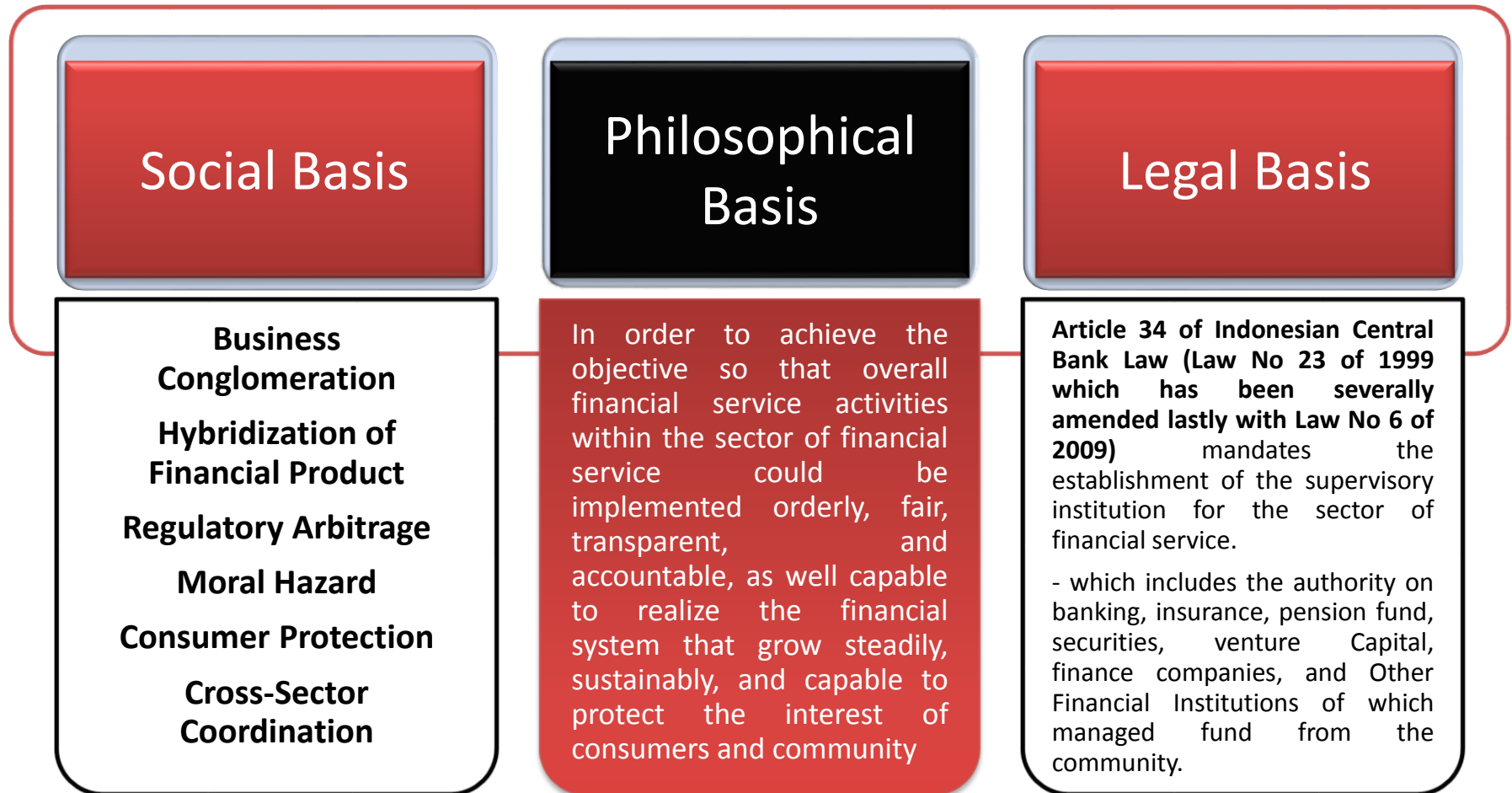




Nova Efendi
Securities Transaction Supervision Directorate
Japan, April 2018



The urgency to realign the organizational structure of the institution which carry out the task of regulation and supervision in the financial services sector by establishing the OJK

OBJECTIVES

To support the activities within the sector of financial service to be conducted in state of well organized, fair, transparent, and accountable.

