

ELUCIDATION
ON
BANK INDONESIA REGULATION
NUMBER 15/1 /PBI/2013
CONCERNING
LEMBAGA PENGELOLA INFORMASI PERKREDITAN
(CREDIT BUREAU)

I. GENERAL

In accordance with Act concerning Bank Indonesia, Bank Indonesia shall have the authority to regulate and to develop interbank information system which may be expanded by involving other institutions in the financial sector. Bank Indonesia has been collecting, processing, managing, and distributing Credit Information generated by the Debtor Information System, in order to support the performance of duties of Bank Indonesia and the Provision of Funds for the public by Financial Institutions.

In its development, the needs of Financial Institutions to manage risks in a better manner, to minimize the adverse selection and moral hazard in the Provision of Funds, to improve the access to the Provision of Funds for the public through the acceleration of acquisition process of the Provision of Funds, and to apply risk-based pricing and reputational collateral, require the development of credit data management to be more reliable, comprehensive, and integrated with Credit Information products and services which are more sophisticated and have value-added. In addition, the leap in information technology advancement and the increase

of public awareness about the importance of Credit Information lead to the need to improve the quality of Credit Information management.

Moreover, the increasing role of Bank Indonesia as the monetary and banking authority for creating monetary stability and financial system stability needs to be supported by the fulfillment of the need for more comprehensive data obtained from Financial Institutions and non-Financial Institutions. Therefore, it is necessary to establish more comprehensive Credit Information management, which is managed properly by Bank Indonesia and LPIP subject to the approval of Bank Indonesia, in an ecosystem of National Credit Information System (*Sistem Informasi Per kreditan Nasional/SIPNAS*).

It is expected that LPIP can serve as a financial system infrastructure which will encourage the realization of financial system stability. On the other hand, the existence of LPIP is also intended to support business activities conducted by non-Financial Institutions, particularly in relation to the settlement of financial obligations of Customers of non-Financial Institutions. Eventually, it is expected that the existence of SIPNAS will be able to support the effort to improve the growth of the national economy.

Furthermore, considering the strategic role of LPIP in SIPNAS, the Credit Information management by LPIP needs to be supported by the following efforts:

- a. Credit Information management conducted by parties having integrity, expertise, and competence, both on financial and technical aspects, in order to support the continuity of business activities; and

- b. it is necessary to conduct effective supervision over Credit Information management and Credit Information integrity, in order to ensure that the operational activities of LPIP are carried out in accordance with the applicable laws/regulations and the purpose of existence of LPIP.

With regard to the foregoing, it is necessary for Bank Indonesia to regulate the institutional and operational aspects of LPIP in a Bank Indonesia Regulation.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Paragraph (1)

Letter a

LPIP conducting retail (consumer) business activities shall manage and provide Credit Information concerning individual Debtors or Customers.

Letter b

LPIP conducting commercial business activities shall manage and provide Credit Information concerning corporate Debtors or Customers.

Letter c

LPIP conducting MSME business activities shall manage and provide Credit Information concerning MSME Debtors or Customers.

Paragraph (2)

The consideration of Bank Indonesia in requesting LPIP to produce Credit Information based on a certain category, for example in the context of improving financial inclusion particularly for MSMEs, it is deemed necessary for Bank Indonesia to establish LPIP which specifically categorizes its business activities into the category of MSME business activities.

Article 4

Self-explanatory.

Article 5

Self-explanatory.

Article 6

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Paragraph (1)

Self-explanatory.

Paragraph (2)

“affiliated share ownership” shall be based on, among other things, as follows:

- a. ownership relations; and/or
- b. cooperation or acting in concert to control LPIP with or without a written agreement, thus jointly having right option or other rights to have the shares of LPIP.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Paragraph (1)

Self-explanatory.

Paragraph (2)

“experts/consultants” shall be individuals having certain technical knowledge with adequate expertise qualification standards.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Article 14

Paragraph (1)

Letter a

“expertise qualification” shall mean the requirements fulfillment of expertise in a certain field which is acquired from education and work experience.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Given that the prospective shareholders of LPIP are legal entities, the parties to be interviewed shall be one of the members of the Board of Directors and the members of the Board of Commissioners of the legal entities.

