

**REGULATION OF THE FINANCIAL SERVICES AUTHORITY**  
**NUMBER: 1/POJK.07/2013**  
**ON**  
**CONSUMER PROTECTION WITHIN FINANCIAL-SERVICES SECTOR<sup>1</sup>**

BY THE GRACE OF GOD ALMIGHTY

BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY,

Considering:

that in order to implement provisions under Article 31 of Law [Number 21 of 2011](#) on Financial Services Authority, it is deemed necessary to establish Regulation of the Financial Services Authority on Consumer Protection within Financial-Services Sector;

In view of:

Law [Number 21 of 2011](#) on Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111; Supplement to the State Gazette of the Republic of Indonesia Number 5253);

HAS DECIDED:

To establish:

REGULATION OF THE FINANCIAL SERVICES AUTHORITY ON CONSUMER  
PROTECTION WITHIN FINANCIAL-SERVICES SECTOR.

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## CHAPTER 1 GENERAL PROVISIONS

### Article 1

Under this Regulation of the Financial Services Authority, the following definitions are employed:

1. Financial-Services Businesses are Commercial Bank, Rural Bank, Securities Company, Investment Advisor, Custodian Bank, Pension Fund, Insurance Company, Reinsurance Company, Financing Company, Pawnbroker, and Guarantee Company, both performing its business in conventional and sharia manners.
2. Consumer is parties who place their funds and/or utilize service which is available at Financial-Services Institution, *inter alia*, customer at Banking, investor at Capital Market, policy holder at insurance affairs, and participant at Pension Fund, based on laws and regulations within financial-services sector.
3. Consumer Protection is protection toward Consumer with the scope of conduct of Financial-Services Businesses.
4. Commercial Bank is bank which operates business activities in conventional manner and or based on Sharia Principle, in which, its activities provide service within payment exchange.
5. Rural Bank is bank which operates business activities in conventional and or based on Sharia Principle, in which, its activities do not provide service within payment exchange.
6. Securities Company is Party which operates business activities as Securities Underwriter, Securities Broker, and or Investment Manager.
7. Securities Underwriter is Party which produces contract with Issuer in order to perform Public Offering in the interest of Issuer, with or without obligation to subscribe the remaining unsold Securities.
8. Securities Broker is Party which operates business activities of sale-and-purchase of Securities for the interest of its own or other Party.
9. Investment Manager is Party whose business activities manage Securities Portfolio for customers or manage collective investment portfolio for a group of customers,

exempt for insurance company, pension fund, and bank which operate their own business activities based on prevailing laws and regulations.

10. Investment Advisor is Party which gives advice for other Party on the sale or purchase of Securities with the obtainment of honorarium.
11. Custodian Bank is Commercial Bank which provides deposit service of Securities and other assets relating to Securities, as well as other services, including receiving dividend, interest, and other rights, settles of Securities transaction, and represents account's holder which becomes its customer.
12. Loss Insurance Company is insurance company which provides service in mitigating the risks of losses, loss of benefit, and legal liability to third party, which occurs from uncertain event.
13. Life Insurance Company is insurance company which provides service in mitigating risk which is related to the living or passing away of someone who is insured.
14. Pension Fund is incorporated entity which manages and operates program which pledges pension benefit.
15. Financing Agency is enterprise which performs financing activity in the forms of provision of funds or capital goods as referred to under laws and regulations on financing agency.
16. Pawnbroker is enterprise which is established to disburse loan to customer by receiving movable goods as collateral.
17. Guarantee Company is incorporated entity which operates within financial sector with primary business activity of performing guarantee.

## **Article 2**

Consumer Protection implements the principles of:

- a. transparency;
- b. fair treatment;
- c. reliability;
- d. confidentiality and security of data/information of Consumer; and
- e. handling of complaint, as well as Consumer's dispute resolution in simple, prompt, and affordable manners.

**CHAPTER II**  
**PROVISIONS ON CONSUMER PROTECTION WITHIN FINANCIAL-SERVICES**  
**SECTOR**

**Article 3**

Financial-Services Businesses have the right to ascertain the existence of good faith of Consumer and obtain information and/or document regarding Consumer which are accurate, truthful, clear, and not misleading.

**Article 4**

- (1) Financial-Services Businesses must provide and/or deliver information on product and/or service which is accurate, truthful, clear, and not misleading.
- (2) Information as referred to in paragraph (1) is incorporated in document or other mean which may be used as evidence.
- (3) Information as referred to in paragraph (1) must be:
  - a. delivered when giving explanation to Consumer on its rights and obligations;
  - b. delivered when drawing up agreement with Consumer; and
  - c. contained when being delivered through various media, *inter alia*, through advertisement on print or electronic media.

**Article 5**

Financial-Services Businesses must deliver the most recent and easily accessible information to Consumer on product and/or service.

**Article 6**

- (1) Financial-Services Businesses must deliver information to Consumer on the acceptance, postponement or rejection of application of product and/or service.
- (2) In case Financial-Services Businesses deliver information on postponement or rejection of application of product and/or service as referred to in paragraph (1), Financial-Services Businesses must deliver reason for its postponement or rejection, unless addressed otherwise under laws and regulations.

