

## **RUPIAH CURRENCY PROCESSING SERVICE PROVIDERS**

**(Circular of the Chief of Currency Processing Department of  
Bank Indonesia No. 18/25/DPU dated November 2, 2016)  
[Continued from Business News No. 8944 pages 42-48]**

3. To approve PJPUR's application for the opening of the branch office, Bank Indonesia:
  - a. checks administratively the completeness, truth and appropriateness of documents submitted by PJPUR; and
  - b. checks the location of PJPUR's branch office to verify the truth and appropriateness of the documents filed as well as to ensure operational preparedness, including the preparedness of facilities, infrastructures, human resources and security.
4. Besides the check as referred to in point 3, to approve the opening of PJPUR's branch office, Bank Indonesia also considers the assessment of the result of the supervision of PJPUR.
5. If the check as referred to in point 3 has been conducted, Bank Indonesia shall give a response by asking PJPUR to complete the documents of the application, approval of the application or rejection of the application.
6. Bank Indonesia's response as referred to in point 5 is given in writing no later than 30 (thirty) working days after receiving the documents of the application in a complete way.
7. The period of time as referred to in point 6 can be extended after Bank Indonesia notifies the applicant in writing.
8. PJPUR which has secured approval for the opening of branch office shall carry out its activities no later than 30 (thirty) days after receiving the approval from Bank Indonesia.
9. PJPUR shall report the operational activities of its branch office which has carried out its activities.
10. The report as referred to in point 9 shall be submitted:
  - a. no later than 10 (ten) days after the effective date of the opening of the branch office; and
  - b. along with the required documents, including evidence of the opening of the branch office and the cooperation agreement already signed.
11. PJPUR which has secured approval for the opening of branch office but has not carried out its

activities within a period of time as referred to in point 8 shall submit a written report to Bank Indonesia containing at least:

- a. description of planned cooperation with PJPUR service users; and
- b. description of obstacles leading to failure to carry out rupiah currency processing service activities at the branch office.

#### F. Status of Permit for Merger, Fusion, Split-Off/Spin Off or Acquisition

##### 1. Merger

In case of merger, the following provisions shall be applied:

- a. if PJPUR merges with other PJPUR, PJPUR resulting from the merger shall report the merger in writing to Bank Indonesia to continue rupiah currency processing service activities; and
- b. if PJPUR merges with BUJP, the following provisions shall be applied:
  - 1) if the result of the merger is PJPUR, PJPUR resulting from the merger shall report the merger in writing to Bank Indonesia to continue rupiah currency processing service activities; and
  - 2) if the result of the merger is BUJP, BUJP resulting from the merger shall receive a prior permit from Bank Indonesia to continue rupiah currency processing service activities.

##### 2. Fusion

In case of fusion, the company resulting from the fusion shall secure a prior permit from Bank Indonesia to carry out rupiah currency processing service activities.

##### 3. Split-off/Spin-off

- a. If PJPUR conducts split-off, the company resulting from the split-off shall secure a prior permit from Bank Indonesia to carry out rupiah currency processing service activities.
- b. If PJPUR conducts spin off, the following provisions shall be applied:
  - 1) PJPUR conducting spin off shall report the spin-off to Bank Indonesia in writing; and
  - 2) the company resulting from the spin off shall secure a prior permit from Bank Indonesia to carry out rupiah currency processing service activities.

##### 4. Acquisition

In case of acquisition as referred to in the law on limited liability company, the PJPUR acquired shall report the acquisition to Bank Indonesia in writing.

**G. Termination of the Activities of the Head Office and/or the Closure of Branch Office at the Request of the Head Office**

**1. Termination of the Activities of the Head Office**

- a. PJPUR shall inform in writing Bank Indonesia of a plan to terminate the business activities of the head office of PJPUR by mentioning reasons for the termination of the activities no later than 30 (thirty) days before the head office of PJPUR terminates its business activities.
- b. The termination as referred to in letter a shall follow the specimen letter as contained in Attachment V which is an integral part of Bank Indonesia Circular:
  - 1) the original of business permit as PJPUR;
  - 2) the original of approval of the opening of branch office, if any;
  - 3) a photocopy of the summary of the general meeting of shareholders regarding the termination of the activities of the head office of PJPUR; and
  - 4) a written statement with adequate duty stamp from the executive board and/or shareholders stating that the obligations related to PJPUR have been settled and in case of a lawsuit in the future it will become the responsibility of the executive board and shareholders.
- c. Bank Indonesia issues a decision on the revocation of business permit as PJPUR after the documents as referred to in letter b have been received by Bank Indonesia in a complete way.
- d. Bank Indonesia notifies in writing PJPUR of the issuance of a decision on the revocation of business permit as PJPUR as referred to in letter c.