Paragraph (3)

Self-explanatory.

Article 20

Self-explanatory.

Article 21

Self-explanatory.

Article 22

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

In evaluating the information technology systems, Bank Indonesia shall conduct an inspection or carry out an on-site examination at the office of LPIP, and may assign third parties to conduct the same.

Letter d

Self-explanatory.

Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Self-explanatory.

Article 26

Self-explanatory.

Article 27

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The applicable statutory provisions shall be, among other things, Act concerning Limited Liability Companies.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 28

Self-explanatory.

Article 29

Self-explanatory.

Article 30

Self-explanatory.

Article 31

Self-explanatory.

Article 32

Self-explanatory.

Article 33

Self-explanatory.

Article 34

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Paragraph (1)

Self-explanatory.

Paragraph (2)

Bank Indonesia Regulation concerning the reporting of Credit Data shall be, among other things, Bank Indonesia Regulation concerning Debtor Information System.

Paragraph (3)

Self-explanatory.

Article 37

Paragraph (1)

Letter a

Cooperation in this paragraph shall be aiming at enriching the sources of data of LPIP, established through a cooperation agreement between LPIP and the owner of such data.

Credit Data in this paragraph shall be data requested by LPIP directly to Financial Institutions and shall not be data

originating from Bank Indonesia as referred to in Article 36 paragraph (1). Such data are, among other things, concerning data on the number of family dependents.

The regulation of this paragraph shall be intended for avoiding potential duplication of Credit Data acquisition by LPIP originating from Bank Indonesia and/or Financial Institutions, so that the quality of debtor's data for supporting the provision of Credit Information from LPIP is maintained.

Letter b

Non-Financial Institutions shall be, for example, public utilities companies (among other things, electricity company, water utility company, and telecommunication company), debt collector services company, and other institutions.

Other Data shall be, among other things, data on electricity bills, data on telephone bill payment, and data on water bill payment.

Paragraph (2)

The applicable laws and regulations shall be, among other things, Law concerning consumer protection and transparency of public information.

Article 38

Self-explanatory.

Article 39

Paragraph (1)

Bank Indonesia may request data at any time and/or periodically as required.

Paragraph (2)

Self-explanatory.

Article 40

Customers shall be the customers of non-Financial Institutions as referred to in Article 37 paragraph (1) letter b.

Article 41

Self-explanatory.

Article 42

Paragraph (1)

Letter a

Example of “changing data” shall be as follows:

Credit quality data of Debtor A received by LPIP from Bank Indonesia which was 2 (Special Mention) is changed to 1 (Current) by LPIP.

Letter b

“transferring” shall mean, among other things, the activity of transferring Credit Data and/or Other Data by using information technology.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Letter a

“Parties appointed for the settlement of obligations” shall be, among other things: Liquidation Team for a Financial Institution whose operational license is revoked.

Letter b

Self-explanatory.

Article 43

Self-explanatory.

Article 44

Paragraph (1)

“To use the service of other parties” shall mean, among other things, the use of external parties of Bank Indonesia to conduct system reliability and data management security testing, helpdesk services, or Debtor or Customer’s complaint handling services.

Paragraph (2)

Self-explanatory.

Article 45

Paragraph (1)

Self-explanatory.

Paragraph (2)

“basic information” shall mean Credit Information containing at least the following:

- a. identity of Debtor;
- b. identity of the management for Debtor constituting a business entity;
- c. facilities for the Provision of Funds;
- d. collateral and/or guarantor;
- e. financial statements;
- f. identity of creditor;
- g. list of logs of users of Debtor’s Information; and
- h. information on current complaints about Debtor’s Information.

Value-added information shall include information in the form of, among other things, credit scoring, fraud alert, customer profiling, monitoring and evaluation.

Article 46

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

“Declared to be confidential under the provisions of laws and regulations” shall be, among other things, data on public deposits at Financial Institutions.

Article 47

Self-explanatory.

Article 48

Self-explanatory.

Article 49

Self-explanatory.

Article 50

Acquisition of Credit Information by Financial Institutions, non-Financial Institutions, and other LPIP shall be based on the agreement with LPIP.