To achieve and realize the financial system of which grow sustainably and stable

To protect the interest of consumers and the community

FUNCTION, TASK AND AUTHORITIES

Function

- To implement integrated control and supervision system toward overall activities in the financial service sector.

Task

- To regulate and supervise toward the activity of financial services in the Banking, Capital Market, Insurance, Pension Fund, Multi Finance and other related financial service institution(s)

Regulation Authorities

1. Establishing the implementing regulation based on the OJK Law (Law No 21 of 2011).
2. Establishing law and regulation on financial service sector.
3. Establishing regulation on the supervision.
4. Establishing regulation on the written instruction procedures for FSI and certain party and appointment of Statutory Management.
5. Establishing regulation on the imposition procedures of sanction.

Supervision Authorities

1. Conducting supervision, examination, investigation, customer protection, and other measures on Financial Service Institution, agent, and/ or supporting financial service (in Banking, Capital Market, Non-Banking Industry).
2. Granting and/or revoking business license, legalization, approval to perform business activity, or approval or stipulation of dissolution.
3. Providing a written instruction to FSI and appointing a Statutory Management.
4. Establishing administrative sanction.

Banking

- to regulate and supervise the banking industry, consisting of: banking institutional, financial health of a bank, banking precautionary aspects, bank inspection.
- to coordinate with other related institution for the performance of its assignments, i.e Bank Indonesia and Lembaga Penjamin Simpanan in banking supervision.

Capital Market

- to regulate and supervise the overall activities within capital market sector, including inspection and investigation.
- to coordinate with other related institution for the performance of its assignment, including with law enforcement officials i.e Police Force and Prosecutors in order to follow up and proceed the investigation result.

Insurance, Pension Fund, Finance Institution, other FSI

- to regulate and supervise the overall activities within Insurance, Pension Fund, Finance Institution, other FSI.
- to coordinate with other related institution for the performance of its assignment.

- According to OJK Law, OJK is an independent body and free from other parties intervention which has authority to regulate, supervise, examine and investigate Financial Institutions.
- OJK position is outside the government and is not part of government authorities.
- Although OJK is not a part of government, OJK still maintain government representative in OJK structure since OJK is part of financial sector authorities which has close relation to fiscal and monetary authorities.



- OJK arranges and establishes its working plan and budget.
- Establishment of budget is subject to prior approval from DPR (House of Representative)

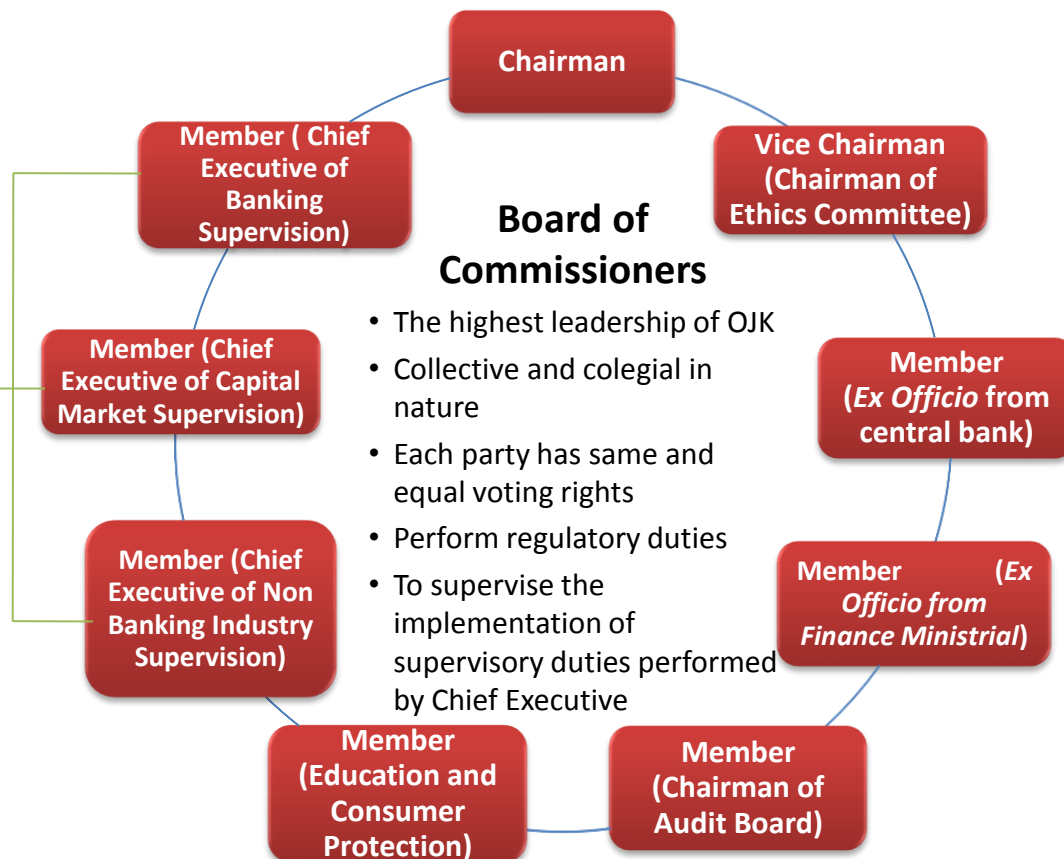
- OJK shall provide its financial and activities report
- OJK shall submit such reports to the President and House of Representative

