

**FREQUENTLY ASKED QUESTIONS (FAQ)**  
**PBI NO. 15/1/PBI/2013, DATED 13<sup>th</sup> FEBRUARY 2013**  
**CONCERNING THE CREDIT BUREAU**

**1. What is the purpose of issuing PBI No. 15/1/PBI/2013, dated 18<sup>th</sup> February 2013, concerning the Credit Bureau (LPIP)?**

Considering that LPIP will later manage credit data/information that contains data on the general public, Bank Indonesia acknowledges the need to clarify the scope of LPIP business activity. Aspects of LPIP business continuity and stability are also of concern. Consequently, the new Bank Indonesia regulation outlines a licensing mechanism for those parties wishing to conduct such business activity.

**2. What exactly is regulated by Bank Indonesia Regulation number 15/1/PBI/2013, dated 18<sup>th</sup> February 2013, concerning the Credit Bureau?**

The new Bank Indonesia regulation legislates LPIP supervision and licensing as well as operational aspects of LPIP. Regarding licensing, this Bank Indonesia regulation regulates aspects of, among others, capital, shareholders and management as well as the licensing process that must be adhered to by a prospective LPIP prior to becoming operational. Referring to supervision, the new Bank Indonesia regulation specifies which reports shall be submitted mandatorily by LPIP as well as the forms of supervision conducted by Bank Indonesia. Concerning the operational aspects of LPIP, this Bank Indonesia regulation outlines the operational concerns of LPIP, including data/information management, security and data/information accuracy as well as customer protection.

**3. Which requirements must be met by parties wishing to establish an LPIP?**

Any party wishing to establish a Credit Bureau shall meet the following requirements:

- a. LPIP shall be established in the form of a limited liability company;
- b. Minimum paid up capital shall exceed Rp50 billion;
- c. Maximum shareholding of any one shareholder shall not exceed 51%; and
- d. Only Indonesian legal entities shall be eligible as shareholders of LPIP.

**4. What is the LPIP licensing procedure?**

LPIP licensing shall be divided into two stages as follows: Approval in Principle and the Business License. To be eligible for an Approval in Principle, Bank Indonesia shall assess the preparedness of any interested party to establish an LPIP. Meanwhile, the business license process involves Bank Indonesia assessing the preparedness of an already established LPIP to begin operations.

**5. What are the requirements for foreign ownership of an LPIP, is that a possibility?**

Foreign parties are not permitted directly to set up an LPIP, however, it is possible to become an LPIP shareholder through ownership of an Indonesian legal entity. Notwithstanding, foreign parties wishing to enter the industry are obliged to have experience of credit information.

**6. How does the new Bank Indonesia regulation control aspects of data/information security and accuracy managed by LPIP?**

To foster data/information accuracy and security at LPIP, the new Bank Indonesia regulation states that:

- a. An LPIP shall be required to have in place a reliable system, policies and operational procedures, as well as rules for third parties wishing to use the data/information provided;
- b. LPIP shall not be permitted to update data, except for reasons detailed in this BI regulation;

- c. LPIP shall not be permitted to share data within a region or across borders (cross-border data sharing);
- d. LPIP shall be required to maintain their servers and databases within the territory of the Republic of Indonesia; and
- e. Supervision by Bank Indonesia of LPIP shall cover on-site inspections and off-site surveillance. On-site supervision shall be performed through direct inspections to ensure, among others, data security. Bank Indonesia shall impose sanctions for violations of the new BI regulation committed by LPIP.

**7. How will the new BI regulation control aspects of customer protection?**

There are a number of stipulations contained within the new Bank Indonesia regulation that relate to aspects of customer protection as follows:

- a. In order to raise public awareness regarding the importance of monitoring credit information, the new BI regulation sets forth the individual's right to obtain credit information at least once per annum. This is expected to encourage the general public to monitor whether the individual credit information held about them is accurate.
- b. LPIP shall be required to have operational procedures and policies, especially in terms of complaint resolution.
- c. This Bank Indonesia regulation shall control the amount of time given to resolve complaints concerning data inaccuracies.
- d. Bank Indonesia shall conduct off-site surveillance through analysis of reports submitted by LPIP, for example the complaint resolution report. Customer complaints shall be used as an indicator of the accuracy of the data/information managed by LPIP.