MICROFINANCE REGULATORY FRAMEWORK IN INDONESIA: Microfinance Institutions Perspective

International Seminar on Microfinance and Financial Inclusion “Bringing Indonesia’s Microfinance and Financial Inclusion to the World
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MF Service Providers in Indonesia

- Banks
  - Regional Development Banks (BPD)
  - Rural Credit Banks (BPR)
- Conventional
  - Sharia
- Micro Finance Institutions (MFI)
  - Conventional Cooperatives
    - KSP/USP
    - Credit Union
  - Sharia Cooperatives
    - KJKS(BMT,BTM)
    - UJJS
- MFI Cooperatives
- Co-operatives
- Non Bank Non Cooperatives
  - Insurance
  - Pawn Shop
  - Multifinance
  - Venture Capital
  - PNM
  - Govt Program
- Non Conventional
  - Bank Desa
  - Lumbung Desa
  - Bank Pasar
  - Bank Pegawai
  - BKD
  - BKK
  - KURK
  - LPK
  - BKPD
  - BUKP
  - BMT
- Informal
  - Group
  - Individual
  - Arisan, Business Group (Ex: Farmers, Fisherman), Others
  - Shop, Money Lender, Pawn, Others
Law 1/2013 on Microfinance Institutions

Law Foundation

Government Regulation No. 89 Year 2014 on Lending Interest Rate or financing yield and MFI Business Coverage

Gov Regulation

MFI Law

OJK Regulation

POJK No. 12 year 2014 j.o No. 61 Year 2015 on business licencing and MFI Institutional

POJK No.13 year 2014 j.o No. 62 year 2015 on business operation

POJK No.14 year 2014 on MFI Supervision and development
Policy Responses

Encourage MFIs to get Business License from OJK

Technical Ministry:
- Coordination with local Government in Provincial level and District /Municipality level
- Capacity building program for Distric/Municipality Local Government
- MoU with Ministries (MOHA, Min Village and Min Cooperative)

Laku Pandai (Branchless Banking)

MFIs Capacity Building Program

Micro Insurance

Hard and Soft ICT Support

Channeling

Fee Based Income
Relaxation

New OJK Regulation on MFIs Business Licenses (POJK No.61/2015 and POJK No. 62/2015)

Acceleration

- OJK support business license fulfilment
- Providing direct assistance to MFIs
- Benefit approach

Stakeholders Support

- Ministry of Fisheries
- Ministry of Agriculture
- Ministry of Village
- TNP2K
- Bappernas
- OJK PROKSI
- Multilateral Agencies