

BANK INDONESIA REGULATION

NUMBER: 15/ 1 /PBI/2013

CONCERNING

LEMBAGA PENGELOLA INFORMASI PERKREDITAN

(CREDIT BUREAU)

WITH THE BLESSING OF GOD THE ALMIGHTY

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas Bank Indonesia shall have the authority to regulate and develop interbank information system which may includes other institutions in the financial sector, particularly in the context of obtaining and providing credit information;
 - b. whereas the management of debtor information system which has been conducted by Bank Indonesia covers the data on the provision of funds originating from financial institution and produces standard credit information;
 - c. whereas in the context of minimizing asymmetric information in order to support the implementation process of risk management, particularly credit risk by financial institutions; reducing potential adverse selection and moral hazard in the provision of funds; reducing non-performing loan; supporting credit

acquisition costs reduction; supporting the application of risk-based pricing and reputational collateral; as well as improving financial inclusion, it is necessary to broaden the scope of exchange and management of credit data which is also originated from non-financial institutions, as well as to provide various value-added credit information products and services ;

- d. whereas in the context of stipulating Bank Indonesia policy in the monetary, financial system stability, macroprudential and microprudential, Bank Indonesia requires reliable, comprehensive, and integrated credit information; including data from financial institutions and non-financial institutions;
- e. whereas in the context of fulfilling the need of credit information that is various, comprehensive, and has added value, it is necessary to develop credit information registry which is conducted by other parties other than Bank Indonesia;
- f. whereas based on the consideration as referred to in letters a, b, c, d, and e, it is deemed necessary to enact Bank Indonesia Regulation concerning *Lembaga Pengelola Informasi Perkreditan* (Credit Bureau);

In view of : 1. Act Number 7 of 1992 concerning Banking (State

Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472) as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);

2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette Number 3843) as amended several times, with the latest amendment by Act Number 6 of 2009 concerning the Stipulation of Government Regulation in Lieu of Act Number 2 of 2008 concerning the Second Amendment to Act Number 23 of 1999 concerning Bank Indonesia to become Act (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4962);
3. Act Number 21 of 2008 concerning Sharia Banking (State Gazette of the Republic of Indonesia Number 94 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4867);

HAS DECREED:

To enact : BANK INDONESIA REGULATION CONCERNING

LEMBAGA PENGELOLA INFORMASI PERKREDITAN
(CREDIT BUREAU).

CHAPTER I

GENERAL PROVISIONS

Article 1

The terminologies used in this Bank Indonesia Regulation have these following meanings:

1. *Lembaga Pengelola Informasi Perkreditan* (Credit Bureau), hereinafter abbreviated to as LPIP, is an institution or entity which collects and processes credit data and other data in order to produce credit information.
2. Credit Information is products and/or services provided by LPIP in writing, verbally or by other methods, originating from credit data and other data owned by LPIP.
3. Credit Data is data on the condition of provision of funds facility, financing from non-bank financial institutions, and/or other facilities considered equal thereto.
4. Other Data is data other than Credit Data which can be used for describing the capability of certain parties in fulfilling their financial obligations.
5. Provision of Funds is fund investment of financial institutions, either in Rupiah or foreign exchange, in the form of credits, negotiable papers, placement of funds, capital participation, temporary capital participation, other

claims and administrative account transactions as well as other forms of the provision of funds considered equal thereto, including sharia financing.

6. Sharia Financing is Financing as referred to in Act Number 21 of 2008 concerning Sharia Banking.
7. Financial Institutions are institutions conducting activities in the financial sector including:
 - a. Commercial Banks as referred to in Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998 and Act Number 21 of 2008 concerning Sharia Banking, including branch office of bank domiciled overseas;
 - b. Rural Banks, hereinafter abbreviated to as BPR (*Bank Perkreditan Rakyat*), as referred to in Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998 and Act Number 21 of 2008 concerning Sharia Banking;
 - c. Financing Institutions as referred to in Presidential Regulation Number 9 of 2009 concerning Financing Institutions;
 - d. Cooperatives as referred to in Act Number 17 of 2012 concerning Cooperatives;
 - e. Insurance Companies as referred to in Act Number 2 of 1992 concerning Insurance Business; and
 - f. Other institutions or companies, conducting the Provision of Funds activity or activities considered equal thereto.
8. Debtor or Customer is any party, either individual or corporate, obtaining one or more facility(ies) of the Provision of Funds and/or financial obligations.

CHAPTER II
BUSINESS ACTIVITIES OF *LEMBAGA PENGELOLA INFORMASI*
PERKREDITAN (CREDIT BUREAU)

Article 2

Business activities conducted by LPIP shall consist of the following:

- a. collecting Credit Data and/or Other Data; and
 - b. processing Credit Data and/or Other Data,
- to produce Credit Information.

Article 3

- (1) In conducting business activities as referred to in Article 2, LPIP may produce Credit Information based on Debtor or Customer categories, among other things, as follows:
 - a. retail (*consumer*);
 - b. commercial; and/or
 - c. micro, small, and medium enterprises (MSMEs).
- (2) If required, Bank Indonesia may ask LPIP to produce Credit Information based on certain category, in order to support programs in the context of promoting Indonesian economy.

Article 4

Credit Information provided by LPIP as referred to in Article 2, either individual or aggregate, shall contain, among other things, as follows:

- a. eligibility of a Debtor or Customer to obtain the Provision of Funds;
- b. track record in reputation of a Debtor or Customer in fulfilling the obligations of the Provision of Funds;
- c. ability of a Debtor or Customer to fulfill the obligation of the Provision of Funds;
- d. characteristics of a Debtor or Customer; and
- e. other information which can be used for assessing the ability of a Debtor or Customer.

ARTICLE III

INSTITUTIONAL ASPECT OF *LEMBAGA PENGELOLA INFORMASI PERKREDITAN* (CREDIT BUREAU)

Part One

Legal Entity and Paid-Up Capital

Article 5

- (1) Any parties conducting activities as LPIP shall be required to obtain operational license from Bank Indonesia.
- (2) Legal form of LPIP must be in the form of Limited Liability Company.

