

ANNEX V.

**REGULATION OF BANK INDONESIA
NUMBER 9/ /PBI/2007
REGARDING
MONEY CHANGER**

REGULATION OF BANK INDONESIA
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REGARDING
MONEY CHANGER
GOVERNOR OF BANK INDONESIA

- Considering** :
- a. whereas in the effort to maintain and support the stabilization of Rupiah rate, Money Changer as supporting institution in the financial sector has played sufficiently strategic role, especially in the market growth of domestic foreign currency;
 - b. whereas in the effort to create a healthier and responsible business climate as well as continual business activity, the non-bank and bank Money Changers should carry out business activity founded on prudential principle, including the application of you're your customer principle and compliance with applicable provisions;
 - c. whereas in the effort to tackle the crime in money laundering practice, the non-bank and bank Money Changers have played strategic role in assisting competent authorities;
 - d. NOW THEREFORE, it is necessary and expedient to rearrange the provisions on the Money Changer;

- In view of:**
- 1. Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1992 Number 31; Supplement to the State Gazette Number 3472), as amended under Law Number 10 of 1998 (State Gazette of the Republic of Indonesia of 1998 Number 182; Supplement to the State Gazette of the Republic of Indonesia Number 3790);
 - 2. Law Number 1 of 1995 on the Corporation (State Gazette of the Republic of Indonesia of 1995 Number 13; Supplement to the State Gazette of the Republic of Indonesia Number 3587);
 - 3. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66; Supplement to the State Gazette Number 3843), as amended under Law Number 3 of 2004 (State Gazette of the Republic of Indonesia of 2004 Number 7; Supplement to the State Gazette of the Republic of Indonesia Number 4357);
 - 4. Law Number 24 of 1999 on Foreign Exchange Traffic and Exchange Rate System (State Gazette of the Republic of Indonesia of 1999 Number 67; Supplement to the State Gazette of the Republic of Indonesia Number 3844);
 - 5. Law Number 15 of 2002 on Money laundering Crime (State Gazette of the Republic of Indonesia of 2002 Number 30; Supplement to the State Gazette Number 4191), as amended under Law Number 25 of 2003 (State Gazette of the Republic of Indonesia of 2003 Number 108; Supplement to the State Gazette of the Republic of Indonesia Number 4324);

HEREBY DECIDES:

To stipulate: REGULATION OF BANK INDONESIA ON FOREIGN CURENCY TRADER.

CHAPTER I
GENERAL PROVISIONS

Article 1

For purpose of Regulation of Bank Indonesia the following terms and expression shall mean:

1. *Banknotes*, hereinafter referred to as Foreign Bank Notes (UKA), is a banknote in foreign currency officially issued by any country outside Indonesia acknowledged as legal payment instrument of the country concerned (legal tender).
2. Traveler's Check, hereinafter referred to as Traveler's Cheque (TC), is a traveler's check in foreign currency that may be used as a payment instrument.
3. Corporation is a legal corporate entity as referred to in applicable legislation.
4. Money Changer, hereinafter referred to as Money Changer (PVA), is a business enterprise that deals in banknotes sales agreement and purchase of Traveler's Cheque (TC).
5. Non-Bank Money Changer (Non Bank PVA) is a non-bank incorporated Corporation in which the aim and objective of the corporation is engaging in business activity in banknotes sales agreement and purchase of Traveler's Cheque (TC).
6. Bank Money Changer is a non-foreign exchange commercial bank that carries out business activity conventionally and/or based on the principles of Syariah (Islam Law), People's Credit Bank (BPR), and Syariah People's Credit Bank (BPRS), that deals in business activities of banknotes sales agreement and purchase of Traveler's Cheque (TC).
7. Non-Foreign Exchange Commercial Bank is a Commercial Bank as referred to in Law Number 7 of 1992 on Banking as amended under Law Number 10 of 1998, that has not enjoyed a trade license from Bank Indonesia to carrying out banking business activities in foreign currency.
8. People's Credit Bank, hereinafter referred to as People's Credit Bank (BPR), is a People's Credit Bank as referred to in Article 1, number 4 of Law Number 7 of 1992 on Banking as amended under Law Number 10 of 1998, that carries out business activities conventionally.
9. People's Syariah (Islamic Law) Credit Bank, hereinafter referred to as People's Syariah Credit Bank (BPRS), is a People's Credit Bank as referred to in Article 4, number 4 of Law Number 7 of 1992 on Banking as amended under Law Number 10 of 1998, that carries out business activities based on Islam Law (syariah) principles.
10. Know Your Customer Principle is a principle applied to have knowledge on the identity of customers, monitor transaction activities of customers, including reporting on any suspicious transaction.
11. Customer is a party who uses service of the Money Changer (PVA).
12. Business Activity Report, hereinafter referred to as Business Activity Report (LKU), is a report on banknote (UKA) purchase and sales transaction as well as purchase and disbursement of Traveler's Cheque (TC) (Traveler's Cheque).