### **Article 7**

- (1) Financial-Services Businesses must use simple term, phrase, and/or sentence in Indonesian Language which is easily comprehensible by Consumer in every document which:
  - a. contains rights and obligations of Consumer;
  - b. may be used by Consumer to make decision; and
  - c. contains requirements and may legally bind Consumer.
- (2) Indonesian Language in document as referred to in paragraph (1) may be put in parallel with other language if necessary.
- (3) Financial-Services Businesses must use character, writing, symbol, diagram and mark which may be clearly read.
- (4) Financial-Services Businesses must provide explanation on term, phrase, sentence and/or symbol, diagram and mark which is not yet comprehensible by Consumer.
- (5) In case document as referred to in paragraph (1) is based on provisions under laws and regulations uses foreign language, such foreign language must be put in parallel with Indonesian Language.

### **Article 8**

- (1) Financial-Services Businesses must formulate and provide summary of information of product and/or service.
- (2) Summary of information of product and/or service as referred to in paragraph (1) must be made in writing, at least containing:
  - a. benefit, risk, and cost of product and/or service; and
  - b. terms and conditions.

### **Article 9**

Financial-Services Businesses must give comprehension to Consumer on rights and obligations of Consumer.

### **Article 10**

- (1) Financial-Services Businesses must give information on cost which should be borne by Consumer for any product and/or service which is provided by Financial-Services Businesses.
- (2) Financial-Services Businesses are prohibited from giving facility automatically which incurs additional cost without written consent from Consumer.

### **Article 11**

- (1) Before Consumer signs document and/or agreement on product and/or service, Financial-Services Businesses must deliver document which contains terms and conditions of product and/or service to Consumer.
- (2) Terms and conditions of product and/or service as referred to in paragraph (1) at least contain:
  - a. details on cost, benefit, and risk; and
  - b. procedures for complaint service and resolution at Financial-Services Businesses.

### **Article 12**

- (1) Financial-Services Businesses must inform Consumer on any modification to benefit, cost, risk, terms, and conditions as contained in document and/or agreement on product and/or service of Financial-Services Businesses.
- (2) Information as referred to in paragraph (1) must be notified to Consumer within 30 (thirty) business days at maximum prior to the enforcement of modification to benefit, cost, risk, terms and conditions of product and/or service of Financial-Services Businesses.
- (3) In case Consumer does not approve modification to requirements of product and/or service as referred to in paragraph (1), then Consumer is entitled to terminate product and/or service without being imposed with any redress.
- (4) In case Consumer has been given time to submit its view as referred to in paragraph (2) and Consumer does not give its view, then Financial-Services Businesses deem Consumer to approve such modification.

### **Article 13**

Financial-Services Businesses must draw up guideline for the determination of cost or price of product and/or service of financial services.

### **Article 14**

- (1) Financial-Services Businesses must organize education in the event of increasing financial literacy to Consumer and/or public.
- (2) Plan for the organization of education as referred to in paragraph (1) must be drawn up in an annual program and be reported to Financial Services Authority.
- (3) Further provisions on report on plan for the organization of education as referred to in paragraph (2) are addressed under Circular of the Financial Services Authority.

### **Article 15**

- (1) Financial-Services Businesses must provide equivalent access to any Consumer in accordance with classification of Consumer over product and/or service of Financial-Services Businesses.
- (2) Classification of Consumer as referred to in paragraph (1) may be performed by Financial-Services Businesses based on:
  - (a) background of Consumer;
  - (b) information on job;
  - (c) average income;
  - (d) purpose and objective in using product and/or service of Financial-Services Businesses; or
  - (e) other information which is used to determine classification of Consumer.

### **Article 16**

Financial-Services Businesses must take regards conformity between need and ability of Consumer with product and/or service which are offered to Consumer.

### **Article 17**

Financial-Services Businesses are prohibited from using marketing strategy of product and/or service which inflicts losses to Consumer by abusing condition of Consumer who does not have other option in making decision.

### **Article 18**

- (1) Financial-Services Businesses may sell product and/or service in one package with other product and/or service (bundling product/service).
- (2) In case Financial-Services Businesses sell product and/or service as referred to in paragraph (1), then:
  - a. Financial-Services Businesses are prohibited from forcing Consumer to purchase other product and/or service in such package of product and/or service; and
  - b. Consumer may choose other provider or product and/or service in such package of product and/or service.
- (3) In case other product and/or service in package of product and/or service which is offered is Consumer's option, then risk of such option becomes the liability of Consumer.

### **Article 19**

Financial-Services Businesses are prohibited from performing offering of product and/or service to Consumer and/or public through personal communication mean without consent from Consumer.

### **Article 20**

- (1) Financial-Services Businesses must put and/or mention in every offering or promotion of product and/or service:
  - a. name and/or logo of Financial-Services Businesses; and
  - b. statement that Financial-Services Businesses are registered and supervised by Financial Services Authority.



- (2) In case the sale of product and/or service may only be performed by individual who is registered at Financial Services Authority, in offering or promotion as referred to in paragraph (1), it must put statement that the individual in question is registered and supervised by Financial Services Authority.

### **Article 21**

Financial-Services Businesses must fulfill the proportionality, justice, and fairness in the drawing up of agreement with Consumer.

