

ANNEX V.1

**BANK INDONESIA REGULATION
NUMBER 8/28/PBI/2006
CONCERNING
MONEY REMITTANCE SERVICES**

BANK INDONESIA REGULATION
NUMBER 8/28/PBI/2006
CONCERNING
MONEY REMITTANCE SERVICES
GOVERNOR OF BANK INDONESIA,

- Considering :
- a. that currently total transactions and volume of money involved in money remittance services both within territory of the Republic of Indonesia, from territory of the Republic of Indonesia to outside territory of the Republic of Indonesia, and from outside territory of the Republic of Indonesia into territory of the Republic of Indonesia shall develop significantly;
 - b. That hitherto there is no regulation that shall govern specifically money remittance services;
 - c. that in order that money remittance services may be engaged securely and efficiently for all relevant parties, and money remittance services may provide optimal consequences to the development of national economy, and to prevent from the fact that money remittance services shall not be advantaged to conduct money laundering activity, it is necessary to have regulations that govern money remittance services;
 - d. that based on considerations of provisions of letters a, b and c, it is deemed necessary to govern money remittance services into Bank Indonesia Regulation.

- In view of :
1. Law Number 7 Year 1992 concerning Banking (State Gazette of the Republic of Indonesia Year 1992 Number 31, Supplement State Gazette of the Republic of Indonesia Number 3472) as amended by Law Number 10 Year 1998 (State Gazette of the Republic of Indonesia Year 1998 Number 182, Supplement State Gazette of the Republic of Indonesia Number 3790);
 2. Law Number 23 Year 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Year 1999 Number 66, Supplement State Gazette of the Republic of Indonesia Number 3843) as amended by Law Number 3 Year 2004 (State Gazette of the Republic of Indonesia Year 2004 Number 7, Supplement State Gazette of the Republic of Indonesia Number 4357);
 3. Law Number 15 Year 2002 concerning the Crime of Money Laundering (State Gazette of the Republic of Indonesia Year 2002 Number 30, Supplement State Gazette of the Republic of Indonesia Number 4191) as amended by Law Number 25 Year 2003 (State Gazette The Republic of Indonesia Year 2003 Number 108, Supplement State Gazette of the Republic of Indonesia Number 4324).
 4. Law Number 15 Year 2003 concerning Stipulation of Government Regulation in Lieu of Law Number 1 Year 2002 concerning Eradication of the Crime of Terrorism to be the Law (State Gazette The Republic of Indonesia Year 2003 Number 45, Supplement State Gazette of the Republic of Indonesia Number 4284);
 5. Bank Indonesia Regulation Number 3/10/PBI/2001 concerning the Application of Know Your Customer Principles (State Gazette The Republic of Indonesia Year 2001 Number 78, Supplement State Gazette of the Republic of Indonesia Number 4107) as lastly amended by Bank Indonesia Regulation Number 5/21/PBI/2003 (State Gazette The Republic of Indonesia Year 2003 Number 111, Supplement State Gazette of the Republic of Indonesia Number 4325);

6. Bank Indonesia Regulation Number 7/14/PBI/2005 concerning Rupiah Transactions and Foreign currency Loan Facility Control by Bank (State Gazette The Republic of Indonesia Year 2005 Number 50, Supplement State Gazette of the Republic of Indonesia Number 4504);

D E C I D E D:

To enact : BANK INDONESIA REGULATION CONCERNING MONEY REMITTANCE SERVICES.