Article 6

- (1) It is stipulated that paid-up capital for establishing LPIP shall be in a minimum of Rp50,000,000,000.00 (fifty billion rupiah).
- (2) Source of funds for LPIP ownership:

- a. shall not originate from loans or financing facilities in any form from banks and/or other parties; and/or
 - b. shall not originate from and for the purposes of money laundering.
- (3) LPIP shall be required to reserve a portion of its profits for the improvement of technology, infrastructure and human resources.

Part Two

Shareholders

Article 7

- (1) The shareholders of LPIP must be in the form of Indonesian legal entity.
- (2) Indonesian legal entity as referred to in paragraph (1) shall be owned by:
 - a. Indonesian legal entity; or
 - b. Indonesian legal entity and foreign legal entity through a partnership.

Article 8

- (1) Ownership of shares of LPIP by each shareholder as referred to in Article 7 paragraph (1) shall be at a maximum of 51% (fifty-one percent) of the paid-up capital.
- (2) The maximum limit on share ownership as referred to in paragraph (1) shall also be applicable to affiliated share ownership.
- (3) In the event that the shareholders of LPIP as referred to in Article 7 paragraph (1) also own shares in other LPIP, the total share ownership in all LPIPs shall be at a maximum of 51% (fifty-one percent).

- (4) Foreign legal entity as referred to in Article 7 paragraph (2) letter b shall be required to have experience in credit information management industry.

Article 9

Parties which may become the shareholders of LPIP as referred to in Article 7 paragraph (1) shall be required to meet the following requirements:

- a. having a commitment to comply with the applicable laws and regulations;
- b. having a strong commitment to the development of sound operations of LPIP;
and
- c. not registered in the List of Bad Debt.

Part Three

Board of Directors and Board of Commissioners

Article 10

- (1) Members of the Board of Directors and members of the Board of Commissioners of LPIP shall be required to meet the following requirements:
- a. integrity, which at least includes the following:
 - 1) having good character and moral;
 - 2) having a commitment to comply with the applicable laws and regulations;
 - 3) having a commitment to apply the principle of Good Corporate Governance;
 - 4) having a strong commitment to the development of sound

operations of LPIP; and

- 5) having a strong commitment to preserve the confidentiality and security of data and information;

b. competence, which at least includes the following:

- 1) knowledge in the field relevant to its position; and
- 2) ability to perform strategic management in the context of the development of LPIP;

c. financial reputation, which at least includes the following:

- 1) not registered in the List of Bad Debt; and
- 2) never been declared to be bankrupt or guilty for causing a company being declared to be bankrupt within 5 (five) years prior to the submission of application.

- (2) At least one of the members of the Board of Directors must have knowledge and/or experience in the credit information management industry.
- (3) Further provisions concerning the requirements as referred to in paragraphs (1) and (2) shall be provided for in a Bank Indonesia Circular Letter.

Article 11

- (1) The total number of members of the Board of Directors shall be in a minimum of 3 (three) members.
- (2) At least 50% (fifty percent) of the members of the Board of Directors as referred to in paragraph (1) shall be Indonesian citizen.

- (3) A member of the Board of Directors may hold a concurrent position only as Director, member of the Board of Commissioners or Executive Officer of a company, organization or non-profit institution.

Article 12

- (1) The total number of members of the Board of Commissioners shall be in a minimum of 2 (two) members and in a maximum equal to the total number of members of the Board of Directors.
- (2) At least 50% (fifty percent) of the members of the Board of Commissioners as referred to in paragraph (1) shall be Indonesian citizen.

Part Four

Foreign Manpower

Article 13

- (1) LPIP may utilize foreign manpower in conducting its business activities by complying with the provisions set forth in this Bank Indonesia Regulation.
- (2) LPIP) may utilize foreign manpower as referred to in paragraph (1) only for the positions as members of the Board of Directors, members of the Board of Commissioners or experts/consultants.
- (3) In employing experts/consultants as referred to in paragraph (2), LPIP shall be required to:
 - a. first take into consideration the availability of local experts/consultants for the required fields and expertise;

- b. provide 2 (two) local experts/consultants to assist each foreign manpower; and
 - c. heed the laws and regulations concerning employment.
- (4) The employment of foreign manpower must obtain approval from Bank Indonesia.

Article 14

- (1) Foreign manpower as referred to in Article 13 paragraph (2) shall be required to meet the following requirements:
- a. meeting the expertise qualification;
 - b. not holding a position in a Financial Institution, either domiciled in Indonesia or outside Indonesia; and
 - c. having knowledge about Indonesian economy, language, and culture.
- (2) Foreign manpower holding a position as a member of the Board of Directors and/or member of the Board of Commissioners shall also comply with the provisions as referred to in Article 10, in addition to the provisions as referred to in paragraph (1).

Article 15

- (1) Term of office of foreign manpower must rely on the provisions and the laws and regulations concerning employment.
- (2) LPIP shall be required to submit the plan for the employment of foreign manpower along with the change thereof to Bank Indonesia on an annual

basis.

Article 16

Further provisions concerning the procedures for the employment of foreign manpower shall be provided for in a Bank Indonesia Circular Letter.

CHAPTER IV

LICENSING OF *LEMBAGA PENGELOLA INFORMASI PERKREDITAN* (CREDIT BUREAU)

Article 17

- (1) LPIP may be established and conduct business activities only upon the license of Bank Indonesia.
- (2) The granting of license as referred to in paragraph (1) shall be conducted in 2 (two) stages, namely:
 - a. approval in principle; and
 - b. operational license.

