

REGULATION OF THE FINANCIAL SERVICES AUTHORITY
REPUBLIC OF INDONESIA
NUMBER 8 YEAR 2023
CONCERNING
IMPLEMENTATION OF ANTI-MONEY LAUNDERING (AML), COUNTERING
TERRORISM FINANCING (CTF), AND COUNTERING PROLIFERATION FINANCING
(CPF) OF WEAPONS OF MASS DESTRUCTION PROGRAM IN THE FINANCIAL
SECTOR

BY THE BLESSINGS OF ALMIGHTY GOD
THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICES AUTHORITY,

- Considering:
- a. that in order to strengthen the prevention of money laundering, terrorism financing, and proliferation financing of weapons of mass destruction and to realize integrity in the financial services sector, the Financial Services Authority is committed to support regulations in accordance with the development of international principles governing the implementation of anti-laundering money, Countering Terrorism Financing, and Countering Proliferation Financing of weapons of mass destruction program;
 - b. that in order to realize the commitment to implement the program of anti-money laundering, Countering Terrorism Financing, and Countering Proliferation Financing of weapons of mass destruction, it is necessary to make adjustments to the development of laws and regulations in Indonesia that are directly or indirectly related to the implementation of the anti-money laundering, Countering Terrorism Financing, and Countering Proliferation Financing of weapons of mass destruction program in the financial services sector;
 - c. that considering the rapid and dynamic development of innovation and technology in the financial services sector, it is necessary to encourage the implementation of the use of information technology in the financial services sector while still paying attention to the aspects of security, confidentiality, and risk mitigation in preventing criminal act of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction;
 - d. that in response to the complex and dynamic development of the financial services sector as referred to in letters a, b, and c, the Financial Services Authority Regulation Number 12/POJK.01/2017 concerning Implementation of Anti-Money Laundering and Countering Terrorism Financing Program in the Financial Services Sector as has been amended by Financial Services Authority Regulation Number 23/POJK.01/2019 concerning Amendment to

Financial Services Authority Regulation Number 12/POJK.01/2017 concerning Implementation of Anti-Money Laundering and Countering Terrorism Financing Program in the Financial Services Sector obliges improvement, so it needs to be replaced;

- Observing:
- e. that based on the considerations referred to in letter a, letter b, letter c, and letter d, it is necessary to regulate a Financial Services Authority Regulation concerning Implementation of Anti-Money Laundering, Countering Terrorism Financing, and Countering Proliferation Financing of Weapons of Mass Destruction Programs in the Financial Services Sector;
1. Law Number 8 Year 2010 concerning the Prevention and Eradication of The Criminal Act of Money Laundering (State Gazette of the Republic of Indonesia of 2010 Number 122, Supplement to the State Gazette of the Republic of Indonesia Number 5164);
 2. Law Number 21 Year 2011 concerning the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253) as amended by Law Number 4 of 2023 concerning Development and Strengthening of the Financial Services Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
 3. Law Number 9 Year 2013 concerning Prevention and Eradication of The Criminal Act of Terrorism Financing (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 Issue: REGULATION OF THE FINANCIAL SERVICES AUTHORITY CONCERNING THE IMPLEMENTATION OF ANTI-MONEY LAUNDERING, COUNTERING TERRORISM FINANCING AND COUNTERING PROLIFERATION FINANCING OF WEAPONS OF MASS DESTRUCTION PROGRAM IN THE FINANCIAL SERVICES SECTOR.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Financial Services Authority Regulation what is meant by:

1. Financial Institution, hereinafter abbreviated as FI, is a financial service institution and/or party that is conducting business activities of raising funds,

channeling funds, and/or managing funds in the financial services sector.

2. Criminal Act of Money Laundering, hereinafter abbreviated as ML, is an ML, as referred to in the law regarding the prevention and eradication of money laundering.
3. Criminal Act of Terrorist Financing, hereinafter abbreviated as TF, is a TF, as referred to in the law regarding the prevention and eradication of Criminal Act of terrorism financing.
4. Proliferation Financing of Weapons of Mass Destruction, hereinafter abbreviated as PF, is a PF as regulated in the regulations concerning the proliferation financing of weapons of mass destruction.
5. Anti-Money Laundering, Countering the Terrorism Financing, and Countering the Proliferation Financing of Weapons of Mass Destruction, hereinafter abbreviated as AML, CTF, and CPF, are prevention and eradication measures of ML, TF, and/or PF.
6. List of Suspected Terrorists and Terrorist Organizations, hereinafter abbreviated as a TF List, is a list of names of suspected terrorists and terrorist organizations, as referred to in the laws and regulations regarding the prevention and eradication of TF.
7. List of Proliferation Financing of Weapons of Mass Destruction, hereinafter abbreviated as a PF List, is a list of names of suspected PF actors, as referred to in the laws and regulations regarding the prevention and eradication of PF.
8. Freeze is freezing, as regulated in the laws and regulations regarding the prevention and eradication of ML, TF, and/or PF.
9. Prospective Customer is a party that will use the services of the FI.
10. Customer is a party that uses the services of the FI.
11. Walk in Customer, hereinafter abbreviated as WIC, is a party that uses bank services but does not have an account at the bank, excluding the party who receives an order or an assignment from the Customer to carry out transactions on behalf of the Customer.
12. Customer Due Diligence, hereinafter abbreviated as CDD, is an activity in the form of identification, verification and monitoring that is carried out by the FI to ensure that the transactions conform to the profile, characteristics and/or transaction pattern of the Prospective Customer, Customer or WIC.
13. Politically Exposed Person, hereinafter abbreviated as PEP, is an individual who is or has been entrusted with

prominent functions, which is not intended for middle or lower levels.

14. Enhanced Due Diligence, hereinafter abbreviated as EDD, is a more in-depth CDD action that is carried out by the FI towards Prospective Customer, WIC, or Customer, who is at High-Risk, including PEP and/or in high-risk area.
15. High-Risk Customer is a customer who, based on their background, identity, history, and/or the results of a risk assessment conducted by the FI, have a High-Risk of engaging in activities related to Criminal Act of ML, TF, and/or PF.
16. High-Risk Country is a country or territory that has the potential to be used as a place or facility for crimes or predicate crimes of ML, TF, and/or PF.
17. Suspicious Transaction is a suspicious transaction related to ML, TF, and/or PF.
18. Cash Transaction is a cash transaction related to ML, TF, and/or PF.
19. The Board of Directors of the FI or an Organ Equivalent to the Board of Directors in a Legal Entity of the FI, hereinafter referred to as the Board of Directors, is an organ that performs the management function of the FI in accordance with the purposes and objectives of each FI and represents the FI, both inside and outside the court in accordance with the provisions of the articles of association, or a head of branch office and an officer one level below the head of a branch office for the FI with the status of a branch office of the FI domiciled overseas.
20. The Board of Commissioners of the FI or an Organ Equivalent to the Board of Commissioners in the FI Legal Entity, hereinafter referred to as the Board of Commissioners, is an organ in each FI whose role is to carry out general and/or special supervisory functions in accordance with the articles of association and provide advice to the Board of Directors, or the party appointed to carry out the oversight function for the FI with status as a branch office of the FI domiciled overseas.
21. Beneficial Owner is the natural person who is entitled to and/or received certain benefits related to the Customer's account, is the actual owner of the funds and/or securities placed at the FI (ultimately own account), controls the Customer's transactions, provides the power to conduct transactions, controls a legal person or other legal arrangement, and/or is the ultimate controller of transactions that are carried out through a legal entity or based on an agreement.
22. Legal Person is an individual legal company, a group of people, and/or an organized group, whether it is a legal entity or not a legal entity.

23. Financial Action Task Force, hereinafter abbreviated as FATF, is an international body that aims to establish international standards in the prevention and eradication of ML, TF, and/or PF as well as other matters that threaten the integrity of the international financial system.
24. FATF recommendations are recommendations issued by FATF and are standards for the prevention and eradication of ML, TF, and/or PF.
25. Correspondent Banking is the activity of a bank (correspondent) in providing services to other bank (respondent) based on a written agreement in providing payment services and other banking services.
26. Cross Border Correspondent Banking is Correspondent Banking where one of the positions of the correspondent bank or the respondent bank is outside the territory of the Republic of Indonesia.
27. Fund Transfer is a Fund Transfer, as referred to in the law regarding Fund Transfer.
28. Ordering Bank is a bank that sends Fund Transfer orders.
29. Intermediary Bank is a bank that forwards Funds Transfer orders from Ordering Bank.
30. Recipient Bank is a bank that receives Fund Transfer orders.
31. Financial Conglomerate is a Financial Institution that is in 1 (one) group or groups due to ownership and/or control relatedness.

Article 2

- (1) The FI, as referred to in Article 1 point 1, consists of:
 - a. bank;
 - b. securities company;
 - c. investment manager;
 - d. custodian;
 - e. trustee;
 - f. provider of securities offerings through information technology-based crowdfunding services;
 - g. insurance company;
 - h. insurance brokerage firm;
 - i. financial institution pension fund;
 - j. financing company;
 - k. venture capital company;
 - l. infrastructure financing company;
 - m. Indonesian export financing institutions;
 - n. pawn company;
 - o. microfinance institution;
 - p. financial technology peer-to-peer lending (Fintech P2PL) provider;

- q. Information technology-based financial transaction service provider or financial sector technology innovation provider; and
 - r. other financial service institution and/or a party that is conducting business activities of raising funds, channeling funds, and managing funds in the financial services sector, as well as those declared to be supervised by the Financial Services Authority, based on laws and regulations,
- both conventional and Islamic Law principles.
- (2) The PEP, as referred to in Article 1 point 13, includes:
- a. a foreign PEP is an individual who is or has been entrusted with prominent functions by other foreign country, such as head of state or government, senior politician, senior government, judicial or military official or official in the field of law enforcement, senior executive of state-owned corporation, important political party official;
 - b. a domestic PEP is an individual who is or has been entrusted with prominent function by the state, such as a head of state or government, senior politician, senior government, judicial or military official, senior executive of stated-owned corporation, important political party official; and
 - c. a person who is or has been entrusted with prominent functions by an international organization, such as senior management which include but are not limited to director, deputy director, and member of the board or equivalent functions.

CHAPTER II

THE OBLIGATION TO IMPLEMENT THE AML, CTF AND CPF PROGRAMS IN THE FINANCIAL SERVICES SECTOR

Article 3

The FI is obliged to implement effective AML, CTF, and CPF programs in consideration of the ML, TF, and/or PF risks, as well as the activities, business scale, business complexity, and/or business characteristics of the FI, which include:

- a. active supervision of the Board of Directors and Board of Commissioners;
- b. policies and procedures;
- c. internal control;
- d. management information system; and
- e. human resources and training.

Article 4

- (1) The FI is obliged to identify, assess, and understand the risks of ML, TF, and/or PF to Customers, countries or geographic areas, products, services, transactions or delivery channels.
- (2) In carrying out the obligations, as referred to in paragraph (1), the FI is obliged to:
 - a. documenting the risk assessment in the form of ML, TF, and/or PF risk assessment documents that have been prepared individually by the FI;
 - b. considering all relevant risk factors before determining the overall risk level as well as the appropriate level and type of mitigation to be applied;
 - c. updating the risk assessment 1 (one) time in 1 (one) year; and
 - d. possessing appropriate mechanism to provide risk assessment information to the authorized institution.
- (3) In the event that according to the needs of the FI based on the risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or major events or developments in the management and operations of the FI, the risk updates, as referred to in paragraph (2) letter c can be carried out more than 1 (one) time.
- (4) The risk assessment, as referred to in paragraph (1), is obliged to refer to Indonesia's risk assessment of ML, TF, and/or PF nationally and sectorally.
- (5) The FI is obliged to submit ML, TF, and/or PF risk assessment documents that have been prepared individually, as referred to in paragraph (2) letter a, to the Financial Services Authority, 1 (one) time in 1 (one) year.
- (6) In the event that it is in accordance with the needs of the FI based on the risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or major events or developments in the management and operations of the FI, submission of ML risk assessment documents, TF, and/or PF, as referred to in paragraph (5), may be carried out more than 1 (one) time.
- (7) ML, TF, and/or PF risk assessment documents, as referred to in paragraph (5), are prepared in the format as listed in Appendix which is an integral part of this Financial Services Authority Regulation.

Article 5

- (1) The FI is obliged to have policies, supervision, and procedures for managing and mitigating the risks of ML, TF, and/or PF that are able to manage and mitigate

identified risks that are approved by the Board of Commissioners.

- (2) The FI is obliged to monitor the implementation of policies, supervision, and procedures, as referred to in paragraph (1), and evaluate their implementation.
- (3) In the event that a higher risk is identified, the FI is obliged to take enhanced measures to manage and mitigate the risk.

Article 6

- (1) The FI is obliged to manage and mitigate risks that have been identified based on the risk assessment, as referred to in Article 4.
- (2) The obligations, as referred to in paragraph (1) are part of the overall implementation of FI risks management.

Article 7

- (1) The FI that violates the provisions, as referred to in Article 3, Article 4 paragraph (1), paragraph (2), paragraph (4), paragraph (5), Article 5, and/or Article 6 paragraph (1), is subject to administrative sanction in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a monetary fine;
 - c. restriction on certain business activities;
 - d. lowering the forming factors in the assessment of the FI's soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.
- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1) to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1), does not eliminate the FI's obligation to continue implementing the provisions, as referred to in Article 3, Article 4 paragraph (1), paragraph (2), paragraph (4), paragraph (5), Article 5, and/or Article 6 paragraph (1).

CHAPTER III

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

Part One

Active Supervision of the Board of Directors

Article 8

- (1) Active supervision of the Board of Directors, as referred to in Article 3 letter a, the least:

- a. proposing written policies and procedures regarding the implementation of the AML, CTF and CPF programs to the Board of Commissioners;
 - b. ensuring that the implementation of the AML, CTF, and CPF programs is carried out in accordance with the established written policies and procedures;
 - c. establishing a special working unit and/or appoint an official who is responsible for the implementation of the AML, CTF, and CPF programs;
 - d. supervising the working unit's compliance in implementing the AML, CTF, and CPF programs;
 - e. ensuring that the written policies and procedures regarding the implementation of the AML, CTF, and CPF programs are in line with changes and developments in products, services, and technology in the financial services sector and in accordance with the development of ML, TF, and/or PF modus;
 - f. ensuring an official and/or employee, especially an employee from a related working unit and new employee, has attended a training related to the implementation of the AML, CTF, and CPF programs 1 (one) time in 1 (one) year; and
 - g. ensuring that there is a discussion regarding the implementation of the AML, CTF, and CPF programs at the Board of Directors meeting.
- (2) In the event that there is a need for the FI based on a risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or major events or developments in the management and operations of the FI, training related to program implementation AML, CTF, and CPF, as referred to in paragraph (1) letter f can be carried out more than 1 (one) time.

Part Two

Active Supervision by the Board of Commissioners

Article 9

Active supervision of the Board of Commissioners, as referred to in Article 3 letter a, the least:

- a. ensuring that the FI has policies and procedures for implementing the AML, CTF, and CPF programs;
- b. providing approval for the policies and procedures for implementing the AML, CTF, and CPF programs proposed by the Board of Directors;
- c. evaluating the policies and procedures for implementing the AML, CTF, and CPF programs;
- d. supervising the implementation of the responsibilities of the Board of Directors regarding the implementation of the AML, CTF, and CPF programs; and

- e. ensuring that there is a discussion regarding the implementation of the AML, CTF, and CPF programs in the Board of Directors and Board of Commissioners meeting.

Part Three

Person in Charge of the Implementation of the AML, CTF, and CPF Programs

Paragraph 1

General

Article 10

- (1) The FI is obliged to have compliance management arrangements for the implementation of the AML, CTF, and CPF programs, including the appointment of a compliance officer at the management level.
- (2) As part of the compliance management arrangements for the implementation of the AML, CTF, and CPF programs, as referred to in paragraph (1), the FI is obliged to establish a special working unit and/or appoint an officer as the person in charge of implementing the AML, CTF, and CPF programs, at the head office and branch office.
- (3) Appointment of person in charge of implementing the AML, CTF, and CPF programs, as referred to in paragraph (2), is carried out in accordance with the needs of the FI based on the risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or if there is a major event or development in the management and operations of the FI.

Article 11

- (1) The special working unit and/or an appointed officer, as referred to in Article 10 paragraph (2), is determined as part of the FI's organizational structure and is responsible to the Board of Directors.
- (2) Person in charge of implementing the AML, CTF, and CPF programs, as referred to in Article 10 paragraph (2), for a bank, securities company, investment manager, insurance company, infrastructure financing company, Indonesian export financing institution, and information technology-based lending service provider is under one member of the Board of Directors in charge of the compliance function.
- (3) Person in charge of implementing the AML, CTF, and CPF programs, as referred to in Article 10 paragraph (2), for crowdfunding service provider, insurance brokerage company, financial institution pension fund, multi-finance company, venture capital company, pawn company, microfinance institution, and the provider of

technological innovation in the financial sector is under a member of the Board of Directors.

- (4) In the event that the FI is a custodian, trustee, and/or a pension fund of a financial institution that is a business unit of the FI, the person in charge of implementing the AML, CTF, and CPF programs may also be the person in charge of implementing the AML, CTF, and CPF programs in the FI.
- (5) The FI is obliged to ensure that the special working unit and/or an officer responsible for the implementation of the AML, CTF, and CPF programs, as referred to in paragraph (1), has sufficient capacity and the authority to access all Customer data and other related information.

Paragraph 2 Special Working Unit

Article 12

In the event that the FI forms a special working unit as the person in charge of implementing the AML, CTF, and CPF programs, as referred to in Article 10 paragraph (2), the special working unit must fulfill the following provisions:

- a. consists of at least 1 (one) employee who acts as a leader and 1 (one) employee who acts as an executor;
- b. the leader and executor in the special working unit does not concurrently hold other functions;
- c. the head of the special working unit is determined and appointed by the Board of Directors;
- d. is under the direct coordination of the Board of Directors in the organizational structure of the FI; and
- e. is independent from other functions.

Paragraph 3 Assignment Officer

Article 13

- (1) In the event that the FI assigns an officer as the person in charge of implementing the AML, CTF, and CPF programs, as referred to in Article 10 paragraph (2), the concerned officer must be determined and appointed by the Board of Directors and can only concurrently carry out the risk management function and/or compliance function.
- (2) In the event that the FI in the form of a securities company, investment manager, custodian, and/or trustee has an officer in charge of the AML, CTF, and CPF programs who concurrently carries out the compliance function, as referred to in paragraph (1), the concerned officer must be separated from the internal audit function.

