

COPY OF
REGULATION OF OTORITAS JASA KEUANGAN
OF THE REPUBLIC OF INDONESIA
NUMBER 20 OF 2024
CONCERNING
AMENDMENT TO OTORITAS JASA KEUANGAN REGULATION NUMBER
50/POJK.03/2017 CONCERNING REQUIREMENT TO MEET THE NET STABLE
FUNDING RATIO FOR COMMERCIAL BANKS

WITH THE BLESSINGS OF GOD ALMIGHTY
BOARD OF COMMISSIONERS OF OTORITAS JASA KEUANGAN
(FINANCIAL SERVICES AUTHORITY)

- Considering:
- a. that in order to create a banking system that is sound, capable of developing and competing at national and international levels, and in line with the development of international standards, banks need to have strong and adequate liquidity;
 - b. that in order to assess the adequacy of liquidity, an equivalent, reliable, and comparable liquidity ratio is required in assessing the adequacy of stable funding based on the composition of assets and administrative account transactions;
 - c. that in order to accommodate the development of international standards and support the strengthening of Indonesian banking liquidity, it is necessary to make adjustments to the Otoritas Jasa Keuangan Regulation Number 50/POJK.03/2017 concerning Requirement to Meet the Net Stable Funding Ratio for Commercial Banks;
 - d. that based on the considerations as referred to in letters a, b and c, it is necessary to stipulate the Otoritas Jasa Keuangan Regulation concerning Amendment to the Otoritas Jasa Keuangan Regulation Number 50/POJK.03/2017 concerning Requirement to Meet the Net

Stable Funding Ratio for Commercial Banks;

- Observing:
1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472) as has been amended several times, most recently by Act Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Number 4 of 2023, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
 2. Act Number 21 of 2011 concerning Otoritas Jasa Keuangan (Financial Services Authority) (State Gazette of the Republic of Indonesia Number 111 of 2011, Supplement to the State Gazette of the Republic of Indonesia Number 5253) as amended by Act Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia Number 4 of 2023, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
 3. Otoritas Jasa Keuangan Regulation Number 50/POJK.03/2017 concerning Requirement to Meet the Net Stable Funding Ratio for Commercial Banks (State Gazette of the Republic of Indonesia Number 159 of 2017, Supplement to the State Gazette of the Republic of Indonesia Number 6099);

HAS DECIDED:

To issue: OTORITAS JASA KEUANGAN REGULATION CONCERNING AMENDMENT TO OTORITAS JASA KEUANGAN REGULATION NUMBER 50/POJK.03/2017 CONCERNING REQUIREMENT TO MEET THE NET STABLE FUNDING RATIO FOR COMMERCIAL BANKS

Article I

Several provisions in the Otoritas Jasa Keuangan Regulation Number 50/POJK.03/2017 concerning Requirement to Meet the Net Stable Funding Ratio for Commercial Banks (State

Gazette of the Republic of Indonesia Number 159 of 2017, Supplement to the State Gazette of the Republic of Indonesia Number 6099) are amended as follows:

1. The provisions of Article 1 are amended so that it reads as follows:

Article 1

In this Otoritas Jasa Keuangan Regulation, the following terms are defined:

1. Bank is any Commercial Bank as referred to in Act Number 7 of 1992 concerning Banking as amended several times, most recently by Act Number 4 of 2023 concerning Development and Strengthening of the Financial Sector, including any branch office of any bank domiciled overseas that conducts business activities in the conventional manner.
2. Available Stable Funding, hereinafter referred to as ASF, is the total amount of liabilities and equity that is stable over a period of 1 (one) year to fund the Bank's activities.
3. Required Stable Funding, hereinafter referred as RSF, is the total amount of assets and administrative account transactions that need to be funded by stable funding.
4. Net Stable Funding Ratio, hereinafter referred as NSFR, is the comparison between ASF and RSF.
5. NSFR Report is a report that presents quantitative information in the form of NSFR calculation and value, as well as qualitative information in the form of NSFR development analysis.
6. NSFR Working Paper is a report that contains detailed NSFR calculation as a data source in compiling the NSFR Report.
7. NSFR Fulfillment Action Plan is a report that at least contains a plan for improvement to meet NSFR adequacy along with a completion time frame.

Tanggapan DHUK:

2. The provisions of Article 4 are deleted.
3. The provision of paragraph (3) of Article 5 remains and the Explanation of paragraph (3) of Article 5 is amended as stated in the section on the explanation of each article.
4. The provisions of Article 6 are amended so that it reads as follows:

Article 6

Any Bank is required to:

- a. monitor the fulfillment of NSFR;
 - b. submit NSFR calculation reports; and
 - c. publish NSFR Reports,
- both in individual and consolidated manners.