**CHAPTER I
GENERAL PROVISIONS**

Part One

Definition

Article 1

In this Bank Indonesia Regulation the following definitions apply:

1. Money shall be fund in term of cash and non cash.
2. Money Remittance shall be activity engaged by Providers of Money Remittance to perform an order without condition from a correspondent party to a Provider of money remittance to remit money to the beneficiary party.
3. Providers of Money Remittance, hereinafter referred to as Providers, shall be persons, business actors of legal entities and business actors of non legal entities in Indonesia acting as the correspondent agent and/or beneficiary agent of Money Remittance.
4. Bank shall Regular Bank as referred to in Law of the Republic of Indonesia Number 7 Year 1992 concerning Banking as amended by Law of the Republic of Indonesia Number 10 Year 1998.
5. Correspondent Agent shall be persons, business actors of legal entities or business actors of non legal entities obtaining the amount of Money from correspondent parties to be remitted to the beneficiary party thru the beneficiary agent.
6. Beneficiary Agent shall be persons, business actors of legal entities or business actors of non legal entities obtaining the amount of Money from the correspondent agent to be given to the beneficiary party.
7. Correspondent party shall be persons, business actors of legal entities or business actors of non legal entities providing an order of Money Remittance to the correspondent agent.
8. Beneficiary party shall be persons, business actors of legal entities or business actors of non legal entities mentioned in an order of Money Remittance to receive Money derived from the Money Remittance.
9. Money Transfer Operator, hereinafter referred to as Operators, shall be persons, business actors of legal entities or business actors of non legal entities providing infrastructures, including system, that are used as media in managing money remittance services, and/or engaging activities of data and/or relevant information acceptance and carry-over from one provider to other provider to be given to the beneficiary party.
10. Registration shall be an activity of a Provider to administer the identity of money remittance services Provider concerned in Bank Indonesia.
11. Licensing shall be an activity of a Provider to obtain a business license of money remittance services from Bank Indonesia that is conducted after the Registration period of time is over.
12. Providers Registry List, consisting of List of Money Remittance Providers registered in Bank Indonesia or List of Providers that have licensing from Bank Indonesia, shall be a list issued by Bank

Indonesia pertaining the identity of Providers that have registered in Bank Indonesia or have a business licensing from Bank Indonesia.

Part Two

Scope of Money Remittance Services

Article 2

- (1) Provisions in this Bank Indonesia Regulation shall be applicable to money remittance services engaged:
 - a. from outside territory of the Republic of Indonesia into inside territory of the Republic of Indonesia;
 - b. from inside territory of the Republic of Indonesia to outside territory of the Republic of Indonesia; and/or
 - c. within territory of the Republic of Indonesia.
- (2) Money Remittance from inside territory of the Republic of Indonesia to outside territory of the Republic of Indonesia, and from outside territory of the Republic of Indonesia into inside territory of the Republic of Indonesia as referred to in Paragraph (1) letters a and b may only be conducted in term of non cash Money Remittance.
- (3) Money Remittance engaged within territory of the Republic of Indonesia as referred to in Paragraph (1) letter c may be conducted in term of cash and non cash Money Remittance.
- (4) Money Remittance as referred to in Paragraph (2) must refer to laws and regulation pertaining rupiah transactions and foreign currency loan facility control.

Article 3

Providers may perform Money Remittance services thru networks controlled by Providers themselves or thru networks controlled or provided by the Operator based on an agreement between a Provider and the Operator.

CHAPTER II

PROVIDERS AND OPERATOR

Part One

Providers

Article 4

- (1) A party who may engage money remittance services shall consist of:
 - a. Natural person of Indonesian Citizen;
 - b. Business actor of legal entity, including Indonesian Citizen, Indonesian Legal Entity, Foreign Natural Person and/or Foreign Legal Entity; and/or
 - c. Business actor of non legal entity established based on Indonesian domestic law that is controlled by Indonesian Citizen and/or other business actor.
- (2) Parties as referred ton Paragraph (1) letters b and c may engage money remittance services if:
 - a. based on laws and regulation, statutes or a business licensing provided by a competent authority may perform money remittance services; and
 - b. are not prohibited to perform money remittance services based on laws and regulation pertaining said business actor.

Part Two

Cooperation with Operator

Article 5

- (1) Cooperation between a Provider and Operator as referred to in Article 3 shall be conducted based on a written agreement.
- (2) An agreement as referred to in Paragraph (1) must contain rights and obligations of each party by considering laws and regulation.
- (3) A provider must submit a copy of agreement as referred to in Paragraph (1) to Bank Indonesia.