### **Article 22**

- (1) In case Financial-Services Businesses use standard agreement, such standard agreement must be drawn up in accordance with laws and regulations.
- (2) Standard agreement as referred to in paragraph (1) may take form as digital or electronic to be offered by Financial-Services Businesses using electronic media.
- (3) Standard agreement as referred to in paragraph (2) which is used by Financial-Services Businesses is prohibited from:
- a. declaring shifting of liability or obligation of Financial-Services Businesses to Consumer;
  - b. declaring that Financial-Services Businesses are entitled to reject the refund of fund which has been paid by Consumer for purchased product and/or service;
  - c. declaring the granting of authority from Consumer to Financial-Services Businesses, either directly or indirectly, to perform any unilateral action over goods which are collateralized by Consumer, unless such unilateral action is performed based on laws and regulations;
  - d. addressing inquisitorial obligation by Consumer, if Financial-Services Businesses declare that the loss of functionality of product and/or service which are purchased by Consumer, is not the liability of Financial-Services Businesses;

- e. granting right to Financial-Services Businesses to reduce the functionality of product and/or service or reducing the assets of Consumer which become the object of agreement of product and service;
- f. declaring that Consumer complies with new, additional, follow-through and/or amendment regulation which is made unilaterally by Financial-Services Businesses during the period of Consumer using product and/or service which are purchased by it; and/or
- g. declaring that Consumer grants authority to Financial-Services Businesses for the encumbrance of mortgage right, lien right, or guarantee right over product and/or service which are purchased by Consumer in installment.

#### **Article 23**

- (1) Financial-Services Businesses, selling agent, and management/employee of Financial-Services Businesses must avoid conflict of interest between Financial-Services Businesses with Consumer.
- (2) Financial-Services Businesses must provide information on the existence of conflict of interest or potential of conflict of interest.

#### **Article 24**

Financial-Services Businesses must provide special service to Consumer with special needs.

#### **Article 25**

Financial-Services Businesses must maintain the security of saving, fund, or asset of Consumer which becomes the liability of Financial-Services Businesses.

#### **Article 26**

Financial-Services Businesses must give receipt on the ownership of product and/or utilization of service to Consumer in punctual manner in accordance with agreement with Consumer.

### **Article 27**

Financial-Services Businesses must handover report to Consumer on balance and statement [*mutasi*] of saving, fund, asset, or liability of Consumer in accurate, punctual, and using method or mean in accordance with agreement with Consumer.

### **Article 28**

Financial-Services Businesses must perform instruction of Consumer in accordance with agreement with Consumer and provisions under laws and regulations.

### **Article 29**

Financial-Services Businesses must be held liable over losses of Consumer which incur due to mistake and/or negligence, management, employee of Financial-Services Businesses and/or third party who works in the interest of Financial-Services Businesses.

### **Article 30**

- (1) Financial-Services Businesses must prevent its management, supervisor, and employee from the conduct of:
  - a. enriching or benefitting oneself or other party,
  - b. abusing authority, opportunity, or mean which exists within it because of its position or standing,which may inflict losses to Consumer.
- (2) Management and employee of Financial-Services Businesses must comply with ethic code in serving Consumer, which has been established by each Financial-Services Businesses.
- (3) Financial-Services Businesses must be held liable to Consumer over act which is performed by third party which acts in the interest of Financial-Services Businesses.

### **Article 31**

- (1) Financial-Services Businesses are prohibited, in any way, to give data and/or information on their Consumer to third party.
- (2) Prohibition as referred to in paragraph (1) is exempted in cases:

- a. Consumer gives written consent; and/or
  - b. it is mandatory under laws and regulations.
- (3) In case Financial-Services Businesses obtain personal data and/or information of an individual and/or a group of persons from other party and Financial-Services Businesses will use such data and/or information to perform their activity, Financial-Services Businesses must possess written statement that the other party in question has obtained written consent from such individual and/or group of persons to give personal data and/or information in question to any party, including Financial-Services Businesses.
- (4) Annulment or partial modification to consent for disclosure of data and or information as referred to in paragraph (2) letter a is performed in writing by Consumer in the forms of affidavit.

#### **Article 32**

- (1) Financial-Services Businesses must own and implement mechanism for service and complaint resolution for Consumer.
- (2) Mechanism for service and complaint resolution as referred to in paragraph (1) must be notified to Consumer.

#### **Article 33**

Financial-Services Businesses are prohibited from imposing any fees to Consumer for filing of complaint.

#### **Article 34**

- (1) Financial-Services Businesses must periodically report the existence of Consumer's complaint and follow-up of service and complaint resolution of Consumer in question to Financial Services Authority, in this case is Executive Head who performs supervision of activity of Financial Services Authority.
- (2) Report as referred to in paragraph (1) is submitted no later than the 10<sup>th</sup> (tenth) date for every 3 (three) months. If the 10<sup>th</sup> (tenth) date falls on holiday, then the

submission of report in question is performed on the first business day after the holiday in question.