- Financial Report provided by OJK is subject to be audited by the Audit Board of the Republic of Indonesia (BPK) or Public Accountant Office appointed by BPK
- OJK shall publise its annual report to the public by means of printing or electronic media

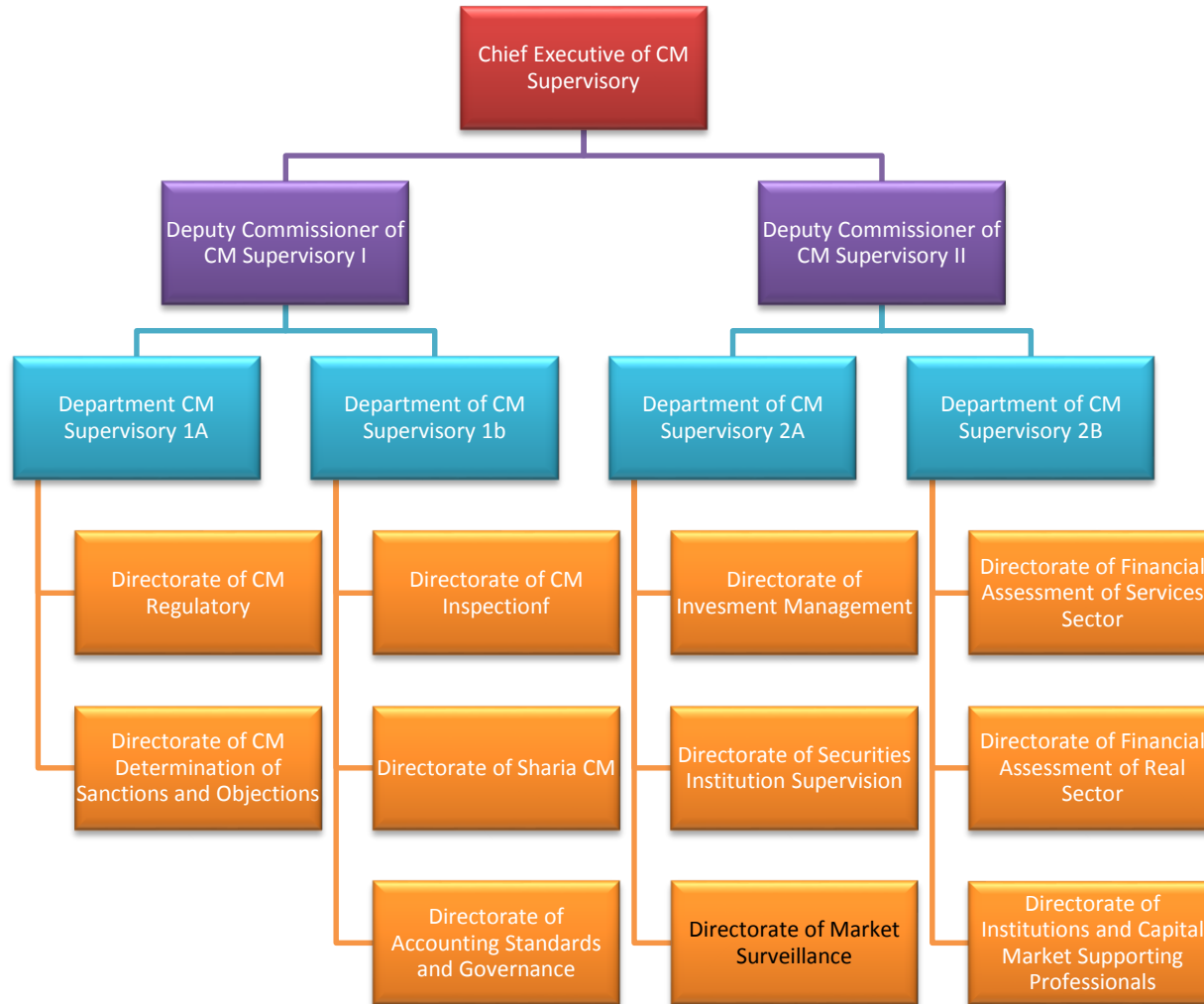
BOARD OF COMMISSIONERS

Chief Executive

- to lead the performance of OJK's task on supervision of Banking / Capital Market / Non Banking Industry (i.e inspection, investigation, written instruction, statutory management, stipulates sanction, granting/revoking license.
- report to the Board of Commissioners