CHAPTER III

LICENSING AND REQUIREMENT OF PROVIDERS

Part One

Licensing

Article 6

- (1) Natural persons, business actors of legal entities, and business actors of non legal entities who will engage money remittance services must get a business licensing first as Providers from Bank Indonesia.
- (2) A licensing as referred to in Paragraph (1) must be proposed in written to Bank Indonesia.
- (3) Bank Indonesia shall provide an approval or disapproval on a licensing as referred to in Paragraph (1) after a request for having a licensing and documents required are obtained completely within timeframe determined by Bank Indonesia.
- (4) Bank Indonesia may determine a timeframe for proposing a business licensing of money remittance services subject to Providers.
- (5) Bank Indonesia shall not charge any cost to parties who are requesting for a business licensing as referred to in Paragraph (1).

Article 7

A business licensing of money remittance services provided by Bank Indonesia to Providers as referred to in Article 6 Paragraph (1) may not be transferred to other party.

Article 8

- (1) Bank Indonesia shall register any identity of natural person, business actor of legal entity, business actor of non legal entity that have obtained a business licensing as a Provider into the List of Providers.
- (2) Bank Indonesia shall publish the List of Providers as referred to in Paragraph (1).

Part Two

Requirement

Paragraph 1

Indonesian Citizen Natural Person

Article 9

- (1) Natural persons of Indonesian Citizen who request for a business licensing of money remittance services must submit documents as the following:
 - a. a copy of Identity (*kartu tanda penduduk*);
 - b. a statement on domicile/residence from the village chief at site;
 - c. an assurance statement of a requesting party to not misuse Money remitted and/or received;

- d. an assurance statement of a requesting party to make separate management on Money remitted and/or received with personal wealth of the requesting party;
 - e. information on business location and infrastructures employed by the requesting party as a Provider; and
 - f. procedure for remitting and/or receiving Money.
- (2) Natural persons of Indonesian Citizen who has obtained a business licensing as a Provider of money remittance services must identify and recognize identities of parties who will take benefit of their services.

Paragraph 2

Business Actor of Legal Entity

Article 10

Business actor of legal entity shall request for a business licensing of money remittance services by attaching documents as the following:

- a. a copy of business deed of Indonesian legal entity and its amendment if required, that has been legalized by a competent authority;
- b. a management statement of an authentic deed stating the assurance of a Provider to:
 - 1. be responsible if the misuse of Money remitted and/or received occurred; and
 - 2. separate the management of Money remitted and/or received from properties of a Provider;
- c. a copy of statement on domicile/residence of a business actor concerned from the village chief at site;
- d. risk management mechanism that at least consists of:
 - 1. the application of know your customer;
 - 2. method to monitor Money remitted and/or received; and
 - 3. settlement mechanism including settlement on money remittance delay or the beneficiary party does not obtain that money;
- e. operational capacity evidence that at least includes:
 - 1. sufficient human resources;
 - 2. availability on business location;
 - 3. infrastructures and tools to perform Money remittance activity; and
 - 4. mechanism and procedure in performing Money remittance activity.

Paragraph 3

Business Actor of Non Legal Entity

Article 11

Business actor of non legal entity shall request for a business licensing of money remittance services by attaching documents as the following:

- a. a copy of statement on domicile/residence of a business actor concerned from the village chief at site;
- b. a management statement of an authentic deed stating the assurance of a Provider to:
 - 1. be responsible if the misuse of Money remitted and/or received occurred; and
 - 2. separate the management of Money remitted and/or received from properties of a Provider;
- c. risk management mechanism that at least consists of:
 - 1. the application of know your customer;

2. method to monitor Money remitted; and
 3. settlement mechanism including settlement on money remittance delay or the beneficiary party does not obtain that money;
- d. operational capacity evidence that at least includes:
1. sufficient human resources;
 2. availability on business location;
 3. infrastructures and tools to perform Money remittance activity; and
 4. mechanism and procedure in performing Money remittance activity.