CHAPTER II
TYPE AND BUSINESS AREA

Article 2

Money Changer (PVA) consists of :

- a. Non-Bank Money Changer;

- b. Bank Money Changer

Article 3

- (1) Business activity carried on by Money Changer (PVA) is banknote (UKA) sales agreement and purchase of Traveler's Cheque (TC).
- (2) Money Changer (PVA) is prohibited from any other business activity beyond the business activities as referred to in paragraph (1) hereof.

Article 4

Exchange rate in the banknotes sales agreement and purchase exchange rate of Traveler's Cheque (TC) shall be set out by Money Changer (PVA) according to the mechanism of market.

CHAPTER III

NON-BANK MONEY CHANGER

First Section

License to Non-Bank Money Changer

Article 5

The non-bank Money Changers carry out business activities upon enjoying license from Bank Indonesia.

Article 6

Requirement of trade license for Non-Bank Money Changer shall be as follows:

- a. the business enterprise is an incorporated Corporation in which the aims and objectives of such corporation are carrying out the banknotes sales agreement activity and purchase of Traveler's Cheque (TC) and are endorsed as an incorporated Corporation from competent authorities;
- b. ownership in the business enterprise is a private Indonesian citizen and/or legal entity of Indonesia in which all owners and its management consist of Indonesian citizens;
- c. Paid up capital of the Money Changer is as follows:
 - 1. at statutory minimum of Rp.100,000,000.00 (One Hundred Million Indonesian Rupiah only);
 - 2. especially in Special Capital Province of Jakarta, Municipality of Denpasar and Badung Regency, as well as Batam Municipality, the statutory minimum shall be Rp.250,000,000.00 (two hundred and fifty million Indonesian Rupiah only);
- d. having Registered Taxpayer Number in the name of the Money Changer (PVA) concerned; and
- e. having principal place of business with clear registered office, human resources and adequate supporting facility.

Article 7

Requirements for the management of Money Changer (PVA) shall be as follows:

- a. a private Indonesian citizen;
- b. not recorded as bad check and transfer form overdraft, and not having non-performed credit recorded at Bank Indonesia; and
- c. not proven to have committed crime in the financial area based on court decree that has permanent legal effect and force in the last two (2) years.

Article 8

- (1) Shareholders of Non-Bank Money Changer (Non Bank PVA) consist of private and/or corporate entity.
- (2) Requirement for shareholders of Non-Bank Money Changer (Non Bank PVA) shall be as referred to in paragraph (1) hereof as follows:
 - a. any Indonesian private citizen and Indonesian corporate entity in which all owners and its management consist of Indonesian citizens;
 - b. not recorded as bad check and transfer form overdraft, and not having non-performed credit recorded at Bank Indonesia;
 - c. not proven to have committed crime in financial area based on court decree that has permanent legal effect and force in the last two (2) years;
 - d. any incorporated shareholder in addition to meet requirement as referred to in letters a, b, and c, it shall also be obliged to deliver copies of the certificate of incorporation of the corporation and trade license in its trade area.

Article 9

Submittal of the application for trade license as referred to in Article 5 shall be arranged as follows:

- a. for any applicant situated in the commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Monetary Management, Jalan M.H. Thamrin No. 2, Jakarta 10350; or
- b. for any applicant situated outside the work commission of the Head Office of Bank Indonesia shall be submitted to Local Branch of Bank Indonesia in which its jurisprudence includes such purported Money Changer.