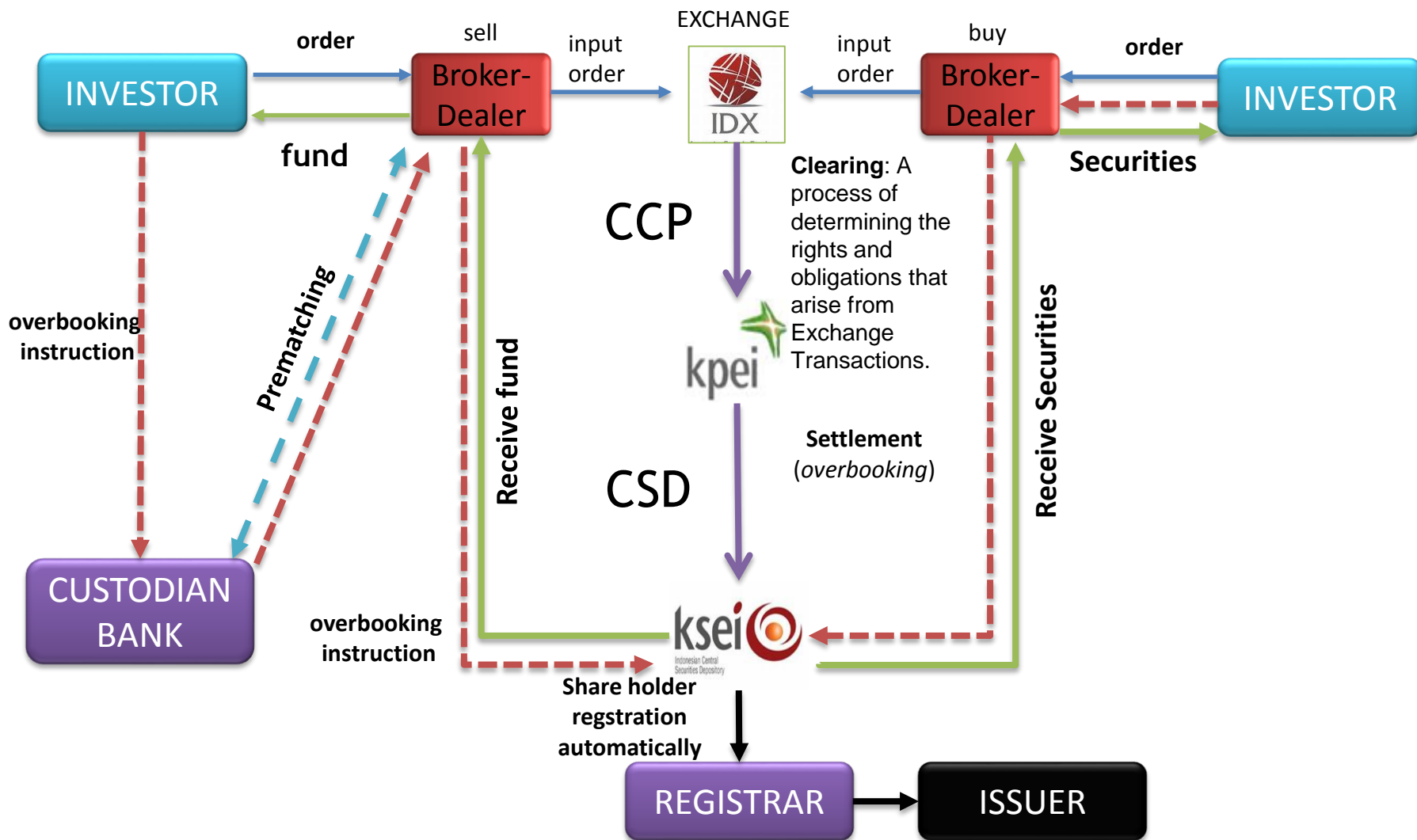


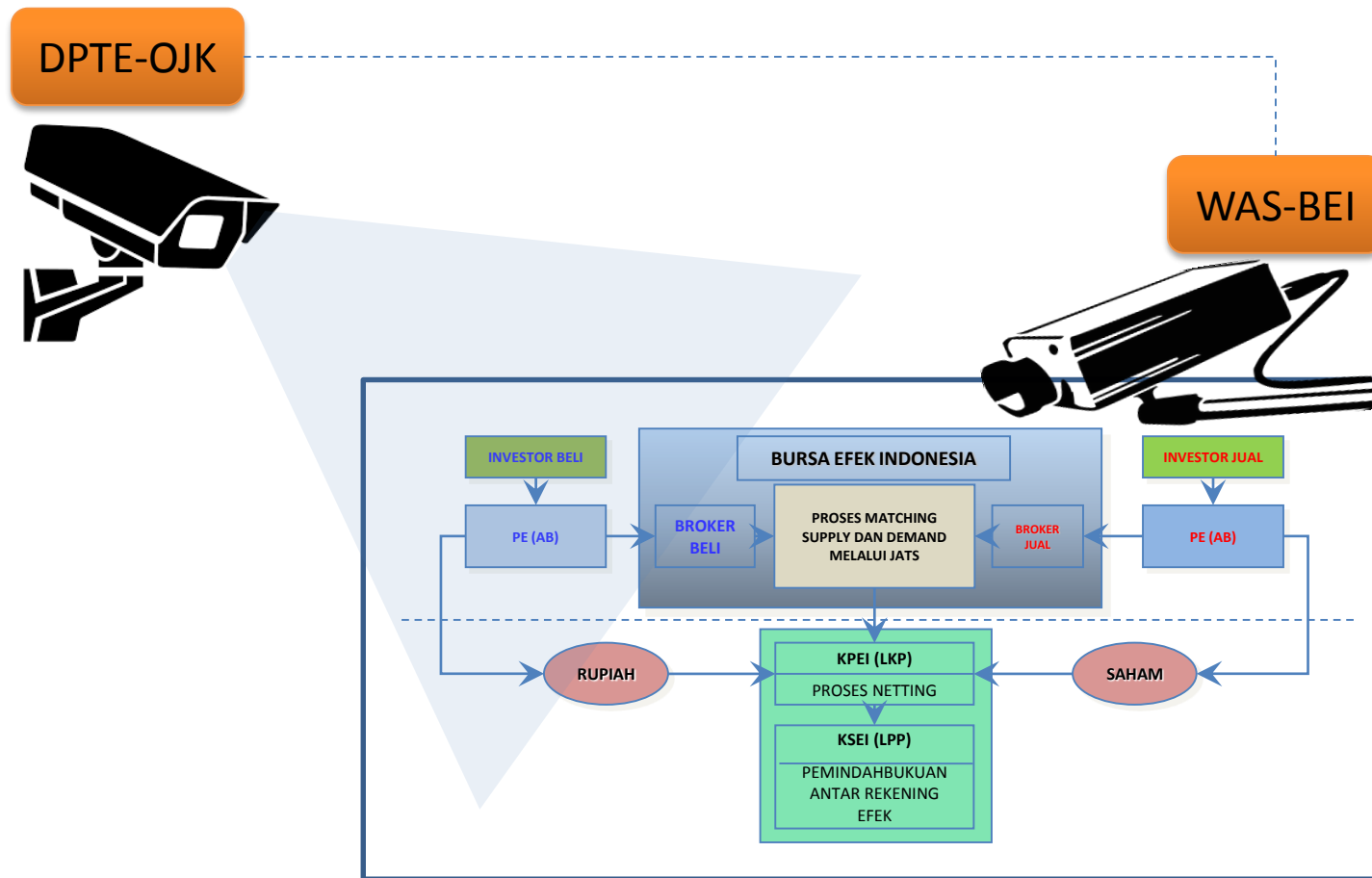
Organization Structure of CM Supervisory