Article 12

- (1) A Provider may open branch offices of Money Remittance services throughout Indonesia.
- (2) A Provider who will open branch offices as referred to in Paragraph (1) must initially report to Bank Indonesia in written.

CHAPTER IV

OPERATOR'S REPORTING BY PROVIDERS

Article 13

A provider who enters into cooperation with an Operator shall be obliged to report on that cooperation, which includes:

- a. a copy of an agreement between a Provider and Operator;
- b. brief information on Operator's profiles; and
- c. results of audit from a *security auditor* explaining capability and security of information and technology operation employed by the Operator.

CHAPTER V

OBLIGATION OF PROVIDERS

Article 14

In performing remittance services, Providers shall be obliged to conduct as the following:

- a. to register transactions of Money Remittance;
- b. to submit reports periodically and incidentally to Bank Indonesia;
- c. to submit reports in written to Bank Indonesia if there is management modification by completing a statement from new management into an authentic deed as referred to in Article 10 letter b and Article 11 letter b;
- d. to assure that Money given by the Correspondent Party shall be remitted to and received by the Beneficiary Party who is entitled within a period agreed;
- e. to provide information to the Correspondent Party in relation with that Money Remittance;
- f. to maintain documents related with Money Remittance in accordance with prevailing laws and regulation concerning company documentation; and
- g. to report suspicious transactions to a competent authority based on prevailing laws and regulation concerning the crime of money laundering.

Article 15

In engaging money remittance services, Providers shall be obliged to concern about fair business competition principles as referred to in prevailing laws and regulation.

Article 16

Providers shall be responsible on the performance of Money Remittance until Money remitted is obtained by the Beneficiary Party.

CHAPTER VI

BUSINESS TERMINATION AS PROVIDERS

Article 17

- (1) Bank Indonesia shall be obliged to terminate business activity of a Provider if:
 - a. a Provider is imposed with a sanction of business licensing revocation referred to in Chapter VIII;
 - b. there is the court judgment that punishing a Provider to conclude money remittance services engaged;
 - c. there is a written request/recommendation to Bank Indonesia from a competent supervisory agency to terminate business activity of a Provider, or the supervisory agency concerned has terminated business activity of a Provider;
 - d. business licensing of money remittance services provided to a Provider is integrated with business licensing of other business activity that is concluded by other certain competent authority; or
 - e. there is a request by a Provider itself on business termination.
- (2) Business activity termination as a Provider as referred to in Paragraph (1) shall be conducted by invalidating said business licensing.

Article 18

Providers shall be obliged to send a written report to Bank Indonesia if they will terminate their Money Remittance services on a request of themselves as referred to in Article 17 Paragraph (1) letter e.

Article 19

A report on termination of money remittance services as referred to in Article 18 must contain evidence that all obligations of Providers against the Correspondent Party and/or the Beneficial Party have been settled, in terms of:

- a. submission of documents on rights and obligations settlement to Bank Indonesia; and
- b. a statement from the management or owner stating that all legal actions filed after a revocation of business licensing of Money Remittance shall be full responsibility of the management, or the owner if a Provider is natural person.

CHAPTER VII

SUPERVISION

Article 20

Bank Indonesia shall conduct direct and indirect supervision over Providers.

Article 21

- (1) Direct supervision shall be conducted periodically or any time if required.
- (2) In respect with direct supervision as referred to in Paragraph (1), a Provider shall be obliged to provide:
 - a. information and/or data related with money remittance services management;
 - b. opportunity to conduct supervision on physical infrastructures and supporting system related with money remittance services management; and/or

- c. opportunity to conduct supervision on other matters required.
- (3) Based on the result of supervision as referred to in Paragraph (1) Bank Indonesia may conduct enlightenment and/or imposition of sanction.

Article 22

Bank Indonesia may assign other party for and on behalf of Bank Indonesia to conduct direct supervision as referred to in Article 21 Paragraph (1).

Article 23

In regard with direct supervision as referred to in Article 20, Providers shall be obliged to submit written reports to Bank Indonesia both periodically and/or occasionally if required over money remittance services.