Part One

Approval in Principle

Article 18

- (1) Application for obtaining the approval in principle as referred to in Article 17 paragraph (2) letter a shall be submitted in writing to Bank Indonesia, at least by one prospective shareholder to Bank Indonesia, accompanied with:

- a. draft establishment deed of Limited Liability Company, including draft articles of association;
- b. ownership data in the form of a list of prospective shareholders along with the details of the number of each share ownership;
- c. list of the composition of prospective members of the Board of Directors and members of the Board of Commissioners;
- d. plan for the composition and organizational structure as well as human resources;
- e. business plans for the first 3 (three) years;
- f. medium-term and long-term strategic plans;
- g. design of information technology systems to be used;
- h. design of requirements of Credit Data of Financial Institutions to be obtained from Bank Indonesia;
- i. guidelines on the internal control system and guidelines on the implementation of Good Corporate Governance;
- j. policies and operational procedures;
- k. proof of capital payment at least 30% (thirty percent) of minimum paid-up capital as referred to in Article 6 paragraph (1), in the form of a photocopy of deposit certificate with a Bank in Indonesia and in the name of the “Board of Governors of Bank Indonesia *q.q.* one of prospective shareholders for the establishment of the relevant LPIP” by setting out a statement that the disbursement of which may only be conducted after written approval from the Board of Governors of Bank Indonesia is obtained; and
- l. a statement from prospective shareholders of LPIP that the capital

payment as referred to in letter k:

- 1) does not originate from loans or financing facilities in any form whatsoever from a bank and/or other parties; and/or
 - 2) does not originate from and for the purposes of money laundering.
- (2) Further provisions concerning details of application documents as referred to in paragraph (1) shall be provided for in a Bank Indonesia Circular Letter.

Article 19

- (1) Approval or refusal of the application for approval in principle shall be granted by Bank Indonesia by no later than 60 (sixty) business days after the application documents have been completely received.
- (2) In the context of granting approval or refusal as referred to in paragraph (1), Bank Indonesia shall conduct:
 - a. examination of the completeness and validity of document;
 - b. analysis of the matters as referred to in Article 18 paragraph (1) letters d, e, f, g, h, i and j; and
 - c. interview with prospective shareholders, prospective members of the Board of Directors, and/or prospective members of the Board of Commissioners, if required.
- (3) In addition to the provisions as referred to in paragraph (2), prospective shareholders submitting the application for LPIP establishment shall be required to give a presentation to Bank Indonesia concerning the overall plan

for LPIP establishment.

Article 20

- (1) Approval in principle shall be effective for a maximum of 18 (eighteen) months as of the issuance date of the approval in principle.
- (2) A party obtaining approval in principle shall be prohibited from conducting business activities as LPIP, before obtaining operational license.
- (3) In the event that until the period as referred to in paragraph (1), the party obtaining approval in principle does not submit the application for operational license to Bank Indonesia, the approval in principle issued shall not be effective.
- (4) The party as referred to in paragraph (3) may resubmit the application to obtain approval in principle 1 (one) year following the end of the period as referred to in paragraph (1).
- (5) A party which does not obtain approval in principle from Bank Indonesia may resubmit the application to obtain approval in principle 1 (one) year following the date of refusal from Bank Indonesia.

Part Two

Operational License

Article 21

- (1) The application to obtain operational license as referred to in Article 17 paragraph (2) letter b shall be submitted in writing to Bank Indonesia by the

Board of Directors of LPIP obtaining approval in principle, accompanied with:

- a. draft establishment deed of Limited Liability Company, setting out the articles of association which have been ratified by the authorized institution;
- b. list of shareholders along with the details of their respective portions of share ownership;
- c. list of the composition of members of the Board of Directors and members of the Board of Commissioners;
- d. documents as referred to in Article 18 paragraph (1) letters d, e, f, h, i and j, in the case of amendment;
- e. architecture of information technology systems to be used;
- f. proof of payment of minimum paid-up capital as referred to in Article 6 paragraph (1), in the form of:
 - 1) cash funds, proved by a photocopy of deposit certificate with a bank in Indonesia and on behalf of the “Board of Governors of Bank Indonesia *q.q.* one of the shareholders of the relevant LPIP” by setting out a statement that the disbursement of which may only be conducted after written approval from the Board of Governors of Bank Indonesia is obtained; and/or
 - 2) other forms, the amount of which shall be determined by LPIP at fair value determined in accordance with market price or by an expert who is not affiliated with LPIP;

- g. proof of operational readiness; and
 - h. statement from the shareholders of LPIP that the capital payment as referred to in letter f:
 - 1) does not originate from loans or payment facilities in any form whatsoever from bank and/or other parties; and/or
 - 2) does not originate from and for the purpose of money laundering.
- (2) Further provisions concerning details of application documents as referred to in paragraph (1) shall be provided for in a Bank Indonesia Circular Letter.

Article 22

- (1) Approval or refusal of the application for operational license shall be granted by Bank Indonesia by no later than 80 (eighty) business days after the application documents have been completely received.
- (2) In the context of granting approval or refusal as referred to in paragraph (1), Bank Indonesia shall conduct:
- a. examination of the completeness and validity of document;
 - b. analysis of document as referred to in Article 21 paragraph (1) letter d;
 - c. assessment of information technology systems to be used based on the architecture as referred to in Article 21 paragraph (1) letter e; and
 - d. other analyses based on the consideration of Bank Indonesia.

Article 23

- (1) LPIP obtaining an operational license from Bank Indonesia shall be required

to conduct business activities by no later than 60 (sixty) business days as of the date of the issuance of operational license.

- (2) The conduct of business activities as referred to in paragraph (1) must be reported to Bank Indonesia by the Board of Directors by no later than 10 (ten) business days as of the date of the conduct of business activities.
- (3) In the event that until the period as referred to in paragraph (1) LPIP has not conducted business activities, the operational license issued shall not be effective.
- (4) LPIP whose operational license is not effective as referred to in paragraph (3) may resubmit an application to obtain approval in principle 1 (one) year following the end of period as referred to in paragraph (1).

Article 24

LPIP which does not obtain operational license from Bank Indonesia may resubmit an application to obtain approval in principle 1 (one) year following the date of refusal from Bank Indonesia.

CHAPTER V

CHANGE IN PAID-UP CAPITAL, SHAREHOLDERS,

MEMBERS OF THE BOARD OF DIRECTORS

AND/OR MEMBERS OF THE BOARD OF COMMISSIONERS

Part One

Change in Paid-Up Capital

Article 25

- (1) LPIP must report the increase in sum of paid-up capital to Bank Indonesia.
- (2) The change in sum of paid-up capital as referred to in paragraph (1) must comply with the provisions concerning limits on share ownership as referred to in Article 8 paragraphs (1) and (2).
- (3) The report to Bank Indonesia as referred to in paragraph (1) shall be accompanied with the statement of shareholders of LPIP that the change in paid-up capital:
 - a. does not originate from loans or financing facilities in any form whatsoever from a bank and/or other parties; and/or
 - b. does not originate from and for the purpose of money laundering.