Article 10

- (1) Bank Indonesia shall take inspection on location of the business place of such Non-Bank Money Changer (Non Bank PVA) to have knowledge on its existence and feasibility of such location for business place.
- (2) The inspection of such location as referred to in paragraph (1) hereof shall be taken upon meeting requirement as referred to in Article 6, Article 7, and Article 8.
- (3) Inspection findings on the location as referred to in paragraph (1) hereof shall be notified in writing to the applicant within at least seven (7) banking days as of the inspection date thereof.

Article 11

- (1) The Management and Shareholders of Non-Bank Money Changer (Non Bank PVA) must attend the counseling on provisions related to the Money Changer conducted by Bank Indonesia.

- (2) In case the Management and Shareholders of Non-Bank Money Changer (Non Bank PVA) have not attended the counseling as referred to in paragraph (1) hereof, Bank Indonesia shall not approve the application for trade license in the Non-Bank Money Changer (Non Bank PVA).

Article 12

- (1) The Non-Bank Money Changer (Non Bank PVA) must submit availability statement to commence a business activity as the Money Changer within at least 30 (thirty) calendar days as of the counseling as referred to in Article 11 hereof.
- (2) In case the Non-Bank Money Changer (Non Bank PVA) has submitted the availability statement as referred to in paragraph (1) hereof, Bank Indonesia shall issue a trade license as the Money Changer within at least 14 (fourteen) business/banking days as of receipt of the availability statement to start the business activity as the Money Changer by Bank Indonesia.
- (3) In case the Non-Bank Money Changer (Non Bank PVA) does not submit the availability statement as referred to in paragraph (1) hereof, Bank Indonesia shall revoke the application for the trade license as the Money Changer (PVA).

Article 13

The Non-Bank Money Changer (Non Bank PVA) shall be obliged to use the certificate of trade license as Money Changer (PVA) issued by Bank Indonesia.

Article 14

The Management and/or shareholders of Non-Bank Money Changer (Non Bank PVA) shall be prohibited from carrying out banknotes (UKA) sales agreement activity and purchase of Traveler's Cheque (TC) for personal purpose by using the Non-Bank Money Changer (Non Bank PVA) as a means.

Second Section

Opening of Non-Bank Money Changer Branch

Article 15

The Non-Bank Money Changer (Non Bank PVA) shall open a branch office upon enjoying the approval from Bank Indonesia.

Article 16

For any Non-Bank Money Changer (Non Bank PVA) that will open branch offices in Special Capital Province of Jakarta, Municipality of Denpasar and Badung Regency, as well as Batam Municipality must have paid up capital of at least Rp.250,000,000.00 (two hundred and fifty million Indonesian Rupiah only).

Article 17

Requirements for opening any branch office for Non-Bank Money Changer (Non Bank PVA) shall be as follows:

- a. having put into operation within at least one (1) year as of date of issuance of its trade license as Money Changer;

- b. having business place with clear registered office;
- c. within the last one (1) year had never been imposed sanction of Summons by the Management and/or Shareholders as governed under this Regulation of Bank Indonesia.

Article 18

- (1) Bank Indonesia takes inspection over location of business place of branch office of the Non-Bank Money Changer (Non Bank PVA) to have knowledge on the existence and feasibility of such location of business place.
- (2) Inspection of location as referred to in paragraph (1) hereof shall be taken after meeting the requirements as referred to in Article 17 hereof.
- (3) Inspection findings of location as referred to in paragraph (1) hereof shall be notified in writing to the Non-Bank Money Changer (Non Bank PVA) within at least seven (7) business/banking days as of inspection date thereof.

Article 19

- (1) The Non-Bank Money Changer (Non Bank PVA) shall submit an availability statement of branch office to start its business activity as Money Changer within at least 14 (fourteen) business/banking days as of having declared the location of such business place to meet the requirements as referred to in Article 18, paragraph (3) hereof.
- (2) In case the Non-Bank Money Changer (Non Bank PVA) has submitted the availability statement as referred to in paragraph (1) hereof, Bank Indonesia shall issue an approval for opening of the branch office within at least 14 (fourteen) business/banking days as of the date of receipt of the availability statement of the branch office to start its business activity as the Money Changer by Bank Indonesia.
- (3) In case the Non-Bank Money Changer (Non Bank PVA) has not submitted the availability statement as referred to in paragraph (2) hereof, Bank Indonesia shall revoke the application for opening the branch office for Money Changer (PVA).

