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PRESS RELEASE
SIGNING OF MEMORANDUM OF UNDERSTANDING
BETWEEN OJK AND COMMUNICATIONS AND INFORMATION MINISTRY

(Jakarta, June 19th, 2014). Financial Services Authority (OJK) and Communications and Information Ministry agreed to cooperate in building coordination on the subject of protection for consumers of information technology (IT)-based and telecommunications-based financial services and products.

The signing of memorandum of understanding (MoU) between OJK and Communications and Information Ministry was conducted by Chairman of OJK Board of Commissioners Muliaman D. Hadad and Communications and Information Minister Tifatul Sembiring in Jakarta on Thursday.

The MoU encompasses matters as follow:

- a. Technical coordination in innovations of IT-based and telecommunications-based financial products and services development using telecommunications network;
- b. Technical coordination in efforts to anticipate potential threats of financial crimes against consumers of financial services and telecommunications products;
- c. Technical coordination in measures for handling misuse of IT and telecommunications facilities in offering financial products and services; and
- d. Coordination in the framework of improving human resources quality, socialization and education of IT-based and telecommunications-based financial services and products.

Muliaman in his speech explained that IT utilization is absolutely required in order to improve product innovations to face business competition in financial services sector that becomes harder, as well as to support the development of financial inclusion program.

“This cooperation with Communications and Information Ministry is highly important since OJK wants to ensure that IT utilization is not misused by irresponsible parties, which in turn will bring possible disadvantages to consumers and society, or even disrupt financial system stability,” Muliaman said.

Whereas Communications and Information Minister Tifatul Sembiring said that one of the considerations regarding this MoU is the intention to provide protection for consumers, particularly those who utilize broadband network during transactions.

“Hundreds of millions of gadget users, who actually use private media of communication, will appear very tempting to advertisers to offer various products, making the private media seen as if mass media. That is why protection is required, “ the Communications and Information Ministry explained.

Additionally, the minister asked all telecommunications providers to take part in providing protection, while OJK asked all practitioners in financial services business to utilize telecommunications network and services wisely in, thereby not disadvantaging both consumers of financial services and products and telecommunication consumers with practices such as coerced offers, torrential message broadcast, tricky offers, etc.

In an attempt to support the cooperation, National Seminar on Utilization of Communications Media in Responsible Marketing was held concurrently with the MoU signing event, presenting speakers from OJK, Indonesian Telecommunications Regulatory Agency (BRTI), Indonesian Consumers Foundation (YLKI), National Consumer Protection Agency (BPKN), Indonesian Advertising Council (DPI), and representatives of financial services industry. The seminar was also attended by stakeholders from OJK and Communications and Information Ministry.

Previously in mid May 2014, OJK has issued an official letter for practitioners of financial services business regarding the many offers of financial products and/or services sent by some parties through short message service (SMS) and telephone, which were tending to arouse worries among society.

Therefore, Chairman of OJK Board of Commissioners asked practitioners of financial services business to stop offering financial products and/or services using SMS and/or telephone without prior permission from consumers and/or society. This policy was issued as a part of preparation for implementing the actuation of OJK Regulation No. 1/POJK.07/2013 on protection for consumers in financial services sector, which will start to take effect on August 6th, 2014.

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