### **Article 35**

- (1) Financial-Services Businesses must immediately follow-up and resolve complaint within 20 business days at maximum since the retrieval date of complaint.
- (2) In case there is certain condition, Financial-Services Businesses may extend time period up to no longer than 20 following business days.
- (3) Certain conditions as referred to in paragraph (2) are:
  - a. office of Financial-Services Businesses which receives complaint is different with the office of Financial-Services Businesses where the complained issue was occurred and there is communication issue between those two offices of Financial-Services Businesses;
  - b. financial transaction which is complained to Consumer requires special review of documents of Financial-Services Businesses; and/or
  - c. there are other matters beyond the control of Financial-Services Businesses, such as the existence of involvement of third-party asides from Financial-Services Businesses in financial transaction which is performed by Consumer.
- (4) Extension of time period for resolution of complaint as referred to in paragraph (2) must be notified in writing to Consumer who files complaint prior to time period as referred to in paragraph (1) elapses.

### **Article 36**

- (1) Financial-Services Businesses must own task and/or functional unit to handle and resolve complaint which is filed by Consumer.
- (2) Authority of task and/or functional unit as referred to in paragraph (1) must be addressed in mechanism of service and complaint resolution as referred to under Article 32.
- (3) Financial-Services Businesses must appoint 1 (one) employee in every office of Financial-Services Businesses to handle resolution of Consumer's complaint.

### **Article 37**

In case Consumer's complaint is related to transaction or activity which involves employee of Financial-Services Businesses, who assumes authority to handle complaint or employee of Financial-Services Businesses who resolves such complaint, then handling and resolution of complaint must be performed by other employee.

### **Article 38**

After receiving Consumer's complaint, Financial-Services Businesses must perform:

- a. internal examination of complaint in competent, veracious, and objective manners;
- b. perform analysis in order to ascertain the veracity of complaint; and
- c. deliver apology statement and offer redress/remedy (*ganti rugi*) or fixing of product and or service, if Consumer's complaint is veracious.

### **Article 39**

- (1) In case no consensus is reached for resolution of complaint, Consumer may exhaust out-of-court or in-court dispute resolution.
- (2) Out-of-court dispute resolution as referred to in paragraph (1) is performed through alternative dispute resolution body.
- (3) In case dispute resolution is not performed through alternative dispute resolution body as referred to in paragraph (2), Consumer may submit application to Financial Services Authority to facilitate resolution of complaint of Consumer who is injured by actor at Financial-Services Businesses.

## **CHAPTER III**

### **CONSUMER'S COMPLAINT AND GRANTING OF FACILITY FOR RESOLUTION OF COMPLAINT BY FINANCIAL SERVICES AUTHORITY**

### **Article 40**

- (1) Consumer may submit complaint which indicates dispute between Financial-Services Businesses with Consumer to Financial Services Authority.

- (2) Consumer and/or public may submit complaint which indicates violation of provisions under laws and regulations within the financial-services sector to Financial Services Authority.
- (3) Complaint as referred to in paragraph (1) and paragraph (2) is submitted to Financial Services Authority, in case this Member of Board of Commissioners who is in charge for education and protection of Consumer.

### **Article 41**

Granting of facility for resolution of Consumer's complaint by Financial Services Authority is performed against complaint which indicates dispute within financial-services sector as referred to under Article 40 paragraph (1) and should fulfill the following requirements:

- a. Consumer undergoes financial losses as incurred by:
  1. Financial-Services Businesses within the sectors of Banking, Capital Market, Pension Fund, Life Insurance, Financing, Pawnbroker, or Guarantee, in sum of IDR 500,000,000.00 (five hundred million rupiahs) at maximum;
  2. Financial-Services Businesses within the sector of general insurance in sum of IDR 750,000,000.00 (seven hundred and fifty million rupiahs) at maximum;
- b. Consumer files written request as attached with supporting document relating to complaint;
- c. Financial-Services Businesses have performed complaint resolution measure, but Consumer is unable to accept such resolution or has passed the time period as established under this Regulation of the Financial Services Authority;
- d. complaint which is filed is not an ongoing dispute or has ever been decided by arbitral or judicial body, or other mediation body;
- e. complaint which is filed is civil legal matters in nature;
- f. complaint which is filed has never been facilitated by Financial Services Authority; and
- g. filing of complaint resolution does not pass 60 (sixty) business days since the date of letter on result of Complaint resolution which is filed by Financial Services Businesses to Consumer.

#### **Article 42**

Granting of complaint resolution facility which is performed by Financial Services Authority as referred to under Article 41 is the measure to meet Consumer and Financial-Services Businesses in order to review the issue fundamentally in the event of reaching consensus on resolution.

#### **Article 43**

Financial Services Authority appoints facilitator to perform complaint resolution function.

#### **Article 44**

Financial Services Authority commences facilitation process after Consumer and Financial-Services Businesses have consented to be facilitated by Financial-Services Businesses, as incorporated in facilitation agreement which contains:

- a. consent to choose complaint resolution which is facilitated by Financial Services Authority; and
- b. agreement to follow and comply with facilitation rules as established by Financial Services Authority.

#### **Article 45**

- (1) Performance of facilitation process up to the signing of Deed of Settlement is carried out within a time period of 30 (thirty) business days at maximum since Consumer and Financial-Services Businesses signed facilitation agreement as referred to under Article 44.
- (2) Time period for facilitation process as referred to in paragraph (1) may be extended up to the following 30 (thirty) business days based on Deed of Settlement between Consumer and Financial-Services Businesses.

#### **Article 46**

- (1) Consensus between Consumer and Financial-Services Businesses which is produced from facilitation process as referred to under Article 45 is incorporated in



Deed of Settlement which is signed by Consumer and Financial-Services Businesses.