Paragraph 4
Duties and Authorities

Article 14

- (1) The person in charge of implementing the AML, CTF, and CPF programs, as referred to in Article 10 paragraph (2), has duties including:
 - a. periodically analyzing the risk assessment of ML, TF, and/or PF related to their Customers, countries or geographic areas, products, services, transactions or delivery channels, 1 (one) time in 1 (one) year;
 - b. preparing, updating, and proposing policies and procedures for implementing the AML, CTF, and CPF programs that have been prepared to manage and mitigate risks based on the risk assessment as referred to in letter a, for the Board of Directors' consideration;
 - c. ensuring that there is a system that can identify, analyze, monitor and provide effective report related to the profile, characteristics, or patterns of transactions carried out by the Customer;
 - d. ensuring that the policies and procedures prepared, as referred to in letter b, are in accordance with the changes and developments which include, among others, products, services and technology in the financial services sector, activities, business scale, business complexity, business characteristics, FI transaction volume, and/or ML, TF, and/or PF modus;
 - e. ensuring that the forms related to the Customer have accommodated the data needed in the implementation of the AML, CTF, and CPF programs;
 - f. monitoring the Customer's account and the execution of the Customer's transactions;
 - g. evaluating the results of monitoring and analysis of customer transactions to ascertain whether or not there is Suspicious Transaction, Cash Transaction, and/or financial transactions of fund transfers to and from overseas;
 - h. administering the monitoring and evaluation results;
 - i. ensuring the update of customer data and profiles as well as customer transaction data and profiles;
 - j. ensuring business activities that have a High-Risk of ML, TF, and/or CPF are effectively identified in accordance with the FI's policies and procedures and the provisions, as referred to in this Financial Services Authority Regulation;
 - k. ensuring that there is a good communication mechanism from each related working unit to special

- working unit or an officer that is responsible for the implementation of the AML, CTF, and CPF programs by maintaining the confidentiality of information and considering the anti-tipping-off provisions;
- l. conducting supervision related to the implementation of the AML, CTF, and CPF programs to related working unit;
 - m. ensuring the identification of high-risk areas related to the implementation of the AML, CTF, and CPF programs with reference to the laws and regulations and adequate sources of information;
 - n. receiving, performing analysis, and preparing report on Suspicious Transactions and/or Cash Transactions submitted by working unit;
 - o. preparing report on Suspicious Transactions, Cash Transactions, and/or financial transactions on transfers of funds from and to overseas;
 - p. monitoring regularly and ensuring that the follow-up of TF List and PF List is in accordance with the laws and regulation regarding the prevention and eradication of TF and regulation regarding the prevention and eradication of PF;
 - q. monitoring, analyzing, and recommending training needs related to the implementation of the AML, CTF, and CPF programs for FI's officer and/or employee;
 - r. ensuring that all activities for the implementation of the AML, CTF, and CPF programs are carried out properly; and
 - s. performing other tasks for the implementation of the AML, CTF, and CPF programs.
- (2) In the event that it is in accordance with the needs of the FI based on the risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or major events or developments in the management and operations of the FI, implementation of ML risk assessment analysis, TF, and/or PF, as referred to in paragraph (1) letter a, can be done more than 1 (one) time.

Article 15

The person in charge of implementing the AML, CTF and CPF programs, as referred to in Article 10 paragraph (2), has the authority to:

- a. obtaining access to the required information in all organizational unit of the FI;
- b. coordinating and monitoring the implementation of the AML, CTF, and CPF programs by the relevant working unit;

- c. proposing an officer and/or employee of the related working unit to assist in the implementation of the AML, CTF, and CPF programs;
- d. reporting Suspicious Transactions, Cash Transactions, and/or Fund Transfer financial transactions from and to overseas including those carried out by the Board of Directors, Board of Commissioners, and/or parties affiliated with the Board of Directors or Board of Commissioners, directly to the Financial Transaction Reports and Analysis Center; and
- e. performing other authorities for the implementation of the AML, CTF, and CPF programs.

Article 16

- (1) The FI that violates the provisions, as referred to in Article 10 paragraph (1), paragraph (2), and/or Article 11 paragraph (5), is subject to administrative sanction in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a monetary fine;
 - c. restrictions on certain business activities;
 - d. lowering the forming factors in the assessment of the soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.
- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1), to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1), does not eliminate the FI's obligation to continue implementing the provisions, as referred to in Article 10 paragraph (1), paragraph (2), and/or Article 11 paragraph (5).

CHAPTER IV POLICIES AND PROCEDURES

Article 17

- (1) The FI is obliged to have policies and procedures, as referred to in Article 3 letter b, to manage and mitigate the risks of ML, TF, and/or PF which are identified according to the risk assessment.
- (2) The policies and procedures, as referred to in paragraph (1), are obliged to be set forth in writing, and could be accompanied by a flowchart and an explanation of each stage of the procedure in the flowchart.

- (3) The FI is obliged to conduct a review of the existing written policies and procedures, as referred to in paragraph (1), 1 (one) time in 1 (one) year.
- (4) In the event that it is in accordance with the needs of the FI based on the risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or major events or developments in the management and operations of the FI, the review, as referred to in paragraph (3), can be done more than 1 (one) time.
- (5) In the event that the FI needs to make changes to existing policies and procedures based on the review that has been carried out, as referred to in paragraph (3), the FI is obliged to make changes to policies and procedures no later than 6 (six) months from the results of the review.
- (6) The policies and procedures for implementing the AML, CTF, and CPF programs, as referred to in paragraph (1) including:
 - a. identification and verification of the Customer;
 - b. identification and verification of Beneficial Owner;
 - c. rejection of transactions and termination of business relationships;
 - d. sustainable ML, TF, and/or PF risk management for Customers, countries, products, and services as well as delivery channels;
 - e. maintenance of accurate data related to transactions, administration of CDD processes, as well as administration of policies and procedures;
 - f. updating and monitoring;
 - g. reporting to senior officer, the Board of Directors and the Board of Commissioners on the implementation of policies and procedures for implementing the AML, CTF, and CPF programs; and
 - h. reporting to the Center for Financial Transaction Reports and Analysis.
- (7) The policies and procedures, as referred to in paragraph (1), are obliged to consider information technology factors that have potential to be misused by ML, TF, and/or PWMD perpetrators.
- (8) Specifically, for commercial bank, the scope of policies and procedures for implementing the AML, CTF, and CPF programs, as referred to in paragraph (1), also includes Cross Border Correspondent Banking and Fund Transfers.
- (9) The FI is obliged to apply policies and procedures for implementing the AML, CTF, and CPF programs, as referred to in paragraph (1), consistently and continuously.

Article 18

- (1) The FI is obliged to identify and conduct a risk assessment of ML, TF, and/or PF related to the development of new products and business practices, including new delivery mechanisms, and the use of new or developing technology for both new and pre-existing products.
- (2) The FI is obliged to carry out a risk assessment, as referred to in paragraph (1), prior to the launch or use of such new products, business practices, distribution mechanisms and technologies.
- (3) The FI is obliged to take appropriate measures to manage and mitigate the risks, as referred to in paragraph (1).

Article 19

The FI is obliged to carry out the CDD procedure at the time:

- a. establishes business relations with the Prospective Customer;
- b. there is a financial transaction in rupiah currency and/or foreign currency whose value is at least or equal to IDR 100,000,000.00 (one hundred million rupiah);
- c. there is a Fund Transfer transaction;
- d. there is an indication of Suspicious Transactions related to ML, TF, and/or PF; or
- e. The FI has doubts about the accuracy of the information provided by the Prospective Customer, Customer, WIC, authorized person, and/or Beneficial Owner.

Article 20

- (1) The FI is obliged to classify Prospective Customer, Customer, WIC, and Beneficial Owner based on the risk level of ML, TF, and/or PF.
- (2) The classification of the Prospective Customer, Customer, WIC and Beneficial Owner based on the risk level, as referred to in paragraph (1), is carried out based on an analysis which includes:
 - a. customer identity;
 - b. business location for the Prospective Customer, Customer, or WIC in the form of a company;
 - c. customer profile;
 - d. transaction frequency;
 - e. business activity;
 - f. ownership structure for the Prospective Customer, Customer, or WIC in the form of a company
 - g. product, service, and delivery channel used by the Prospective Customer, Customer, or WIC; and
 - h. other information that can be used to measure the level of risk.

Article 21

- (1) In conducting business relations with the Prospective Customer, the FI is obliged to:
 - a. carrying out identification by requesting data, information, and supporting documents of the Prospective Customer to find out the profile of the Prospective Customer; and
 - b. verifying on:
 1. the accuracy and suitability of the data, information and supporting documents that have been provided by the Prospective Customer; and
 2. the accuracy and suitability of the profile of the data provider, information and supporting documents with the profile of the Prospective Customer to ensure that the data provider, information and documents is the concerned Prospective Customer.
- (2) The FI is obliged to carry out the verification, as referred to in paragraph (1) letter b, through the following mechanisms:
 - a. face-to-face meeting;
 - b. electronic face-to-face meeting; and/or
 - c. electronic non-face-to-face.
- (3) Verification through the face-to-face meeting mechanism, as referred to in paragraph (2) letter a, is obliged to be carried out through an FI employee holding a face-to-face/physical meeting with the Prospective Customer.
- (4) Verification through the electronic face-to-face meeting mechanism, as referred to in paragraph (2) letter b, is obliged to be carried out through an FI employee holding a face-to-face meeting in real-time and online with Prospective Customer, with the following requirements:
 - a. The FI employee uses software and hardware owned by the FI or uses software and hardware owned by the third party; and
 - b. The Prospective Customer uses software and hardware owned by the FI or software and hardware owned by the third party, or the Prospective Customer uses software owned by the FI or owned by a third party, that is accessed or has been downloaded and installed on the hardware owned by the Prospective Customer.
- (5) Verification through electronic non-face-to-face mechanisms, as referred to in paragraph (2) letter c, is obliged to be carried out with the following requirements:
 - a. The FI uses software owned by the FI or a third party, and hardware owned by the FI or a third party;
 - b. The Prospective Customer uses software and hardware owned by the FI or a third party, or the

- Prospective Customer uses software owned by the FI or a third party that is accessed or has been downloaded and installed on the hardware or has been installed on the hardware owned by the Prospective Customer; and
- c. The FI utilizes population data, as well as considers and applies at least 2 (two) authentication factors, in the form of:
 1. something that is the characteristic of the Prospective Customer (something you are); and
 2. something that the Prospective Customer has (something you have).
- (6) In addition to the 2 (two) authentication factors as referred to in paragraph (5) letter c, the FI may add other authentication factors, in the form of something that the Prospective Customer knows (something you know).

Article 22

- (1) In the event that the FI conducts verification through an electronic face-to-face meeting mechanism or through an electronic non-face-to-face mechanism, by using the third-party software and/or hardware, as referred to in Article 21 paragraph (4) and Article 21 paragraph (5) letter a and letter b, the FI is obliged to have a written cooperation agreement with the third party.
- (2) The FI is obliged to ensure that the third party who will enter into the cooperation agreement, as referred to in paragraph (1), has fulfilled the following criteria and requirements:
 - a. the third party is a limited liability company or a cooperative that are listed, registered, has a license and/or has obtained an approval from the Financial Services Authority; and
 - b. the third party is obliged to have a cooperation agreement with a ministry or an agency that carries out population and civil registration affairs to obtain the rights to access and/or facilitate population data at the concerned ministries or agencies, electronic systems that are owned by the third party are connected to electronic systems related to population data access owned by the ministry or agency concerned.
- (3) The cooperation agreement, as referred to in paragraph (1), includes the least:
 - a. name, address and identity of the parties;
 - b. the rights and obligations of the parties;
 - c. the scope of the cooperation agreement;
 - d. the data ownership of the verification is fully owned by the FI;

- e. provisions regarding customer data protection;
 - f. seamless data sharing mechanism in verification through electronic face-to-face meeting mechanisms and/or verification through non-face-to-face mechanisms between the FIs and the third party;
 - g. provisions related to sub-contract which set out that the third party can transfer part of their activities (sub-contracts) based on the approval of the FI as evidenced by a written document;
 - h. mechanism for reporting critical incidents caused by force majeure conditions by the third party to the FI;
 - i. termination of the agreement; and
 - j. mechanism to resolve disputes that may arise between the FI and the third party.
- (4) The FI is obliged to be responsible for the results of verification through an electronic face-to-face meeting mechanism or verification through a non-electronic face-to-face mechanism by utilizing the use of third-party software and/or hardware and is responsible for maintaining the confidentiality of the verification result data.

Article 23

- (1) FI is prohibited from opening business relations or keeping anonymous accounts or accounts in obviously fictitious names.
- (2) FI is prohibited from opening a business relationship with a Prospective Customer or maintaining a Customer's account, if:
 - a. Prospective Customer or Customer refuses to comply with regulations related to the implementation of the AML, CTF and CPF programs; or
 - b. The FI has doubts about the accuracy of the identity and completeness of the documents of the Prospective Customer or Customer.

Part One

Identification and Verification of the Prospective Customer and Customer

Article 24

FI is obliged to identify and classify the Prospective Customer, WIC and Customer into categorizations of natural person, legal person or other legal arrangements.

Article 25

- (1) Identification of a Prospective Customer to find out the profile of a Prospective Customer, as referred to in Article

21 paragraph (1) letter a, is carried out through a request for data and information, which includes:

- a. in regard Prospective Customer who is a natural person:
 1. identity that contains:
 - a) full name including alias name, if any;
 - b) identity document number;
 - c) residential address according to identity document and other residential address, if any;
 - d) place and date of birth;
 - e) nationality;
 - f) work;
 - g) address and telephone number of the workplace, if any;
 - h) gender;
 - i) marital status; and
 - j) biological mother's maiden name,
 2. identity of the Beneficial Owner, if any;
 3. source of funds;
 4. average annual income and/or net worth;
 5. the purpose and objectives of the business relationship or transaction to be carried out by the Prospective Customer; and
 6. data and other information, if needed.
- b. in regard to the Prospective Customer that is a legal person:
 1. name;
 2. license number from the authorized authority including license, if any;
 3. line of business or activity;
 4. domicile address;
 5. place and date of establishment;
 6. form of legal entity or business entity;
 7. identity of the Beneficial Owner;
 8. source of funds;
 9. the purpose and objectives of the business relationship or transaction to be carried out by the Prospective Customer; and
 10. data and other information, if needed.
- c. in regard to the Prospective Customer that is other legal arrangement:
 1. name;
 2. license number from the authorized 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 funds;
 7. the purpose and objectives of the business relationship or transaction to be carried out by the Prospective Customer; and
 8. data and other information, if needed.
- (2) With regard to WIC transactions, before making transactions with WIC, the bank is obliged to request:
- a. all information, as referred to in paragraph (1), for a WIC natural person, a legal person, or other legal arrangement that carries out transactions of at least IDR100,000,000.00 (one hundred million rupiah) or an equivalent value, whether made in 1 (one) time or several transactions in 1 (one) business day;
 - b. information, as referred to in paragraph (1) letter a number 1 point a), point b), and point c) for a natural person WIC who conducts transactions of less than IDR100,000,000.00 (one hundred million rupiah) or an equivalent value;
 - c. information, as referred to in paragraph (1) letter b number 1 and number 4 for a legal person WIC that conducts transactions of less than IDR 100,000,000.00 (one hundred million rupiah) or an equivalent value; and
 - d. information, as referred to in paragraph (1) letter c number 1 and number 3 for other WIC legal arrangement that carries out transactions of less than IDR100,000,000.00 (one hundred million rupiah) or an equivalent value.

Article 26

- (1) The IF, In identifying the Prospective Customer and WIC in the form of natural person as referred to in Article 25 paragraph (1) letter a and Article 25 paragraph (2) letter a, the information, as referred to in Article 25 paragraph (1) letter a number 1, is obliged to be supported with identity documents and signature specimens of the Prospective Customer and WIC.
- (2) Identity documents of the Prospective Customer and individual WIC, as referred to in paragraph (1), include:
 - a. for the natural person of Prospective Customer and WIC who is an Indonesian citizen, it is in the form of an identity card or digital identity card, as referred to in the laws and regulations regarding population data;
 - b. for the natural person of Prospective Customer and WIC who is a foreign nationality, it is in the form of a passport accompanied by immigration document in accordance with the laws and regulations regarding immigration; and

- c. for the natural person of Prospective Customer and WIC from the Indonesian diaspora or Indonesian citizens domiciled overseas, as referred to in the laws and regulations regarding Indonesian citizens domiciled overseas in the form of passports and Indonesian citizen overseas card.
- (3) Specimen signatures of natural person Prospective Customer and WIC, as referred to in paragraph (1), can be replaced with electronic signatures that have complied with the laws and regulations regarding electronic signatures.

Article 27

- (1) The FI, in identifying the Prospective Customer and WIC that is a legal person in the form of a company, the information, as referred to in Article 25 paragraph (1) letter b, is obliged to be supported with corporate identity documents, and for:
- a. Prospective Customer and WIC that is a legal person in the form of a company classified as micro and small businesses adds documents the least:
 - 1. the power of attorney to the designated party that has the authority to act for and on behalf of the company in conducting business relations with the FI;
 - 2. signature specimen of the party authorized to represent the company in conducting business relations with the FI;
 - 3. Tax Identification Number card for a customer who is obliged to have a Tax Identification Number in accordance with laws and regulations; and
 - 4. business location license or other documents obliged by the authorized authority;
 - b. Prospective Customer and WIC that is a legal person in the form of a company that is not classified as micro and small businesses, in addition to being accompanied by the documents, as referred to in letter a, adds documents the least:
 - 1. deed of establishment/statutes of association;
 - 2. business license from the authorized authority;
 - 3. financial report or description of the company's business activities;
 - 4. company management structure;
 - 5. company ownership structure; and
 - 6. identity documents for members of the Board of Directors or the power of attorney for members of the Board of Directors who are authorized to

represent the company in conducting business relations with FIs.

- c. Prospective Customer and WIC that is a legal person in the form of an individual legal entity in addition to being accompanied by the documents, as referred to in letter a number 3, adds with the least:
 1. business registration number issued by the authorized agency;
 2. the power of attorney to the appointed party has the authority to act for and on behalf of an individual company in conducting business relations with the FI; and
 3. signature specimen of the party authorized to represent an individual company in conducting business relations with the FI.
- (2) The specimen signature, as referred to in paragraph (1) letter a number 2 and paragraph (1) letter c number 3, can be replaced with an electronic signature that has complied with the laws and regulations regarding electronic signatures.