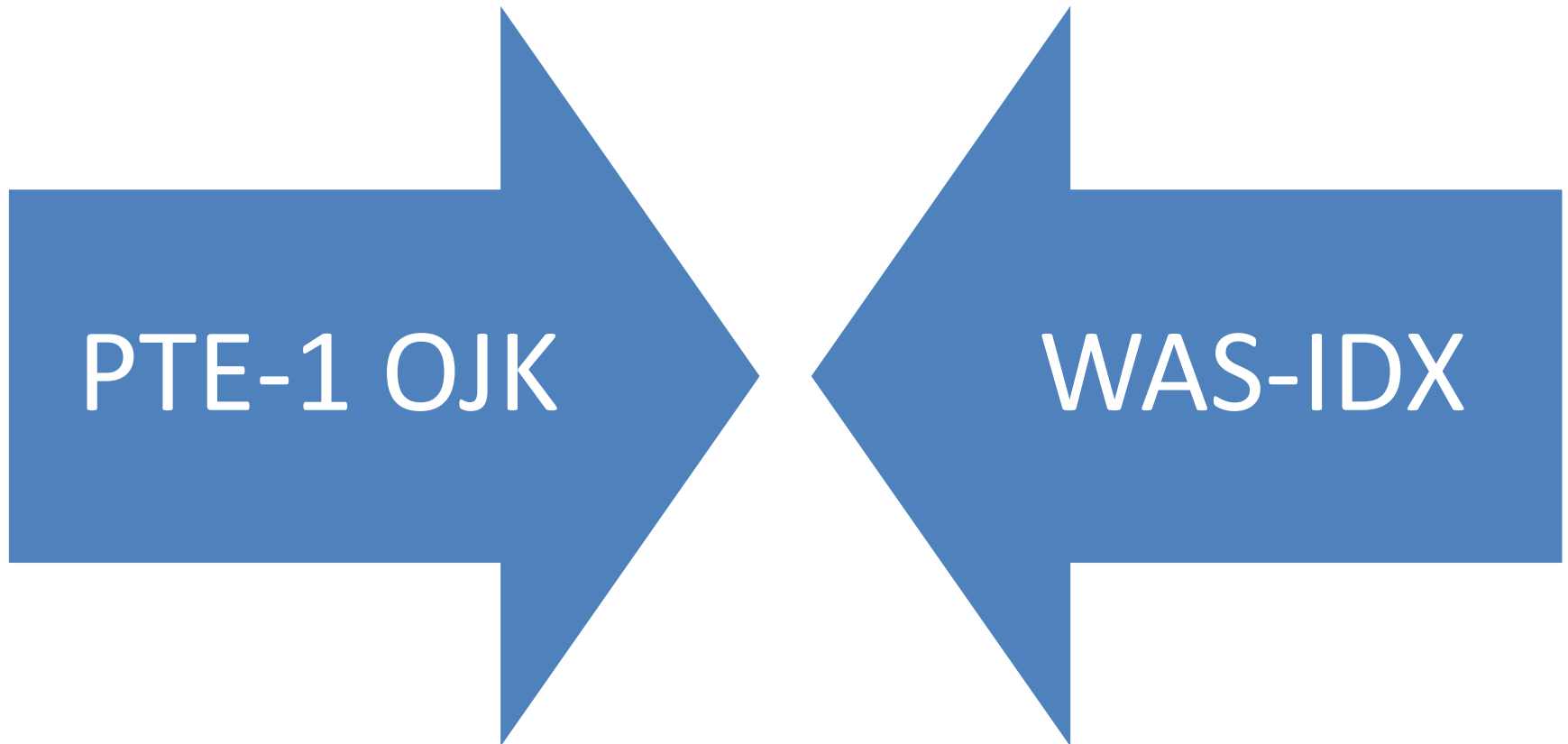
Area of Interests

Exchange Transaction Mechanism



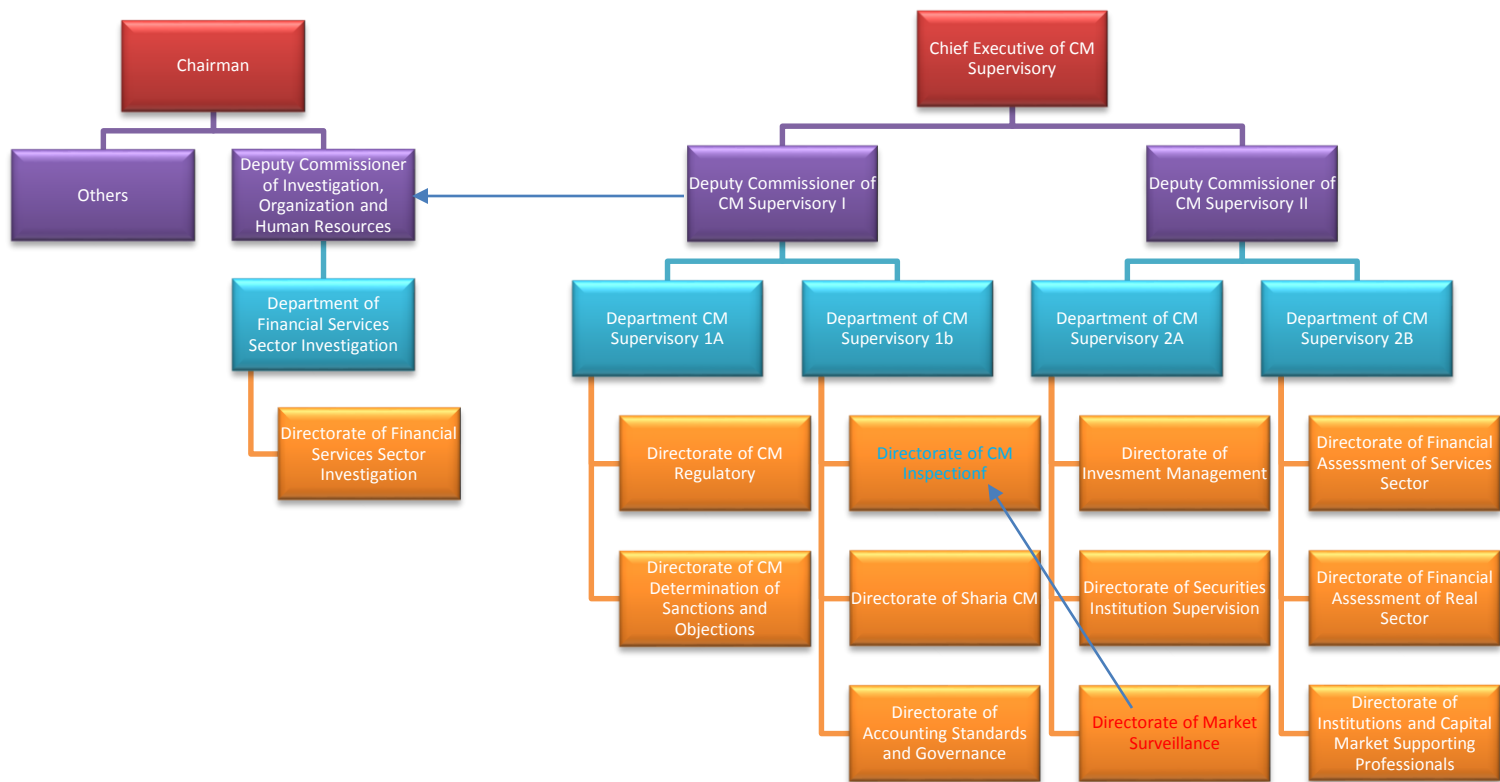


Supervision of Securities Transactions in the Capital Market, especially Exchange transactions, is conducted by OJK-Market Surveillance Directorate and BEI-Supervision Division



OJK and IDX do routine coordination regarding market surveillance

OJK, Market Surveillance Process



Market Surveillance Directorate convey the alleged violation to Inspection Directorate, and if indication is strong, delivered to investigation Directorate.

END OF PRESENTATION

どうもありがとうございました

Doomo Arigatoo Gozaimashita ...

Terima Kasih Banyak