Third Section

Change of Address of Office of Non-Bank

Money Changer

Article 20

- (1) Change of office address of the Bank Money Changer shall be prior obliged to enjoy an approval from Bank Indonesia.
- (2) For any Non-Bank Money Changer (Non Bank PVA) that will change its office addresses of its head office and/or branch to Special Capital Province of Jakarta, Municipality of Denpasar and Badung Regency, as well as Batam Municipality shall have paid up capital of at least Rp.250,000,000.00 (two hundred and fifty million Indonesian Rupiah only).

Article 21

- (1) Bank Indonesia shall take inspection on new location of office address of the Non-Bank Money Changer (Non Bank PVA) to have knowledge on the existence and feasibility of such location as business place.

- (2) Inspection findings of the location as referred to in paragraph (1) hereof shall be notified in writing to the Non-Bank Money Changer (Non Bank PVA) within at least seven (7) business/banking days as of inspection date thereof.

Article 22

- (1) The Non-Bank Money Changer (Non Bank PVA) shall submit the availability statement to start the business activity as Money Changer at the new address within at least 14 (fourteen) business/banking days as of the location of such business place declared to have met the requirements.
- (2) In case the Non-Bank Money Changer (Non Bank PVA) has submitted the availability statement as referred to in paragraph (1) hereof, Bank Indonesia shall issue an approval for change of office address within at least 14 (fourteen) business/banking days as of receipt date of such availability statement to start the business activity as Money Changer at the new address by Bank Indonesia.
- (3) In case the Non-Bank Money Changer (Non Bank PVA) has not submitted the availability statement as referred to in paragraph (1) hereof, Bank Indonesia shall revoke the application for change of office address.

Fourth Section

Change of Management and/or Shareholders of Non-Bank Money Changer

Article 23

Change in the management and/or shareholders of the Non-Bank Money Changer (Non Bank PVA) shall be prior obliged to enjoy an approval from Bank Indonesia.

Article 24

The management nominee and/or shareholders in the Non-Bank Money Changer (Non Bank PVA) recommended as an alternate shall be obliged to meet requirements as follows:

- a. meeting requirements as governed under Article 7 and/or Article 8 hereof; and
- b. attending the counseling on the provisions related to the Money Changer conducted by Bank Indonesia as governed under Article 11, paragraph (1) hereof.

Fifth Section

Change of Name, Authorized Capital and/or Paid Up Capital of Non-Bank Money Changer (Non Bank PVA)

Article 25

Change of name of the Corporation shall be obliged to be reported to Bank Indonesia within at least 30 (thirty) calendar days as of such change enjoying endorsement from competent authorities.

Article 26

Change in Authorized Capital and/or Paid Up Capital of the Non-Bank Money Changer (Non Bank PVA) shall be obliged to be reported to Bank Indonesia within at least 30 (thirty) calendar days as of such change enjoying endorsement from competent authorities.

Sixth Section

Temporary or Permanent Stoppage of Business Activity of Non-Bank Money Changer

Article 27

- (1) The Non-Bank Money Changer (Non Bank PVA) shall be obliged to report to Bank Indonesia in case there is stoppage of business activity in the head office or at branch office, either temporarily or permanently.
- (2) The temporary stoppage of business activity as referred to in paragraph (1) hereof shall be set out within at least one (1) year and may be renewed for at least six (6) months.
- (3) The Non-Bank Money Changer (Non Bank PVA) that engages in temporary stoppage of business activity shall be obliged to reopen the business activities of the head office and/or branch office and report such opening to Bank Indonesia within at least 30 (thirty) calendar days as of reopening thereof.
- (4) In case the Non-Bank Money Changer (Non Bank PVA) reports such temporary stoppage of business activity in the head office as referred to in paragraph (1) hereof, the trade license of such Non-Bank Money Changer (Non Bank PVA) shall be declared invalid.
- (5) In case the Non-Bank Money Changer (Non Bank PVA) reports such permanent stoppage of business activity in any branch office as referred to in paragraph (1) hereof, the permit for opening any branch office of the Non-Bank Money Changer (Non Bank PVA) shall be declared invalid.