Part Two

Change in the Composition of Shareholders,
Members of the Board of Directors and/or
Members of the Board of Commissioners

Article 26

- (1) A change in the composition of LPIP ownership, whether or not it results in a replacement, reduction and/or addition to the number of owners, must obtain approval from Bank Indonesia.
- (2) Application to obtain approval for the change in the composition of ownership as referred to in paragraph (1) shall be submitted in writing, accompanied with

data on ownership in the form of a list of prospective shareholders along with the details of their respective portions of share ownership.

Article 27

- (1) In the event that LPIP is going to make a change in the composition of members of the Board of Directors and/or members of the Board of Commissioners, the prospective members of the Board of Directors and/or prospective members of the Board of Commissioners shall be required to obtain approval from Bank Indonesia before holding their positions.
- (2) The application to obtain approval as referred to in paragraph (1) shall be submitted by LPIP to Bank Indonesia and must be accompanied with the documents as referred to in Article 18 paragraph (1) letter c.
- (3) Prospective members of the Board of Directors and/or prospective members of the Board of Commissioners as referred to in sub-paragraph (1) must meet the requirements of the applicable statutory provisions, in addition to the compliance with the provisions of Bank Indonesia.
- (4) Approval or refusal of the nomination of prospective members of the Board of Directors and/or prospective members of the Board of Commissioners as referred to in paragraph (1) shall be granted by no later than 30 (thirty) business days after all requirements have been met.
- (5) The approval of Bank Indonesia as referred to in paragraph (4) shall be effective by no later than 60 (sixty) business days as of the date of the approval of Bank Indonesia.

- (6) Appointment of members of the Board of Directors and/or members of the Board of Commissioners as referred to in paragraph (4) must be reported in writing by LPIP to Bank Indonesia by no later than 10 (ten) business days as of the date of the General Meeting of Shareholders.

Article 28

The prospective members of the Board of Directors and/or the prospective members of the Board of Commissioners which have not obtained approval from Bank Indonesia shall be prohibited from performing duties and functions as members of the Board of Directors and/or members of the Board of Commissioners even though they have obtained approval from the General Meeting of Shareholders.

Article 29

- (1) In the event of dismissal and/or resignation of a member of the Board of Directors and/or a member of the Board of Commissioners, LPIP shall be required to ensure that the requirements as referred to in Articles 10, 11 and 12 are still met.
- (2) The dismissal and/or resignation of a member of the Board of Directors and/or a member of the Board of Commissioners as referred to in paragraph (1) must be reported in writing by LPIP to Bank Indonesia by no later than 10 (ten) business days as of the effective date of such dismissal and/or resignation.

Article 30

- (1) In the event that LPIP will conduct acquisition, merger or consolidation with

another LPIP, each LPIP must obtain approval of Bank Indonesia.

- (2) Application to obtain the approval for acquisition, merger or consolidation as referred to in paragraph (1) shall be submitted in writing, accompanied with data on the plan for acquisition, merger or consolidation.

Article 31

- (1) Approval or refusal of the application as referred to in Article 26 paragraph (2) and/or Article 27 paragraph (2) shall be granted by Bank Indonesia by no later than 60 (sixty) business days after the application documents have been completely received.
- (2) LPIP shall be required to submit a report on the change in the composition of ownership, sum of paid-up capital and/or implementation of acquisition, merger or consolidation by no later than 10 (ten) business days after the date on which such processes are completed.

Article 32

The details of procedures for changing the composition of ownership, sum of paid-up capital and/or implementation of acquisition, merger or consolidation as referred to in Articles 26, 27 and 30 shall be further provided for in a Bank Indonesia Circular Letter.

CHAPTER VI

RIGHTS AND OBLIGATIONS OF

LEMBAGA PENGELOLA INFORMASI PERKREDITAN

(CREDIT BUREAU)

Article 33

- (1) LPIP obtaining a license as referred to in Article 17 may collect and process the Credit Data and Other Data.
- (2) The Credit Data and Other Data collected and processed by LPIP as referred to in paragraph (1) may only be used for producing Credit Information.

Article 34

LPIP shall be required to:

- a. maintain the accuracy, currency, security and confidentiality of data;
- b. have a reliable system;
- c. adopt policies and operational procedures set out in written guidelines; and
- d. have rules and regulations which must be obeyed by each party using Credit Information.

Article 35

The policies and operational procedures as referred to in Article 34 letter c shall at least include as follows:

- a. measures of data security activity;
- b. access level;
- c. data alteration procedure;
- d. information security;
- e. Business Continuity Plan;
- f. End-user computing;

- g. Disaster Recovery Plan;
- h. operational monitoring including audit trail;
- i. procedure for providing Credit Information; and
- j. procedure for handling and settling complaints.

CHAPTER VII

DATA MANAGEMENT BY

LEMBAGA PENGELOLA INFORMASI PERKREDITAN

(CREDIT BUREAU)

Part One

Source and Flow of Data

Article 36

- (1) In organizing the activities of collecting and processing data as referred to in Article 2, LPIP shall obtain Credit Data from Bank Indonesia.
- (2) The Credit Data from Bank Indonesia as referred to in paragraph (1) shall be the data presented and reported to Bank Indonesia by Financial Institutions as the Reporting Party as referred to in Bank Indonesia Regulation concerning the reporting of Credit Data.
- (3) Further provisions concerning the mechanism for obtaining Credit Data as referred to in paragraph (1) shall be provided for in a Bank Indonesia Circular Letter.

Article 37

- (1) In the context of expanding and enriching the scope of Credit Data and Other Data, LPIP may cooperate with:
 - a. Financial Institutions, for Credit Data; and/or
 - b. Financial Institutions and/or Non-Financial Institutions, for Other Data.
- (2) LPIP may directly obtain the data as referred to in paragraph (1) based on agreement and the applicable laws and regulations.

Article 38

- (1) The obtaining of Credit Data by LPIP from Bank Indonesia as referred to in Article 36 paragraph (1) shall be subject to the cost of obtaining the data.
- (2) Further provisions concerning the calculation of cost as referred to in paragraph (1) shall be provided for in a Bank Indonesia Circular Letter.

