and overseas competent authority such as Financial Action Task Force on Money Laundering (FATF), Asia Pacific Group on Money Laundering (APG), and United Nations (UN).

Paragraph (3)

Referred to as “Senior official” shall be Executive Official who oversees commercial banks with knowledge and experience on anti-Money Laundering and/or prevention of Terrorism Financing, for instance head of division or head of section of the head office of a Bank or head of branch office of a Bank.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 48

Self-explanatory.

Article 49

Referred to as “Payable through account” shall be a correspondence account used directly by a third party to conduct transaction in the name of such third party.

Article 50

Sub-article a

Referred to as “Documentation activity” shall be as referred to in Article 47 of this OJK Regulation.

Sub-article b

Self-explanatory.

Sub-article c

Self-explanatory.

Article 51

Paragraph (1)

Sub-paragraph a

Referred to as “Transferring Bank” shall include Bank which engages in business activity as agent of the money transfer activity administrator.

Point 1)

Letter a)

Self-explanatory.

Letter b)

Self-explanatory.

Letter c)

Self-explanatory.

Letter d)

Referred to as “identification number” shall be, among others” unique numbers which identify the sending Customer/WIC from the Transferring Bank with information data managed by the Transferring Bank. In this matter, the identification number is different from transaction number.

Letter e)

Self-explanatory.

Letter f)

Self-explanatory.

Letter g)

Self-explanatory.

Letter h)

Self-explanatory.

Letter i)

Self-explanatory.

Letter j)

Self-explanatory.

Point 2)

Self-explanatory.

Point 3)

Referred to as “Documenting” shall be a documenting activity as referred to in Article 6 of this OJK Regulation.

Sub-paragraph b

Referred to as “Information” shall be information regarding the party who firstly issue Fund Transfer order.

Sub-paragraph c

Self-explanatory.

Paragraph (2)

Information or written demand may be in the form of executed letter or information or demand conveyed through other electronic media.

Referred to as “Relevant Authority” shall include law enforcement authority with due observance to the provisions of laws and regulations governing confidentiality of a Bank.

Article 52

Self-explanatory.

Article 53

Sub-article a

Self-explanatory.

Sub-article b

Referred to as “PJK” shall be as set out in the provisions of laws and regulations concerning the prevention and eradication of Money Laundering offence.

Article 54

Paragraph (1)

Self-explanatory.

Paragraph (2)

Referred to as “Sufficient follow-up action” shall be, among others, conducting stricter monitoring, reporting such as Suspicious Financial Transaction.

Paragraph (3)

Self-explanatory.

Article 55

Self-explanatory.

Article 56

Paragraph (1)

One of the purposes of document administration is to facilitate transaction reconstruction if requested by a competent authority.

Document may be administered in originals, copies, electronic form, microfilm, or document which pursuant to the applicable laws can be used as evidence.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 57

Paragraph (1)

In ensuring the effective implementation of APU and PPT program, PJK shall, among others, conduct compliance test (including the use of sample testing) on the policy and procedures relating to the implementation of APU and PPT program.

Paragraph (2)

Self-explanatory.

Article 58

Paragraph (1)

Self-explanatory.

Sub-paragraph a

Exchange of information may be in the form of: typology, methods, and profile of the customer.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Self-explanatory.

Paragraph (2)

Referred to as “Subsidiary” shall be subsidiary of which majority of the ownership is held by the Financial Group.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 59

Paragraph (1)

Information system owned must enable PJK to search for every individual transaction if necessary, whether for intern purpose and/or OJK, or in relation with law enforcement.

Paragraph (2)

Referred to as “Integrated Customer’s profile” shall be Customer which covers all accounts owned by one Customer in a PJK.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Example of the use of technology which may potentially be abused is the opening of an account and/or conducting transaction through post, facsimile, telephone, internet banking, and ATM.

Article 60

The use of PJK service as a media of Money Laundering and/or Terrorism Financing might also involve employees of that PJK itself. Accordingly, to prevent or detect the occurrence of alleged Money Laundering offence conducted through PJK, it is necessary to implement know your employee (KYE) which, among others, is through pre-employee screening, introduction and monitoring of profile which includes the employee’s characters, behavior, and lifestyle.

Article 61

Self-explanatory.

Article 62

Paragraph (1)

Sub-paragraph a

Action plan is steps of PJK to implement APU and PPT program with a time completion target for a certain period of time, which shall at least include the perfection of related infrastructure with information technology, preparation of human resources, and update program of Customers, WIC, and Beneficial Owner's data.

The Action Plan shall also include steps of PJK to conduct CDD on existing Customer based on its materiality and risks.

In the event that PJK has submitted action plan to OJK before the entry into force of this OJK Regulation, PJK shall only submit an adjustment of action plan for the implementation of APU and PPT program.

Sub-paragraph b

Self-explanatory.

Sub-paragraph c

Action plan of data update shall be prepared in accordance with assessment by PJK on the consistency of available data.

Such action plan shall be beneficial for PJK to monitor and report Suspicious Financial Transaction.

Sub-paragraph d

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 63

Self-explanatory.

Article 64

Cooperation with law enforcement as intended in this paragraph shall include the submission of document or information to the law enforcer relating to identity of the Customer allegedly conducting a criminal offence which is a predicate crime and Money Laundering offence in accordance with the provisions of laws and regulations.

Article 65

Self-explanatory.

Article 66

Self-explanatory.

Article 67

Self-explanatory.

Article 68

Self-explanatory.

Article 69

Self-explanatory.

Article 70

Self-explanatory.

SUPPLEMENT TO STATE GAZETTE OF REPUBLIC OF INDONESIA NUMBER 6035

Note

Source: LOOSE LEAF REGULATION OF THE CHAIRPERSON OF THE BOARD OF COMMISSIONERS OF INDONESIAN FINANCIAL SERVICES AUTHORITY YEAR 2017