CHAPTER IV

BANK MONEY CHANGER

First Section

License to Bank Money Changer

Article 28

The Bank Money Changer shall engage in business activity as Money Changer upon enjoying an approval from Bank Indonesia.

Article 29

- (1) Any foreign exchange bank non-commercial bank that carries out business activity conventionally and/or based on the principles of Syariah (Islam Law), People's Credit Bank (BPR), and Syariah People's Credit Bank (BPRS) that will engage in business activities as Money Changer as referred to in Article 28 shall be obliged to meet requirements as follows:
 - a. having ratio of Statutory Minimum Capital Provision Obligation according to applicable provisions;
 - b. the plan to carry out business activity as Money Changer is contained in the Business Plan of the Bank for any foreign exchange bank non-commercial bank and Work Plan and Report on Work Plan Performance for People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS); and
 - c. furnishing an operational availability plan.
- (2) Besides meeting the requirements as referred to in paragraph (1) hereof, especially for People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS) shall be obliged to meet requirements as follows:
 - a. having solvency rate for the last twelve (12) months classified as solvent; and

- b. meeting the requirement of paid up capital and the management according to applicable provisions.
- (3) Requirements as referred to in paragraph (1) letter a and paragraph (2) hereof shall be based on data of Bank Indonesia.

Article 30

Submittal of application for approval as referred to in Article 28 taken by the head office of such bank is arranged as follows:

- a. for any foreign exchange bank non-commercial bank that engages in business activity conventionally headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information at Jl. M.H. Thamrin No. 2, Jakarta 10350;
- b. for any foreign exchange bank non-commercial bank that engages in business activity conventionally and also carries out activity based on Syariah principle headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information at Jl. M.H. Thamrin No. 2, Jakarta 10350;
- c. for any foreign exchange bank non-commercial bank that engages in business activity based on the principles of Syariah and People's Syariah Credit Bank (BPRS) headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information at Jl. M.H. Thamrin No. 2, Jakarta 10350;
- d. for People's Credit Bank (BPR) headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information at Jl. M.H. Thamrin No. 2, Jakarta 10350, for any People's Credit Bank; or
- e. for any foreign exchange bank non-commercial bank that engages in business activity conventionally and based on the principles of Syariah, People's Credit Bank (BPR), and People's Syariah Credit Bank (BPRS) headquartered outside the work commission of Head Office of Bank Indonesia shall be submitted to the local office of Bank Indonesia commissioning the purported Money Changer (PVA).

Article 31

- (1) Approval or denial over such application as referred to in Article 28 shall be granted within at least 30 (thirty) calendar days upon receipt of such application document completely by Bank Indonesia.
- (2) Performance of activity of the Bank Money Changer as referred to in paragraph (1) hereof must be done within at least 30 (thirty) calendar days as of issuance of approval date by Bank Indonesia.
- (3) In case within such period as referred to in paragraph (2) hereof, the Bank Money Changer does not perform the Money Changer activity, such approval already awarded shall be declared invalid.
- (4) The performance of Money Changer activity shall be obliged to be reported by the bank head office to Bank Indonesia within at least ten (10) banking days upon performance date of such Money Changer activity.

Second Section

Performance of Activities of Money Changer

In Bank Offices

Article 32

- (1) The Bank Money Changer may perform Money Changer activity at other offices so long as it has met requirements as follows:
 - a. the plan of such bank office to perform the business activity as Money Changer is contained in the Bank Business Plan for foreign exchange non-bank commercial bank and Work Plan and Report on the Performance of such Work Plan for People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS); and
 - b. reporting such plan within at least 30 (thirty) calendar days before the performance of such Money Changer activity furnished with an operational availability plan.
- (2) The Bank Money Changer shall be obliged to report the performance of Money Changer activity at such bank office to Bank Indonesia within at least ten (10) business/banking days upon performance date of such Money Changer activity.