Article 39

- (1) In the context of performing its tasks, Bank Indonesia may request the data obtained by LPIP directly as referred to in Article 37.
- (2) Further provisions concerning the mechanism for requesting data as referred to in paragraph (1) shall be further provided for in a Bank Indonesia Circular Letter.

Part Two

Data Management

Article 40

LPIP shall be required to take effort to ensure that the utilization of Credit Data and Other Data as referred to in Article 37 has been informed by the source of data to the relevant Debtor or Customer.

Article 41

- (1) Management of Credit Data and Other Data by LPIP shall include, but not limited to the collection, processing and distribution of data.
- (2) In the context of the management of data as referred to in paragraph (1), LPIP shall be required to rely on the provisions of statutory and laws and regulations concerning information and electronic transaction.
- (3) In the context of the management of data as referred to in paragraph (1), LPIP shall be required to take security measures in order to maintain the accuracy, currency, security, and confidentiality of data.

Article 42

- (1) In managing the Credit Data and Other Data, LPIP shall be prohibited from:
 - a. intentionally changing the Credit Data and/or Other Data obtained by LPIP from Bank Indonesia, Financial Institutions and/or non-Financial Institutions as referred to in Articles 36 and 37; and/or
 - b. transferring, copying, and/or making the Credit Data and Other Data accessible to/by other parties both inside and outside the territory of the Republic of Indonesia.

- (2) The provisions as referred to in paragraph (1) letter a shall not be applicable to LPIP in the following events:
 - a. The Financial Institutions and non-Financial Institutions providing Credit Data and/or Other Data directly to LPIP cannot update the data;
 - b. LPIP enforces a conclusive, final binding verdict;

- (3) The provisions as referred to in paragraph (1) letter b shall not be applicable to LPIP which is transferring the Credit Data and Other Data to another LPIP within the territory of the Republic of Indonesia, based on agreement, and obtaining approval from the Financial Institutions and non-Financial Institutions as referred to in Article 37.

- (4) LPIP shall update the data as referred to in paragraph (2) letter a in the following events:
 - a. the operational license of the Financial Institutions and/or non-Financial Institutions is revoked; or
 - b. the Financial Institutions and/or non-Financial Institutions are technically unable to update the data due to other reasons.

- (5) The update of data by LPIP as referred to in paragraph (4) shall be based on a written application from:
 - a. the parties appointed for the settlement of obligations of Financial Institutions and/or non-Financial Institutions, in the event that the operational license of such Financial Institutions and/or non-Financial Institutions is revoked; or

- b. Financial Institutions, non-Financial Institutions, the relevant Debtor or Customer, in the event that the Financial Institutions and/or non-Financial Institutions are technically unable to update the data due to other reasons.

Article 43

In the context of maintaining the accuracy, currency, security, and confidentiality of data as referred to in Article 34 letter a, LPIP shall be required to place server and database within the territory of the Republic of Indonesia.

Article 44

- (1) LPIP may use the service of other parties in the context of supporting the conduct of operational activities of LPIP.
- (2) LPIP shall be required to ensure that other parties as referred to in paragraph (1) apply the principles of management of data and Credit Information as provided for in this provision and all of its implementing provisions.

CHAPTER VIII

CREDIT INFORMATION

Part One

Credit Information

Article 45

- (1) LPIP shall be required to produce value-added Credit Information.

- (2) Value-added Credit Information as referred to in paragraph (1) shall be information generated from the processing of Credit Data and/or Other Data by LPIP other than basic information.

Article 46

Credit Information as referred to in Article 45 shall not contain data:

- a. which are in the complaint process or accuracy clarification process;
- b. the source of which is unknown;
- c. the identity of which is not clearly known;
- d. which contain ethnicity, religion, race and intergroup elements; and
- e. which are declared to be confidential under the provisions of other laws and regulations.

Article 47

- (1) The period of Credit Data processed by LPIP in order to produce Credit Information as referred to in Article 45 shall be provided for as follows:
- a. Credit Data as referred to in Article 36 paragraph (1), for the minimum period of the position of 2 (two) previous years as of the date of its current condition;
 - b. specific for Credit Data on the arrears of Provision of Funds, it shall continue to be processed by LPIP until such Provision of Funds is settled or absolute written-off by the Financial Institutions.
- (2) Credit Information as referred to in paragraph (1) must specify the following:

- a. data on the total inquiry for Credit Information on behalf of a certain Debtor or Customer, within a minimum of 1 (one) previous year as of the date of its current condition;
 - b. data on Credit Information on behalf of a certain Debtor or Customer which serves as the object of complaint, within a minimum of 1 (one) year as of the date of the settlement of such complaint.
- (3) The period of data which may be presented in Credit Information provided for other than in the provisions of paragraphs (1) and (2) shall be stipulated by LPIP.

Article 48

The schedule of retention of all data managed by LPIP must rely on laws and regulations concerning corporate documents.

Article 49

- (1) LPIP shall be required to provide Credit Information in Indonesian Language.
- (2) If required, LPIP may provide Credit Information in other languages with due observance of the provisions set out in paragraph (1).

Part Two

Provision of Credit Information

Article 50

Parties which may obtain Credit Information shall be as follows:

- a. Financial Institutions which become the members of LPIP;
- b. non-Financial Institutions as referred to in Article 37 paragraph (1) letter b which serve as the source of data of the relevant LPIP;
- c. other LPIP;
- d. Debtors or Customers; and/or
- e. other parties.

Article 51

The parties as referred to in Article 50 letters a, b, c and d may obtain Credit Information in accordance with the procedures required by LPIP and/or based on the agreement of the parties.

Article 52

- (1) Other parties as referred to in Article 50 letter e may obtain Credit Information in order to perform their functions and tasks as referred to in laws and regulations.
- (2) The application for Credit Information as referred to in paragraph (1) shall be submitted in writing by stating the purposes and objectives of the request for Credit Information and the name of the authorized officer.

Article 53

LPIP shall be required to administer all inquiries for Credit Information as referred to in Article 45.

Article 54

The Financial Institutions as referred to in Article 50 letter a may use Credit Information only in the form of standard information and/or value-added Credit Information as referred to in Article 45 for the purpose of the relevant Financial Institutions in the following contexts:

- a. uninterrupted process of the Provision of Funds in order to evaluate the financial condition of Debtors or prospective Debtors of Financial Institutions;
- b. implementation of risk management in supporting the operational activities of Financial Institutions; and/or
- c. compliance with the applicable laws and regulations.