Article 28

- (1) The FI, in identifying the Prospective Customer and WIC that is a legal person other than those in the form of a company, is obliged to request data and information including:
 1. name;
 2. license number from the authorized authority;
 3. line of business or activity;
 4. domicile address;
 5. place and date of establishment;
 6. form of legal entity;
 7. identity of the Beneficial Owner;
 8. source of funds;
 9. the purpose and objectives of the Prospective Customer's business relationship or transaction to be carried out by WIC; and
 10. data and other information, if needed.
- (2) The FI is obliged to request information supporting document for the Prospective Customer and WIC, as referred to in paragraph (1) covering:
 - a. for the Prospective Customer and WIC that is a legal person in the form of a foundation:
 1. license for foundation activities;
 2. description of foundation activities;
 3. the structure and name of the foundation's management; and
 4. identity documents of members of the management or the power of attorney of the

- members of the management who are authorized to represent the foundation to conduct business relations with the FI;
- b. for Prospective Customer and WIC that is a legal person other than a company and foundation, both a legal entity and a non-legal entity:
 - 1. proof of license from the authorized authority;
 - 2. name of the legal person;
 - 3. deed of establishment and/or articles of association and bylaws; and
 - 4. identity document of the party authorized to represent the legal person in conducting business relations with the FI;
 - c. for the Prospective Customer and WIC in the form of other legal arrangement:
 - 1. proof of registration with the authorized agency;
 - 2. the name of the legal arrangements;
 - 3. deed of establishment and/or articles of association and statutes, if any; and
 - 4. identity document of the party authorized to represent other legal arrangements in conducting business relations with the FI.

Article 29

- (1) The FI, in identifying the Prospective Customer and WIC in the form of a state institution, government agency, international institution, and representatives of foreign countries, is obliged to request information regarding the name and address of the institution, agency, or representative.
- (2) The information, as referred to in paragraph (1), is obliged to be supported with documents covering:
 - a. letter of appointment for the party authorized to represent an institution, agency or representative in conducting business relations with the FI; and
 - b. specimen of the signature of the party authorized to represent the institution, agency or representative in conducting business relations with the FI.
- (3) The specimen signature, as referred to in paragraph (2) letter b, can be replaced with an electronic signature in accordance with the laws and regulations regarding electronic signatures.

Article 30

- (1) The FI is obliged to verify the data, information and/or supporting documents of the Prospective Customer and WIC, as referred to in Article 25, Article 26, Article 27, Article 28 and Article 29, based on other documents

and/or reliable sources of information that can be trusted and independent and ensure that the data is up-to-date.

- (2) The FI is obliged to verify that the party purporting to act on behalf of the customer is authorized and identify and verify the identity of that party.
- (3) The FI, in carrying out the verification, as referred to in paragraph (1), is obliged to be based on the risks of ML, TF, and/or PF which have been identified based on the risk assessment carried out by the FI and comply with the provisions in this Financial Services Authority Regulation.
- (4) In the event of any doubts, the FI is obliged to request the Prospective Customer and WIC to provide more than 1 (one) identity document issued by an authorized party, and can be accompanied by conducting interview with the Prospective Customer and WIC to ensure the validity of the identity of the Prospective Customer and WIC.
- (5) The FI is obliged to complete the process of verifying the identity of the Prospective Customer and Beneficial Owner before opening a business relationship with a Prospective Customer or before engaging in transactions with WIC.
- (6) If the FI has implemented risk management procedures, the FI may enter into business relations or transactions before the verification process, as referred to in paragraph (5) is completed.
- (7) The FI, in carrying out the verification process, as referred to in paragraph (6), is obliged to complete it as soon as possible no later than 3 (three) business days after the Customer's business relationship with the FI, taking into account the risks of ML, TF, and/or PF can be managed effectively and does not interfere with normal business activities.

Article 31

FI is obliged to understand the profile, purpose and objective of business relationships, and transactions conducted by customers and beneficial owners through identification and verification.

Part Two

Identification and Verification of Beneficial Owners

Article 32

- (1) The FI is obliged to ensure that the Prospective Customer, Customer, or WIC that opens business relationships or conducts transactions acts for themselves or the benefit of the Beneficial Owner.
- (2) In the event that the Prospective Customer, Customer, or WIC in the form of a natural person acts on behalf of the

Beneficial Owner, the FI is obliged to carry out CDD or EDD towards the Beneficial Owner.

- (3) In the event that the Prospective Customer, Customer, or WIC is in the form of a legal person or other legal arrangement, the FI is obliged to perform CDD or EDD on the Beneficial Owner of the Prospective Customer, Customer, or WIC from a legal person or other legal arrangement.
- (4) In the event that the Beneficial Owner, as referred to in paragraph (2) is classified as a PEP, the FI applies the EDD procedure.
- (5) In the event that there is a difference in the level of risk between a Prospective Customer, Customer or WIC and a Beneficial Owner, the FI is obliged to carry out CDD or EDD based on the higher level of risk.

Article 33

- (1) In the event that the Prospective Customer, Customer, or WIC is a natural person but not a Beneficial Owner, or a Prospective Customer, Customer or WIC that is a natural person that has no income, the FI is obliged to:
 - a. determining the Beneficial Owner; and
 - b. identifying and verifying the identity of the Beneficial Owner, based on relevant information or data obtained from a reliable source.
- (2) For the Prospective Customer, Customer, or WIC that is a legal person, the FI is obliged to identify and verify the identity of the Beneficial Owner, based on relevant information or data obtained from a reliable source.
- (3) Identification and verification of the identity of the Beneficial Owner, as referred to in paragraph (1) letter b and paragraph (2), is carried out on the information in the form of:
 - a. information and identity documents that contain:
 1. full name including aliases;
 2. identity document number;
 3. residential address according to the identity document;
 4. other residential address, if any;
 5. place and date of birth;
 6. nationality;
 7. occupation;
 8. address and telephone number of the workplace, if any;
 9. gender; and
 10. marital status;
 - b. source of funds;
 - c. average annual income and/or value of assets (net worth);

- d. legal relationship between the Prospective Customer, Customer, or WIC and the Beneficial Owner indicated by an assignment letter, agreement letter, power of attorney, or other form; and
 - e. a statement from the Prospective Customer, Customer or WIC regarding the accuracy of the identity and source of funds from the Beneficial Owner.
- (4) For the Prospective Customer, Customer, or WIC that is other legal arrangement in the form of a trust, the FI is obliged to identify and verify the identity of the Beneficial Owner, based on relevant information or data obtained from a reliable source, which information in the form of:
- a. identity of the settlor;
 - b. identity of trustee;
 - c. identity of protector;
 - d. identity of beneficiary or class of beneficiary; and
 - e. natural person controlling the trust.
- (5) For the Prospective Customer, Customer, or WIC that is other legal arrangement in form other than trust, the identification and verification of the identity of the Beneficial Owner, as referred to in paragraph (1) letter b, is carried out on information in the form of the identity of the natural person who has the same or equivalent position as a party in the trust, as referred to in paragraph (4).
- (6) In the event that the FI intends to enter into a business relationship with the Prospective Customer or a transaction with a Customer in the form of another legal arrangement, the FI is obliged to ensure that the beneficiary and trustee disclose their status as the beneficiary and trustee when the beneficiary and trustee conduct business relationships or transactions with FIs.
- (7) In the event of:
- a. the FI has doubt whether the party controlling through ownership is a Beneficial Owner, as referred to in paragraph (3); or
 - b. no natural person has control through ownership, the FI is obliged to identify and verify the identity of the natural person who has control of the legal person or other legal arrangement through other means.
- (8) In the event that there is no natural person identified as a Beneficial Owner, as referred to in paragraphs (3) and (7), the FI is obliged to identify and verify the identity of the relevant individual that is holding the position of Director or equivalent to that position.
- (9) In the event that the Prospective Customer, Customer, or WIC is another FI domiciled in the local country that is acting for and on behalf of a Beneficial Owner,

identification and verification of the identity of the Beneficial Owner, as referred to in paragraph (1) letter b, can be done through a document regarding the Beneficial Owner in the form of a written statement from the Prospective Customer, Customer or WIC that the identity of the Beneficial Owner has been verified by the intended Customer, Customer or WIC.

- (10) In the event that the Prospective Customer, Customer or WIC is another FI domiciled overseas that is implementing the AML, CTF and CPF programs that are at least equivalent to this Financial Services Authority Regulation representing the Beneficial Owner, identity identification and verification of the Beneficial Owner, as referred to in paragraph (1) letter b, can be made through a document regarding the Beneficial Owner in the form of a written statement from the Prospective Customer, Customer, or WIC that the identity of the Beneficial Owner has been verified by the Prospective the intended Customer, Customer or WIC.
- (11) In the event that the implementation of the AML, CTF and CPF program, as referred to in paragraph (10), conducted by an FI domiciled overseas is not equivalent to this Financial Services Authority Regulation, the FI is obliged to identify and verify the identity of the Beneficial Owner, as referred to in paragraph (1) letter b, is carried out on the information, as referred to in paragraph (2).
- (12) In the event that the FI doubts or cannot be sure of the identity of the Beneficial Owner of the Prospective Customer, Customer, or WIC, the FI is obliged to refuse to enter into business relations or transactions with the Prospective Customer, Customer, or WIC.

Article 34

- (1) The obligation to verify Beneficial Owners, as referred to in Article 30 also applies to the Prospective Customer, WIC, or Customer in the form of:
 - a. a state agency or government agency;
 - b. a company whose majority shares are owned by the state; and
 - c. a public company or issuer.
- (2) In the event that the data, documents, and/or information on the identity of the Beneficial Owner of the Prospective Customer, WIC, or Customer, as referred to in paragraph (1), are available and/or published to the public in an adequate and reliable manner, the FI shall not request data and/or information on the identity of the Beneficial Owner from the Prospective Customer, WIC or Customer.
- (3) Data, documents, and/or information on the identity of a Beneficial Owner that is available and/or published to the

public, as referred to in paragraph (2), must be able to provide confidence to the FI about the profile of the Beneficial Owner.

- (4) In the event that the FI has doubts the data, documents and/or information, as referred to in paragraph (3), the FI is obliged to request data, documents and/or information on the identity of the Beneficial Owner from the Prospective Customer, WIC or Customer.

Part Three

Identification and Verification of Potential Customers and High-Risk Customers

Article 35

- (1) The FI is obliged to have an adequate risk management system to determine a Prospective Customer, Customer, WIC, or Beneficial Owner including High-Risk criteria.
- (2) The High-Risk criteria of a Prospective Customer, Customer, WIC, or Beneficial Owner, as referred to in paragraph (1), considers:
 - a. background or profile of the Prospective Customer, Customer, WIC, or Beneficial Owner;
 - b. high-risk financial services sector products to be used as means of ML, TF, and/or PF;
 - c. transactions with parties originating from High-Risk Countries;
 - d. transactions do not match the profile;
 - e. included in the category of PEP;
 - f. business field of Prospective Customer, Customer, WIC, or Beneficial Owner including High-Risk businesses;
 - g. country or territory of origin, domicile, or where the Customer's or WIC's transactions are carried out, including High-Risk Countries; and/or
 - h. transactions carried out by the Customer or WIC are allegedly related to criminal acts in the financial services sector, ML, TF, and/or PF.
- (3) In the event that the Prospective Customer, Customer, WIC, or Beneficial Owner falls within the high-risk criteria, as referred to in paragraph (2), the FI is obliged to carry out EDD.
- (4) Determination of the risk level of Prospective Customers, Customers, WIC, or Beneficial Owners, including the high-risk criteria as referred to in paragraph (2), is based on the risks to be taken and risks that can be tolerated by the FI.

Article 36

The FI is obliged to conduct an assessment to determine the Prospective Customer, Customer, WIC, or Beneficial Owner as a PEP.

Article 37

- (1) For foreign PEP, domestic PEP, and person who are or have been entrusted with prominent functions by international organizations, in addition to implementing the CDD process, the FI is obliged to comply with the following provisions:
 - a. possessing a risk management system to determine whether a Prospective Customer, Customer, WIC, or Beneficial Owner meets is a PEP;
 - b. appointing a senior management who is responsible for business relations with Prospective Customer, Customers, WIC, or Beneficial Owners who meet the criteria of PEP;
 - c. obtaining senior management approval, as referred to in letter b, before establishing business relationship with the Prospective Customer or continuing a business relationship including transactions with Customer, WIC, or Beneficial Owner identified as PEP;
 - d. conducting EDD periodically at least in the form of an analysis of information regarding the Customer or Beneficial Owner, sources of funds and sources of wealth; and
 - e. conducting enhanced monitoring on that business relationships.
- (2) The senior management, as referred to in paragraph (1) letter b, has the authority to:
 - a. providing approval or rejection of opening a business relationship with a Prospective Customer, or Beneficial Owner and/or a high-risk Customer, WIC, or Beneficial Owner transaction, including PEP; and
 - b. deciding to continue or terminate the business relationship and/or transaction with the Customer, WIC, or Beneficial Owner which includes high-risk criteria, including PEP.

Article 38

For domestic PEP or person who is or has been entrusted with prominent function by an international organization, in addition to implementing the CDD process, the FI is obliged to comply with the following provisions:

- a. FI is obliged to have a risk management system to determine whether the Customer or Beneficial Owner fulfills the PEP criteria; and

- b. in the event that there is a higher risk of the business relationship between the FI and the Customer or Beneficial Owner, the FI is obliged to apply the provisions, as referred to in Article 37 paragraph (1) letter b, letter c, letter d, and letter e.

Article 39

FI is obliged to apply the provisions that apply to the Prospective Customer, Customer, WIC, or Beneficial Owner who is classified as high-risk criteria, as referred to in Article 35 and Article 36, to family members or close associates of PEP.

Article 40

FI is obliged to compile a separate list of Prospective Customer, Customer, WIC, or Beneficial Owner who meets the high-risk criteria.

Article 41

- (1) The FI is obliged to carry out proportional and adequate EDD and countermeasures to the business relationships, transactions, Prospective Customer, WIC, and/or Customer originating from High-Risk Countries published by FATF to carry out (countermeasures).
- (2) Countermeasures to be taken the by FI, as referred to in paragraph (1), is obliged to be adjusted to FATF publications.
- (3) In the event that the FATF publishes a list of High-Risk Countries without a call for countermeasures, the FI is obliged to implement countermeasures independently.
- (4) In carrying out proportional and adequate countermeasures, as referred to in paragraph (1), paragraph (2) and paragraph (3), the FI is obliged to request confirmation and clarification from the relevant authorities.

Part Four

CDD to Beneficiaries of Life Insurance and other Investment Products Related to Insurance Policies

Article 42

- (1) In addition to the CDD obligation for the Prospective Customer and Beneficial Owner, as referred to in Article 19, the FI is obliged to perform CDD on beneficiaries of life insurance and other investment related insurance policies, as soon as the beneficiary identified or designated with the following provisions:
 - a. for beneficiaries who have been identified as natural person or legal person or legal arrangement, the FI is obliged to request the names of the natural person,

- legal person, or legal arrangement from the beneficiaries;
- b. for beneficiaries who have been designated by characteristics or by other means, the FI is obliged to obtain sufficient information concerning the beneficiary to convince the FI that this information can be used to prove the identity of the beneficiary, at the time of payout; and
 - c. the FI is obliged to verify the identity of the beneficiary, as referred to in letters a and b, at the time of the payout.
- (2) All information, as referred to in paragraph (1), is obliged to be recorded and managed in accordance with the provisions in this Financial Services Authority Regulation.

Article 43

- (1) The FI is obliged to include the beneficiary of the life insurance policy as one of the relevant risk factors in determining the implementation of EDD to ensure whether EDD needs to be implemented or not.
- (2) If the FI determines that the beneficiary present a higher risk, the FI is obliged to take EDD measure, which includes identification and verification of the identity of the Beneficial Owner of the beneficiary at the time of payout.

Article 44

- (1) The FI is obliged to take adequate measures to determine the beneficiary and/or Beneficial Owner of the beneficiary when payment of a life insurance claim constitutes a PEP.
- (2) In the event that a higher risk is identified for the beneficiary and/or Beneficial Owner of the beneficiary prior to payment of a life insurance claim, the FI is obliged to inform a senior officer to carry out further supervision regarding the relationship business with policyholders and consider reporting it as a Suspicious Transaction.

Part Five Simplified CDD

Article 45

- (1) The FI may apply the simple CDD procedure from the CDD procedure, as referred to in Article 25, Article 26, Article 27, Article 28, Article 29, and Article 33, for the Prospective Customer or Customer and/or transactions where the risk level of ML, TF, and/or PF is included in the low risk criteria based on identification that has been carried out through adequate risk analysis.

- (2) In the event that the FI implements simple CDD, as referred to in paragraph (1), the FI is obliged to:
 - a. identifying and verify the identity of Prospective Customer, Customers, or WIC;
 - b. ensuring that the Prospective Customer, Customer or WIC who opens a business relationship or conducts a transaction acts for himself or for the benefit of the Beneficial Owner;
 - c. identifying and verifying the intended Beneficial Owner by using reliable relevant information so that the FI can ascertain the identity of the Beneficial Owner for a Prospective Customer, Customer, or WIC acting on behalf of the Beneficial Owner;
 - d. knowing the intent and purpose of a business relationship or transaction; and
 - e. monitoring transactions and update the customer's identity data according to the level of risk.
- (3) The FI can implement simple CDD by including but not limited to:
 - a. reducing the frequency of updating customer data;
 - b. reducing the transaction monitoring and examination of the reasonable threshold that has been determined by the FI; and/or
 - c. does not collect specific information or does not take specific actions in understanding the purpose and nature of the business relationship, but simply refers to the purpose and nature of the business relationship that has been determined.
- (4) For the Prospective Customer who fulfills the conditions, as referred to in paragraph (1), the FI is obliged to request information with the following provisions:
 - a. for the Prospective Customer who is a natural person who meets criteria, as referred to paragraph (1), the FI is obliged to request information as referred to in Article 25 paragraph (1) letter a number 1 point a), point b), point c), and point d);
 - b. for the Prospective Customer that is a legal person, state institution or government agency that fulfills the criteria, as referred to paragraph (1), the FI is obliged to request information, as referred to in Article 25 paragraph (1) letter b number 1 and number 4;
 - c. for the Prospective Customer of other legal arrangement that fulfills the criteria, as referred to paragraph (1), the FI is obliged to request information, as referred to in Article 25 paragraph (1) letter c number 1 and number 3; and
 - d. for the Prospective Customer that fulfills the criteria, as referred to in paragraph (1), the FI is obliged to

- request information, as referred to in Article 25 paragraph (1) letter a number 1 point a), point b), point c), point d), and point f).
- (5) The information, as referred to in paragraph (4), is obliged to be supported by:
- a. identity documents, as referred to in Article 26, for the Prospective Customer who is a natural person;
 - b. corporate identity document supplements with a signature specimen and power of attorney to the party designated as having the authority to act for and on behalf of the company, for Prospective Legal Person Customer in the form of a Company classified as micro and small businesses that fulfills the provisions, as referred to in Article 27 paragraph (1) letter a;
 - c. corporate identity documents and identity documents for members of the Board of Directors or the proxy holders of members of the Board of Directors who are authorized to represent the company, for the Prospective Legal Person Customer in the form of an individual legal entity that meets the provisions, as referred to in Article 27 paragraph (1) letter c; or
 - d. other documents in lieu of identity documents that can provide confidence to the FI regarding the profile of the Prospective Customer, and signature specimen, for the Prospective Customer that is a Company other than those, as referred to in letter b and letter c, and the Prospective Customer whose purpose of opening an account is related to government programs.
- (6) In the event that the FI implements a separate simple CDD procedure, as referred to in paragraph (1), the FI is obliged to notify the Financial Services Authority including information regarding:
- a. the criteria for identification of customers and low risk transactions are consistent with the risk assessment conducted by the FI;
 - b. simple CDD requirements capable of managing the threat level of ML, TF, and/or PF to the Prospective Customer and its transactions that have been identified as having a low level of risk to ML, TF, and/or PF;
 - c. simple CDD requirements do not cover Customers who are based on laws and regulations categorized as high-risk Customers or transactions; and
 - d. the start time of implementing a simple CDD procedure.