CHAPTER VIII

SANCTIONS

Article 24

Natural persons, business actor of legal entity or business actor of non legal entity engaging money remittance services without a business licensing as from December 31, 2008 may be reported to the competent authority in accordance with prevailing laws and regulation.

Article 25

- (1) A provider who opens branch offices without sending a written report previously to Bank Indonesia as referred to in Article 12 Paragraph (2) shall be imposed with a sanction of written warning.
- (2) If within 30 (thirty) calendar days as from a written warning as referred to in Paragraph (1), a provider shall not report on the opening of branch offices, a provider shall be imposed with a sanction of termination of that branch offices.
- (3) If within 30 (thirty) calendar days as from an announcement of termination of branch offices by Bank Indonesia as referred to in Paragraph (2) that branch offices still operate, a provider concerned shall be imposed with conclusion of business licensing of money remittance services.

Article 26

- (1) A provider who violates provisions of Article 13, Article 14 letters a till f, and Article 23 shall be imposed with a sanction of written warning.
- (2) If within 30 (thirty) calendar days as from a warning letter as referred to in Paragraph (1) a Provider remains to not implement provisions of Article 13, Article 14 letters a till f, and Article 23, a Provider shall be imposed with second warning letter.
- (3) If within 30 (thirty) calendar days as from a warning letter as referred to in Paragraph (2) a Provider remains not implement provisions of Article 13, Article 14 letters a till f, and Article 23, a Provider shall be imposed with sanctions as the following:
 - a. if a Provider as referred to in Article 4 Paragraph (1) letter b is Bank then a sanction imposed shall be in respect with supervision over the bank based on prevailing provisions.
 - b. if a Provider as referred to in Article 4 Paragraph (1) letters a, b, and c is non bank then a sanction imposed shall be revocation of a business licensing of money remittance services and exclusion of List of Providers.

Article 27

- (1) A Provider violates the provision of Article 14 letter g, shall be imposed with a sanction by an authority in accordance with prevailing laws and regulation concerning the crime of money laundering.

- (2) Bank Indonesia may impose a sanction of revocation of a business licensing of money remittance services against a Provider as referred to in Paragraph (1).

Article 28

Bank Indonesia may report to a competent authority based on laws and regulations if Providers conclude their money remittance services without fulfilling their obligations first to the Correspondent Party and/or the Beneficiary Party as referred to in Article 19.

Article 29

Providers that do not provide information, data and others required in respect with supervision purpose, and/or do not provide an opportunity to supervisors to performing their supervision task as referred to in Article 21 Paragraph (2), shall be imposed with a sanction of termination of business activity as Providers.

CHAPTER IX

TRANSITIONAL PROVISION

Part One

Registration Provision during Transitional Period

Article 30

- (1) Natural person, business actor of legal entity or business actor of non legal entity that has engaged money remittance services before an enactment of this Bank Indonesia Regulation or will engage money remittance services after an enactment of this Bank Indonesia Regulation, shall be obliged to conduct Registration to Bank Indonesia by fulfilling requirements determined.
- (2) Registration as referred to in Paragraph (1) shall be conducted within transition period, which is as from this Bank Indonesia Regulation is enacted until on December 31, 2008.
- (3) If Providers have branch offices and/or have entered into an agreement with Operator before an enactment of this Bank Indonesia Regulation, it is required to conduct Registration as referred to in Paragraph (2) including reporting all branch offices and/or submitting a copy of agreement between a Provider Operator to Bank Indonesia.