Article 55

The provision of Credit Information by LPIP for non-Financial Institutions as referred to in Article 50 letter b may be conducted only in the context of:

- a. expediting and securing the operational activities of non-Financial Institutions; and/or
- b. complying with the applicable laws and regulations.

Article 56

The provision of Credit Information for other LPIP as referred to in Article 50 letter c may be conducted only in the context of conducting business activities of LPIP as referred to in Article 2.

Article 57

The provision of Credit Information by LPIP for Debtors or Customers as referred to

in Article 50 letter d shall be limited to Credit Information of the relevant Debtor or Customer itself.

Article 58

- (1) LPIP may charge parties as referred to in Article 50 for the provision of Credit Information.
- (2) The provisions as referred to in paragraph (1) shall not be applicable in the event that the request for Credit Information is submitted:
 - a. in the context of verification of complaints from Debtors or Customers about data error in the Credit Information which has been corrected;
 - b. in the context of execution of court order; and/or
 - c. by other parties as referred to in Article 50 letter e.
- (3) Debtors or Customers may obtain Credit Information free of charge from LPIP once in 12 (twelve) months.

CHAPTER IX

HANDLING AND SETTLING OF COMPLAINTS

Article 59

- (1) LPIP shall be required to follow up the complaints filed by any party about data inaccuracy in the Credit Information provided by LPIP.
- (2) In following up the complaints as referred to in paragraph (1), LPIP shall conduct investigation of the issue complained based on documents and/or data owned by LPIP.

- (3) In the context of conducting the investigation as referred to in paragraph (2), LPIP may coordinate with the party which has provided Credit Data or Other Data to LPIP.

Article 60

- (1) In the event that based on the results of the investigation and coordination as referred to in Article 59 paragraphs (2) and (3), the complaints from Debtors or Customers are caused by the inaccurate results of processing of Credit Data and/or Other Data by LPIP, LPIP shall be required to follow up such complaints by making a correction.
- (2) In the event that based on the results of the investigation and coordination as referred to in Article 59 paragraphs (2) and (3), the complaints from Debtors or Customers are caused by the inaccuracy of Credit Data or Other Data from:
 - a. Financial Institution which is the member of LPIP, and/or non-Financial Institution as referred to in Article 37 paragraph (1) letter b, LPIP shall forward the complaints from Debtors or Customers directly to the related Financial Institution and/or non-Financial Institution, with a copy to Bank Indonesia.
 - b. Financial Institution which is not the member of the aforementioned LPIP, LPIP shall forward the complaints from Debtors or Customers to Bank Indonesia.
- (3) In the context of settlement of complaints as referred to in Article 59 paragraph (1), LPIP shall be required to adopt written policies and procedures

which at least shall include the following:

- a. receipt of complaints;
- b. handling and settling of complaints;
- c. monitoring of the handling and settling of complaints; and
- d. the organization that handle the complaints.

Article 61

- (1) LPIP shall be required to settle the complaints from Debtors or Customers as referred to in Article 59 paragraph (1) caused by the inaccurate results of processing of Credit Data and/or Other Data by LPIP by no later than 20 (twenty) business days as of the date on which the complaints are received.
- (2) In the event that the complaints cannot be settled within the period as referred to in paragraph (1), LPIP may request to the Debtors or Customers for the extension of time limit for the settlement of complaints for a maximum of 20 (twenty) business days.
- (3) LPIP shall be required to inform the party filing complaints about the time limit for the settlement of complaints as referred to in paragraphs (1) and (2).
- (4) In the event that LPIP has settled complaints from Debtors or Customers, LPIP shall be required to inform the Debtors or Customers about the results of the aforementioned settlement of complaints in writing and/or by using information technology facilities in accordance with the request of Debtors or Customers.

Article 62

- (1) LPIP shall be required to mark the data in Credit Information which are in the process of complaints until all processes of complaints are completed.
- (2) LPIP shall be required to administer all complaints received.

CHAPTER X SUPERVISION

Article 63

- (1) Bank Indonesia shall supervise LPIP.
- (2) The supervision as referred to in paragraph (1) shall be carried out by Bank Indonesia directly (on-site) and/or indirectly (off-site).

Article 64

- (1) In the context of onsite supervision as referred to in Article 63 paragraph (2), Bank Indonesia shall conduct examination periodically and at any time if required.
- (2) The periodical examination as referred to in paragraph (1) shall be conducted at least once a year.

Article 65

- (1) The scope of examination as referred to in Article 64 shall include the technology used, governance of management of the applicable statutory provisions, data security and handling of complaints as well as other matters deemed necessary by Bank Indonesia.

- (2) For a certain scope, examination as referred to in Article 64 paragraph (1) may be conducted by other parties appointed by Bank Indonesia.
- (3) Further provisions concerning the requirements of other parties to conduct examination as referred to in paragraph (2) shall be provided for in a Bank Indonesia Circular Letter.

Article 66

LPIP shall be required to provide Bank Indonesia with statements and data requested, opportunity to observe all books, documents, physical facilities related to its business activities, and other matters required.

Article 67

In the context of off-site supervision as referred to in Article 63 paragraph (2), LPIP shall be required to submit written report in the form of:

- a. monthly report;
- b. semi-annual report;
- c. annual report;
- d. annual business plan; and
- e. other incidental reports.

Article 68

- (1) Monthly report as referred to in Article 67 letter a shall contain data statistics recorded in LPIP, at least consisting of the following:

- a. data on the total number of Debtors or Customers;
 - b. data on the total number of facilities of Provision of Funds;
 - c. data on the number of Financial Institutions which become the member of LPIP and non-Financial Institutions which serve as the source of data;
 - d. data on the number of inquiries for Credit Information; and
 - e. data on the handling of complaints from Debtors or Customers.
- (2) Monthly report as referred to in paragraph (1) must be submitted to Bank Indonesia by no later than 5 (five) business days following the end of month of the relevant report.
- (3) LPIP shall be declared late for submitting monthly report in the event that the submission of monthly report exceeds the time limit as referred to in paragraph (2) until the end of month following the month of the relevant report.
- (4) LPIP shall be declared not submitting monthly report in the event that the report as referred to in paragraph (1) has not been submitted by LPIP until the expiry of the time limit as referred to in paragraph (3).