- (2) In case no consensus is reached between Consumer with Financial-Services Businesses, then such no consensus is incorporated in minute of facilitation result of Financial Services Authority which is signed by Consumer and Financial Services Authority.

## **CHAPTER IV INTERNAL CONTROL**

### **Article 47**

- (1) Board of Directors or management of Financial-Services Businesses is held responsible for compliance to implementation of provisions under this Regulation.
- (2) Board of Commissioners or supervisor of Financial-Services Businesses performs supervision over implementation of responsibility of Board of Directors or management against compliance to implementation of provisions under this Regulation.

### **Article 48**

- (1) Financial-Services Businesses must own supervision system for Board of Directors or management in the event of Consumer protection.
- (2) Financial-Services Businesses must establish reporting system in order to ascertain the optimization of supervision of Board of Directors or management against compliance to implementation of provisions under this Regulation.

### **Article 49**

- (1) Financial-Services Businesses must own and implement written policy and procedure on Consumer protection.
- (2) Policy as referred to in paragraph (1) must be incorporated in standard operating procedures which later become guideline for the entire operational activities of Financial-Services Businesses.

- (3) Policy and procedure as referred to in paragraph (1) must be complied by management and employee of Financial-Services Businesses.

#### **Article 50**

- (1) Financial-Services Businesses must own internal control system relating to Consumer protection.
- (2) Internal control system as referred to in paragraph (1) at least encompasses:
  - a. compliance of Financial-Services Businesses to implementation of Consumer protection principles; and
  - b. reporting and monitoring systems on follow-up of Consumer's complaint.

### **CHAPTER V**

#### **SUPERVISION OF CONSUMER PROTECTION WITHIN FINANCIAL-SERVICES SECTOR**

#### **Article 51**

- (1) Financial Services Authority performs supervision of compliance of Financial-Services Businesses on implementation of Consumer protection provisions.
- (2) Supervision as referred to in paragraph (1) encompasses direct and indirect supervisions.

#### **Article 52**

- (1) In the event of implementation of supervision of compliance by Financial-Services Businesses on implementation of Consumer protection provisions as referred to under Article 51, Financial Services Authority is authorized to request data and information from Financial-Services Businesses in relation to implementation of Consumer protection provisions.
- (2) Request of data and information as referred to in paragraph (1) may be performed periodically or incidentally if necessary.

## CHAPTER VI SANCTIONS

### Article 53

- (1) Financial-Services Businesses and/or party which violate provisions under this Regulation of the Financial Services Authority are imposed with administrative sanctions, *inter alia* in the forms of:
  - a. Reprimand;
  - b. Fines, namely obligation to pay a sum of money;
  - c. Limitation of business activities;
  - d. Suspension of business activities; and
  - e. Revocation of business activity license.
- (2) Sanctions as referred to in paragraph (1) letter b, letter c, letter d, or letter e may be imposed with or without preceded by the imposition of reprimand sanction as referred to in paragraph (1) letter a.
- (3) Fine sanction as referred to in paragraph (1) letter b may be imposed independently or collectively with the imposition of sanction as referred to in paragraph (1) letter c, letter d, or letter e.
- (4) Amount of fine sanction as referred to in paragraph (1) letter b is determined by Financial Services Authority based on provisions on administrative sanction in the forms of fine which prevail for every sector of financial services.
- (5) Financial Services Authority may announce the imposition of administrative sanctions as referred to in paragraph (1) to the public.

## CHAPTER VII TRANSITIONAL PROVISIONS

### Article 54

Standard agreement which has been made by Financial-Services Businesses prior to the entry into force of this Regulation of the Financial Services Authority, must be adjusted

with provisions as addressed under Article 22, no later than the entry into force of this Regulation of the Financial Services Authority.

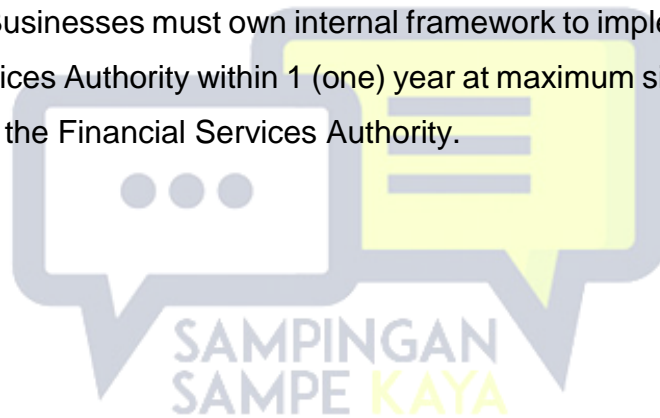
## **CHAPTER VIII FINAL PROVISIONS**

### **Article 55**

Implementing provisions which address Consumer protection within financial-services sector are declared to continue to prevail, insofar they are not in contradictory with this Regulation of the Financial Services Authority.

### **Article 56**

Financial-Services Businesses must own internal framework to implement this Regulation of the Financial Services Authority within 1 (one) year at maximum since the promulgation of this Regulation of the Financial Services Authority.



## Article 57

This Regulation of the Financial Services Authority enters into force after 1 (one) year since its promulgation date.