5. Between Article 15 and Article 16, 1 (one) article is inserted, namely Article 15A, that reads as follows:

Article 15A

- (1) The requirement to calculate and report NSFR for any Bank included in the group of banks based on core capital 1 other than foreign banks, shall be carried out for the first time for the position at the end of December 2024 for:
 - a. the monitoring of NSFR fulfillment on a monthly basis as referred to in Article 7 paragraph (1);
 - b. the submission of the NSFR Working Paper and the NSFR Report for the position of the end of the reporting quarter as referred to in Article 10 paragraph (1); and
 - c. the publication and disclosure of the NSFR Report for the position of the end of the reporting quarter as referred to in Article 14 paragraph (1).
 - (2) The procedure, format, and time frame for submitting the NSFR Working Paper and NSFR Report shall be carried out in accordance with the Otoritas Jasa Keuangan Regulation regarding commercial bank reporting through the Otoritas Jasa Keuangan reporting system.
 - (3) The procedure, format, and time frame for publishing the NSFR Report shall be carried out in accordance with the Otoritas Jasa Keuangan Regulation regarding transparency and publication of bank reports.
6. The provisions of Article 16 are amended and the explanation of Article 16 is amended as stated in the section on the explanation of each article, so that it reads as follows:

Article 16

In the case of any Bank that is included in the bank groups based on core capital 2, or bank groups based on core capital 3, or bank groups based on core capital 4, or a foreign bank that subsequently becomes a Bank included in the bank group based on core capital 1 other than a foreign bank, before the position of December 2024, the Bank shall still be required to comply with the provisions for calculating and reporting NSFR as stipulated in this Otoritas Jasa Keuangan Regulation.

Article II

This Otoritas Jasa Keuangan Regulation shall come into force on the date of promulgation.

For public cognizance, it is ordered that this Otoritas Jasa Keuangan Regulation be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Ratified in Jakarta on

November 1, 2024

CHAIRMAN OF BOARD OF COMMISSIONERS
OF OTORITAS JASA KEUANGAN
OF THE REPUBLIC OF INDONESIA,

signed

MAHENDRA SIREGAR

Enacted in Jakarta

on November 8, 2024

MINISTER OF LAW AND HUMAN RIGHTS
REPUBLIC OF INDONESIA

signed

SUPRATMAN ANDI AGTAS

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2024 NUMBER 30/OJK

This copy is in accordance with the original

Director of Legal Development

Legal Department

signed

Aat Windradi

ELUCIDATION
ON
REGULATION OF OTORITAS JASA KEUANGAN
OF THE REPUBLIC OF INDONESIA
NUMBER 20 OF 2024
CONCERNING
AMENDMENT TO OTORITAS JASA KEUANGAN REGULATION NUMBER
50/POJK.03/2017 CONCERNING REQUIREMENT TO MEET THE NET STABLE
FUNDING RATIO FOR COMMERCIAL BANKS

I. GENERAL

As the case is with regard to capital, a standard liquidity ratio calculation is needed to measure the minimum liquidity that must be maintained by any Bank in accordance with the applicable international standard, namely Basel III: The Net Stable Funding Ratio, issued by the Basel Committee on Banking Supervision (BCBS). The assessment of liquidity adequacy as regulated in the international standard in question is carried out through the fulfillment of a stable funding ratio that has been adjusted to the composition of assets and administrative accounts.

The ratio in question has been applied in Indonesia since 2017 for Banks that meet certain criteria. Given that the maintenance of the ratio is intended to support the strengthening of banking liquidity, in its development, equivalent, reliable, and comparable data is needed that applies to all Banks.

In relation to this, adjustments are required to the Otoritas Jasa Keuangan Regulation regarding the requirement to meet the net stable funding ratio for commercial banks, including an expansion on the coverage of Banks.

II. ARTICLE BY ARTICLE

Article I

Number 1

Article 1 Self-explanatory

Number 2

Article 4 Deleted

Number 3

Article 5

Paragraph (1) Self-explanatory

Paragraph (2)

The carrying value calculated is the carrying value before regulatory deductions or other adjustments.

Example:

Core capital (Tier 1) and supplementary capital (Tier 2) do not take into account factors that reduce capital as referred to in the Otoritas Jasa Keuangan Regulation concerning the requirement to provide minimum capital for commercial banks.

Paragraph (3)

The term “total carrying value of assets in the financial position report (balance sheet)” in this provision includes the minimum reserve requirement (*giro wajib minimum*) as stipulated in the provisions of laws and regulations regarding minimum reserve requirement, and Capital Equivalency Maintained Assets (CEMA) as stipulated in the Otoritas Jasa Keuangan Regulation regarding the requirement to provide minimum capital for commercial banks.

With regard to assets in the financial position report (balance sheet), the carrying values calculated are the carrying values of assets plus accrued interest receivables (if any) after being deducted with the Allowance for Impairment Losses (*Cadangan Kerugian Penurunan Nilai/CKPN*) on assets calculated in accordance with financial accounting standards.

The CKPN referred to is the CKPN on assets identified as impaired, namely CKPN at stage 2 (underperforming assets) and stage 3 (Impaired assets) in accordance with financial accounting standards regarding financial instruments.

Paragraph (4) Self-explanatory

Number 4

Article 6 Self-explanatory

Number 5

Article 15A

Paragraph (1)

Banks that are included in the bank group based on core capital 1 shall be in accordance with the Otoritas Jasa Keuangan Regulation regarding commercial banks.

A foreign bank is any bank that meets the following criteria:

1. any branch office of any bank domiciled abroad;
2. any commercial bank in the form of an Indonesian legal entity, in which more than 50% (fifty percent) of its shares are owned by foreign citizens and/or foreign legal entities, either individually or jointly; and/or
3. any bank that is owned, either individually or jointly, by foreign citizens and/or foreign legal entities up to 50% (fifty percent), but are controlled by such foreign citizens and/or foreign legal entities.

Paragraph (2) Self-explanatory

Paragraph (3) Self-explanatory

Number 6

Article 16

Banks that are included in the bank groups based on core capital 2, bank groups based on core capital 3, and bank groups based on core capital 4 shall be in accordance with the Otoritas Jasa Keuangan Regulation regarding commercial banks.

Article II Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 98/OJK