Article 69

- (1) Semi-annual report as referred to in Article 67 letter b shall contain the financial statements of LPIP.
- (2) Semi-annual report as referred to in paragraph (1) must be submitted by no later than 1 (one) month following the end of period of the relevant report.

- (3) LPIP shall be declared late for submitting semi-annual report in the event that the submission of semi-annual report exceeds the time limit as referred to in paragraph (2), however it has not exceeded 1 (one) month as of the expiry of time limit for submission of report.
- (4) LPIP shall be declared not submitting semi-annual report in the event that the report as referred to in paragraph (1) has not been submitted by LPIP until the expiry of time limit as referred to in paragraph (3).

Article 70

- (1) Annual report as referred to in Article 67 letter c shall at least contain the following:
 - a. general information including: management, ownership, progress of business development of LPIP and management report;
 - b. annual financial statements including the statement of financial position (balance sheet), income statement, statement of changes in equity and cash flow statement;
 - c. opinion from public accountant; and
 - d. other disclosure aspects required in the applicable financial accounting standards.
- (2) Annual report as referred to in paragraph (1) must be audited by public accountant.
- (3) Annual report as referred to in paragraph (1) must be submitted by no later than May 31 of the subsequent year.

- (4) LPIP shall be declared late for submitting annual report in the event that the submission of annual report exceeds the time limit as referred to in paragraph (3), however it has not exceeded 1 (one) month as of the expiry of time limit for the submission of annual report.
- (5) LPIP shall be declared not submitting annual report in the event that the report as referred to in paragraph (1) has not been submitted by LPIP until the expiry of time limit as referred to in paragraph (4).

Article 71

- (1) Annual business plan as referred to in Article 67 letter d shall at least include the following:
 - a. management policies and strategies;
 - b. projection of financial statements along with the assumption used;
 - c. capital plan;
 - d. plan for information system technology development; and
 - e. plan for issuance of new products and/or implementation of new activities.
- (2) LPIP shall be required to submit annual business plan as referred to in paragraph (1) to Bank Indonesia by no later than the end of November before the year of the annual business plan commences.
- (3) LPIP shall be declared late for submitting annual business plan in the event that the submission of annual business plan exceeds the time limit as referred to in paragraph (2), however it has not exceeded 1 (one) month as of the

expiry of time limit for annual business plan submission.

- (4) LPIP shall be declared not submitting annual business plan in the event that the annual business plan as referred to in paragraph (1) has not been submitted by LPIP until the expiry of time limit as referred to in paragraph (3).

CHAPTER XI

TERMINATION AND REVOCATION OF OPERATIONAL LICENSE

Article 72

- (1) LPIP which will terminate its business activities shall be required to submit the application for such termination to Bank Indonesia in writing which must be attached with:
 - a. Minutes of the General Meeting of Shareholders concerning the plan for the termination of business activities of LPIP;
 - b. reasons of termination;
 - c. plan for the settlement of all obligations (action plan);
 - d. most recent financial statements; and
 - e. proof of tax settlement based on the results of examination of Tax Service Office for the last 3 (three) years prior to the application date.
- (2) Based on the application as referred to in paragraph (1), Bank Indonesia shall issue the letter of LPIP business activity termination and require LPIP to:
 - a. terminate all business activities of LPIP;
 - b. announce the plan for the dissolution of Limited Liability Company LPIP and the plan for the settlement of obligations of LPIP in 2 (two)

daily newspapers having wide circulation by no later than 10 (ten) business days as of the issuance of the letter of business activity termination;

- c. immediately settle all obligations of LPIP; and
- d. appoint a public accountant office to verify the settlement of obligations of LPIP.

Article 73

- (1) In the event that all obligations of LPIP as referred to in Article 72 paragraph (2) letter c have been settled, the Board of Directors of LPIP shall submit the application for the revocation of operational license of LPIP to Bank Indonesia, along with a report which at least contains the following:
 - a. implementation of the termination of business activities;
 - b. implementation of the announcement as referred to in Article 72 paragraph (2) letter b;
 - c. implementation of the settlement of obligations of LPIP;
 - d. report on the verification results of public accountant office of the settlement of obligations of LPIP; and
 - e. statement of shareholders that the measures to settle the obligations of LPIP have been completed and in the event of any claim in the future, the shareholders shall be responsible for such claim.
- (2) Based on the application for the revocation of operational license as referred to in paragraph (1), Bank Indonesia shall issue a decree letter on the revocation of operational license of LPIP and request LPIP to dissolve the Limited

Liability Company in accordance with the applicable provisions.

- (3) As of the date of the issuance of the decree letter on the revocation of operational license, in the event of unsettled obligations in the future, the shareholders of LPIP shall be responsible for all such obligations.

Article 74

- (1) Bank Indonesia shall have the authority to revoke operational license granted as referred to in Article 17 paragraph (2) letter b by issuing a decree letter, in the following events:
 - a. LPIP violates the provisions set out in this Bank Indonesia Regulation, with sanction in the form of revocation of operational license; and/or
 - b. there is a conclusive, final binding verdict.
- (2) The revocation of operational license as referred to in paragraph (1) shall refer to the provisions as provided for in Article 72 paragraph (2) and Article 73.

Article 75

Further provisions concerning the procedures for the revocation of operational license as referred to in Articles 72, 73 and 74 shall be provided for in a Bank Indonesia Circular Letter.

CHAPTER XII

SANCTIONS

Article 76

- (1) LPIP declared late for submitting monthly report as referred to in Article 68 paragraph (3) shall be subject to pecuniary sanction in the amount of Rp100,000.00 (one hundred thousand rupiah) per business day of lateness.
- (2) LPIP declared not submitting monthly report as referred to in Article 68 paragraph (4) shall be subject to pecuniary sanction in the amount of Rp5,000,000.00 (five million rupiah).