- (7) The simple CDD procedure, as referred to in paragraph (1) does not apply whenever there is suspicion of ML, TF, and/or PF transactions or specific higher risk scenarios apply.
- (8) The FI is obliged to make and keep a list of customers who have received simple CDD treatment.
- (9) In the event that the use of an account is not in accordance with its purpose, the FI is obliged to carry out the CDD procedure, as referred to in Article 25 paragraph (1) letter a and Article 26, for the relevant Customer.

Part Six Implementation of CDD by Third Parties

Article 46

- (1) The FI may use the results of identification and verification that have been carried out by third parties towards Prospective Customer who has become a Customer of the third parties.
- (2) Implementation of the use of identification and verification results, as referred to in paragraph (1), does not apply to outsourcing and/or agency relationships between the FI and the intended third party.
- (3) In the event that the FI uses the identification and verification results, as referred to in paragraph (1), the FI is obliged to:
 - a. understanding the intent and purpose of the business relationship as referred to in Article 31; and
 - b. identifying and verifying the Customer and the Beneficial Owner as referred to in Article 32, Article 33 and Article 34.
- (4) In the event that the FI uses the identification and verification results, as referred to in paragraph (1), the CDD responsibility remains with the said FI.
- (5) If the FI uses the identification and verification results, as referred to in paragraph (1), then:
 - a. The FI is obliged to have cooperation with third parties in the form of a written agreement;
 - b. The FI is obliged to obtain immediately the necessary information related to the information and results CDD measures as referred to in Article 25 and Article 33;
 - c. The FI is obliged to take necessary steps to ensure that third parties are willing to fulfill requests for information and copies of supporting documents upon request by FI without delay in implementing the AML, CTF and CPF programs;
 - d. The FI is obliged to ensure that third parties are financial institutions, providers of goods and/or

- services, certain professions, and/or other entities that are obliged to implement the AML, CTF and CPF programs, including having CDD procedures and document administration, and are subject to regulations, supervision, and monitoring from the authorized authorities in accordance with laws and regulations; and
- e. The FI is obliged to pay attention to information related to country risks where the third party originates.
- (6) In the event that the third party, as referred to in paragraph (1), is domiciled in a High-Risk Country, the FI is obliged to ensure that the third party meets the following criteria:
- a. is in the same Financial Conglomerate as the FI;
 - b. The Financial Conglomerate has effectively implemented CDD, recorded keeping, and implemented the AML, CTF and CPF programs in accordance with FATF Recommendations; and
 - c. The Financial Conglomerate is supervised by the authorized authority.
- (7) In the event that the FI uses the identification and verification results, as referred to in paragraph (1), that is carried out by a third party in the same Financial Conglomerate, the FI or the holding company of the Financial Conglomerate must consider the requirements, as referred to in paragraph (4) and paragraph (5) provided that:
- a. The Financial Conglomerate applies the CDD provisions, records keeping, and implements the AML, CTF and CPF programs as regulated in this Financial Services Authority Regulation;
 - b. regarding the implementation of CDD, record keeping, and the AML, CTF and CPF programs, supervision of the Financial Conglomerate is carried out by the authorized authority; and
 - c. for High-Risk Countries, adequate risk mitigation has been carried out by the AML, CTF and CPF units based on the AML, CTF and CPF program policies at the Financial Conglomerate level.

Part Seven

Suspension of Transactions and Temporary Suspension of Transactions

Article 47

- (1) The FI may postpone transactions as referred to in laws and regulations regarding the prevention and eradication of ML.

- (2) The postponement transaction, as referred to in paragraph (1), is carried out in terms of:
 - a. the Customer or WIC carries out transactions that is known and/or should be suspected of using assets originating from criminal acts;
 - b. the Customer is known and/or reasonably suspected of having an account to accommodate assets originating from criminal acts; and/or
 - c. the Customer or WIC is known and/or should be suspected of using fake documents.
- (3) The FI is obliged to postpone a transaction immediately after receiving an order/request for a postponement of a transaction from the Financial Transaction Reports and Analysis Center, investigators, public prosecutors or judges.
- (4) The postponement transaction, as referred to in paragraph (1), paragraph (2) and paragraph (3), is carried out no later than 5 (five) business days from the date the postpone transaction is made.
- (5) The postponement of transactions, as referred to in paragraphs (1) and (3), is carried out in accordance with laws and regulations regarding the prevention and eradication of ML.

Article 48

- (1) In the event that there is a request from the Financial Transaction Reports and Analysis Center, the FI is obliged to temporarily suspend all or part of the transaction.
- (2) The temporary suspension, as referred to in paragraph (1), is carried out in accordance with the laws and regulations regarding the prevention and eradication of ML.

Part Eight

Rejection of Transactions and Termination of Business Relationships

Article 49

- (1) In the event that the Prospective Customer, Customer or WIC meets the following criteria:
 - a. does not comply with the provisions, as referred to in Article 21, Article 25, Article 26, Article 27, Article 28, Article 29 and Article 33;
 - b. is known and/or suspected of using forged documents;
 - c. submits information whose truth is doubtful;
 - d. in the form of a shell bank or a commercial bank or a sharia public bank which permits its account to be used by a shell bank;

e. has a source of transaction funds that is known and/or reasonably suspected to originate from the proceeds of a crime; and/or

f. is included in TF List and/or PF List,

The FI is obliged to refuse to conduct a business relationship with the Prospective Customer, refuse transactions with the Customer or WIC, and/or terminate the business relationship with the Customer.

- (2) In the event that there is a refusal of a business relationship with a Prospective Customer and/or a refusal of a transaction with the Customer or WIC, as referred to in paragraph (1), the FI is still obliged to complete the process of identifying and verifying the identity of the Prospective Customer, Customer, WIC, and Beneficial Owner.
- (3) In the event that the FI suspects that there has been a financial transaction including attempted transactions related to ML, TF, and/or PF, and the FI believes that the CDD process will violate anti-tipping-off provisions, the FI is obliged to stop the CDD procedure and report the Suspicious Transaction to Financial Transaction Reports and Analysis Center.
- (4) The FI is obliged to conduct record keeping measure to Prospective Customer, Customer or WIC who meets the criteria, as referred to in paragraph (1).
- (5) The FI is obliged to report the Prospective Customer, Customer or WIC, as referred to in paragraph (1), as a Suspicious Transaction to the Financial Transaction Reports and Analysis Center.

Article 50

In the event that the business relationship is terminated, as referred to in Article 49 paragraph (1), the FI is obliged to notify the customer in writing regarding the termination of the business relationship.

Part Nine

Updating and Monitoring

Article 51

- (1) The FI is obliged to monitor business relations with Customers by monitoring Customer transactions to ensure that the transactions carried out are in line with the FI's understanding of customers, business activities and customer risk profiles, including sources of funds.
- (2) In the event that there is a change that is known from the FI's monitoring of the Customer or other information that can be accounted for, the FI is obliged to update data, information and/or supporting documents, as referred to

in Article 25, Article 26, Article 27, Article 28, Article 29, Article 33, and Article 34.

- (3) The FI is obliged to conduct record keeping the updated data, as referred to in paragraph (2).
- (4) In updating the data, as referred to in paragraph (2), the FI is obliged to:
 - a. monitor the Customer's information and documents;
 - b. prepare reports on data updating plans; and
 - c. prepare reports on the realization of data updating.
- (5) The report, as referred to in paragraph (4) letter b and letter c, is obliged to obtain approval from the Board of Directors.

Article 52

- (1) The FI is obliged to conduct an analysis of all transactions that are not in accordance with the profile, characteristics, and/or habits of the customer's transaction pattern.
- (2) The FI may request information from the Customer regarding the background and purpose of the transaction for transactions that are not in accordance with the profile, characteristics, and/or habits of the Customer's transaction pattern, taking into account anti-tipping-off in accordance with laws and regulations regarding the prevention and eradication of ML.
- (3) In carrying out monitoring, as referred to in Article 51 paragraph (1), FI is obliged to have a system that can:
 - a. identify, analyze, monitor, and provide reports effectively regarding the profile, characteristics, and/or patterns of transactions carried out by the Customer; and
 - b. track every transaction, if necessary, including tracking the identity of the customer, the form of the transaction, the date of the transaction, the amount and denomination of the transaction, as well as the source of funds used for the transaction.
- (4) In the event that the information requested by the FI to the Customer, as referred to in paragraph (2), does not provide a convincing explanation, the FI is obliged to report it to the Financial Transaction Report and Analysis Center.
- (5) The FI is obliged to carry out continuous monitoring of business relationships/transactions with:
 - a. Customers originating from High-Risk Countries; and
 - b. The FI domiciled in High-Risk Countries.

Article 53

- (1) The FI is obliged to maintain and update the TF List and/or PF List submitted by the Financial Services

Authority through the system provided by the Financial Services Authority.

- (2) The FI is prohibited from providing, giving, or lending funds to or for the benefit of natural person or legal person whose identities are listed in the TF List and/or PF List.
- (3) The FI is obliged to:
 - a. identify and ensure the suitability of identity and other information regarding the Customer with the identity and other information listed in the TF List and/or PF List; and
 - b. mitigate the risk of the possibility of false positives or false negatives,from the FI receives TF List and PF List, as referred to in paragraph (1).
- (4) In the event that there is a suitability between the identity and other information related to the Customer or Beneficial Owner with the identity and other information listed in the TF List and/or PF List, as referred to in paragraph (3) letter a, the FI is obliged to freeze without delay and without prior notice to the Customer or Beneficial Owner.
- (5) The freezing, as referred to in paragraph (4), is carried out on funds that are owned or controlled, either directly or indirectly, that are obtained in any way and in any case, by the Customer or Beneficial Owner, either wholly or jointly with other parties.
- (6) In the event that there is a suitability between the identity and other information regarding the Prospective Customer, Customer, WIC, and/or Beneficial Owner with the identity and other information listed in the TF List and/or PF List, as referred to in paragraph (4), the FI is obliged to report it as a Suspicious Transaction report to the Financial Transaction Reports and Analysis Center.
- (7) The FI that performs Freezing without delay related to TF List, as referred to in paragraph (4), is obliged to:
 - a. make minutes of freezing without delay; and
 - b. submit the freezing without delay report by attaching the minutes of freezing without delay to the Indonesian National Police with a copy to the Financial Services Authority.
- (8) The FI that performs Freezing without delay related to PF List, as referred to in paragraph (4), is obliged to:
 - a. make minutes of freezing without delay; and
 - b. submit report of the freezing without delay by attaching the minutes of freezing without delay to the Financial Transaction Reports and Analysis Center with a copy to the Financial Services Authority.
- (9) In the event that the identity and other information related to the Customer are not found to be suitable with the

identity and other information listed in the TF List, as referred to in paragraph (4), the FI is obliged to prepare and submit a nil report to the Indonesian National Police with a copy to the Financial Services Authority.

- (10) In the event that identity and other information related to the Customer are not found to be suitable with the identity and other information listed in the PF List, as referred to in paragraph (4), the FI is obliged to make and submit a nil report to the Financial Transaction Reports and Analysis Center with a copy to the Financial Services Authority.
- (11) The FI is obliged to identify, assess, understand, and mitigate the sanction evasion risk related to TF List and/or PF List conducted by the Prospective Customer, Customer, WIC, and/or Beneficial Owner.

Part Ten

Cross Border Correspondent Banking

Article 54

- (1) Before providing Cross Border Correspondent Banking services, commercial bank is obliged to understand the business activities of the Recipient Bank and/or Intermediary Bank by requesting information regarding:
 - a. profiles of the prospective Recipient Bank and/or Intermediary Bank;
 - b. reputation of the Recipient Bank and/or Intermediary Bank based on reliable information source;
 - c. level of implementation of the AML, CTF and CPF programs in the country where the Recipient Bank and/or Intermediary Bank are domiciled; and
 - d. other relevant information needed by commercial bank to find out the profiles of the prospective Recipient Bank and/or Intermediary Bank.
- (2) The information, as referred to in paragraph (1) is obliged to be based on sufficient public information issued and determined by the authorized authority.
- (3) Commercial Bank is obliged to appoint senior officers responsible for business relations with prospective the Recipient Bank and/or Intermediary Bank.
- (4) Commercial Bank is obliged to evaluate the implementation of the AML, CTF, and CPF programs at the Recipient Bank and/or Intermediary Bank.
- (5) Commercial bank is obliged to understand the responsibilities for implementing the AML, CTF, and CPF programs from each party related to Cross Border Correspondent Banking activities.

Article 55

In case there is:

- a. substantial changes in the profile of the Recipient Bank and/or Intermediary Bank; and/or
- b. available information on the profiles of the Recipient Bank and/or Intermediary Bank that has not been completed with the information, as referred to in Article 54 paragraph (1),

commercial bank is obliged to carry out identification, verification, and monitoring of the Recipient Bank and/or Intermediary Bank in accordance with a risk-based approach.

Article 56

In the event that the Customer has access to a payable through account in Cross Border Correspondent Banking services, the Ordering Bank is obliged to ensure that:

- a. the Recipient Bank and/or Intermediary Bank has carried out an adequate CDD process for the Customer that is at least as the same as regulated in this Financial Services Authority Regulation, including having direct access to the Customer's account; and
- b. The Recipient Bank and/or Intermediary Bank is able to provide related or relevant CDD data and/or information if requested by the Ordering Bank.

Article 57

The Ordering Bank that is providing Cross Border Correspondent Banking services is obliged to:

- a. document all Cross Border Correspondent Banking transactions;
- b. refuse deal with and/or continue the Cross Border Correspondent Banking relationship with the shell bank; and
- c. ensure that the Recipient Bank and/or Intermediary Bank does not allow their accounts to be used by shell banks when entering into business relations related to Cross Border Correspondent Banking.

Part Eleven Fund Transfers

Article 58

- (1) For Banks carrying out Fund Transfer activities both within the territory of Indonesia and across countries, it is carried out by taking into account:
 - a. The Ordering Bank is obliged to:
 1. obtain accurate information, identify and verify the originator Customer or WIC and/or the beneficiary Customer or WIC, including:

- a) the name of the originator Customer or WIC;
 - b) account number of the originator Customer;
 - c) the address of the originator Customer or WIC;
 - d) identity document number, identification number, or place and date of birth of the originator Customer or WIC;
 - e) the name of the beneficiary Customer or WIC;
 - f) the beneficiary Customer's account number;
 - g) address of the beneficiary Customer or WIC;
 - h) amount of money and type of currency;
 - i) transaction date; and
 - j) other information, if needed;
2. deliver the information, as referred to in number 1, to the Intermediary Bank or the Beneficiary Bank; and
 3. maintain all Fund Transfer transactions information;
- b. The Intermediary Bank is obliged to forward Fund Transfer messages and orders to the Beneficiary Bank that are accompanied by the complete accurate information submitted by the Ordering Bank, as referred to in letter a number 1;
 - c. The Intermediary Bank is obliged to conduct record keeping on accurate information it received from the Ordering Bank or other Intermediary Bank within a minimum period of 5 (five) years from receipt of Fund Transfer orders from Ordering Bank or another Intermediary Bank; and
 - d. The Beneficiary Bank is obliged to ensure the complete accurate information, as referred to in letter a number 1.
- (2) For Funds Transfer activities within the territory of Indonesia, the Ordering Bank is obliged to submit in writing the additional information requirement within 3 (three) business days at the latest based on a written request from the Beneficiary Bank.
 - (3) For Funds Transfer activities within the territory of Indonesia, the Ordering Bank is obliged to submit in writing the information, as referred to in paragraph (1) letter a, and/or other additional information needed within 3 (three) business days at the latest based on a written request from authorized authority.

- (4) In the event that the identity of the beneficiary Customer or WIC has not been verified previously, the beneficiary Bank is obliged to verify the identity of the beneficiary Customer or WIC and administer the said information in accordance with document administration provisions.

Article 59

- (1) In the event that there are several Fund Transfers from 1 (one) sending Customer or WIC incorporated in 1 (one) document addressed to several beneficiary Customers and/or WIC, the bank is obliged to ensure that the document contains information about the originator Customer or WIC and complete information about the beneficiary Customer and/or WIC.
- (2) The Bank is obliged to track the information, as referred to in paragraph (1), in the country of the originator Customer and/or WIC.
- (3) The Bank is obliged to state the account number or transaction reference number of the originator Customer or WIC.

Article 60

The provisions, as referred to in Article 58, are exempted from:

- a. Fund Transfer using digital banking services;
- b. Fund Transfer using a card payment instrument; or
- c. Fund Transfer made between the FI and for the benefit of the FI.

Article 61

- (1) In the event that the information, as referred to in Article 58 paragraph (1) letter a number 1, is not fulfilled, the Ordering Bank is obliged to refuse carrying out the Transfer of Funds.
- (2) In the event that the Intermediary Bank receives a transfer order from overseas Ordering Bank that is not accompanied by the information, as referred to in Article 58 paragraph (1) letter a number 1, the Intermediary Bank is obliged to take adequate measures, which are in line with straight-through processing, to identify Fund Transfers that are not accompanied by such information.
- (3) In the event that the Beneficiary Bank receives a transfer order from a Ordering Bank or Intermediary Bank overseas that is not accompanied by the information, as referred to in Article 58 paragraph (1) letter a number 1, the Beneficiary Bank is obliged to take adequate measures to identify the Transfer of Funds which is not accompanied by such information, which can be in the form of monitoring at the time or after the Fund Transfer is carried out.

- (4) In the event that the Intermediary Bank and/or Beneficiary Banks receives a Funds Transfer order from overseas Ordering Bank that is not accompanied by the information, as referred to in Article 58 paragraph (1) letter a number 1, the Intermediary Bank and/or Beneficiary Bank may:
 - a. carrying out Fund Transfers;
 - b. refusing to carry out the Fund Transfer; or
 - c. postponing Fund Transfer transactions, accompanied by adequate follow-up.
- (5) In determining the actions, as referred to in paragraph (2) and paragraph (3), Intermediary Bank and/or Beneficiary Bank is obliged to have risk-based policies and procedures related to Fund Transfers which are part of the policies and procedures, as referred to in Article 17.