For the purposes of public cognizance, it has been ordered that the promulgation of this Regulation of the Financial Services Authority should be achieved through its publication in the State Gazette of the Republic of Indonesia.

Established in Jakarta

on 26 July 2013

CHAIRMAN OF BOARD OF COMMISSIONERS OF  
FINANCIAL SERVICES AUTHORITY,

signed.

MULIAMAN D/ HADAD

Promulgated in Jakarta

on 6 August 2013

MINISTER OF LAW AND HUMAN RIGHTS OF  
THE REPUBLIC OF INDONESIA,

signed.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2013 NUMBER 118

**ELUDICATION  
OF  
REGULATION OF THE FINANCIAL SERVICES AUTHORITY  
NUMBER: 1/POJK.07/2013  
ON  
CONSUMER PROTECTION WITHIN FINANCIAL-SERVICES SECTOR**

**I. GENERAL**

Article 4 OJK Law mentions that Financial Services Authority is established with the purpose, so that the entire financial-services activities within financial-services sector is organized in orderly, fair, transparent, and accountable manners, as well as able to realize financial system which sustainably and steadily grows, and able to protect the interests of consumer and public.

Globalization within financial system and the rapid advancement within information-technology sector, as well as financial innovation, have created financial system which is very complex, dynamic, and interrelated between financial sub-sectors, both in relation to the product and institutional matters. Several matters which become concern of Financial Services Authority, among them, are supervision of financial-services sector which is integrated (conglomeration), equal Consumer-protection practices within all financial-services sectors, conduct which reflects moral hazard and not yet optimizes Consumer protection within financial-services sector.

Consumer protection within financial-services sector aims to create Consumer-protection system which is reliable, increase empowerment of Consumer, and raise awareness of Financial-Services Businesses on the importance of Consumer protection, thus able to increase public trust to financial-services sector.

Tangible outcome which is expected, *inter alia*, Financial-Services Businesses take regard the fairness aspect in determining cost or price of product and/or service, minimum fee-based pricing which does not harm Consumer, as well as conformity between offered product and/or service with needs and ability of Consumer.

Implementation of market conduct which is implemented equally between fostering financial-services sector with the fulfillment of rights and obligations of Consumer in order to increase Consumer's trust. Market Conduct is conduct of Financial-Services Businesses in designing, formulating and delivering information, offering, drawing-up agreement, of product and/or service, as well as dispute resolution and complaint handling.

In connection with that, Consumer and/or public protection measure are directed to achieve two primary purposes. First, increasing trust from investor and Consumer in every activity and business activity in financial-services sector (Market Confidence); and Second, giving chance and opportunity for development to Financial-Services Businesses in fair, efficient and transparent manners and on the other hand, Consumer has comprehension of rights and obligations in connection with Financial-Services Businesses on characteristic, service, and product (Level Playing Field). In long term, financial industry itself will also obtain positive benefit in order to spur increase in efficiency as the response from demand of service which is primer to the service of financial services.

## **II. ARTICLE BY ARTICLE**

### **Article 1**

Self-explanatory.

### **Article 2**

Letter a

“Transparency” in this letter refers to provision of information on product and/or service to Consumer, in clear, complete, using easily comprehensible language.

Letter b

“Fair treatment” in this letter refers to treatment of Consumer in fair and non-discriminative manners (Discriminative is treating other party differently based on ethnicity, religion and race).

Letter c

“Reliability” in this letter refers to any matters which may provide accurate service through reliable system, procedure, infrastructure, and human resource.

Letter d

“Confidentiality and security of data/information of Consumer” in this letter refers to act which provides protection, maintains confidentiality and security of data and/or information of Consumer, as well as only using it in accordance with interest and purpose which have been approved by Consumer, unless deemed otherwise by prevailing laws and regulations.

Letter e

“Handling of complaint” in this letter refers to complaint service and/or resolution.

“Dispute resolution” refers to performing agreement of mediation or adjudication decision.

**Article 3**

Self-explanatory.

**Article 4**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

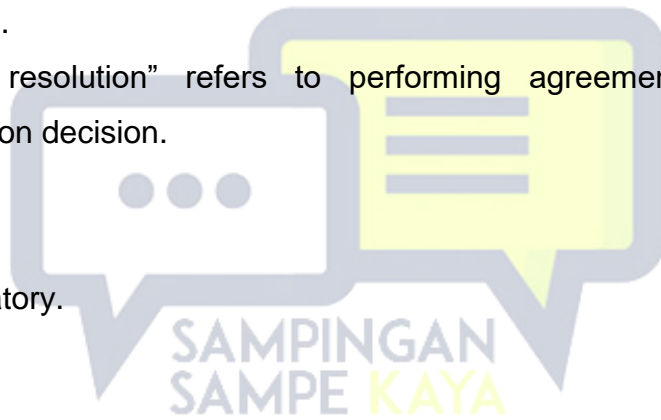
Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.





## **Article 5**

Self-explanatory.

## **Article 6**

Paragraph (1)

Self-explanatory.

Paragraph (2)

As an example of obligation of Financial-Services Businesses not delivering its reason for rejection is as follows:

Candidate of Consumer for saving, of whom, after due diligence was performed, turns out it is indicated to be involved with money-laundering crime, then in accordance with provisions under Law [Number 8 of 2010](#) on Prevention and Eradication of Money Laundering, Financial-Services Businesses are not obliged to give reason for rejection (anti-tipping-off provision).