**2. Closure of Branch Office**

- a. PJPUR notifies in writing Bank Indonesia of a plan to close the branch office of PJPUR by mentioning the reasons for the closure no later than 30 (thirty) days before the branch office of PJPUR has been closed.
- b. The notification as referred to in letter a follows the specimen letter as contained in Attachment VI which is an integral part of Bank Indonesia Circular and is accompanied by the following documents:
  - 1) a decision of the board of directors concerning the termination of the business activities of the branch office of PJPUR;

- 2) a written statement with adequate duty stamp from the board of directors stating that all obligations related to the business activities of the branch office of PJPUR are taken over by the head office of PJPUR; and
  - 3) the original of the approval letter of the opening of the branch office of PJPUR.
- c. Bank Indonesia issues a letter terminating the activities of the branch office after receiving the documents as referred to in letter b in a complete way.
  - d. Bank Indonesia notifies in writing PJPUR of the issuance of the letter terminating the activities of the branch office.

#### H. Inclusion in the List of PJPUR and Publication

Bank Indonesia makes a list PJPUR identities and publishes it through the Bank Indonesia website, among others.

### III. REALIZATION OF RUPIAH CURRENCY PROCESSING ACTIVITIES BY RUPIAH CURRENCY PROCESSING SERVICE PROVIDER

#### A. Standards of Facilities, and/or Infrastructures

1. PJPUR shall use facilities and/or infrastructures that meet the standard as contained in Attachment VII which is an integral part of Bank Indonesia Circular.
2. In case of a change in and/or addition of machines used for rupiah currency processing activities, PJPUR shall report it to Bank Indonesia.
3. Bank Indonesia can test the machines as referred to in point 2 and/or machines already used for currency processing activities.

#### B. Standard of Packing Rupiah Currency

In carrying out rupiah currency processing activities, PJPUR shall meet the standards of packing rupiah currency as contained in Attachment VIII which is an integral part of Bank Indonesia Circular.

#### C. Standard Quality of Rupiah Currency

1. To meet demand for rupiah currency in the community in circulation worthy condition, PJPUR shall meet the standard quality of rupiah currency set by Bank Indonesia.
2. The standard quality of rupiah currency as referred to in point 1 is sent by Bank Indonesia to banks and PJPUR through a written notification and/or other information media.

**D. New Information related to Company Profile**

1. PJPUR shall send new information related to company profile using the format of document as contained in Attachment IV which is an integral part of Bank Indonesia Circular.
2. The company profile as referred to in point 1 shall be sent every 6 (six) months since Bank Indonesia approved the application for a PJPUR permit and shall be signed by the official authorized to represent PJPUR.
3. The company profile as referred to in point 2 shall be sent no later than the 15th of the ensuing month. If the 15th falls on holiday the company profile shall be sent on the following working day.

**E. Registration of PJPUR Conducting the Transportation of Foreign Banknotes**

1. PJPUR holding a permit to provide services related to the distribution of rupiah currency, can transport foreign banknotes to or from the Indonesian customs area.
2. PJPUR planning to carry out the activity as referred to in point 1 shall file an application for registration to Bank Indonesia and the application shall be signed a member of the board of directors or an official authorized to represent PJPUR by observing Attachment IX which is an integral part of Bank Indonesia Circular.
3. If PJPUR has carried out the activity as referred to in point 1, the letter as referred to in point 2 shall be accompanied by a cooperation agreement with PJPUR service users.
4. Bank Indonesia sends a notification on the registration of PJPUR to conduct the transportation of foreign banknotes no later than 5 (five) working days after receiving the application for registration.