Article 51

The procedures required by LPIP shall contain, among other things, the provisions on mitigation of risks, for example, to ensure that the Debtor or Customer requesting Credit Information is the right Debtor or Customer accompanied by supporting documents.

Article 52

Paragraph (1)

“Other parties” shall be, among other things, law enforcers and public institutions in order to perform their tasks.

“In order to perform their functions and tasks as referred to in laws and regulations” shall mean, among other things, as follows:

- a. implementation of investigation, inquiry, or substantiation process by law enforcement apparatus; and
- b. enforcement of a court decision having permanent legal force.

Paragraph (2)

Self-explanatory.

Article 53

“To administer” shall mean to administer any inquiry for Credit Information, whether requested in writing, verbally, or by electronic means. The administration can use information technology facilities.

Article 54

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

“Compliance with the applicable laws and regulations” shall mean, among other things, in the context of the implementation of uniform classification system of one same Debtor or project.

Article 55

Self-explanatory.

Article 56

Self-explanatory.

Article 57

Self-explanatory.

Article 58

Self-explanatory.

Article 59

Self-explanatory.

Article 60

Self-explanatory.

Article 61

Self-explanatory.

Article 62

Paragraph (1)

Self-explanatory.

Paragraph (2)

“To administer” shall mean to administer any complaint, whether requested in writing, verbally, or by electronic means. The administration can use information technology facilities.

Article 63

Paragraph (1)

Self-explanatory.

Paragraph (2)

Direct supervision shall mean the supervision conducted by Bank Indonesia through the examination of the operations of LPIP.

Indirect supervision shall mean the supervision conducted by Bank Indonesia through the analysis of reports submitted by LPIP, documents, data and/or other information.

Article 64

Self-explanatory.

Article 65

Paragraph (1)

“governance of management” shall include, among other things, the compliance with the provisions of laws and regulations.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 66

Self-explanatory.

Article 67

Self-explanatory.

Article 68

Paragraph (1)

Self-explanatory.

Paragraph (2)

Monthly report for the period of January 2013 must be submitted by no later than February 7, 2013.

Paragraph (3)

Example of late submission of monthly report:

Monthly report for the period of January 2013 is submitted within the period of February 8, 2013 up to February 28, 2013.

Paragraph (4)

Example of not submitting monthly report:

Monthly report for the period of January 2013 is submitted after February 28, 2013.

Article 69

Paragraph (1)

Self-explanatory.

Paragraph (2)

Submission of semi-annual report shall not eliminate the obligation of LPIP to submit other reports within such period.

Example of semi-annual report submission:

First semi-annual report of 2013 must be submitted by no later than July 31, 2013.

Paragraph (3)

Example of late submission of semi-annual report:

First semi-annual report of 2013 is submitted within the period of August 1, 2013 up to August 31, 2013.

Paragraph (4)

Example of not submitting semi-annual report:

First semi-annual report of 2013 is submitted after August 31, 2013.

Article 70

Paragraph (1)

Annual report shall be a complete report on the performance of LPIP in
1 (one) year.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Submission of annual report shall not eliminate the obligation of LPIP
to submit other reports within such period.

Paragraph (4)

Example of late submission of annual report:

Annual report for the period of 2013 is submitted within the period of
June 1, 2014 up to June 30, 2014.

Paragraph (5)

Example of not submitting annual report:

Annual report for the period of 2013 is submitted after June 30, 2014.

Article 71

Paragraph (1)

Self-explanatory.

Paragraph (2)

Submission of annual business plan shall not eliminate the obligation
of LPIP to submit other reports within such period.

Paragraph (3)

Example of late submission of annual business plan:

Annual business plan for the period of 2014 is submitted within the period of December 1, 2013 up to December 31, 2013.

Paragraph (4)

Example of not submitting annual business plan:

Annual business plan for the period of 2014 is submitted after December 31, 2013.

Article 72

Paragraph (1)

Letter a

Minutes of the General Meeting of Shareholders shall at least contain the resolution for approving the dissolution of a Limited Liability Company and shall order the Board of Directors to settle the obligations of LPIP.

Letter b

Self-explanatory.