Article 31

- (1) Natural person, business actor of legal entity or business actor of non legal entity that has requested for an approval to engage money remittance services to Bank Indonesia as a Provider before an enactment of this Bank Indonesia Regulation, such request shall be further processed by Bank Indonesia as a request for Registration.
- (2) Bank Indonesia shall register the identity of Providers into List of Providers against requests that have met requirements determined by Bank Indonesia.
- (3) Providers that have been registered in List of Providers as referred to in Paragraph (2) must meet licensing requirement as referred to in Chapter III Part Two within no later than December 31, 2008 to be further processed by Bank Indonesia.
- (4) Bank Indonesia shall provide a business licensing to a Provider that has met licensing requirement as referred to in Paragraph (3) and shall register the identity of a Provider concerned into List of Providers.
- (5) Bank Indonesia shall delete the identity of Providers from List of Providers if Providers concerned do not complete requirement as referred to in Paragraph (3) until December 31, 2008.

Part Two

Application of Provision on Licensing after Transition Period is Over

Article 32

In the event that Providers of business actors of legal entity as referred to in Article 4 Paragraph (1) letter b are Banks, provisions as referred to in Chapter III concerning Licensing and Requirement of Providers, Chapter VI concerning Termination of Business Activity as Providers and Chapter IX concerning Transitional Provision are not applicable.

Article 33

Implementing guidelines of this Bank Indonesia Regulation shall be further governed in Circular Letters of Bank Indonesia

**CHAPTER X
CLOSING PROVISION**

Article 34

- (1) Provisions governed in Chapter I, Chapter II, Chapter IX Part One and Chapter X shall be applicable as from this Bank Indonesia Regulation is enacted.
- (2) Provisions governed in Chapter III until Chapter VIII, and Chapter IX Part Two shall be started applicable since January 1, 2009.

Article 35

Participation of Rural Banks (*Bank Perkreditan Rakyat*) into money remittance services will be further governed in a single Bank Indonesia Regulation separately.

Article 36

This Bank Indonesia Regulation shall come into effect as of the date of its enactment.

Enacted in Jakarta

On December 5, 2006

GOVERNOR OF BANK INDONESIA,
BURHANUDDIN ABDULLAH

STATE GAZETTE THE REPUBLIC OF INDONESIA YEAR 2006 NUMBER 98

**ELUCIDATION
ON
BANK INDONESIA REGULATION
NUMBER 8/28/PBI/2006
CONCERNING
MONEY REMITTANCE SERVICES**

GENERAL

Money Remittance services, especially which are cross-border, have been greatly engaged by business actors around the world including in the event that there are Indonesians who work overseas. This is shown by increased transactions of Money Remittance from year to year both from total amount of transactions and its volume of money involved.

The efficiency of money remittance services shall be one of supports for national economy and requires regulations that may provide certainty, secure and legal protection in particular for the beneficiary parties in Indonesia who are generally relatives of Indonesians who work overseas.

In general, money remittance services shall be an activity to transfer funds. It is different with a regular wire transfer, whereby based on a definition from Bank Dunia and Bank for International Settlements in General Principles for International Remittance Services Consultative Report, March 2006 Money Remittance Services shall be engaged without compensation or contribution in term of goods and/or services from the beneficiary party to the correspondent party or otherwise. In practice, Providers must not prove if Money Remittance conducted has a compensation or contribution of goods and/or services.

Most of money remittance services occurred within territory of the Republic of Indonesia and cross-border have not been regulated accurately and correctly. Accurate data is required by Bank Indonesia in preparing expenditure balances and in conducting monetary projection, and in the other side, it will ease Government to maximize potential funds involved in Money Remittance services, and for other purposes such as the development of investment of Small and Medium Enterprises (SMEs). In addition, Money Remittance services used by Indonesian workers in other countries may support the stability of foreign currency rate. Providers of Money Remittance Services that have been regulated appropriately thru regulations will provide legal protection, certainty and security in engaging transactions for the correspondent and beneficiary parties.

Regulation and supervision over money remittance services conducted by Bank Indonesia are intended that all Providers shall engage their business activity properly, transparently and accountable so that information obtained may be employed optimally in the support of efficiency of payment services and improve economy generally.

Regulation on money remittance services shall be conducted by Bank Indonesia thru registration and licensing. Registration of Providers shall be conducted during transitional period until December 31, 2008 and is intended to register Providers in Indonesia both existing and new comers that will engage this business activity. As from the transitional period, any Provider shall be obliged to obtain a licensing first from Bank Indonesia before engaging this business activity.

