

PRESS RELEASE**OJK ISSUES REGULATION TO PROMOTE FAST, AFFORDABLE, AND ACCESSIBLE MSME FINANCING**

Jakarta, 15 September 2025 — Indonesia Financial Services Authority (OJK) has issued OJK Regulation number 19/2025 concerning Facilitating Access to Financing for Micro, Small, and Medium Enterprises (POJK UMKM), as part of efforts to further empower MSMEs and strengthen national economic resilience and growth.

The issuance of this POJK UMKM is also aligned with the Government's Asta Cita agenda to increase employment opportunities, accelerate balanced economic development, and eradicate poverty as priority objectives.

Through POJK UMKM, OJK encourages banks and non-bank financial institutions (NBFIs) to provide MSME credit or financing that is simple, accurate, fast, affordable, and inclusive, while upholding prudential principles.

"With the enactment of this POJK, banks and NBFIs are expected to adopt more innovative approaches to deliver financial products tailored to the needs of every MSME segment—from micro and ultra-micro businesses requiring fast and simple access, to small and medium enterprises in need of more diverse and complex services," said Dian Ediana Rae, OJK Chief Executive for Banking Supervision.

As of July 2025, credit grew by 7.03% year-on-year (June 2025: 7.77%), reaching IDR 8,043.2 trillion. By usage type, investment loans recorded the highest growth at 12.42%, followed by consumer loans at 8.11%, while working capital loans grew 3.08% yoy. By debtor category, corporate loans increased by 9.59%, while MSME loans grew only 1.82%, reflecting banks' focus on restoring MSME loan quality. From an industry perspective, several sectors experienced double-digit annual growth, including mining and quarrying (20.69%), services (19.17%), transportation and communications (17.94%), and electricity, gas, and water (11.23%).

According to Dian, POJK UMKM is a follow-up to the mandate of Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (P2SK Law), which was consulted with the House of Representatives (DPR RI).

Through POJK UMKM, OJK supports the Government's programs to expand financial access, foster digital financing innovation, and ensures sound governance in MSME financing, enabling MSMEs to become more competitive and contribute significantly to sustainable and equitable economic growth.

With the enactment of POJK UMKM, OJK reaffirms its commitment to strengthening MSME competitiveness and contributions to the national economy. Through collaboration among the financial services sector, government, and business community, POJK UMKM is expected to create a healthier, more inclusive, and sustainable MSME financing ecosystem.

Under POJK UMKM, banks and NBFIs are required to facilitate financing access through various policies, including:

1. Special financing distribution policies, such as simplified requirements or streamlined MSME creditworthiness assessments.
2. Tailored financing schemes aligned with business characteristics, including acceptance of intellectual property rights as collateral, with appropriate ecosystem and valuation methods.
3. Business process acceleration, such as the use of Alternative Credit Scoring (ACS).
4. Establishing fair financing costs for MSMEs.
5. Other facilitation measures initiated by the authorities or government.

In addition to ease of access, POJK UMKM also emphasizes governance and risk management in MSME financing. Banks and NBFIs must prepare MSME financing plans and report their realization to OJK.

POJK UMKM further provides for:

- Collaboration and partnerships among financial institutions and relevant stakeholders.
- Utilization of information technology to strengthen the digital financing ecosystem for MSMEs.
- Provisions on loan write-offs and/or write-downs in MSME financing.
- Enhancing financial literacy and consumer protection for MSMEs.
- Incentives for banks and NBFIs actively providing financing access.

POJK UMKM, promulgated on 2 September 2025, takes effect two months thereafter and applies to commercial banks, rural banks (including sharia commercial and rural banks), as well as conventional and sharia non-bank financial institutions.

NBFIs covered include finance companies, venture capital firms, microfinance institutions, peer-to-peer lending platforms, pawn companies, and other NBFIs such as Indonesia Eximbank (LPEI) and PT Permodalan Nasional Madani (PNM).