**F. Application of Risk Management**

1. PJPUR shall have and apply risk management effectively.

2. The application of risk management as referred to in point 1 shall be done at least through :
  - a. active supervision by the board of commissioners and the board of directors;
  - b. adequate policies and procedures;
  - c. adequate process of risk identification and mitigation; and
  - d. internal control.
3. The active supervision by the board of commissioners and the board of directors of PJPUR as referred to in point 2.a shall be done at least through :
  - a. evaluation done by the board of commissioners to the responsibility of the board of directors with the regard to the implementation of risk management policy; and
  - b. the adoption of written and comprehensive risk management policy and strategy.
4. The risk management policy and procedure as referred to in point r 2.b shall be done at least through:
  - a. a business continuity plan to ensure the continuation of rupiah currency processing service activities, covering preventive measure and contingency plan in case of emergency; and
  - b. identification of risks related to rupiah currency processing service activities.
5. PJPUR shall apply risk identification and mitigation process as referred to in point 2.c to risk factors of each type of rupiah currency processing service activity in accordance with its permit.
6. PJPUR shall apply an effective internal control system to the realization of business and operational activities at all organizational levels of PJPUR as referred to in point 2.d, covering at least :
  - a. authority and responsibility to monitor compliance with the risk management policy and procedure;
  - b. organizational structure depicting rupiah currency processing service activities clearly;
  - c. accurate and timely financial report and operational activity report;
  - d. adequate procedure to ensure PJPUR's compliance with the law and regulation; and
  - e. complete and adequate documentation of operational procedure, coverage, and audit find as well as response to audit result.
7. The assessment of internal control system in applying risk management as referred to in point 6 shall be done by the working unit of internal audit.

#### IV. SUPERVISION OF RUPIAH CURRENCY PROCESSING SERVICE PROVIDER

- A. Bank Indonesia supervises PJPUR with the aim of ensuring good governance in the provision of rupiah currency processing services by observing the law and regulation.
- B. The supervision of PJPUR covers indirect supervision and direct supervision.
- C. The indirect supervision as referred to in point B can be done through researches based on :
1. periodic report;
  2. incidental report;
  3. information;
  4. explanations;
  5. recording; and/or
  6. documents,
- obtained by Bank Indonesia from PJPUR and/or parties cooperating with PJPUR.
- D. The direct supervision as referred to in letter B is done through general audit and/or special audit.
- E. The general supervision as referred to in letter D covers at least:
1. fulfillment of Bank Indonesia provisions on rupiah currency processing, by observing at least the following aspects:
    - a. minimum service standard and consumer protection;
    - b. facilities and infrastructures;
    - c. human resources;
    - d. risk management and good governance;
    - e. rupiah currency processing service activities; and
    - f. business capacity, business volume, and market share.
  2. the truth of periodic report, incidental report, information, explanations, recording, and/or documents related to rupiah currency processing service activities sent to Bank Indonesia; and

3. application of internal management policy.

- F. The special audit as referred to in letter D can be done if according to the assessment by Bank Indonesia there are certain things that need to be followed up on, including to follow up on the result of general audit or at the request of the relevant authority.
- G. To conduct the direct supervision as referred to in letter D, PJPUR shall provide the auditor, among others, with :
1. data of activities, financial statement, and other supporting data;
  2. access to observe the operational activities and physical facilities related to its activities; and/or
  3. information, explanations, recording, and/or documents related to rupiah currency processing service activities.
- H. Bank Indonesia can nurture PJPUR by, among others, holding consultations to encourage a change or improvement in providing rupiah currency processing service.
- I. In conducting direct supervision of PJPUR, Bank Indonesia can assign other party to act for and on behalf of Bank Indonesia.
- J. The direct supervision conducted by Bank Indonesia and/or other party as referred to in letter I is accompanied by a letter of assignment from Bank Indonesia.
- K. The other party assigned to conduct direct supervision as referred to in letter I shall keep the secrecy of documents, data, remarks, report, information, and/or explanations obtained from the result of supervision.
- L. PJPUR is responsible for the truth of documents, data, information, reports, remarks, and/or explanations sent to Bank Indonesia.



## V. REPORT FROM RUPIAH CURRENCY PROCESSING SERVICE PROVIDER

A. The head office of PJPUR shall send reports to Bank Indonesia.

B. The reports as referred to in letter A cover:

### 1. Periodic Report

PJPUR shall send a right and complete periodic report to Bank Indonesia according to the specified time, namely:

a. report of rupiah currency processing service activities, covering:

1) Report of rupiah currency distribution;

2) Report of rupiah currency processing;

3) Report of keeping rupiah currency in the storage place; and/or

4) Report of replenishment, withdrawal, and/or monitoring of rupiah currency adequacy.