ARTICLE BY ARTICLE

Article 1

Self-sufficiently clear.

Article 2

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

Self-sufficiently clear.

Paragraph (3)

Self-sufficiently clear.

Paragraph (4)

Laws and regulation concerning Rupiah Transaction Control shall be PBI Number 7/14/PBI/2005 concerning Rupiah Transactions and Foreign currency Loan Facility Control by Banks and its amendment.

Article 3

Self-sufficiently clear.

Article 4

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

Letter a

Business actors/legal entities based on laws and regulation that governs that said business actors may engage money remittance services shall be PT. Pos Indonesia for example.

Letter b

Self-sufficiently clear.

Article 5

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

Laws and regulation shall be the law concerning prohibition of monopoly practice and unfair competition.

Paragraph (3)

Self-sufficiently clear.

Article 6

Paragraph (1)

A licensing for a natural person shall be provided on behalf of a personal name of a party who requests for a licensing.

Paragraph (2)

Self-sufficiently clear.

Paragraph (3)

Self-sufficiently clear.

Paragraph (4)

Self-sufficiently clear.

Paragraph (5)

Self-sufficiently clear.

Article 7

Self-sufficiently clear.

Article 8

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

Publication may be conducted thru *website* of Bank Indonesia and/or other media such as an issuance of *booklet*. List of Providers may also be submitted to related institutions.

Article 9

Paragraph (1)

Letter a

Self-sufficiently clear.

Letter b

Self-sufficiently clear.

Letter c

Self-sufficiently clear.

Letter d

Self-sufficiently clear.

Letter e

Information on business location shall include address and location of business, and status of ownership of business location (rental/ownership title).

Letter f

Self-sufficiently clear.

Paragraph (2)

Knowledge and recognition on identity of parties taking benefits of services of Providers shall be the application of Know Your Customer Principle.

Article 10

Business actors other than banks that have Indonesian legal entities and may engage business activity are Limited Liability Corporations and Cooperatives.

Letter a

Self-sufficiently clear.

Letter b

A definition of management is in accordance with laws and regulation as legal basis of each legal entity.

Letter c

Self-sufficiently clear.

Letter d

Angka 1

Know Your Customer Principles shall be principles applied to identify identity of the correspondent party and/or beneficiary party, to monitor transactions of money remittance services, and to report suspicious

transactions as stipulated in laws and regulation concerning the crime of money laundering and/or know your customer principle in accordance with provisions subject to business actors concerned.

Angka 2

Self-sufficiently clear.

Angka 3

Self-sufficiently clear.

Letter e

Angka 1

Self-sufficiently clear.

Angka 2

Self-sufficiently clear.

Angka 3

Self-sufficiently clear.

Angka 4

Capacity evidence on mechanism and procedure may be in form of internal guideline of a Provider in engaging money remittance services.

Article 11

Letter a

Self-sufficiently clear.

Letter b

A definition of management is in accordance with laws and regulation as legal basis of each legal entity.

Letter c

Angka 1

Know Your Customer Principles shall be principles applied by Providers to identify identity of the correspondent party and/or beneficiary party, to monitor transactions of money remittance services, and to report suspicious transactions as stipulated in laws and regulation concerning the crime of money laundering and/or know your customer principle in accordance with provisions subject to business actors concerned.

Angka 2

Self-sufficiently clear.

Angka 3

Self-sufficiently clear.

Letter d

Angka 1

Self-sufficiently clear.

Angka 2

Self-sufficiently clear.

Angka 3

Self-sufficiently clear.

Angka 4

Capacity evidence on mechanism and procedure may be in form of internal guideline of a Provider in engaging money remittance services.

Article 12

Self-sufficiently clear.

Article 13

Self-sufficiently clear.

Article 14

Letter a

Self-sufficiently clear.

Letter b

Self-sufficiently clear.

Letter c

Self-sufficiently clear.

Letter d

Self-sufficiently clear.