Third Section

Stoppage of Business Activities of

Bank Money Changer

Article 33

- (1) The Bank Money Changer may stop its business activity as Money Changer by prior filing such stoppage plan to Bank Indonesia within at least 30 (thirty) calendar days before the stoppage date of such business activity as Money Changer, attached with documents:
 - a. cause of stoppage;
 - b. statement from the Bank Money Changer that all rights and obligations related to Money Changer activities performed before the stoppage date are settled and fully become the responsibility of the Bank Money Changer.
- (2) Approval for stoppage of business activity as Money Changer shall be submitted by Bank Indonesia to the Bank Money Changer within at least 30 (thirty) calendar days upon receipt of stoppage application of business activity as Money Changer completely by Bank Indonesia.
- (3) The performance of stoppage of Money Changer activity as referred to in paragraph (1) hereof shall be obliged to be reported by the Bank head office to Bank Indonesia as referred to in Article 30, within at least ten (10) business/banking days upon performance date of such Money Changer activity.

Article 34

- (1) The Bank Money Changer may stop its business activity as Money Changer at one or more bank offices.
- (2) The performance of stoppage of Money Changer activity at such bank office as referred to in paragraph (1) hereof shall be obliged to be reported by the Bank Head Office to Bank Indonesia within at least ten (10) business/banking days upon performance date of stoppage of Money Changer activity at such bank office furnished with cause of stoppage.

Article 35

Submittal of report as referred to in Article 31, paragraph (4), Article 32, paragraph (2), Article 33, paragraph (3), Article 34, paragraph (2) shall be taken by the bank head office concerned arranged as follows:

- a. for non-foreign exchange bank commercial bank that carries out business activity conventionally headquartered at work commission of the Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Supervision of such Bank at Jl. M.H. Thamrin No. 2, Jakarta, 10350;
- b. for non-foreign exchange bank commercial bank that carries out business activity conventionally and also performs activity based on Syariah (Islam Law) headquartered at work commission of the Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Supervision of such Bank at Jl. M.H. Thamrin No. 2, Jakarta, 10350;
- c. for non-foreign exchange bank commercial bank that carries out business activity based on the principle of Syariah and People's Syariah Credit Bank (BPRS) headquartered at work commission of the Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Supervision of such Bank at Jl. M.H. Thamrin No. 2, Jakarta, 10350;
- d. for any People's Credit Bank (BPR) headquartered at work commission of the Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Supervision of such Bank at Jl. M.H. Thamrin No. 2, Jakarta, 10350;
- e. for non-foreign exchange bank commercial bank that carries out business activity conventionally and based on the principle of syariah, People's Credit Bank (BPR), and People's Syariah Credit Bank (BPRS) headquartered at work commission of the Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Supervision of such Bank at Jl. M.H. Thamrin No. 2, Jakarta, 10350;

Fourth Section

Daily Balance of Asset Post on Foreign Currency

Article 36

The Bank Money Changer shall be allowed to have daily balance of asset post in foreign exchange at most 20% (twenty percent) of the paid up capital.

Fifth Section

Status of Money Changer For Frozen Bank or Revoked its Trade License

Article 37

The approval of the Bank Money Changer as referred to in Article 28 shall be declared invalid in case all business activities of the Bank concerned are frozen or its trade license is revoked by competent authorities.

Article 38

- (1) People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS) set out in special supervision have not met provisions of paid up capital, or its management subject to applicable provisions cannot carry on business activity as Money Changer.
- (2) The business activity as Money Changer as referred to in paragraph (1) hereof may be carried on again after such People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS)

concerned removed from the status of special supervision, met provisions of paid up capital and its management has complied with applicable provisions.

CHAPTER V

KNOW YOUR CUSTOMER PRINCIPLE FOR MONEY CHANGER

Article 39

- (1) Money Changer shall be obliged to apply Know Your Customer Principles pursuant to applicable legislation.
- (2) In applying Know Your Customer Principles as referred to in paragraph (1) hereof, the Money Changer shall be obliged to at least set out:
 - a. policy on admission of Customers;
 - b. policy and procedure in identifying Customers;
 - c. policy and procedure of monitoring over transaction of Customers; and
 - d. policy and procedure of risk management related to Know Your Customer Principles.

Article 40

- (1) The Management and Shareholders of the Non-Bank Money Changer (Non Bank PVA) shall be responsible for the application and supervision in the performance of Know Your Customer Principles as referred to in Article 39.
- (2) The Management of the Non-Bank Money Changer (Non Bank PVA) shall be responsible for extending knowledge and/or training for employees on the application of Know Your Customer Principles.