Article 62

In the event that there is a Transfer of Funds that meets the criteria for a Suspicious Financial Transaction as referred to in the laws and regulations concerning the prevention and eradication of ML, TF, and regulations regarding PF, the bank is obliged to report the Transfer of Funds as a Suspicious Transaction report to the Financial Transaction Reports and Analysis Center.

Part Twelve Record Keeping

Article 63

- (1) FI is obliged to maintain:
 - a. documents related to the data of Prospective Customer, Customer, and/or WIC with a minimum period of 5 (five) years since:
 1. the end of the business relationship or transaction with the Customer or WIC; and/or
 2. discrepancies in transactions with economic and/or business objectives are found; and
 - b. Customer or WIC documents related to financial transactions with a period as regulated in the laws and regulations regarding company documents.
- (2) Documents related to data on Prospective Customer, Customer, and/or WIC as referred to in paragraph (1), include:
 - a. identity of Prospective Customer, Customer, and/or WIC including its supporting documents;
 - b. transaction information;
 - c. the results of the analysis that has been carried out;
 - d. correspondence with the Customer or WIC; and
 - e. other documents, if needed.

- (3) FI is obliged to keep records and documents regarding the entire process of identifying Suspicious Transactions in accordance with statutory regulations.
- (4) FI is obliged to provide data, information, and/or documents that are administered immediately and no later than 3 (three) business days after the FI receives a request from the Financial Services Authority and/or other authorized authorities.

Article 64

- (1) The FI that violates the provisions, as referred to in Article 17 paragraph (1), paragraph (2), paragraph (3), paragraph (5), paragraph (7), paragraph (9), Article 18, Article 19, Article 20 paragraph (1), Article 21 paragraph (1), paragraph (2), paragraph (3), paragraph (4), paragraph (5), Article 22 paragraph (1), paragraph (2), paragraph (4), Article 23, Article 24, Article 25 paragraph (2), Article 26 paragraph (1), Article 27 paragraph (1), Article 28, Article 29 paragraph (1), paragraph (2), Article 30 paragraph (1), paragraph (2), paragraph (3), paragraph (4), paragraph (5), paragraph (7), Article 31, Article 32 paragraph (1), paragraph (2), paragraph (3), paragraph (5), Article 33 paragraph (1), paragraph (2), paragraph (4), paragraph (6), paragraph (7), paragraph (8), paragraph (11), paragraph (12), Article 34 paragraph (4), Article 35 paragraph (1), paragraph (3), Article 36, Article 37 paragraph (1), Article 38, Article 39, Article 40, Article 41, Article 42, Article 43, Article 44, Article 45 paragraph (2), paragraph (4), paragraph (5), paragraph (6), paragraph (8), paragraph (9), Article 46 paragraph (3), paragraph (5), paragraph (6), Article 47 paragraph (3), Article 48 paragraph (1), Article 49, Article 50, Article 51, Article 52 paragraph (1), paragraph (3), paragraph (4), paragraph (5), Article 53 paragraph (1), paragraph (2), paragraph (3) , paragraph (4), paragraph (6), paragraph (7), paragraph (8), paragraph (9), paragraph (10), paragraph (11), Article 54, Article 55, Article 56, Article 57, Article 58 , Article 59, Article 61 paragraph (1), paragraph (2), paragraph (3), paragraph (5), Article 62, and/or Article 63 paragraph (1), paragraph (3), paragraph (4) is subject to administrative sanction in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a fine;
 - c. restriction on certain business activities;
 - d. lowering the forming factors in the assessment of the soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.

- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1) to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1), does not eliminate the FI's obligation to continue implementing the provisions in the Article, as referred to in paragraph (1).

CHAPTER V INTERNAL CONTROL

Article 65

- (1) FI is obliged to have an effective and independent internal control system.
- (2) Implementation of an effective and independent internal control system, as referred to in paragraph (1), evidenced by, the least:
 - a. possession of adequate policies, procedures and internal monitoring;
 - b. limitations on the authority and responsibility of the working unit related to the implementation of the AML, CTF and CPF programs; and
 - c. conducting independent audit to ensure the effectiveness of the implementation of the AML, CTF and CPF programs.

Article 66

- (1) The FI that violates the provisions, as referred to in Article 65 paragraph (1), is subject to administrative sanction in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a fine;
 - c. restriction on certain business activities;
 - d. lowering the forming factors in the assessment of the soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.
- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1), to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1), does not eliminate the FI's obligation to continue implementing the provisions, as referred to in Article 65 paragraph (1).

CHAPTER VI IMPLEMENTATION OF AML, CTF AND CPF PROGRAMS IN OFFICE NETWORK AND SUBSIDIARY COMPANIES

Article 67

- (1) The Financial Conglomerate is obliged to implement the AML, CTF and CPF programs to all office networks and domestic and overseas subsidiary companies, and monitor the implementation of:
 - a. policies and procedures for sharing information for CDD purposes and ML, TF, and/or PF risk management; and
 - b. possession of adequate provisions on the safeguards and confidentiality of the information exchange, including mitigation to prevent violations of anti-tipping off provisions.
- (2) All domestic and overseas office networks and subsidiary companies are obliged to implement the policies and procedures for the AML, CTF and CPF programs, as referred to in paragraph (1).
- (3) The FI, which is the holding company of the Financial Conglomerate, is obliged to be responsible for ensuring that the Financial Conglomerate has implemented the AML, CTF, and CPF programs for all office networks and domestic and overseas subsidiary companies, as referred to in paragraph (1), including the obligations of all FI that are members of the Financial Conglomerate to carry out risk assessments and adequate risk mitigation.
- (4) In the event that the country where the office and subsidiary company are located overseas, as referred to in paragraph (1), has AML, CTF, and CPF regulations that are more stringent than those regulated in this Financial Services Authority Regulation, the said overseas office and subsidiary company are obliged to comply with the provisions issued by the authorities of the local country.
- (5) In the event that the country where the office and subsidiary company are located, as referred to in paragraph (1), have not complied with the FATF Recommendation or have complied with the standards for the AML, CTF and CPF programs that are less stringent than those regulated in this Financial Services Authority Regulation, the said office and subsidiary company are obliged to implement the AML, CTF and CPF programs as regulated in this Financial Services Authority Regulation.
- (6) In the event that the implementation of the AML, CTF and CPF programs, as regulated in this Financial Services Authority Regulation results in a violation of the statutory provisions and regulations in the local country where the office and subsidiary company are domiciled, the official of the FI overseas office is obliged to inform the FI head office or Financial Conglomerate holding company.

- (7) The head office of the FI or Financial Conglomerate through the holding company of the Financial Conglomerate is obliged to implement adequate additional measures to manage the risks of ML, TF and PWMD, as referred to in paragraph (6), as well as inform the Financial Services Authority.

Article 68

- (1) The FI that violates the provisions, as referred to in Article 67, is subject to administrative sanctions in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a fine;
 - c. restriction on certain business activities;
 - d. lowering the forming factors in the assessment of the soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.
- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1) to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1), does not eliminate the FI's obligation to continue implementing the provisions, as referred to in Article 67.

CHAPTER VII

MANAGEMENT INFORMATION SYSTEM

Article 69

- (1) The FI is obliged to have a management information system that can effectively identify, analyze, monitor, and provide reports regarding the characteristics or patterns of transactions made by customers.
- (2) In the event that the FI is a subsidiary in a Financial Conglomerate, the FI may use the information system owned by the parent company of the Financial Conglomerate or the FI in the said Financial Conglomerate for implementing the AML, CTF and CPF programs in an integrated manner.
- (3) The FI is obliged to have and maintain customer profiles in an integrated manner (single customer identification file), at least the information, as referred to in Article 25 and Article 28 paragraph (1).
- (4) The FI is obliged to have and maintain a WIC profile, as referred to in Article 25 paragraph (2) letter a.
- (5) The information system, as referred to in paragraph (1) is obliged to consider information technology factors that

have the potential to be misused by ML, TF, and/or PF perpetrators.

Article 70

- (1) The FI that violates the provisions, as referred to in Article 69 paragraph (1), paragraph (3), paragraph (4), and/or paragraph (5), is subject to administrative sanction in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a fine;
 - c. restriction on certain business activities;
 - d. lowering the forming factors in the assessment of the soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.
- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1) to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1) does not eliminate the FI's obligation to continue implementing the provisions, as referred to in Article 69 paragraph (1), paragraph (3), paragraph (4), and/or paragraph (5).

CHAPTER VIII HUMAN RESOURCES AND TRAINING

Article 71

In order to prevent FI from being used as a medium or destination for ML, TF, and/or PWMD that is involving internal parties of the FI, the FI is obliged to:

- a. screening procedures to ensure high standards when hiring new employees (pre-employee screening), both permanent employees and non-permanent employees, including senior officials, experts, from the lowest level up to 1 (one) level below the Board of Directors and the Board Commissioner; and
- b. identification and on-going monitoring of employee profiles (know your employee), both permanent and non-permanent employees, including experts, from the lowest level up to the Board of Directors and Board of Commissioners.

Article 72

- (1) FI is obliged to provide training on AML, CTF and CPF to officers and/or employees according to the need, that is continuous and periodic, at least 1 (one) time in 1 (one) year.

- (2) In the event that according to the needs of the FI based on the risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or there are major events or developments in the management and operations of the FI, training on AML, CTF and CPF to officers and/or employees, as referred to in paragraph (1) can be done more than 1 (one) time.
- (3) The training materials, as referred to in paragraph (1) include:
 - a. application of laws and regulations regarding the implementation of the AML, CTF and CPF programs;
 - b. ML, TF, and/or PF techniques, methods and typologies;
 - c. policies and procedures for implementing the AML, CTF and CPF programs as well as the roles and responsibilities of employees in preventing and eradicating ML, TF, and/or PF; and
 - d. Other training materials, if needed.
- (4) In providing training, as referred to in paragraph (1), the FI may:
 - a. organize independently;
 - b. cooperate with other parties such as associations of FIs, Financial Transaction Reports and Analysis Center, and/or related authorities; and/or
 - c. involve employees in training.
- (5) The FI is obliged to evaluate ongoing training on AML, CTF and CPF, as referred to in paragraph (1).

Article 73

- (1) The FI that violates the provisions, as referred to in Article 71 and/or Article 72 paragraph (1), paragraph (5), is subject to administrative sanction in the form of:
 - a. a written reprimand or written warning accompanied by an order to take certain actions;
 - b. a fine;
 - c. restriction on certain business activities;
 - d. lowering the forming factors in the assessment of the soundness level;
 - e. suspension of certain business activities; and/or
 - f. prohibition as the main party.
- (2) The Financial Services Authority can announce the imposition of administrative sanction, as referred to in paragraph (1) to the public.
- (3) The imposition of administrative sanction, as referred to in paragraph (1), does not eliminate the FI's obligation to continue implementing the provisions, as referred to in Article 71 and/or Article 72 paragraph (1), paragraph (5).

CHAPTER IX
REPORTING

Article 74

- (1) FI is obliged to submit a report to the Financial Services Authority regarding:
 - a. ML, TF, and/or PF risk assessment documents that have been prepared individually, as referred to in Article 4 paragraph (5), for the first time no later than 12 (twelve) months since the enactment of this Financial Services Authority Regulation;
 - b. updating of ML, TF, and/or PF risk assessment documents that have been prepared individually, as referred to in Article 4 paragraph (2) letter c, that is submitted annually no later than the end of June;
 - c. policies and procedures for implementing the AML, CTF and CPF programs, as referred to in Article 17, no later than 6 (six) months from the enactment of this Financial Services Authority Regulation;
 - d. report on data updating plan, as referred to in Article 51 paragraph (4) letter b, that is submitted every year no later than the end of December prior to the data updating period;
 - e. report on the realization of data updating, as referred to in Article 51 paragraph (4) letter c, that is submitted every year no later than the end of January after the data updating period ends;
 - f. copy of the Blocking report immediately by attaching the minutes of Blocking without delay, as referred to in Article 53 paragraph (7) and paragraph (8) no later than 3 (three) business days since the FI received the TF List and PF List; and
 - g. copy of the nil report, as referred to in Article 53 paragraph (9) and paragraph (10), no later than 3 (three) business days since the FI receives the TF List and PF List
- (2) Submission of the report, as referred to in paragraph (1), is obliged to be submitted to the head of the supervisory working unit through an electronic system organized by the Financial Services Authority.
- (3) In the event that the electronic system, as referred to in paragraph (2), is not yet available or is experiencing interference, the FI is obliged to submit documents physically or via electronic mail to the Financial Services Authority addressed to the head of the supervisory working unit.
- (4) In the event that the reporting date, as referred to in paragraph (1), falls on a holiday, the report submission is carried out on the following working day.

- (5) In the event that there are changes to policies and procedures, and/or reports on data updating plans, which have been submitted to the Financial Services Authority, the FI is obliged to submit these changes no later than 7 (seven) business days after the changes are made.

Article 75

- (1) For the purposes of supervising the AML, CTF and CPF programs, the FI is obliged to submit data, information and/or documents based on:
 - a. request of the Financial Services Authority; and/or
 - b. Regulations of the Financial Services Authority and/or provisions regarding reporting through the Financial Services Authority's reporting system.
- (2) Violations of the obligation to submit data, information and/or documents based on the Financial Services Authority Regulations and/or provisions regarding reporting through the Financial Services Authority reporting system, as referred to in paragraph (1) letter b, the imposition of sanction for such violations is based on the Regulations the Financial Services Authority referred to.
- (3) In the event that the reporting system, as referred to in paragraph (2), is not yet available or is experiencing interference, the FI is obliged to submit the information, data and/or documents physically or via electronic mail to the Financial Services Authority which is submitted to the head of the supervisory working unit.

Article 76

- (1) FI is obliged to submit a report on Suspicious Transaction, Cash Transaction and other report to the Financial Transaction Reports and Analysis Center, including submission of correction report on all such report as regulated in the laws and regulations regarding the prevention and eradication of ML, TF, and / or regulations regarding PF.
- (2) The obligation of the FI to report Suspicious Financial Transactions to the Center for Financial Transaction Reports and Analysis includes transactions and/or attempted transactions that are allegedly related to TF and/or PF.
- (3) Submission of the report, as referred to in paragraph (1), is carried out by referring to the provisions regulated by the Center for Financial Transaction Reports and Analysis.

Article 77

- (1) The FI is obliged to immediately submit the Blocking report attached with the minutes of the Blocking immediately related to TF List, as referred to in Article 53 paragraph (7), to the National Police of the Republic of Indonesia no later than 3 (three) business days after the FI receives TF List.
- (2) The FI is obliged to immediately submit the Blocking report by attaching the minutes of the Blocking immediately related to the PF List, as referred to in Article 53 paragraph (8), to the Financial Transaction Reports and Analysis Center no later than 3 (three) business days after the FI receives the PF List.
- (3) FI is obliged to submit a nil report regarding TF List, as referred to in Article 53 paragraph (9), to the Indonesian National Police no later than 3 (three) business days after the FI receives LSTTO.
- (4) FI is obliged to submit a nil report related to PF List, as referred to in Article 53 paragraph (10), to the Financial Transaction Reports and Analysis Center no later than 3 (three) business days after the FI receives PF List.

Article 78

- (1) The FI that is late in submitting the report, as referred to in Article 74 paragraph (1), paragraph (2), paragraph (3), paragraph (5), Article 75 paragraph (1), paragraph (3), Article 76 paragraph (1), and Article 77, is subject to:
 - a. administrative sanction in the form of a fine is an obligation to pay an amount of IDR100,000.00 (one hundred thousand rupiah) per business day of delay per report, a maximum of IDR3,000,000.00 (three million rupiah) per report for the FI in the form of a commercial bank, including branch office of commercial bank domiciled overseas, securities company, investment manager, custodian, trustee, insurance company, pension funds financial institution, infrastructure financing company, and an Indonesian export financing institution;
 - b. administrative sanction in the form of a fine is an obligation to pay an amount of IDR50,000.00 (fifty thousand rupiah) per business day of delay per report, a maximum of IDR 1,500,000.00 (one million five hundred thousand rupiah) per report for the FI in the form of a rural bank, insurance brokerage company, multi-finance company, venture capital company, pawn company, securities crowdfunding service provider, information technology-based lending service provider, and other financial service institution and/or parties conducting business activities of raising funds, channeling funds,

- management of funds in the financial services sector, as well as those who are declared to be supervised by the Financial Services Authority, based on laws and regulations; or
- c. administrative sanction in the form of a written reprimand or written warning accompanied by orders to take certain actions for the FI in the form of a microfinance institution.
- (2) The imposition of administrative sanction in the form of a fine, as referred to in paragraph (1) letter a, is subject to a maximum of 0.5% (zero-point five percent) of the previous year's total net profit with a maximum limit per year of IDR25,000,000,000.00 (twenty-five billion rupiah).
 - (3) The imposition of administrative sanction in the form of a fine, as referred to in paragraph (1) letter b, is subject to a maximum of 0.25% (zero-point twenty five percent) of the previous year's total net profit with a maximum limit of IDR12,500,000,000.00 per year (twelve billion five hundred million rupiah).
 - (4) The FI is declared late in submitting the report if the FI submits the report, as referred to in Article 74 paragraph (1), paragraph (2), paragraph (3), Article 75 paragraph (1), paragraph (3), Article 76 paragraph (1) , and Article 77 at the latest 30 (thirty) business days from the deadline, as referred to in Article 74 paragraph (1), paragraph (2), paragraph (3), Article 75 paragraph (1), paragraph (3), Article 76 paragraph (1), and Article 77.
 - (5) The FI is declared not to have submitted the report, as referred to in Article 74 paragraph (1), paragraph (2), paragraph (3), Article 75 paragraph (1), paragraph (3), Article 76 paragraph (1), and Article 77, if the FI submits the report beyond the time limit, as referred to in paragraph (4).
 - (6) The FI that does not submit the report, as referred to in paragraph (5), is subject to:
 - a. administrative sanction in the form of a fine is an obligation to pay an amount of IDR10,000,000.00 (ten million rupiah) per report for the FI in the form of a commercial bank, including branch office of commercial bank domiciled overseas, securities company, investment manager, custodian, trustee, insurance company, pension funds financial institution, infrastructure financing company, and Indonesian export financing institution;
 - b. administrative sanction in the form of a fine is an obligation to pay an amount of IDR5,000,000.00 (five million rupiah) per report for the FI in the form of a rural bank, insurance brokerage company, finance company, venture capital company, pawnshop

- company, securities crowdfunding service provider, information technology-based lending service provider, and other financial service institution and/or a party that is conducting business activities of raising funds, channeling funds, managing funds in the financial services sector, and those who are declared to be supervised by the Financial Services Authority, based on laws and regulations; or
- c. administrative sanction in the form of written reprimand or written warning accompanied by orders to take certain actions for the FI in the form of a microfinance institution.
- (7) The imposition of administrative sanction in the form of a fine, as referred to in paragraph (6) letter a, is a maximum of 1% (one percent) of the previous year's total net profit with a maximum limit of IDR 50,000,000,000.00 (fifty billion rupiah) per year.
- (8) The imposition of administrative sanction in the form of a fine, as referred to in paragraph (6) letter b, is a maximum of 0.5% (zero-point five percent) of the previous year's total net profit with a maximum limit of IDR 25,000,000,000.00 (twenty five billion rupiah) per year.
- (9) The imposition of sanction, as referred to in paragraph (7) and paragraph (8), does not eliminate the reporting obligation by the FI.
- (10) Reports made by the FI, as referred to in paragraph (9), are obliged to be submitted no later than 3 (three) business days after the imposition of sanction.
- (11) If the FI does not submit the report within the time, as referred to in paragraph (10), the FI will be subject to administrative sanction in the form of:
- a. restriction on certain business activities;
 - b. lowering the soundness level assessment;
 - c. suspension of certain business activities; and/or
 - d. prohibition of being the main party.
- (12) The Financial Services Authority may announce the imposition of sanction, as referred to in paragraph (1), paragraph (6), and/or paragraph (11) to the public.
- (13) In the event that a FI is only one of the units/divisions within another FI, the calculation of the net profit as referred to in paragraph (2), paragraph (3), paragraph (7), and paragraph (8) shall be the net profit of the other FI.

