

PRESS RELEASE

ISSUANCE OF OJK REGULATION ON PROCEDURES FOR BILLING OF ADMINISTRATION SANCTION IN THE FORM OF FINES

(Jakarta, April 8th, 2014) - The Financial Services Authority (OJK) has issued OJK Regulation No. 4/POJK.04/2014 on procedures for billing of administration sanction in the form of fines in financial services sector.

The regulation issuance is part of implementation of article 8 letter i of Law No. 21/2011 on OJK. The law stipulates that OJK has the authority to create regulations on procedures for imposition of sanctions pursuant to the prevailing laws in financial services sector, including Government Regulation No. 11/2014 on OJK levy, which stipulates administration sanction in the form of fines for violation against regulations in financial services sector, as a part of OJK levy receivables.

The issued OJK regulation, which was promulgated on April 1st, 2014, comprises of two subject matters, namely obligatory payments and billings, and administration of non-performing debts.

It is written in the regulation that administration sanction in the form of fines is a sanction to pay an obligatory amount of money to due to violation against laws in financial services sector.

Payments for administration sanction in the form of fines can be conducted by transferring the fines to OJK's account or other methods stipulated by OJK maximum 30 days after OJK releases a sanction letter.

For commercial banks that get sanctions, payments of fines are conducted by debiting the commercial banks' checking-accounts for OJK's account in Bank Indonesia.

The OJK regulation also regulates that parties who get administration sanction in the form of fines are allowed to raise their objections.

The amount of interest due to overdue payments is at 2% per month and maximum at 48% of the sum of fines.

If fines and the interest are not paid within a year, OJK will categorize the administration sanction as non-performing debts and hand over the administration to Committee for State Receivables Settlement (PUPN).

This OJK regulation started to take effect on April 1st, 2014.

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