The format of the report is contained in Attachment X which is an integral part of Bank Indonesia Circular.

b. financial statement covering:

1) Report of financial position;

2) Profit/loss statement; and

3) Report of equity change.

The financial statement is the report of final position in the current year audited by an external auditor; and

c. report of audit result covers:

1) report of internal audit conducted by an independent auditing team, with a scope of audit covering at least compliance with the realization of PJPUR business process, fulfillment of training for human resources, and compliance with Bank Indonesia rules and internal rules; and

2) a report of audit conducted by PJPUR service users.

### 2. Incidental Reports

Incidental reports cover:

a. report of disruption to facilities and/or infrastructures and efforts made to deal with it, including :

- 1) failure in facilities and/or infrastructures used for rupiah currency processing service;
- 2) building fire;
- 3) robbery (inside/outside the building);
- 4) vehicle accident disrupting the operation of PJPUR; and/or
- 5) failure in handling emergency (disaster recovery plan and business continuity plan);

b. report of fraud containing at least the following information:

- 1) chronology; and
- 2) losses caused by the fraud happening to rupiah currency distribution, rupiah currency processing, keeping of rupiah currency in the storage place, or at the time of replenishing, withdrawing, and/or monitoring the adequacy of rupiah currency of ATM, CDM, and/or CRM; and

c. other reports requested by Bank Indonesia any time.

#### C. Period and procedure of submitting periodic reports

Period and procedure of submitting periodic reports as referred to in point B.1 are stipulated as follows:

1. report of rupiah currency processing service activities as referred to in point B.1.a shall be sent every month through the online reporting application system of Bank Indonesia no later than the 15th of the ensuing month. If the 15th falls on holiday, the report shall be submitted on the following working day;
2. the financial statement as referred to in point B.1.b shall be submitted every year through the online reporting application system of Bank Indonesia no later than June 30 of the ensuing month. If June 30 falls on holiday, the report shall be submitted on the following working day;
3. the report of rupiah currency processing service activities as referred to in point B.1.a and the financial statement as referred to in point B.1.b, shall be made in a consolidated way covering the reports of the head office and branch offices; and
4. the report of audit as referred to in point B.1.c shall be submitted every year through hard copy no later than June 30 of the ensuing year. If June 30 falls on holiday, the report shall be submitted on the following working.

D. The incidental reports as referred to in points B.2.a and B.2.b shall be submitted through hard copy no later than 14 (fourteen) days after the incident happens.

- E. If there has been online reporting application system of Bank Indonesia but disruption happens to the system, PJPUR shall send rupiah currency processing service activities as referred to in point B.1.a and the financial statement as referred to in point B.1.b in the form of hard copy and soft copy through the memory media, according to the period of submitting reports as referred to in points C.1 and C.2. PJPUR shall send another reports through the online reporting application system of Bank Indonesia if the system has returned to normal.
- F. If there has been no online reporting application system of Bank Indonesia, PJPUR shall submit rupiah currency processing service activities as referred to in point B.1.a and the financial statement as referred to in point B.1.b in the form of hard copy and soft copy through the memory media, according to the period of submitting reports as referred to in points C.1 and C.2.
- G. The reports as referred to in letter F shall be submitted from 07.30 to 16.00 Western Indonesian Time (WIB) and evidenced by receipt from Bank Indonesia.

## VI. CHANGE IN LICENSING DOCUMENTS

PJPUR shall inform Bank Indonesia of :

### A. Change in Name of Limited Liability Company

1. Notification on a change in the name of limited liability company shall be signed by a member of the board of directors or an official authorized to represent PJPUR using the format as contained in Attachment XI which is an integral part of Bank Indonesia Circular.
2. The notification as referred to in point 1 shall be accompanied by the following documents:
  - a. a photocopy of deeds of revision of articles of association;
  - b. a photocopy of approval of a change in articles of association from the authorized agency; and
  - c. a decision on the issuance of PJPUR permit and approval of the branch office of PJPUR.
3. If all requirements and documents as referred to in point 2 have been met and complete, Bank Indonesia shall issue a decision on a change in the name of PJPUR.