Letter e

Information that must be submitted by Providers to the correspondent party shall be timeframe provided in implementing Money Remittance, costs and requirements of Money Remittance, exchange rate and rights and obligations of Providers and the correspondent and beneficiary parties.

Letter f

Documents meant in this Paragraph shall be receipts of transactions and evidence of Money Remittance within periode determined in the law concerning company documentation.

Letter g

The reporting obligation as governed in the law concerning the crime of money laundering shall be applicable to providers of financial services.

A suspicious transaction shall be a transaction deviating from its profile, characteristic or patterns of transactions of a customer concerned.

Article 15

What is meant by "laws and regulation" shall be Law concerning Prohibition of Monopoly Practice and Unfair Competition.

Article 16

Self-sufficiently clear.

Article 17

Paragraph (1)

Letter a

Self-sufficiently clear.

Letter b

Self-sufficiently clear.

Letter c

A written request from the competent authority to conclude business activity of a Provider to Bank Indonesia shall be based on considerations on violations occurred against provisions issued by a competent authority concerned.

Letter d

A licensing granted that is integrated with other business activity for example shall be a licensing granted by Directorate General of Postal and Telecommunication to Courier Services than includes a licensing for sending goods packages, letters/documents packages, and financial transaction services.

Letter e

Self-sufficiently clear.

Paragraph (2)

Self-sufficiently clear.

Article 18

Self-sufficiently clear.

Article 19

Self-sufficiently clear.

Article 20

Indirect supervision shall be conducted thru analyzing on reports submitted by Providers.

Article 21

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

Self-sufficiently clear.

Paragraph (3)

An enlightenment shall be conducted by providing guidelines and request for corrections/improvement.

Article 22

Self-sufficiently clear.

Article 23

Self-sufficiently clear.

Article 24

Self-sufficiently clear.

Article 25

Self-sufficiently clear.

Article 26

Self-sufficiently clear.

Article 27

Self-sufficiently clear.

Article 28

Self-sufficiently clear.

Article 29

Self-sufficiently clear.

Article 30

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

December 31, 2008 shall be time limit of the acceptance of a request for Registration by Bank Indonesia.

Paragraph (3)

Self-sufficiently clear.

Article 31

Paragraph (1)

Self-sufficiently clear.

Paragraph (2)

List of Providers in this paragraph shall List of Providers of Money Remittance services that have been registered in Bank Indonesia.

Paragraph (3)

Self-sufficiently clear.

Paragraph (4)

List of Providers in this paragraph shall be List of Providers of Money Remittance services that have granted business licensing from Bank Indonesia.

Paragraph (5)

Self-sufficiently clear.

Article 32

Provisions of Chapter III on Licensing and Requirement of Providers, Chapter VI on Termination of Business Activity as Providers and Chapter IX on Transitional Provisions shall not applicable for banks considering Money Remittance Services are part of business activities of Banks.

Article 33

Provisions governed in Circular Letters of Bank Indonesia are concerning:

- a. Procedure for proposing and granting a licensing, including a timeframe for granting an approval or disapproval by Bank Indonesia;
- b. Procedure for reporting the opening of branch offices;
- c. Procedure for sending a referral on agreement between a Provider and Operator;
- d. Procedure for reporting and registering transactions of Money Remittance, submitting periodical and occasional reports to Bank Indonesia and submitting written reports to Bank Indonesia in the management is modified;
- e. Procedure for reporting termination of business activity of a Provider;
- f. Procedure for terminating of business activity of Providers;
- g. Determination of licensing period;

- h. Procedure and requirement of Registration, Reporting, termination of business activity and delisting of List of Providers during Transitional Period; and
- i. Procedure and types of reports on branch offices and/or agreement between Providers and Operator during Transitional Period.

Article 34

Self-sufficiently clear.

Article 35

Self-sufficiently clear.

Article 36

Self-sufficiently clear.

SUPPLEMENT TO STATE GAZETTE THE REPUBLIC OF INDONESIA NUMBER 4665