## **Article 7**

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (2)

“Other language” in this paragraph refers to language which may be used, namely regional language or foreign language which is easily comprehensible by Consumer.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

“Foreign language” in this paragraph refers to foreign language which is used in treaty.

## **Article 8**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

## **Article 9**

Self-explanatory.

## **Article 10**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Example of prohibition for Financial-Services Businesses to provide automated facility which incurs additional cost without written consent from Consumer is as follows:

Financial-Services Businesses in the forms of Bank possess short message system banking facility which is provided to their customer without written consent by charging additional cost.

## **Article 11**

Paragraph (1)

Self-explanatory.



Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

## **Article 12**

Paragraph (1)

“Modification” in this paragraph refers to modification which encompasses addition and reduction of benefit, cost, risk, requirement, and provision which are included in document and/or agreement on product and/or service of Financial-Services Businesses.

Delivery of information may be performed using physical or electronic mean, either directly to every Consumer or in the forms of announcement.

Paragraph (2)

Self-explanatory.

Paragraph (3)

“Consumer is deemed to do not approve” in this paragraph refers to Consumer who states disapproval within 30 business days. In case Consumer disapproves, then Consumer is not imposed with redress or penalty. For example, time deposit which undergoes modification of interest rate in current year of time-deposit period, thus if Consumer does not approve, then Consumer may terminate product and/or service without being imposed with penalty.

Paragraph (4)

Self-explanatory.

## **Article 13**

In determining cost or price of product and/or service of financial services, Financial-Services Businesses take regards fairness of cost or price, by still considering commercial and fair competition aspects in operating business.

## Article 14

### Paragraph (1)

Organization of education is intended to increase financial literacy which consists of knowledge, skill, and access within financial-services sector to Consumer and/or public.

### Paragraph (2)

In principle, report on plan for organization of education is reported annually, of which, the report is strived to be merged into one with reporting as performed by Financial-Services Businesses, namely reporting which is performed by Banking in Bank Business Plan (*Rencana Bisnis Bank – RBB*).

Submission of report on plan for organization of education may be submitted altogether with submission of other report which is annual in nature.

### Paragraph (3)

Self-explanatory.

## Article 15

### Paragraph (1)

Self-explanatory.

### Paragraph (2)

Self-explanatory.

## Article 16

Example for taking regards conformity with need and ability of Consumer, *inter alia*, as follows:

Consumer which is taken regard in accordance with the need as designated for Consumer who places its fund or creditor (suitability), meanwhile Consumer who is taken regard in accordance with ability is namely consumer who borrows fund or debtor (affordability).

## **Article 17**

For example, Consumer who undergoes mishap of its child being ill and Consumer who does not own money, concurrently, the Consumer is offered Unsecured Loan [*Kredit Tanpa Agunan*] by employee of Financial-Services Businesses because Consumer does not own money for the hospital cost, finally such Credit is signed up without considering the ability to pay it.

## **Article 18**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Example for provision in this letter b is Financing Company offers service package for financing of purchasing of motor vehicle with the addition of loss-insurance service which is in partnership with Insurance Company A. Financing Company in question may not enforce Consumer to choose insurance service from Insurance Company A, but Consumer may choose insurance service other than Insurance Company A.

Paragraph (3)

Self-explanatory.

## **Article 19**

“Personal communication mean” in this paragraph is communication mean which is personal in nature, for instance, *inter alia*, email, short message system, and voicemail.

## **Article 20**

Paragraph (1)

Letter a

Self-explanatory.

Letter b

“Registered” in this letter refers to securing business license, approval, registration, validation or effective statement from Financial Services Authority.

Paragraph (2)

Self-explanatory.

## **Article 21**

Proportionality in drawing-up agreement, for instance, in case Consumer has provided information and document in truthful and non-misleading manners, Financial-Services Businesses must store and use such information and document solely for the interest of Consumer.

Justice in drawing-up agreement, for instance, in case Consumer has agreed to pay product and/or service from Financial-Services Businesses, Financial-Services Businesses should also provide product and/or service in question in accordance with agreement.

Example for fairness in drawing-up agreement, for instance, determination of price or cost as charged for product and/or service should be in accordance with expended cost.

## **Article 22**

Paragraph (1)

Standard agreement as referred to in this paragraph is written agreement as established unilaterally by Financial-Services Businesses and containing standard clauses on content, form, and production method, and be used to offer product and/or service to Consumer in massive manner.

Paragraph (2)

Self-explanatory.

Paragraph (3)

#### Letter a

Financial-Services Businesses which launch product and/or service are prohibited from containing standard clause which states that product and/or service which are used by Consumer does not constitute liability of Financial-Services Businesses if there is an issue.

In Agreement for the issuance of credit card which states:

“Card holder exempts Issuer of Credit Card from liability and provision of redress in any forms which might occur from complaint, or lawsuit which is filed by card holder or its proxy.”

This standard clause transfers liability which is legally should be liability of businesses, to be attributed toward Consumer through agreement.

#### Letter b

Consumer may not cancel purchase of product and/or service and request refund of its money because the product and/or service are not in accordance with the agreement.