CHAPTER X

CALCULATION OF A FINE SANCTION

Article 79

- (1) Imposition of fine sanction by the Financial Services Authority, as referred to in Article 7 paragraph (1) letter b, Article 16 paragraph (1) letter b, Article 64 paragraph (1)

letter b, Article 66 paragraph (1) letter b, Article 68 paragraph (1) letter b, Article 70 paragraph (1) letter b, and/or Article 73 paragraph (1) letter b, is calculated with the following provisions:

- a. a maximum of IDR5,000,000,000.00 (five billion rupiah) per year for individual; and/or
 - b. a maximum of 1% (one percent) of the previous year's total net profit with a maximum limit of IDR100,000,000,000.00 (one hundred billion rupiah) per year for an FI.
- (2) In the event that the FI is only one of the units/divisions within the other FI, the net profit calculation, as referred to in paragraph (1) letter b, shall be the net profit of the other FI.

Article 80

- (1) The calculation of the imposition of a fine sanction by the Financial Services Authority, as referred to in Article 7 paragraph (1) letter b, Article 16 paragraph (1) letter b, Article 64 paragraph (1) letter b, Article 66 paragraph (1) letter b, Article 68 paragraph (1) letter b, Article 70 paragraph (1) letter b, and/or Article 73 paragraph (1) letter b, is suspended for an FI who has suffered losses in the previous year.
- (3) In the event that the FI has made a profit, the calculation of the fine sanction, as referred to in paragraph (1), is determined based on the net profit obtained.

CHAPTER XI SUPERVISION AND MONITORING BY THE FINANCIAL SERVICES AUTHORITY

Article 81

- (1) The Financial Services Authority carries out risk-based supervision and monitoring and ensures compliance with the implementation of the AML, CTF and CPF programs by the FI.
- (2) The supervision of the Financial Services Authority, as referred to in paragraph (1), is carried out directly and indirectly.
- (3) The Financial Services Authority has the authority to request relevant data and/or information from the FI in supervising and monitoring compliance with the implementation of the AML, CTF and CPF programs by the FI.
- (4) The Financial Services Authority has the authority to order banks to freeze certain accounts.

CHAPTER XII OTHER PROVISIONS

Article 82

- (1) The FI that is using supporting professional services is obliged to ensure that supporting professionals implement the AML, CTF and CPF programs and have been registered in the AML, CTF and CPF reporting information system managed by the Financial Transaction Reports and Analysis Center.
- (2) It is deemed registered in the AML, CTF and CPF reporting information system, as referred to in paragraph (1), as evidenced by:
 - a. electronic mail confirmation from the Financial Transaction Reports and Analysis Center delivered to supporting professionals regarding the application for registration that has been received; and/or
 - b. other forms as referred to in the laws and regulations regarding the reporting information system of AML, CTF and CPF to the Center for Financial Transaction Reports and Analysis.

Article 83

The FI cooperates with law enforcement agencies and authorized agencies to eradicate ML, TF, and/or PF.

Article 84

In the event that there is a Financial Services Authority Regulation concerning the implementation of specific verification of Prospective Customer, the electronic face-to-face and/or non-electronic face-to-face meeting mechanism is carried out based on the said Financial Services Authority Regulation.

CHAPTER XIII TRANSITIONAL PROVISIONS

Article 85

At the time this Financial Services Authority Regulation comes into force, the FI adjusts the implementation of the AML, CTF and CPF programs with this Financial Services Authority Regulation no later than 6 (six) months after the promulgation of this Financial Services Authority Regulation.

Article 86

- (1) The FI that is recently obliged to implement the AML, CTF and CPF programs in accordance with laws and regulations adjusts to this Financial Services Authority Regulation no later than 12 (twelve) months after the FI is obliged to implement the AML, CTF and CPF as referred to in laws and regulations.
- (2) The FI, as referred to in paragraph (1), submits the action plan as well as the policies and procedures in accordance with this Financial Services Authority Regulation no later

than 6 (six) months after the FI is obliged to implement the AML, CTF and CPF programs as referred to in the laws and regulations.

Article 87

The FI that violates the provisions for implementing the AML, CTF, and CPF programs in the financial services sector prior to the enactment of this Financial Services Authority Regulation, the examination, decision, and imposition of a sanction for said violation are based on the regulations regarding the implementation of the applicable AML, CTF, and CPF programs at the time the violation occurred.

CHAPTER XIV CLOSING PROVISIONS

Article 88

At the time this Financial Services Authority Regulation comes into force, the implementing provisions of:

- a. Financial Services Authority Regulation Number 12/POJK.01/2017 concerning Implementation of Anti-Money Laundering and Countermeasure Financing for Terrorism in the Financial Services Sector (State Gazette of the Republic of Indonesia of 2017 Number 57, Supplement to State Gazette of the Republic of Indonesia Number 6035); and
- b. Financial Services Authority Regulation Number 23/POJK.01/2019 concerning Amendments to Financial Services Authority Regulation Number 12/POJK.01/2017 concerning Implementation of Anti-Money Laundering and Countermeasure Financing for Terrorism in the Financial Services Sector (State Gazette of the Republic of Indonesia of 2019 Number 178, Supplement State Gazette of the Republic of Indonesia Number 6394),

remain effective insofar as they are not contrary to the provisions in this Financial Services Authority Regulation.

Article 89

At the time this Financial Services Authority Regulation comes into force:

- a. Financial Services Authority Regulation Number 12/POJK.01/2017 concerning Implementation of Anti-Money Laundering and Countering Terrorism Financing Program in the Financial Services Sector (State Gazette of the Republic of Indonesia of 2017 Number 57, Supplement to State Gazette of the Republic of Indonesia Number 6035); and
- b. Financial Services Authority Regulation Number 23/POJK.01/2019 concerning Amendments to Financial Services Authority Regulation Number 12/POJK.01/2017

concerning Implementation of Anti-Money Laundering and Countering Terrorism Financing Program in the Financial Services Sector (State Gazette of the Republic of Indonesia of 2019 Number 178, Supplement State Gazette of the Republic of Indonesia Number 6394),
are revoked and declared invalid.

Article 90

This Financial Services Authority Regulation comes into force on the date of promulgation.

In order that every person may know hereof, it is ordered to promulgate this Financial Services Authority Regulation by its placement in the State Gazette of the Republic of Indonesia.

Regulated in Jakarta

On 14th June 2023

CHAIRMAN OF THE BOARD OF
COMMISSIONERS
FINANCIAL SERVICES AUTHORITY
REPUBLIC OF INDONESIA,
signed

MAHENDRA SIREGAR

Promulgated in Jakarta

On 14 June 2023

MINISTER OF LAW AND HUMAN RIGHTS
REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2023 NUMBER 11/OJK

ELUCIDATION
TO
REGULATION OF THE FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 8 YEAR 2023
CONCERNING
IMPLEMENTATION OF ANTI-MONEY LAUNDERING, COUNTERING TERRORISM
FINANCING , AND COUNTERING PROLIFERATION FINANCING OF WEAPONS OF
MASS DESTRUCTION PROGRAM IN FINANCIAL SERVICES SECTOR

I. GENERAL

As a form of mitigation of the potential risks of ML, TF, and/or PF which continue to develop and become a serious threat to many countries, including Indonesia, concrete efforts are needed, one of which is through strengthening the regulatory framework in accordance with developments in international principles governing program implementation of AML, CTF and CPF.

FATF as an international body established with the aim of setting international standards regarding the prevention and eradication of ML, TF, and/or PF has compiled FATF Recommendations as international standards for the AML, CTF and CPF regimes which must be used as guidelines by all countries. As a form of Indonesia's commitment in the global arena to prevent and eradicate ML, TF, and/or PF, all relevant regulations are guided by FATF Recommendations, including provisions of laws and regulations in the financial services sector issued by the Financial Services Authority.

This Financial Services Authority Regulation is a refinement of the Financial Services Authority Regulation Number 12/POJK.01/2017 as amended by the Financial Services Authority Regulation Number 23/POJK.01/2019, namely among others:

- a. the development of the regulatory framework in Indonesia has moved very rapidly in recent years, especially those carried out in the omnibus law format which are directly or indirectly closely related to a number of regulations in various sectors, including the financial services sector. For example, the Law on Job Creation and the Law on the Development and Strengthening of the Financial Services Sector which resulted in the need for adjustments to the provisions for implementing the AML, CTF and CPF programs in the financial services sector that had existed previously; and
- b. The Financial Services Authority as the Supervisory and Regulatory Agency in the AML, CTF and CPF regimes in Indonesia needs to pay attention to the rapid and dynamic development of innovation and technology in the financial services sector which aims to support the development of the financial services sector and make it easier for FIs to run their business and make it easier for the public to utilize all products, services, and/or services in the financial services sector. The Financial Services Authority needs to facilitate and regulate the use of information technology in order to support this development, so that the perpetrators or users can still pay attention to the security, confidentiality and risk mitigation aspects of ML, TF, and/or P.

In relation to these matters, the Financial Services Authority regulates the Financial Services Authority Regulation concerning Implementation of Anti-Money Laundering, Countering the Financing for Terrorism, and Countering the Proliferation financing of Weapons of Mass Destruction Programs in the Financial Services Sector, in lieu of the Financial Services Authority Regulation Number 12/POJK.01 /2017 concerning Implementation of Anti-Money Laundering and Countering the Terrorism Financing Programs in the Financial Services Sector as amended by Financial Services Authority Regulation Number 23/POJK.01/2019.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

Letter a

What is meant by "bank" is commercial bank, including branch office of a bank domiciled overseas, and rural bank as referred to the law on banking and the law on sharia banking.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Letter m

Self-explanatory.

Letter n

Self-explanatory.

Letter o

Self-explanatory.

Letter P

Self-explanatory.

Letter q

What is meant by “information technology-based financial transaction service providers or financial sector technology innovation service providers” are information technology-based financial transaction service providers or financial sector technology innovation service providers that involve a flow of funds whose activities produce products, business practices, and/or distribution network innovation in the financial services sector.

Letter r

What is meant by "other financial service institutions and/or parties conducting business activities of raising funds, channeling funds, managing funds in the financial services sector, and those declared to be supervised by the Financial Services Authority, based on laws and regulations" include PT Permodalan Nasional Madani.

Paragraph (2)

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

What is meant by "Indonesian risk assessment of ML, TF, and/or PF nationally" is a document issued by the Center for Financial Transaction Reports and Analysis which contains the results of Indonesia's risk assessment of AML, TF, and/or PF nationally and their amendments.

What is meant by "Indonesian risk assessment of ML, TF, and/or PF by sector" is a document issued by relevant authorities such as the Financial Services Authority or the Commodity Futures Trading Supervisory Agency which contains the results of the risk assessment of each industry or sector on the potential ML, TF, and/or PF and its amendments.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 5

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Example of “deeper action”:

1. FIs conduct EDD on customers who experience an increased risk from initially low or medium to high;
2. FI conducts EDD and/or more stringent monitoring of transactions made by customers who are known and/or suspected to be related to crime; and
3. FI increases the number of resources at branch offices and/or representative offices domiciled in areas experiencing increased risk from initially low or medium to high.

Article 6

Self-explanatory.

Article 7

Paragraph (1)

Self-explanatory.

Paragraph (2)

Announcement of the imposition of administrative sanction on the public can be done, among others, through the Financial Services Authority's page/website.

Paragraph (3)

Self-explanatory.

Article 8

Paragraph (1)

For a branch office of an FI domiciled overseas, what is meant by "Directors" are the head of a branch office of a FI domiciled overseas, namely the head of a FI branch office and/or an official one level below the head of the branch office.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

The establishment of a special work unit and/or the appointment of an official as the person in charge of implementing the AML, CTF and CPF programs is carried out in accordance with the needs of the FI based on the risk assessment of ML, TF, and/or PWMD, activities, business scale, business complexity, business characteristics, and/ or if there is a major event or development in the management and operations of the FI.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

What is meant by "related work units" include work units that are directly or indirectly related to the Customer and/or WIC, such as Customer service

officers (frontliners), marketing officers, officers related to the management and development of information technology, as well as internal auditors.

Letter g

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 9

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

The frequency of discussions regarding the implementation of the AML, CTF and CPF programs in the Board of Directors and Board of Commissioners meetings is carried out in accordance with the needs and risk assessment of each FI.

Article 10

Paragraph (1)

What is meant by "management of compliance with the implementation of the AML, CTF and CPF programs" is the process that ensures that the FI has complied with the laws and regulations regarding the implementation of the AML, CTF and CPF programs.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Example "appointment of person in charge of implementing the AML, CTF and CPF programs is carried out in accordance with the needs of the FI based on a risk assessment of ML, TF, and/or PF, activities, business scale, business complexity, business characteristics, and/or if there is a major event or development in the management and operations of FI" are:

- a. appointment of 1 (one) person in charge of AML, CTF and CPF who has the function and/or authority for several branch offices;
- b. appointment of persons in charge of AML, CTF and CPF from the head office or regional offices with specific duties and responsibilities to oversee the implementation of the AML, CTF and CPF programs in certain branch offices; and/or
- c. appointment of persons in charge of AML, CTF and CPF who are concurrently officials from work units that are not related to customers (non-operational) at other branch offices such as risk management work units, but taking into account that work units implementing policies and procedures for implementing the AML program, CTF, and CPF are separate from the work unit that oversees their implementation.

Article 11

Paragraph (1)
Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
What is meant by "adequate capacity" includes experience and/or knowledge regarding the implementation of the AML, CTF and CPF programs which can be proven, among others, from the track record of employment, education, and/or related certificates.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Paragraph (1)
Letter a
Self-explanatory.
Letter b
Self-explanatory.
Letter c
Self-explanatory.
Letter d
Self-explanatory..
Letter e
Self-explanatory.
Letter f
Self-explanatory.
Letter g
Self-explanatory.
Letter h
Self-explanatory.
Letter i
Self-explanatory.
Letter j
Self-explanatory.
Letter k
Self-explanatory.
Letter l

What is meant by "carrying out supervision related to the implementation of the AML, CTF and CPF programs to related work units" includes supervising the related work units that have carried out their functions and duties to prepare reports regarding suspected Suspicious Financial Transactions before submitting

them to the special work unit or responsible official on the implementation of the AML, CTF and CPF programs.

Letter m

Examples of laws and regulations regarding the prevention and eradication of TF and regulations regarding the prevention and eradication of PF which regulate the follow-up provisions for TF List and PF List are:

1. joint regulations governing the inclusion of the identity of natural person and legal person in TF List and the immediate blocking of funds belonging to a person or a legal person listed in TF List issued by the Chief Justice of the Supreme Court, Minister of Foreign Affairs, Head of the State Police, Head of the National Counterterrorism Agency, and the Head of the Center for Financial Transaction Reports and Analysis; and
2. joint regulations governing the inclusion of the identity of a natural person and a legal person in the PF List and instantaneous blocking of funds belonging to a natural person or a legal person listed in the PF List issued by the Minister of Foreign Affairs, the Head of the State Police, the Head of the Financial Transaction Reports and Analysis Center, and the Head Nuclear Energy Regulatory Agency.

Letter n

Self-explanatory.

Letter o

Self-explanatory.

Letter p

Self-explanatory.

Letter q

Self-explanatory.

Letter r

Self-explanatory.

Letter s

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Letter a

Policies and procedures regarding identification and verification of customers include simple CDD, CDD by third parties, and EDD.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

What is meant by "senior official" is an executive officer who has knowledge and/or experience regarding AML, CTF and CPF, for example at the level of a division head or section head at the head office or branch office leadership.

Letter h

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Letter a

Self-explanatory.

Letter b

What is meant by "financial transactions in rupiah and/or foreign currencies with a value of at least or equivalent to IDR 100,000,000.00 (one hundred million rupiah)", includes transactions carried out in one transaction or in several transactions that should be presumably related.

Letter c

Self-explanatory.

Letter d

The CDD procedure is carried out when there are indications of Suspicious Financial Transactions related to ML, TF, and/or PF, carried out without regard to any exceptions or transaction value limits as regulated in this Financial Services Authority Regulation.

Letter e

Self-explanatory.

Article 20

Self-explanatory.

Article 21

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Implementation of verification through face-to-face meeting mechanisms electronically, among others, can be done by video call/video conference.

What is meant by "software" is software as referred to in the laws and regulations regarding information and electronic transactions.

What is meant by "hardware" is hardware as referred to in the laws and regulations regarding information and electronic transactions.

Paragraph (5)

Implementation of verification through non-electronic face-to-face mechanisms, among others, can be carried out using applications or websites without video calls/video conferencing.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

What is meant by "population data" is data owned by the authority authorized to manage said population data based on laws and regulations, including but not limited to population data under the authority of the Ministry of Home Affairs and Indonesian diaspora data under the authority of the Ministry of Foreign Affairs.

Number 1

What is meant by "something that is characteristic of a Prospective Customer (something you are)" is physical characteristics and/or biometric data that are innate and unique to each person, including face (facial recognition), fingerprint pattern, and the pattern of the retina / iris (retinal pattern).

Number 2

What is meant by "something that the Prospective Customer has (something you have)" is an identity document owned by the Prospective Customer, namely an Identity Card that is obliged to be accompanied by other things, such as a one-time password (OTP), digital signature, or other forms that can be equated.

Paragraph (6)

What is meant by "something that the Prospective Customer knows (something you know)" is something that is confidential and only known by the Prospective Customer, such as usernames, passwords, personal identification numbers (PIN), or other equivalent forms.