Article 41

The Non-Bank Money Changer (Non Bank PVA) shall be obliged to submit photocopy on the policy and procedure in the application of Know Your Customer principles to Bank Indonesia within at least 30 (thirty) calendar days as of issuance of the trade license to the Money Changer.

CHAPTER VI

SUPERVISION AND REPORTING

Article 42

- (1) Bank Indonesia maintains supervision and buildup toward the Money Changers.
- (2) Supervision and buildup toward the Bank Money Changers shall be taken according to applicable provisions.
- (3) In maintaining the supervision and buildup toward Non-Bank Money Changers, Bank Indonesia may submit a Buildup Letter that should be followed up by the Non-Bank Money Changers.

Article 43

- (1) In the performance of supervision and buildup toward Non-Bank Money Changers, Bank Indonesia may have partner or appoint the Money Changer Association and/or any other parties.

- (2) The Money Changer Association and/or other parties in partnership or appointed by Bank Indonesia as referred to in paragraph (1) hereof shall be obliged to:
 - a. keep confidentiality of data obtained from supervision and buildup findings taken and subject to applicable legislation on professional confidentiality; and
 - b. submit report on the supervision and buildup findings to Bank Indonesia.

Article 44

- (1) The Money Changer shall be obliged to submit a periodic report to Bank Indonesia completely, correctly, and accurately.
- (2) The periodic report as referred to in paragraph (1) hereof shall be :
 - a. for Bank Money Changer in the form of Business Activity Report (LKU); or
 - b. for Non-Bank Money Changer (Non Bank PVA) in the form of Business Activity Report (LKU) and a financial statement.
- (3) For Non-Bank Money Changer (Non Bank PVA) besides submitting the periodic report as referred to in paragraph (1) hereof, it shall also be obliged to submit a special report if required.
- (4) The Money Changers shall keep transaction postal form of banknotes (UKA) sales agreement and purchase of Traveler's Cheque (TC) according to applicable legislation.

Article 45

Deadline for submittal of the periodic report shall be arranged as follows:

- a. The Money Changers shall be obliged to submit the Business Activity Report (LKU) three monthly at least at end of the following month.
- b. The Non-Bank Money Changer (Non Bank PVA) shall be obliged to submit the Financial Statement at least at end of March of the following year.

Article 46

- (1) The Bank Money Changer shall be stated late in submitting the periodic report, if the periodic report is submitted beyond the deadline as referred to in Article 45 up to the end of the following month upon expiry of such deadline.
- (2) The Non-Bank Money Changer (Non Bank PVA) shall be stated late in submitting the periodic report, if the periodic report has not been submitted within the deadline as referred to in Article 45.
- (3) The Bank Money Changer shall be stated not submitting the periodic report, if Bank Indonesia has not received the periodic report up to the deadline as referred to in paragraph (1) hereof.
- (4) In the event the Bank Money Changer is stated not submitting the periodic report, such case shall not negate the obligation of the Bank Money Changer to submit the periodic report to Bank Indonesia.
- (5) In case the expiry date of submittal of such periodic report as referred to in Article 45 letters a and b falls on Saturdays, Sundays, or holidays, such periodic report should be submitted on the next working day.

Article 47

The submittal of report as referred to in Article 44 shall be governed as follows:

- a. for any Money Changer headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia, Directorate of Monetary Management for the attention of Division of Arrangement and Supervision of Money Changer, and Administration at Jl. M.H. Thamrin No.2, Jakarta 10350; or
- b. for any Money Changer headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Local Office of Bank Indonesia commissioning the Money Changer concerned.

Article 48

- (1) In addition to the report as referred to in Article 44, paragraphs (2) and (3) hereof, the Money Changer shall be obliged to submit:
 - a. Report on Foreign Exchange Traffic Activity; and
 - b. Report on Suspected Financial Transaction, and any financial transaction that is taken in cash in specified cumulative total.
- (2) The submittal of report as referred to in paragraph (1) hereof shall be done by guidance of the applicable legislation.