Example for standard clause in conditional sale-and-purchase agreement for house, which states that:

“Booking fee prevails for 7 days and if after 7 days have passed, no payment is made, it is deemed to have withdrawn and developer is entitled to resell such good.”

#### Letter c

This provision emphasizes that Financial-Services Businesses may perform unilateral action over goods which are put as collateral by Consumer, if between Consumer and Financial-Services Businesses, there is a separate agreement which is derivative [*accessoir*] in nature toward master agreement on purchase of product and/or service of financial services.

Example:

If in financing of motor vehicle which is encumbered with fiduciary security, Financial-Services Businesses may perform execution against goods which become object of fiduciary security, without approval from financing

Consumer, because fiduciary security is performed based on law on fiduciary security.

#### Letter d

Example of standard clause which is prohibited in this letter is:

“In a charge, lawsuit or other dispute, whereas Financial-Services Businesses state that a damage or loss, either directly or indirectly, is caused by one or more risks which are exempted as addressed in this provision, then it is the obligation of Consumer to prove otherwise.”

This kind of standard clause is in contradictory with the inquisitorial legal principle which states that whoever argues, then it should prove it.

#### Letter e

Self-explanatory.

#### Letter f

Example of standard clause which is prohibited in this letter is:

Agreement for opening of new account at Financial-Services Businesses, which states:

“Comply with prevailing terms and conditions at Financial-Services Businesses, including all modifications, becoming an integral part which cannot be separated from the application form of this account.”

Based on decency principle, the parties are bound with requirements of agreement which should have been initially known. The parties are impossible to be able to know and comprehend with requirements which are not yet existed.

#### Letter g

Financial-Services Businesses if performing encumbrance of mortgage right, lien right or guarantee right over product and/or service which are purchased by Consumer in installments, should use separate power of attorney from its master agreement.



### **Article 23**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

### **Article 24**

“Special needs” in this article is specifically limited to blind, deaf, and elderly with the age of 60 years or older.

“Special service” in this article refers to, *inter alia*, providing form which uses braille letters.

### **Article 25**

Self-explanatory.

### **Article 26**

Self-explanatory.

### **Article 27**

Self-explanatory.

### **Article 28**

Self-explanatory.

### **Article 29**

“Mistake and/or negligence” in this article refers to mistake and/or negligence in operating business activities of Financial-Services Businesses, both performed by management, employee of Financial-Services Businesses and/or third party who works for the interest of Financial-Services Businesses.



## **Article 30**

Paragraph (1)

Self-explanatory.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

## **Article 31**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

## **Article 32**

Paragraph (1)

Complaint service and resolution as referred to in this paragraph includes if after receiving complaint from Consumer, dispute has existed, namely contention between Consumer and Financial-Services Businesses in relation to performance of rights and obligations of the parties.

Paragraph (2)  
Self-explanatory.

### **Article 33**

Self-explanatory.

### **Article 34**

Paragraph (1)

Reporting is performed in the forms of written report and/or through integrated system mechanism which is provided by Financial Services Authority.

For example, if Custodian Bank receives complaint from Consumer, customer as the holder of Securities account, then report and its follow-up are submitted to the Executive Head of Capital-Market Supervisor.

Paragraph (2)  
Self-explanatory.

### **Article 35**

Paragraph (1)  
Self-explanatory.

Paragraph (2)  
Self-explanatory.

Paragraph (3)

Letter a  
Self-explanatory.

Letter b  
Self-explanatory.

Letter c  
Self-explanatory.

Paragraph (4)  
Self-explanatory.



## **Article 36**

Paragraph (1)

Filing document in this paragraph refers to filing of document directly by visiting the office of Financial-Services Businesses or filing of document in writing.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

## **Article 37**

Self-explanatory.

## **Article 38**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.



## **Article 39**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

## **Article 40**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

#### **Article 41**

Letter a

Financial losses as referred to in here are value of dispute.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.



#### **Article 42**

Self-explanatory.

#### **Article 43**

Self-explanatory.

#### **Article 44**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

**Article 45**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

**Article 46**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

**Article 47**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.



**Article 48**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

**Article 49**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.  
Paragraph (3)  
Self-explanatory.

#### **Article 50**

Paragraph (1)  
Self-explanatory.  
Paragraph (2)  
Letter a  
Self-explanatory.  
Letter b  
Self-explanatory.

#### **Article 51**

Paragraph (1)  
Self-explanatory.  
Paragraph (2)  
Self-explanatory.



#### **Article 52**

Paragraph (1)  
Self-explanatory.  
Paragraph (2)  
Self-explanatory.

#### **Article 53**

Paragraph (1)  
Types of these administrative sanctions are types of sanctions which may be imposed by Financial Services Authority against violation of this Regulation of

OJK, by taking regards governance aspect against Party which will be imposed with sanction in question.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

#### **Article 54**

Self-explanatory.

#### **Article 55**

Self-explanatory.

#### **Article 56**

“Internal framework” in this paragraph refers to, *inter alia*, guideline for determination of cost or price of product and service of financial services, ethic code for service of Consumer, regulation on mechanism for consumer’s complaint, standard operating procedure on written policy and procedure on Consumer protection, internal control system in relation to Consumer protection, as well as task and/or functional units in order to handle and resolve Consumer’s complaint.

#### **Article 57**

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA NUMBER 5431