Article 22

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

Obligations that must be fulfilled are:

1. third party obligations to ensure that third party electronic means used for verification through face-to-face electronic meeting mechanisms and/or verification through non-face-to-face mechanisms are guaranteed reliability, including third party service standards, and mechanisms to ensure that these standards can be fulfilled at any time, as well as the obligation of third parties to have standard operating procedures (SOP) related to contingency plans, in the event that third party systems experience technical problems or cannot be used.

What is meant by "contingency plan" includes having a data center and disaster recovery center (DRC) according to laws and regulations, as well as having a business continuity plan (BCP) and a disaster recovery plan (DRP) in accordance with laws and regulations.

2. provisions regarding the obligation to maintain the confidentiality and security of FI information and FI customers that is obliged to be fulfilled by third parties.
3. the FI's obligation to obtain or obtain Prospective Customer's power of attorney over the Prospective Customer's data to be used by third parties in the framework of verification through face-to-face electronic meeting mechanisms and/or verification through non-face-to-face mechanisms using third party electronic means.
4. the obligation of third parties to provide access and information and provide any records, information and data, and/or documents no later than 3 (three) business days after a request from the Financial Services Authority and/or other authorized authorities, including law enforcement officials.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

What is meant by "seamless data sharing mechanism" is a data sharing mechanism without any movement of the application or device used.

Letter g
Self-explanatory.

Letter h
Self-explanatory.

Letter i
Self-explanatory.

Letter j
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 23

Paragraph (1)

What is meant by "anonymous account or account using a fictitious name" is a customer's account that uses a name that does not match what is stated on the identity document of the customer concerned.

Paragraph (2)
Self-explanatory.

Article 24

Legal person includes individual companies, foundations, cooperatives, religious associations, political parties, non-governmental organizations or non-profit organizations, and community organizations.

What is meant by "other legal arrangements" is to refer to trusts or other legal forms that are similar to trusts, such as waqf.

Article 25

Paragraph (1)

Letter a

Number 1

Letter a)
Self-explanatory.

letter b)

An example of an identity document number is:

- a. for a Prospective Customer, an individual citizen of Indonesia, is the National Identity Number listed on the Identity Card, or other things that are equivalent to that matter, for example, a Single Identification Number;
- b. for a Prospective Customer a foreign citizen is the passport number; and
- c. for the Indonesian diaspora or Indonesian people domiciled overseas, it is the Indonesian Overseas Community Card number.

letter c)

Information regarding other residential addresses is obliged if the prospective individual customer has a different residential address from the address recorded on the identity document.

letter d)

Self-explanatory.

letter e)

Self-explanatory.

letter f)

Self-explanatory.

letter g)

Self-explanatory.

letter h)

Self-explanatory.

Letter i)

Self-explanatory.

letter j)

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

Number 6

Self-explanatory.

Letter b

Number 1

Self-explanatory.

Number 2

Included in licenses are other licenses that are equated with licenses issued by authorized agencies.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

Figure 6

Self-explanatory.

Number 7

Self-explanatory.

Figure 8

Self-explanatory.

Number 9

Self-explanatory.

Number 10

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (2)

Letter a

The provisions in this paragraph also apply to intermediaries or parties who obtain power of attorney from the Customer to make

transactions on behalf of the Customer whose transactions are classified as unfair or suspicious.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Article 26

Paragraph (1)

What is meant by "signature specimen" is a signature poured wet and/or poured on an electronic device. An example is a signature that is written directly on the hardware screen belonging to a FI or a prospective customer who is accessing software owned by a FI or belonging to a third party that has collaborated with the FI for verification through an electronic face-to-face meeting mechanism or verification through an electronic face-to-face meeting mechanism or verification through an electronic non-face-to-face mechanism.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

An example of an immigration document is a residence permit card.

Letter c

What is meant by "Indonesian diaspora or Indonesian people domiciled overseas" are:

- a. Indonesian citizens who live and/or work overseas;
- b. foreign nationals who are former Indonesian citizens;
- c. foreign nationals children of former Indonesian citizens; or
- d. foreign nationals whose biological parents are Indonesian citizens.

Paragraph (3)

Self-explanatory.

Article 27

Paragraph (1)

Corporate identity documents include:

- a. deed of establishment and/or company articles of association; and
- b. business license or other license from the authorized authority.

Example:

Business license as a foreign exchange trader, money transfer business activity permit, or business license from the ministry of forestry for business activities in the timber/forestry sector.

Letter a

What is meant by "micro and small business" are micro and small business as referred to in the laws and regulations regarding micro and small business.

Letter b

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

The description of the company's business activities includes information on business fields, customer profiles, addresses of places of business activities, business telephone numbers and company telephone numbers.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

Number 6

What is meant by "members of the Board of Directors who are authorized to represent the company in conducting business relations with the FI" are members of the Board of Directors who have an authorized signature.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 28

Self-explanatory.

Article 29

Self-explanatory.

Article 30

Paragraph (1)

To ensure the correctness of the identity of an individual customer, the identity document must be a document that includes a photo of himself issued by an authorized party with a valid period of time.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

What is meant by "more than 1 (one) identity document" for example other than identity cards are passports or driving licenses.

Paragraph (5)

Self-explanatory.

Paragraph (6)

An example of a business relationship or transaction before the verification process is carried out is a securities transaction on the stock exchange which must be carried out as soon as possible by considering market conditions, where the securities transaction is carried out before the verification process is carried out.

Paragraph (7)
Self-explanatory.

Article 31
Self-explanatory.

Article 32
Self-explanatory.

Article 33
Paragraph (1)

What is meant by "reliable sources" include:

1. Documents, information and/or data originating from the authorized ministry/institution/authority, for example a family card issued by the ministry/institution that in charge of population and civil registration, paid databases, database of Beneficial Owners from the concerned ministry in charge of law and human rights;
2. Documents, information and data in the context of information disclosure on the capital market and/or public companies, for example data and information available on the stock exchange related to the information disclosure obligations of issuers and public companies; or
3. Documents, information and/or data originating from third parties that are based on knowledge in general have accurate information and/or data, for example databases originating from reputable and independent public domains and/or paid third party databases.

Examples of Prospective Customer, Customer, or WIC is an individual who does not have an income, including housewives, students, and/or students who claim to have no source of income at all.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Letter a

Number 1
Inclusion of an alias name is obliged for Beneficial Owners who have other names.

Number 2
Self-explanatory.

Number 3
Self-explanatory.

Number 4
Inclusion of other residential addresses is completed for Beneficial Owners who have addresses other than those listed in the identity document.

Number 5
Self-explanatory.

Number 6
Self-explanatory.

Number 7

Self-explanatory.

Number 8

The inclusion of the address and telephone number of the workplace is completed for Beneficial Owners who are owners or employees of a company.

Number 9

Self-explanatory.

Number 10

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

What is meant by "assignment letter, agreement letter, power of attorney, or other forms" can be in the form of electronic documents as referred to in laws and regulations.

Letter e

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Information on the identity of the guarantor is made to other legal arrangements in the form of trusts or other equivalent forms that have guarantors in their legal relationship.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

What is meant by "identification and verification of the identity of an individual who controls a legal person or other legal arrangement of Beneficial Owners through other form" is identification of Beneficial Owners not seen from the ownership structure, but seen from the ability to control a legal person or other legal arrangement such as the appointment of the Board of Directors and/or the Board of Commissioners.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

What is meant by "equivalent" is having provisions whose substance is in principle the same as this Financial Services Authority regulation based on FATF Recommendations.

Paragraph (11)

Self-explanatory.

Paragraph (12)

Self-explanatory.

Article 34

Paragraph (1)

Letter a

What is meant by "state institutions" are institutions that have executive, judicial, or legislative authority.

What is meant by "government agencies" is the collective designation of government organizational units that carry out their duties and functions, including:

- a. coordinating ministry;
- b. state ministry;
- c. Ministry;
- d. non-ministerial state institutions;
- e. provincial government;
- f. City government;
- g. District government;
- h. state institutions established by law; and
- i. state institutions that carry out government functions using the State Revenue and Expenditure Budget and/or Regional Revenue and Expenditure Budget.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 35

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Examples of high-risk financial services sector products include:

1. private banking;
2. anonymous transactions, including cash transactions; or
3. payments received from unknown or unrelated third parties.

Letter c

Examples of High-Risk Countries include:

1. Jurisdiction by organizations conducting mutual assessments of a country (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), El Grupo de Accion Financiera de Sudamerica (GAFISUD), Intergovernmental Anti-Money Laundering Group in Africa (GIABA) or Middle East and North Africa Financial Action Task Force (MENAFATF)) identified as a jurisdiction that does not adequately implement the FATF Recommendations;
2. Countries identified as uncooperative or Tax Haven by the Organization for Economic Cooperation and Development (OECD);
3. Countries that have a low level of good governance as determined by the World Bank;
4. Countries that have a high level of corruption risk as identified in the Transparency International Corruption Perception Index;
5. Countries that are widely known as places of production and centers of drug trafficking;
6. Countries that are subject to sanctions, embargoes, or similar, among others by the United Nations; or
7. Countries or jurisdictions identified by trusted institutions as funding or supporting terrorist activities, or which allow the activities of terrorist organizations in their countries.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 36

Self-explanatory.

Article 37

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Tighter monitoring is shown, among others, by increasing the number and frequency of monitoring and selecting transaction patterns.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

This provision applies to Customers whose status has changed from ordinary Customer to PEP, including Customers newly identified as PEP.

Article 38

What is meant by “international organizations” include 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).

Article 39

What is meant by "family members of PEP" are PEP family members up to the second degree, both horizontally and vertically, namely:

1. biological/step/adoptive parents;
2. sibling/step/adoptive;
3. biological/step/adopted children;
4. biological/step/adoptive grandparents;
5. biological/step/adopted grandchild;
6. siblings/step/adoptive parents;
7. husband or wife;
8. in-laws;
9. husband or wife of biological/step/adopted children;
10. grandparents of husband or wife;
11. husband or wife of biological/step/adoptive grandson;
12. biological/step/adopted sibling of husband; or
13. wife and husband or wife of the relative concerned.

What is meant by “close associates of PEP” include among others:

1. company owned or managed by PEP; or
2. parties that are generally known to the public have a close relationship with PEP, for example, drivers, personal assistants, personal secretaries.

Article 40

Self-explanatory.

Article 41

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Examples of countermeasures that can be chosen by a FI independently include:

1. obliges FI to apply special aspects in EDD;
2. introduce relevant reporting mechanisms or systematic reporting of financial transactions;
3. refuse to establish a branch office or representative office in the country concerned, or consider that the branch office or representative office concerned is located in a country that does not have an adequate AML, CTF and CPF system;
4. prohibit the establishment of a branch office or representative office in the country concerned, or consider that the branch office or representative office concerned is located in a country that does not have an adequate AML, CTF and CPF system;
5. limiting business relationships or financial transactions with countries or persons identified in the country;
6. prohibit relying on third parties in the country concerned to carry out the CDD process;
7. request to review and change, or if necessary terminate, the correspondent relationship with the financial institution in the country concerned;
8. increasing external audit requirements for branches and subsidiaries domiciled in the country concerned; and/or
9. increase the external audit requirements for Financial Conglomerates, in relation to the branches and subsidiaries of the Financial Conglomerates domiciled in the country concerned.

FI can take other countermeasures that have a similar effect in mitigating the risks of ML, TF, and/or PF.

Paragraph (4)

Related authorities include the Center for Financial Transaction Reports and Analysis.

Article 42

Paragraph (1)

Letter a

The name of the individual beneficiary in the form of a non-individual can be the name of the administrator or the person representing the non-individual.

Letter b

What is meant by "beneficiaries who have been appointed based on characteristics" include husband or wife, or children when the insurance risk arises.

What is meant by "beneficiaries in other ways" include among others beneficiaries appointed by a will.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 43

Self-explanatory.

Article 44

Self-explanatory.

Article 45

Paragraph (1)

What is meant by "risk analysis" refers to the national risk assessment, sectoral risk assessment, and/or risk assessment conducted by the FI. Examples of Prospective Customer and/or transactions where the risk level of ML, TF, and/or PF is classified as low, which can be implemented by simple CDD:

- a. Prospective Customer or Customer opens accounts or transactions for paying or receiving salaries, namely accounts belonging to the company that are used only for the periodic payment of salaries of the company's employees and/or employee accounts that are used only to receive salaries from employers;
- b. Prospective Customer or Customer is a company whose majority shares are owned by the government;
- c. Prospective Customer or Customer is a state institution or government agency; or
- d. the purpose of opening an account is related to government programs in the context of increasing community welfare and/or alleviating poverty, including the Indonesian savings movement, financial services without offices in the context of financial inclusion, student savings, micro insurance, cattle business insurance, rice business insurance, family programs hope, and cash assistance.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Other documents in lieu of identity documents include:

- a. identification card issued by the government that includes a photo of oneself such as a program participant card issued by the government;
- b. identity documents and reference letters from other Customers who know the Prospective Customer's profile;

- c. reference letter from the sub-district or village head where the Prospective Customer is domiciled including a photo of himself; or
- d. student identification card for Prospective Individual Customers who do not meet the requirements to have an identity card accompanied by identity documents and a letter of approval from parents or other parties who are responsible for the Prospective Customer.

What is meant by "government programs" include government programs in the context of improving people's welfare and/or poverty alleviation.

Paragraph (6)

Self-explanatory.

Paragraph (7)

An example of an increase in a specific risk level scenario is if a customer who was not originally a PEP currently has a job that falls into the PEP category or is at High-Risk.

Paragraph (8)

Making a list of customers who receive simple CDD treatment containing information regarding the reasons for determining the risk so that it is classified as low risk.

Paragraph (9)

Self-explanatory.

Article 46

Paragraph (1)

Self-explanatory.

Paragraph (2)

FIs that have outsourcing and/or agency relationships with third parties, these third parties act for and on behalf of the FI when performing CDD on prospective customer.

An example of an agency relationship is the relationship between an Insurance Company as a FI and an insurance agent or a relationship between a FI and other marketing agents who are not employees.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

What is meant by "information" includes information regarding the full name as stated on the identity card, address or place and date of birth, identity card number, and nationality of the Prospective Customer.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (6)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

What is meant by " authorized authority" is:

- a. the authority from which the Financial Conglomerate originates, which oversees the implementation of policies and procedures at the Financial Conglomerate level; and
- b. the authority where the branch office or subsidiary of the Financial Conglomerate is located.

Paragraph (7)

Self-explanatory.

Article 47

Self-explanatory.

Article 48

Self-explanatory.

Article 49

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

What is meant by "shell bank" is a bank that does not have a physical presence in the jurisdiction in which the bank was established and obtained a license, and is not affiliated with the Financial Services Financial Conglomeration which is the subject of effective consolidated supervision.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Paragraph (2)

The FI's obligation to continue to carry out the process of identifying and verifying the identities of Prospective Customer, Customer, WIC, and Beneficial Owner is intended for the purpose of reporting Suspicious Financial Transactions to the Financial Transaction Reports and Analysis Center.

Paragraph (3)

What is meant by "anti-tipping off" is a prohibition for FI and/or Directors, Board of Commissioners, and/or FI employees to notify Prospective Customer, Customer, WIC, or Beneficial Owner and other parties, either directly or indirectly, in any way regarding Suspicious

Financial Transaction reports that are being prepared or have been submitted to the Center for Financial Transaction Reports and Analysis, as regulated in the laws and regulations regarding the prevention and eradication of ML.

Examples of trial transactions include:

- a. The customer or WIC who intends to conduct transactions at the FI does not continue the transaction, while the FI already knows that the person concerned intends to carry out transactions at the FI concerned; and
- b. transactions that were canceled due to a refusal from the FI.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 50

Self-explanatory.

Article 51

Paragraph (1)

Self-explanatory.

Paragraph (2)

updating of identity documents, among others, is carried out if there is a financial transaction that meets the criteria as a Suspicious Financial Transaction as referred to in the laws and regulations concerning the prevention and eradication of ML, laws and regulations concerning the prevention and eradication of TF, and/or regulations concerning the prevention and eradication of PF.

In updating data, FI pays attention to materiality and level of risk, and is carried out in a timely manner through a review of customer profiles and transactions, taking into account the timing of the previous CDD implementation and the adequacy of the data that has been obtained.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Updating data includes quantitative data and qualitative data.

What is meant by "quantitative data" includes statistics on the number of customers whose data has been or has not been updated.

What is meant by "qualitative data" includes obstacles, efforts that have been made by the FI and the progress of these efforts.

Letter a

Self-explanatory.

Letter b

The data update plan is prepared in accordance with the FI's assessment of the suitability of available data and information to update the customer's risk profile for the purpose of monitoring the customer's transaction.

Letter c

The results of actual data updating can be used as a basis for FI to evaluate the level of risk of the customer.

Paragraph (5)

Self-explanatory.

Article 52

Paragraph (1)

Self-explanatory.

Paragraph (2)

What is meant by "transactions that are not in accordance with the Customer's profile, characteristics, and/or habits of the Customer's transaction pattern" are transactions as regulated in the laws and regulations regarding the prevention and eradication of ML, laws and regulations regarding the prevention and eradication of TF, and/or regulations regarding the prevention and eradication of PF.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 53

Paragraph (1)

FI maintains TF List and PF List with the aim of ensuring that FI does not enter into business relations with prospective customer or conduct transactions with customers or WICs who have the same identity and information as the identities and information in the TF List and PF List.

Paragraph (2)

What is meant by "funds" are all movable or immovable assets or objects, both tangible and intangible, obtained in any way and in any form, including in digital or electronic format, proof of ownership, or linkage with all assets or such objects, including but not limited to bank credit, traveler's checks, checks issued by banks, remittance orders, stocks, securities, bonds, bank drafts, and promissory notes.

Paragraph (3)

Letter a

What is meant by "other information" includes, among other things, the date of birth and the address of the Customer.

Letter b

What is meant by "false positive" is an immediate error in the implementation of Blocking by the FI due to the fact that the customer information system at the FI finds that there is a conformity of some customer information in the customer database at the FI with the identities of a natural person or a legal person listed in the TF List and/or PF List.

What is meant by "false negative" is an error in not immediately blocking by the FI due to the customer information system at the FI finding that there is a conformity of some of the customer information in the customer database at the FI with the identity of the natural person or legal person listed in the TF List and / or LPF List, but pays little attention to the suitability of all information.

Paragraph (4)

In blocking and reporting, FI refers to the Joint Regulations concerning Inclusion of the Identity of Natural Persons and Legal Person in the List of Suspected Terrorists and Terrorist Organizations and the Immediate Blocking of Funds Owned by Natural Persons or Legal Persons Listed in the List of Suspected Terrorists and Terrorist Organizations and the Joint Regulations concerning Inclusion of Identity Natural Persons and Legal Persons on the Funding List for Proliferation of Weapons of Mass Destruction and Blocking Immediately on funds belonging to Natural Persons or Legal Person Listed on the Funding List for Proliferation of Weapons of Mass Destruction.

The rights for blocked customers are still given in accordance with the provisions in force at the FI, but these rights are still included in the object being blocked.