## B. A Change in the Board of Commissioners and/or the Board of Directors

1. Notification on a change in members of the board of commissioners and/or members of the board of directors shall be signed by a member of the board of directors or an official authorized to represent PJPUR using the format as contained in Attachment XII which is an integral part of Bank Indonesia Circular.
2. The notification as referred to in point 1 shall be accompanied by the following documents:
  - a. a photocopy of deeds of revision of articles of association;
  - b. a photocopy of approval of a change in articles of association from the authorized agency;
  - c. a photocopy of identity cards of new members of the board of commissioners and/or the board of directors;
  - d. a photocopy of valid limited/permanent permit of stay, for members of the board of commissioners and/or the board of directors of foreign nationality;
  - e. fiscal certificate approved by the authorized agency; and
  - f. the original of written statement from each member of the board of commissioners and/or the board of directors that they:
    - 1) have never been declared bankrupt or become members of the board of commissioners and/or the board of directors declared guilty of leading to a corporate body declared bankrupt within a period of 5 (five) years before the date of notification;
    - 2) have never been sentenced for committing a criminal offense in the banking sector, the financial sector and/or money laundering based a court decision with fixed legal force;
    - 3) have no bad debts according to data in the debtor information system on the date of notification; and
    - 4) are not put on the national blacklist of blank cheque/bilyet giro withdrawers administered by Bank Indonesia on the date of notification.
3. Bank Indonesia conducts a research after receiving complete documents as referred to in point 2.
4. If based on the research as referred to in point 3 Bank Indonesia finds irregularities, it will have the authority to ask PJPUR to replace members of the board of commissioners and the board of directors of PJPUR.

**C. A Change in the Address of the Head Office and Branch Office of PJPUR**

1. Notification on a change in the address of the head office and/or branch office is signed by a member of the board of directors or an official authorized to represent PJPUR using the format as contained in Attachment XIII which is an integral part of Bank Indonesia Circular.
2. Notification on a change in the address of the head office and/or branch office shall be accompanied by the following documents:
  - a. a photocopy of certificate of new domicile of PJPUR issued by the authorized agency;
  - b. a photocopy of document of ownership of business site under the name of PJPUR, a photocopy of rent contract, or other documents on the use of new business site;
  - c. a photocopy of blue print for the construction of new head office and/or branch office of PJPUR;
  - d. a written statement with adequate duty stamp signed by a member of the board of directors or an official authorized to represent PJPUR that the change in address does not reduce the operational capacity of PJPUR;
  - e. if a change in the address of the head office of PJPUR leads to a change in the domicile of legal entity, PJPUR shall submit:
    - 1) a photocopy of deeds of revision of articles of association; and
    - 2) a photocopy of approval of a change in articles of association from the authorized agency.
3. PJPUR can change the status of the head office of PJPUR into a branch office or the other way around by fulfilling the following conditions:
  - a. PJPUR notifies a change in the status of the head office to the branch office or the other way around;
  - b. the notification as referred to in letter a is accompanied by the reason behind and the aim of the status change, as well as document as referred to in point 2; and
  - c. a change in status of the head office to branch office of PJPUR can be made by observing operational preparedness including facilities, infrastructures, human resources, and security.
4. Bank Indonesia can check the location to ensure that the requirements as referred to in points 2 and 3 have been fulfilled.

5. New PJPUR can carry out operational activities in line with the change in address as referred to in points 2 and 3 after receiving notification from Bank Indonesia.