Article 77

- (1) LPIP declared late for submitting semi-annual report as referred to in Article 69 paragraph (3) shall be subject to pecuniary sanction in the amount of Rp1,000,000.00 (one million rupiah) per business day of lateness.
- (2) LPIP declared not submitting semi-annual report as referred to in Article 69 paragraph (4) shall be subject to pecuniary sanction in the amount of Rp50,000,000.00 (fifty million rupiah).

Article 78

- (1) LPIP declared late for submitting annual report as referred to in Article 70 paragraph (4) and/or annual business plan as referred to in Article 71 paragraph (3) shall be subject to pecuniary sanction in the amount of Rp1,000,000.00 (one million rupiah) per business day of lateness.
- (2) LPIP declared not submitting annual report as referred to in Article 70 paragraph (5) and/or annual business plan as referred to in Article 71 paragraph (4) shall be subject to pecuniary sanction in the amount of

Rp50,000,000.00 (fifty million rupiah) per report.

Article 79

LPIP declared not submitting reports as referred to in Article 68 paragraph (4), Article 69 paragraph (4), Article 70 paragraph (5) and Article 71 paragraph (4) shall still be required to submit such reports to Bank Indonesia.

Article 80

In the event that based on the results of examination of Bank Indonesia it is found that LPIP provides Credit Information for a party other than those as referred to in Article 50, LPIP shall be subject to pecuniary sanction in the amount of Rp50,000,000.00 (fifty million rupiah) for each Credit Information and in the maximum amount of Rp1,000,000,000.00 (one billion rupiah).

Article 81

- (1) LPIP conducting the processing of Credit Data and Other Data which results in inaccuracy of Credit Information produced by LPIP shall be subject to pecuniary sanction in the amount of Rp250,000.00 (two hundred and fifty thousand rupiah) for each Debtor or Customer, in the maximum amount of Rp100,000,000.00 (one hundred million rupiah).
- (2) LPIP conducting the processing of Credit Data and Other Data which results in inaccuracy of Credit Information produced by LPIP, in addition to the pecuniary sanction as referred to in paragraph (1), may also be subject to administrative sanction in the form of termination of service of the Credit Information within a period stipulated by Bank Indonesia.

- (3) LPIP not settling the complaints from Debtors or Customers within the time limit as referred to in Article 61 paragraphs (1) and (2) shall be subject to pecuniary sanction in the amount of Rp250,000.00 (two hundred and fifty thousand rupiah) per complaint.

Article 82

- (1) LPIP found violating the provisions as referred to in:
 - a. Articles 6, 7 and/or 10 paragraphs (1) and (2), leading to significant interruption to the operations of LPIP; and/or
 - b. Articles 42 and/or 43 incurring loss to people at large and/or state interest,shall be subject to sanction in the form of a written reprimand.
- (2) In the event that LPIP does not follow up the written reprimand as referred to in paragraph (1) up to 20 (twenty) business days as of the issuance date of written reprimand, Bank Indonesia shall give second written reprimand.
- (3) In the event that LPIP does not follow up the second written reprimand as referred to in paragraph (2) up to 20 (twenty) business days as of the issuance date of second written reprimand, Bank Indonesia shall give third written reprimand.
- (4) In the event that LPIP does not follow up the third written reprimand as referred to in article (3) up to 20 (twenty) business days as of the issuance date of third written reprimand, Bank Indonesia shall impose a sanction in the form of revocation of operational license as referred to in Article 74 paragraph (1).

- (5) Sanction in the form of revocation of operational license as referred to in paragraph (4) shall be applied by using a mechanism as provided for in laws and regulations concerning limited liability companies.

Article 83

LPIP not complying with the provisions as referred to in Article 6, Article 7, Article 10 paragraphs (1) and (2), Article 13 paragraph (4), Article 14 paragraph (1), Article 15, Article 25 paragraphs (1) and (2), Article 26, Article 27 paragraphs (1), (2), (3) and paragraph (6), Article 28, Article 29 paragraph (2), Article 30 paragraph (1), Article 31 paragraph (2), Article 34, Article 40, Article 41 paragraphs (2) and (3), Article 42, Article 43, Article 44 paragraph (2),

Article 45 paragraph (1), Article 46, Article 47 paragraph (2), Article 48, Article 49 paragraph (1), Article 50, Article 53, Article 55, Article 56, Article 57, Article 59 paragraph (1), Article 60 paragraphs (1) and (3), Article 61 paragraphs (1) and (3), Article 62, Article 66, Article 67, Article 68 paragraph (2), Article 69 paragraph (2), Article 70 paragraphs (2) and (3), Article 71 paragraph (2), Article 72 paragraph (1), Article 73 paragraph (1), Article 79, shall be subject to sanction in the form of a written reprimand.

CHAPTER XIII

TRANSITIONAL PROVISIONS

Article 84

- (1) Parties conducting business activities of LPIP prior to the coming into effect of this Bank Indonesia Regulation shall be required to obtain operational

license from Bank Indonesia as referred to in Article 17 paragraph (2) letter b.

- (2) The parties as referred to in paragraph (1) shall be required obtain operational license from Bank Indonesia by no later than 1 (one) year and 6 (six) months as of the coming into effect of this Bank Indonesia Regulation.
- (3) In the event that until the period as referred to in paragraph (2), the party as referred to in paragraph (1) has not complied with the conditions which constitute the prerequisites to obtain operational license from Bank Indonesia, Bank Indonesia may provide an extension in a maximum of 6 (six) months as of the expiry of time limit as referred to in paragraph (2).
- (4) If required, Bank Indonesia may conduct assessment through examination and interview with the shareholders, members of the Board of Directors and/or members of the Board of Commissioners.
- (5) Parties as referred to in paragraph (1) which have not obtained operational license from Bank Indonesia up to the time limit as referred to in paragraphs (2) and (3) shall be prohibited from conducting business activities of LPIP.

CHAPTER XIV

CLOSING PROVISIONS

Article 85

Further provisions of this Bank Indonesia Regulation shall be provided for in a Bank Indonesia Circular Letter.

Article 86

This Bank Indonesia Regulation shall come into effect as of the date of its enactment.

For the purpose of public cognizance, it is ordered that this Bank Indonesia Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On

GOVERNOR OF BANK INDONESIA,

DARMIN NASUTION

Promulgated in Jakarta

On

MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2013 NUMBER

DPIP