Paragraph (5)

What is meant by "funds" are all movable or immovable assets or objects, both tangible and intangible, that are controlled by a Financial Service Provider, including in digital or electronic format, evidence of ownership, or linkages with all said assets or objects, including but not limited to bank credit, traveler's checks, checks issued by banks, remittance orders, stocks, securities, bonds, bank drafts and promissory notes.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Paragraph (11)

What is meant by "sanction evasion" is an effort to avoid sanction by parties whose identities are listed in the TF List and/or PF List who carry out business relations and/or financial transactions with or on behalf of other parties with the aim of avoiding the detection of Suspicious Financial Transactions.

For example, there are Prospective Customer, Customer, WIC, and/or Beneficial Owner who conducts business relationships and/or transactions through the following modes:

- a. carried out for the benefit and/or at the direction, either directly or indirectly, from the party whose identity is listed in the TF List and/or PF List;
- b. controlled by a party whose identity is listed in the TF List and/or PF List; and/or
- c. carried out to assist parties whose identities are listed in the TF List and/or PF List in order to avoid sanction.

Article 54

Paragraph (1)

Letter a

Information on the profiles of prospective Recipient Banks and/or Intermediary Banks, including but not limited to the composition of members of the Board of Directors and Board of Commissioners, business activities and business results.

Letter b

In examining the reputation of Recipient Banks and/or Intermediary Banks, commercial banks need to examine negative reputations, for example sanctions that have been imposed by the authorities on Recipient Banks and/or Intermediary Banks related to violations of authority provisions including provisions related to FATF Recommendations, or Banks Recipients and/or Intermediary Banks are in the process of investigation and/or guidance by the authorized authorities in relation to the prevention and eradication of ML, TF, and/or PF.

Letter c

The level of implementation of the AML, CTF and CPF programs in a country can be seen from the risk level of the country where the Recipient Bank and/or Intermediary Bank is located issued by the FATF or Asia Pacific Group on Money Laundering (APG) towards the possibility of ML, TF, and/or PF.

Letter d

What is meant by "other relevant information" includes information regarding:

- a. ownership, control and management structure, to ascertain whether there is a PEP in the ownership structure or as a controller;
- b. financial position of the Recipient Bank and/or Intermediary Bank; and
- c. profile of parent company and subsidiary company.

Paragraph (2)

Examples of domestic authorities are the Center for Financial Transaction Reports and Analysis and Bank Indonesia.

Examples of authorized authorities overseas are FATF, Asia Pacific Group on Money Laundering (APG), and United Nations (UN).

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 55

Self-explanatory.

Article 56

What is meant by "payable through account" is a correspondent account that is used directly by a third party to make transactions on behalf of the third party.

Article 57

Self-explanatory.

Article 58

Paragraph (1)

Letter a

What is meant by "Ordering Bank" includes a Bank conducting business activities as an agent of money transfer activity organizers.

Number 1

What is meant by "accurate information" is information that has been verified for its accuracy and/or truth by means of a Ordering Bank verifying the accuracy and/or correctness of the sender's and/or recipient's information.

Letter a)

Self-explanatory.

letter b)

Self-explanatory.

letter c)

Self-explanatory.

letter d)

"Identification number" means among others a number that uniquely identifies the sending Customer or WIC from the Remitting Bank with information data managed by the Remitting Bank, whose identification number is different from the transaction number.

For the sending Customer or WIC in the form of a corporation:

- a. identity document number can be in the form of establishment document number and/or license from the authorized agency; and
- b. Place and date of birth are replaced with place and time of establishment.

Letter e)

Self-explanatory.

Letter f)

Self-explanatory.

Letter g)

Self-explanatory.

Letter h)

Self-explanatory.

Letter i)

Self-explanatory.

Letter j)

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

Letter b

What is meant by "accurate information" is information that has been verified for its accuracy and/or truth by means of Intermediary Banks verifying the accuracy and/or correctness of information it has received from Ordering Banks.

Letter c

Self-explanatory.

Letter d

What is meant by "accurate information" is information that has been verified for its accuracy and/or truth by means of Recipient Banks verifying the accuracy and/or correctness of the sender's and/or recipient's information.

Paragraph (2)

Written requests can be in the form of signed letters or information or requests submitted through other electronic media.

Additional information is obliged so that the transaction can be traced to the sending or receiving Customer or WIC.

Paragraph (3)

What is meant by " authorized authorities" includes law enforcement authorities with due observance of laws and regulations regarding confidentiality.

Paragraph (4)

Self-explanatory.

Article 59

Paragraph (1)

What is meant by "bank" can be a Ordering Bank, Intermediary Bank, or Recipient Bank.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 60

Letter a

What is meant by "digital banking services" are digital banking services as referred to in the laws and regulations regarding digital banking services.

Letter b

Examples of Fund Transfers using card-based payment instruments include debit cards, automated teller machines, and credit cards.

Letter c

Self-explanatory.

Article 61

Paragraph (1)

Self-explanatory.

Paragraph (2)

What is meant by "straight-through processing" is referring to payment transactions made electronically without any manual intervention.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 62

Self-explanatory.

Article 63

Paragraph (1)

One of the purposes of document administration is intended to facilitate the reconstruction of transactions when requested by the authorized authority.

Documents can be administered in the form of originals, copies, electronic forms, microfilm or documents which based on applicable laws can be used as evidence.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

What is meant by "transaction information" includes among others the type and amount of currency used, the date of the transaction order, the origin and purpose of the transaction, as well as the account number associated with the transaction.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 64

Self-explanatory.

Article 65

Paragraph (1)

An effective and independent internal control system is intended to ensure that all functions of implementing the AML, CTF and CPF programs run according to the established policies and procedures as well as the provisions regulated in this Financial Services Authority Regulation.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

In ensuring the effectiveness of the implementation of the AML, CTF and CPF programs, FI among others conducts compliance tests,

including the use of sample testing of policies and procedures related to the implementation of the AML, CTF and CPF programs.

Article 66

Self-explanatory.

Article 67

Paragraph (1)

Letter a

The exchange of information may take the form of typologies, modes and customer profiles, including information and analysis of transactions or activities that seem unusual or do not match the profile.

Letter b

The “anti-tipping off” provision is intended so that Prospective Customer, Customer, WIC, and/or Beneficial Owner does not transfer their assets thereby making it difficult for law enforcement to track Prospective Customer, Customer, WIC, and/or Beneficial Owner and its related assets.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 68

Self-explanatory.

Article 69

Paragraph (1)

The FI's management information system can be used to track each transaction (individual transaction) for internal and/or Financial Services Authority needs, as well as law enforcement.

Paragraph (2)

Self-explanatory.

Paragraph (3)

What is meant by "customer profile in an integrated manner (single customer identification file)" is a customer that includes all accounts owned by 1 (one) customer at an FI.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Information technology factors that have the potential to be misused include easy access to other people's accounts and the possibility of using fake documents in opening business relationships electronically.

Article 70

Self-explanatory.

Article 71

Letter a

What is meant by "non-permanent employees" include:

1. employees who are on probation before being appointed as permanent employees;
2. employees who were in their education period before being appointed as permanent employees; and/or
3. contract employees.

Letter b

The introduction and monitoring of employee profiles (know your employee) includes the character, behavior and lifestyle of employees.

Article 72

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

What is meant by "involve their employees in training" includes training organized by the association of FIs, the Financial Transaction Reports and Analysis Center, the Financial Services Authority, and/or other authorized authorities

Paragraph (5)

Evaluation of training can be carried out, among others, through pre-test and post-test.

Article 73

Self-explanatory.

Article 74

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Example of submitting a data update plan report:

For updating customer data for the period from January to December 2024, FI submits a report on plans to update customer data no later than December 31, 2023.

Letter e

An example of submitting a report on the realization of updating customer data for the period January to December 2024, the FI submits a report on the realization of updating customer data no later than January 31, 2025.

Letter f

Copies of the Blocking report immediately attached with the minutes of the Blocking are immediately submitted to the Chairman of the Board of Commissioners of the Financial Services Authority c.q. the head of the supervisory work unit of each FI.

Letter g

A copy of the nil report is submitted to the Chairman of the Board of Commissioners of the Financial Services Authority c.q. the head of the supervisory work unit of each FI.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Changes to policies and procedures, and/or reports on data updating plans are based, among others, on changes to the policies of the authorized authorities.

Article 75

Paragraph (1)

Data, information and/or documents including but not limited to the implementation of the risk assessment of ML, TF, and/or PF by the Financial Services Authority.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 76

Self-explanatory.

Article 77

Self-explanatory.

Article 78

Paragraph (1)

Self-explanatory.

Paragraph (2)

Example:

First Case

There were findings by the Financial Services Authority during 2023 regarding violations committed by one of the FIs in the form of commercial banks, namely in the form of delays in submitting 1,000 (one thousand) Cash Financial Transaction reports as referred to in Article 76, where all delays were submitted within 30 (thirty) days work

exceeds the time limit regulated under the laws and regulations regarding ML.

By using the calculation referred to in Article 78 paragraph (1) letter a, the calculation of the fine for the said FI is IDR 3,000,000.00 (three million rupiah) multiplied by 1,000 (one thousand) reports, which is IDR 3,000,000,000.00 (three billion rupiah).

However, taking into account that the net profit earned by the FI in 2022 is IDR 1,000,000,000.00 (one billion rupiah), the Financial Services Authority will impose a fine sanction using the calculation of 0.5% (zero point five percent) multiplied by IDR 1,000,000,000.00 (one billion rupiah), which is IDR 5,000,000.00 (five million rupiah).

Second Case

There were findings by the Financial Services Authority during 2023 regarding violations committed by one of the FIs in the form of commercial banks, namely in the form of delays in submitting 1,000 (one thousand) Cash Financial Transaction reports as referred to in Article 76, where all delays were submitted within 30 (thirty) days work exceeds the time limit regulated under the laws and regulations regarding ML.

By using the calculation referred to in Article 78 paragraph (1) letter a, the calculation of the fine for the said FI is IDR 3,000,000.00 (three million rupiah) multiplied by 1,000 (one thousand) reports, which is IDR 3,000,000,000.00 (three billion rupiah).

Taking into account that the net profit obtained by the said FI in 2022 is IDR 800,000,000,000.00 (eight hundred billion rupiah), which uses the calculation of 0.5% (zero point five percent) multiplied by IDR 800,000,000,000.00 (eight hundred billion rupiah), a value of IDR 4,000,000,000.00 (four billion rupiah) will be obtained which exceeds the previous calculation, the Financial Services Authority will impose a fine using the previous calculation, which is IDR 3,000,000,000.00 (three billion rupiah).

Third Case

There were findings by the Financial Services Authority during 2023 regarding violations committed by one of the FIs in the form of commercial banks, namely in the form of delays in submitting 10,000 (ten thousand) reports of cash financial transactions as referred to in Article 76, where all delays were submitted at 30 (thirty) business days beyond the time limit regulated by law regarding ML.

By using the calculation referred to in Article 78 paragraph (1) letter a, the calculation of the fine for the said FI is IDR 3,000,000.00 (three million rupiah) multiplied by 10,000 (ten thousand) reports, which is IDR 30,000,000,000.00 (thirty billion rupiah).

However, taking into account that the net profit obtained by the said FI in 2022 is IDR 8,000,000,000,000.00 (eight trillion rupiah), which uses the calculation of 0.5% (zero point five percent) multiplied by IDR 8,000,000,000,000,- (eight trillion rupiah), a value of IDR 40,000,000,000.00 (forty billion rupiah) will be obtained, the Financial

Services Authority will impose a fine of IDR 25,000,000,000.00 (twenty-five billion rupiah).

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Example:

If the FI does not submit the CTR in 2020, 2021 and 2022, then the imposition of sanction on the FI is the maximum amount referred to in paragraph (2) and paragraph (3), each report for 2020, 2021, and in 2022.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Example:

First Case

There were findings by the Financial Services Authority during 2023 regarding violations committed by one of the FIs in the form of commercial banks, namely in the form of not submitting 1,000 (one thousand) Cash Financial Transaction reports as referred to in Article 67 paragraph (1) because 700 (seven hundred) reports were not submitted at all to the findings of the Financial Services Authority and 300 (three hundred) other reports that have been submitted by the FI to the Financial Transaction Reports and Analysis Center but exceeding 30 (thirty) business days from the time limit regulated under the laws and regulations regarding ML.

By using the calculation referred to in Article 69 paragraph (7) letter a, the calculation of the fine for the said FI is IDR 10,000,000.00 (ten million rupiah) multiplied by 1,000 (one thousand) reports, which is IDR 10,000,000,000.00 (ten billion rupiah).

However, taking into account that the net profit earned by the FI in 2022 is IDR 1,000,000,000.00 (one billion rupiah), the Financial Services Authority will impose a fine sanction using the calculation of 1% (one percent) times IDR 1,000,000,000.00 (one billion rupiah), which is IDR 10,000,000.00 (ten million rupiah).

Second Case

There were findings by the Financial Services Authority during 2023 regarding violations committed by one of the FIs in the form of commercial banks, namely in the form of not submitting 1,000 (one thousand) Cash Financial Transaction reports as referred to in Article 67 paragraph (1) because 700 (seven hundred) reports were not submitted at all to the findings of the Financial Services Authority and 300 (three hundred) other reports that have been submitted by the FI to the Financial Transaction Reports and Analysis Center but exceeding

30 (thirty) business days from the time limit regulated under the laws and regulations regarding ML.

By using the calculation referred to in Article 69 paragraph (7) letter a, the calculation of the fine for the said FI is IDR 10,000,000.00 (ten million rupiah) multiplied by 1,000 (one thousand) reports, which is IDR 10,000,000,000.00 (ten billion rupiah).

Taking into account that the net profit obtained by the said FI in 2022 is IDR 2,000,000,000,000.00 (two trillion rupiah), which uses the calculation of 1% (one percent) multiplied by IDR 2,000,000,000.00 (two trillion rupiah), a value of IDR 20,000,000,000.00 (twenty billion rupiah) will be obtained which exceeds the previous calculation, the Financial Services Authority will impose a fine using the previous calculation, which is IDR 10,000,000,000.00 (ten billion rupiah).

Third Case

There were findings by the Financial Services Authority during 2023 regarding violations committed by a FI in the form of a commercial bank, namely in the form of not submitting 10,000 (ten thousand) Cash Financial Transaction reports as referred to in Article 67 paragraph (1) because 7,000 (seven thousand) reports were not submitted at all to the findings of the Financial Services Authority and 3,000 (three thousand) other reports submitted by the FI to the Financial Transaction Reports and Analysis Center but exceeding 30 (thirty) business days from the time limit regulated under the laws and regulations regarding ML.

By using the calculation referred to in Article 69 paragraph (7) letter a, the calculation of the fine for the said FI is IDR 10,000,000.00 (ten million rupiah) multiplied by 10,000 (ten thousand) reports, which is IDR 100,000,000,000.00 (one hundred billion rupiah).

However, taking into account that the net profit earned by the said FI in 2022 is IDR 8,000,000,000,000.00 (eight trillion rupiah), which uses the calculation of 1% (one percent) multiplied by IDR 8,000,000,000,000.00 (eight trillion rupiah), a value of IDR 80,000,000,000.00 (eighty billion rupiah) will be obtained, the Financial Services Authority will impose a fine of IDR 50,000,000,000.00 (fifty billion rupiah).

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Paragraph (11)

Self-explanatory.

Paragraph (12)

Self-explanatory.

Paragraph (13)

An example of “a FI is only one unit/division within another FI” is a FI in the form of a Custodian which is only one unit/division within a FI in the form of a Bank. For this example, the calculation of net profit is the net profit of the Bank.

Paragraph (1)

Letter a

What is meant by "individual" are Directors, Board of Commissioners, and/or FI employees, including senior officials who are 1 (one) level below the Directors and Board of Commissioners.

Letter b

Example:

First Case

For FIs who have a net profit in 2023 of IDR 1,000,000,000.00 (one billion rupiah), then the maximum value of fines that the Financial Services Authority can impose during 2024 for violations committed by the FI other than reporting violations uses calculation 1 % (one percent) times IDR 1,000,000,000.00 (one billion rupiah), which is IDR 10,000,000.00 (ten million rupiah).

Second Case

For FIs who have a net profit in 2023 of IDR 20,000,000,000,000.00 (twenty trillion rupiah), the calculation is 1% (one percent) multiplied by IDR 20,000,000,000,000.00 (twenty trillion rupiah), which is IDR 200,000,000,000.00 (two hundred billion rupiah).

Taking into account that the calculated value is greater than IDR 100,000,000,000.00 (one hundred billion rupiah), the maximum value of fines that the Financial Services Authority can impose during 2024 for violations committed by the FI other than reporting violations is IDR 100,000,000,000.00 (one hundred billion rupiah).

Paragraph (2)

An example of the imposition of fines in 2024 for violations other than reporting violations for Custodians, Wali Amanat, or Pension Fund which are business units of commercial banks is a maximum of 1% (one percent) of the net profit of commercial banks in 2023 with a maximum limit of IDR 100,000,000,000.00 (one hundred billion rupiah).

Article 80

Paragraph (1)

Self-explanatory.

Paragraph (2)

Example:

There were findings by the Financial Services Authority during 2024 regarding the violations committed by the FI other than reporting violations which were quite significant in nature and had a high level of materiality, so that for these violations, the Financial Services Authority will impose fines.

However, because in 2023, FI suffered losses, the imposition of fines in 2024 was suspended.

In 2024 FI will again experience losses and only in 2025 will FI earn profits. Thus, based on the findings of the Financial Services Authority

in 2024, sanction in the form of fines will be imposed by the Financial Services Authority in 2026 against these FIs while taking into account that the fines are at most 1% (one percent) of the total net profit in 2025 with a limit 100,000,000,000.00 (one hundred billion rupiah) at most.

Article 81

Paragraph (1)

Self-explanatory.

Paragraph (2)

What is meant by "direct supervision" is an examination of the FI.

What is meant by "indirect supervision" is early supervision through research, analysis and evaluation of reports, data and information of FIs which can be followed up with direct supervision and/or corrective action.

Paragraph (3)

Self-explanatory.

Paragraph (4)

What is meant by "certain accounts" include savings accounts and credit accounts or financing accounts based on sharia principles.

Article 82

Self-explanatory.

Article 83

Included in the cooperation with law enforcement officials referred to in this paragraph is submitting documents or information to law enforcement related to the identity of a customer who is suspected of committing a crime which is a predicate crime of ML in accordance with laws and regulations regarding the prevention and eradication of ML.

Authorized authorities are authorities related to the implementation of AML, CTF and CPF other than the Financial Services Authority.

Article 84

Self-explanatory.

Article 85

Self-explanatory.

Article 86

Self-explanatory.

Article 87

Self-explanatory.

Article 88

Self-explanatory.

Article 89

Self-explanatory.

Article 90

Self-explanatory.