## VII. PROCEDURE OF IMPOSING SANCTIONS

- A. PJPUR violating provisions on rupiah currency processing service activities as provided for in Bank Indonesia Regulation concerning Rupiah Currency Processing Service Provider and this Circular of Bank Indonesia are subjected to administrative sanctions in the form of:
  1. written warning;
  2. temporary suspension of part or all of business activities; and/or
  3. revocation of permit.
- B. PJPUR operating a branch office without approval from Bank Indonesia is subjected to an administrative sanction in the form of temporary suspension of the branch office's activities.
- C. If PJPUR has not temporarily suspended the activities as referred to in letter B within 30 (thirty) days since the issuance of temporary suspension letter from Bank Indonesia, PJPUR is subjected to an administrative sanction in the form of revocation of permit.
- D. If PJPUR fails to submit a periodic report after the end of the deadline set by Bank Indonesia as referred to in point V.C, in addition to the sanction as referred to in letter A, it is also subjected to a sanction by paying Rp1,000,000.00 (one million rupiah) per report for each period.
- E. If Bank Indonesia finds fake rupiah currency in rupiah currency processing activities, Bank Indonesia shall impose a sanction on PJPUR by paying 5 (five) times as much as the total nominal value of falsified rupiah currency.
- F. Payments for the obligations as a result of sanctions are made to the appointed Bank Indonesia account.

- G. Parties subjected to sanctions for violating the obligation to submit reports, information, and/or data remain obliged to submit reports, information and/or data requested by Bank Indonesia.
- H. Besides imposing the administrative sanctions as referred to in letter A, Bank Indonesia can give information and/or recommendation to the related authority to impose a sanction on PJPUR if the sanction is the authority of the other authority.

#### VIII. CORRESPONDENCE

- A. Applications, reports and/or letters are sent in the Indonesian language to Bank Indonesia through the following address:
  - 1. Applicants or PJPUR filing applications as referred to in point II, new information related to company profile as referred to in point III, notification as referred to in point VI, and reports as referred to in point IX.D.1, shall submit them to:
 

Department of Money Management  
Bank Indonesia Office Complex, Building C floor 7  
Jalan M.H. Thamrin No. 2  
Jakarta 10350.
  - 2. PJPUR shall submit the report as referred to in point V to:
 

Department of Payment System Policy and Supervision  
Bank Indonesia Office Complex, Building D floor 8  
Jalan M.H. Thamrin No. 2  
Jakarta 10350.
- B. In case of a change in the addresses as referred to in letter A, Bank Indonesia will notify PJPUR of the change by mail and/or other media.

#### IX. TRANSITIONAL PROVISIONS

- A. BUJP that has established cooperation with PJPUR service users before this Bank Indonesia Regulation concerning Rupiah Currency Processing Service Provider takes effect shall soon file an application for

a PJPUR permit to Bank Indonesia no later than 9 (nine) months after this Bank Indonesia Regulation concerning Rupiah Currency Processing Service Provider takes effect.

- B. If BUJP that will file an application for the permit as referred to in letter A already has a branch office, the application for approval of the opening of the branch office can be filed along with the application for a permit to open a head office.
- C. Besides fulfilling the requirements as referred to in point II.A.2, BUJP as referred to in letter A shall also observe the following conditions:
1. a concept of the agreement as referred to in point II.A.2.b.4) shall be changed into a photocopy of agreement with PJPUR service users;
  2. PJPUR shall enclose a photocopy of insurance policy for rupiah currency processing service activities; and
  3. a photocopy of certificate of passing rupiah currency processing training from Bank Indonesia that must be owned by at least 10% (ten percent) as referred to in point II.A.2.b.3), calculated the number of human resources respectively at the head office and branch office conducting rupiah currency processing.
- D. BUJP that has established cooperation in rupiah currency processing service activities before this Bank Indonesia Regulation concerning Rupiah Currency Processing Service Provider takes effect, regardless of whether it has and has not filed an application for a permit shall:
1. submit the report as referred to in point V.B.1.a; and
  2. meet requirements related to the standard quality of rupiah currency in rupiah currency processing, security requirements, efficiency and risk mitigation and observe aspects of consumer protection.
- E. While the application for a permit as referred to in letter A is still under process, BUJP is allowed to represent the bank to pay and/or withdraw rupiah currency in Bank Indonesia.



- F. The implementation of the provisions as referred to in letter D serves as a consideration for Bank Indonesia to issue a permit to BUJP as PJPUR.

**X. CONCLUSION**

This Bank Indonesia Circular begins to take effect on November 2, 2016.

For public cognizance, this Bank Indonesia Circular shall be promulgated by placing it the State Gazette of the Republic of Indonesia.

Kindly be informed of it.

**BANK INDONESIA,**

**sgd.**

**SUHAEDI**

**THE CHIEF OF MONEY MANAGEMENT DEPARTMENT**

**Editor's note:**

**- Attachments are not carried for technical reasons.**

**(S)**