

PRESS RELEASE

FINTECH COMPANIES AND PAWNSHOPS SHOULD EASE FINANCIAL ACCESS FOR PUBLIC

Jakarta, February 14, 2017 — Financial Services Authority (OJK) regulations on financial technology (Fintech)—especially that concerning information-technology-based lending services—and on pawnshops, are designed to provide the public with easy access to loans or funding.

Firdaus Djaelani, OJK Chief Executive for Non-Bank Financial Industry (IKNB) Supervision, explained the goals of those regulations at an information dissemination event held in Jakarta, on Tuesday (Feb. 14). The event discussed OJK Regulation (POJK) No. 77/POJK.01/2016 on IT-based Lending Services and POJK No. 31/POJK.05/2016 on Pawnshops.

Firdaus said that both regulations were issued as guidelines on running sound IT-based Lending Services and Pawnshops and on protecting consumers who use these services.

The OJK produced both regulations (POJK No. 77/POJK.01/2016 and POJK No. 31/POJK.05/2016) as part of its ongoing efforts to promote and accelerate financial inclusion programs, in order to give more financial access to people from all walks of life, push economic growth, alleviate poverty, and create equal income distribution.

The peer-to-peer lending OJK regulation (POJK No. 77/POJK.01/2016) among others, regulates business activities, registration and licensing, risk mitigation, reporting, and good governance on the IT system.

“The OJK is working towards a more thorough and comprehensive regulatory framework on Fintech, so it would be able to regulate all aspects of Fintech services provision,” Firdaus said.

As for the OJK Regulation on Pawnshops, it regulates forms of legal entities and ownership, capital, registration or business licensing mechanisms, permitted business activities, reporting, and supervision and examination.

Since OJK Regulation No. 77/POJK.01/2016 on IT-based Lending Services issued in December 2016, one peer-to-peer lending business has officially been registered at the OJK and another two companies are applying for their registration at the Authority.

For OJK Regulation No. 31/POJK.05/2016 on Pawnshops that was introduced in July 2016, now three pawnshops are already registered at the OJK and one pawnshop has received its business license from the Authority.

The issuance of both OJK regulations also serves as the foundation for the OJK to reinforce its efforts to develop the fintech and pawnshop industries in Indonesia. The Authority has carried out the efforts internally by strengthening/organizing the working units assigned to handle licensing for, and supervision of the Fintech industry, and externally through closer cooperation with all stakeholders, including: the government, companies, associations, the Indonesian Chamber of Commerce and Industry (KADIN), universities, non-governmental organizations, et cetera. All of these efforts in particular aim to create a more favorable environment for Fintech companies and pawnshops.

For more information:

Dumoly F Pardede, Deputy Commissioner for the IKNB

Tel +62 21 2960 0000 dumoly.freddy@ojk.go.id www.ojk.go.id