Letter c

The plan for the settlement of all obligations (action plan) shall include, among other things, the settlement of customer's complaints, plan for transfer of Credit Data and/or Other Data to Bank Indonesia or other parties appointed by Bank Indonesia, plan for data destruction, payment of obligations to other parties, payment of salary payable, payment of office costs, tax payable and other relevant costs.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 73

Self-explanatory.

Article 74

Self-explanatory.

Article 75

Self-explanatory.

Article 76

Paragraph (1)

Monthly report for the period of January 2013 should have been received by Bank Indonesia by no later than Thursday, February 7, 2013. However, it was not submitted until February 14, 2013. For such late submission, LPIP is subject to a pecuniary sanction in the amount of Rp100,000.00 x 5 business days or in the amount of Rp500,000.00.

Paragraph (2)

Monthly report for the period of January 2013 should have been received by Bank Indonesia by no later than Thursday, February 7, 2013. However, up to February 28, 2013 LPIP has not submitted the

report. For such violation, LPIP is subject to a pecuniary sanction in the amount of Rp5,000,000.00.

Article 77

Paragraph (1)

Semi-annual report for the first semi-annual of 2013 should have been received by Bank Indonesia by no later than Wednesday, July 31, 2013. However, it was not submitted until Monday, August 5, 2013. For such late submission, LPIP is subject a pecuniary sanction in the amount of Rp1,000,000.00 x 3 business days or in the amount of Rp3,000,000.00.

Paragraph (2)

Semi-annual report for the first semi-annual of 2013 should have been received by Bank Indonesia by no later than Wednesday, July 31, 2013. However, up to August 31, 2013 LPIP has not submitted the report. For such violation, LPIP is subject to a pecuniary sanction in the amount of Rp50,000,000.00.

Article 78

Paragraph (1)

Annual report for the period of 2013 should have been received by Bank Indonesia by no later than Saturday, May 31, 2014. However, it was not submitted until Wednesday, June 4, 2014. For such late submission, LPIP is subject to a pecuniary sanction in the amount of Rp1,000,000.00 x 3 business days or in the amount of Rp3,000,000.00.

Annual business plan for the period of 2014 should have been submitted by LPIP to Bank Indonesia by no later than Saturday, November 30, 2013. However, it was not submitted until Wednesday, December 4, 2013. For such late submission, LPIP is subject to a pecuniary sanction in the amount of Rp1,000,000.00 x 3 business days or in the amount of Rp3,000,000.00.

Paragraph (2)

Annual report for the period of 2013 should have been received by Bank Indonesia by no later than Saturday, May 31, 2014. However, up to June 30, 2014 LPIP has not submitted the report. For such violation, LPIP is subject to a pecuniary sanction in the amount of Rp50,000,000.00.

Annual business plan for the period of 2014 should have been received by Bank Indonesia by no later than November 30, 2013. However, up to December 31, 2013 LPIP has not submitted the report. For such violation, LPIP is subject to a pecuniary sanction in the amount of Rp50,000,000.00.

Article 79

Self-explanatory.

Article 80

Self-explanatory.

Article 81

Paragraph (1)

Based on the supervision conducted by Bank Indonesia, it is found that LPIP causes an inaccuracy of Credit Information which belongs to 10 (ten) Debtors or Customers. For such violation, LPIP is subject to a pecuniary sanction in the amount of Rp250,000.00 x 10 or in the amount of Rp2,500,000.00

Based on the supervision conducted by Bank Indonesia, it is found that LPIP uses an incorrect scoring method thus resulting in inaccurate Credit Information of all Debtors or Customers recorded in the database of LPIP, namely 50,000,000 Debtors. For such violation, LPIP is subject to a pecuniary sanction in the maximum amount, namely Rp100,000,000.00.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 82

Paragraph (1)

Letter a

Self-explanatory.

Letter b

“Loss to people at large and/or state interest”, for example, as follows:

1. LPIP uses an improper scoring model thus the credit scoring produced by LPIP is misleading and threaten the stability of financial system;

2. LPIP transfers Credit Data and/or Other Data to other parties which would potentially cause a disturbance to economy, social, politics and national security.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 83

Self-explanatory.

Article 84

Self-explanatory.

Article 85

Self-explanatory.

Article 86

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA

NUMBER