

PRESS RELEASE

OJK STRENGTHENS INVESTMENT ALERT TASK FORCE

Jakarta, June 21, 2016. The Financial Services Authority (OJK) and the Ministry of Trade, the Ministry of Communication and Information Technology, the Ministry of Cooperatives and Small-Medium Enterprises, the Attorney General's Office, the National Police, and the Investment Coordinating Board (BKPM), have all agreed to strengthen their cooperation under the Investment Alert Task Force platform in order to prevent and deal with widespread illegal investment offers and practices.

A Memorandum of Understanding on Coordination concerning Prevention and Handling of Alleged Unlawful Acts involving Public Fund Collection and Investment Management was signed by chiefs from a total of seven ministries and institutions on Tuesday in Jakarta.

“Recently, so many money games have been operating amid urban and rural communities in various forms. Their operators pose under different guises, from bogus cooperatives, fake MLM companies, to gold scammers. People have been falling victims to such schemes and the trend keeps repeating itself. Hence, it is critical to revitalize the functions of the Investment Alert Task Force in response to the challenges described earlier, so the public will be protected from criminal attempts committed on the pretexts of investments and/or, when receiving offers that promise yields higher than usual, they will be more aware about the offers' consequences and risks,” said Chairman of the OJK's Board of Commissioners Muliaman D. Hadad in his welcome speech for the event.

The Task Force for Handling Alleged Unlawful Acts involving Public Fund Collection and Investment Management or the Investment Alert Task Force is a coordination forum for regulatory bodies, supervisory institutions, law enforcement institutions and other relevant parties in regard to the handling of alleged unlawful acts involving public fund raising and investment management.

The Investment Alert Task Force was established based on the Decision of Chairman of the Capital Market Supervisory Agency and Financial Institutions No: Kep-208/BL/2007 dated June 20, 2007, for the work period of 2007, which had been extended annually. When the duties and functions of the Capital Market Supervisory Agency and Financial Institutions were transferred to the Financial Services Authority (OJK), the Decision was replaced by the Decision of the OJK's Board of Commissioners No: 01/KDK.04/2013 dated June 26, 2013.

The Memorandum of Understanding among chiefs of the Investment Alert Task Force member institutions was designed as the legal umbrella of the task force, in order to strengthen the common commitment among the ministries/the institutions to implementing the Task Force main duties.

Revitalization in the implementation of the Task Force duties includes the following actions:

1. Preventive actions

- a. Coordinating members of the Task Force in efforts to raise education and awareness about the scope of financial transactions that expose the public to potential loss.

- b. Disseminating information to elements of the general public, law enforcement, local governments and scholars
- c. Identifying and evaluating and taking necessary measures on investment schemes offered through various marketing platforms—not limited only to those promoted online.
- d. Optimizing the Task Force’s customer hotline

2. Curative measures

- a. Cooperating with relevant parties on permit issuance for crowd gathering or for holding events to offer investment opportunities
- b. Providing counseling by warning companies that offer high-risk investments to the public and advising them to submit applications for business licenses and operate in accordance with the applicable rules.

3. Repressive measures

Taking legal steps to deal with violations against the provisions and legislations

Members of the Investment Alert Task Force have also agreed to set up the same task forces at regional level, the members of which will come from the same institutions that make up the national task force. The regional task forces will serve as coordination platform between the Financial Services Authority (Regional Offices) and institutions/agencies in relevant local governments.

As of June 11, 2016, the public had requested information and/or made inquiries over the legal status of 430 companies that offered investment schemes to them. Of them, 374 companies offered financial investment opportunities (including investments in gold, foreign currencies, electronic money, e-commerce, haj and minor haj pilgrimages), while the remaining 56 companies offered investment opportunities in properties, crops, commodities and plantations.

Following further investigation, apparently none of those investment companies, which do not have clear legal standing, are registered at the OJK. Out of those 430 companies, 388 of them did not have clear legal standing, 13 companies had business permits (SIUP)/registration certificates (TDP) but did not have relevant licenses to offer their investment schemes, 23 companies offered commodity-based investments and the remaining six were fictitious cooperatives.

The event also saw the launching of the Investment Alert Task Force’s website, namely www.waspadainvestasi.ojk.go.id

The OJK asks the public to first seek advice about financial investment offers that look suspicious, by contacting OJK Consumer Services by phone at 1500655, or email at waspadainvestasi@ojk.go.id, or even by visiting the nearest OJK offices in various cities.

For more information:

Tongam L. Tobing, Director of Policies and Investigation Assistance

Tel: 62 21 2960 0000. Email: tongam.tobing@ojk.go.id. www.ojk.go.id