CHAPTER VII

SANCTION

First Section

Non-Bank Money Changer

Article 49

- (1) In case the Non-Bank Money Changer (Non Bank PVA) has committed breach against cases governed under this Regulation, Bank Indonesia shall impose sanction as follows:
 - a. first warning;
 - b. second warning;
 - c. summons of management and/or shareholders;
 - d. revocation of trade license.
- (2) Bank Indonesia shall impose first warning sanction in case the Non-Bank Money Changer (Non Bank PVA) has committed breaches as follows:
 - a. late in submitting the periodic report up to the deadline specified; and/or
 - b. not submitting the special report up to the deadline specified.
- (3) Bank Indonesia shall impose second warning sanction in case the Non-Bank Money Changer (Non Bank PVA) has committed breaches as follows:
 - a. disregarding and/or not following up the first warning sanction over breach as referred to in paragraph (2) hereof within at least three (3) months since the issuance date of the first warning sanction; and/or
 - b. committing same breach as referred to in paragraph (2) hereof for the second time within one (1) year since its issuance date thereof.

- (4) Bank Indonesia shall impose sanction of summoning the management and shareholders in case the Non-Bank Money Changer (Non Bank PVA) has committed breaches as follows:
- a. carrying out business activity outside business activity as referred to in Article 3, paragraph (1) hereof;
 - b. the management and/or shareholders are proven to commit crime in financial area based on the court decree that has permanent legal force and effect;
 - c. not mounting the trade license certificate as Money Changer issued by Bank Indonesia;
 - d. the management and/or shareholders of Non-Bank Money Changer (Non Bank PVA) carries out banknotes (UKA) sales agreement activity and purchase of Traveler's Cheque (TC) for self-interest by using the Non-Bank Money Changer (Non Bank PVA) as a means;
 - e. opening the branch office before enjoying approval from Bank Indonesia;
 - f. changing the office address before enjoying the approval from Bank Indonesia;
 - g. changing the management and/or shareholders before enjoying the approval from Bank Indonesia;
 - h. not reporting any change of name of the Corporation up to deadline specified;
 - i. not reporting any change in authorized capital and/or the paid up capital up to deadline specified;
 - j. not reporting the temporary stoppage of business activity in the head office or branch offices;
 - k. not reporting the permanent stoppage of business activity in the head office or branch offices;
 - l. not reporting the commencement of operation of business activity of the head office or branch offices upon temporary stoppage;
 - m. not applying Know Your Customer Principles as referred to in Articles 39 and 40 hereof;
 - n. not submitting photocopies of the policy and procedure in the application of Know Your Customer Principles up to deadline specified;
 - o. not following up the buildup letter based on inspection findings up to deadline specified;
 - p. submitting the periodic report as well as special report as referred to in Article 44 hereof incorrectly and inaccurately;
 - q. not submitting the periodic report as referred to in Article 48, paragraph (1) hereof;
 - r. disregarding and/or not following up the second warning sanction within at least three (3) months since the issuance date of the second warning; and/or
 - s. committing same breach as referred to in paragraph (2) hereof for the third times within one (1) year since the sanction date of first warning.
- (5) Bank Indonesia shall impose sanction of revocation of trade license in case the Non-Bank Money Changer (Non Bank PVA) has disregarded and/or not followed up the sanction as referred to in paragraph (4) hereof within at least six (6) months since the issuance date of summons sanction of the management and/or shareholders.

Second Section
Bank Money Changer

Article 50

- (1) The Bank Money Changer committing the breach as referred to in Article 3 hereof, shall be imposed sanction as follows:
 - a. a written reprimand;
 - b. management appraisal in the evaluation of health level; and/or
 - c. approval of Money Changer activity already granted will be stated invalid.
- (2) The Bank Money Changer committing the breach as referred to in Article 28 hereof, shall be imposed sanctions as follows:
 - a. a written reprimand;
 - b. management appraisal in the evaluation of health level; and/or
 - c. putting the Bank management and/or shareholders in the list of parties of not pass predicate in the appraisal of competence and compliance under applicable provisions.
- (3) The Bank Money Changer committing the breach as referred to in Article 31, paragraph (4), Article 32, paragraph (2), and Article 33, paragraph (3) hereof shall be imposed the sanctions as follows:
 - a. for foreign exchange non-bank commercial bank carrying out business activities conventionally and/or based on syariah principle:
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.1,000,000.00 (one million Indonesian Rupiah only) for each delay.
 - b. For People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS)
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.100,000.00 (one hundred thousand Indonesian Rupiah only) for each delay.
- (4) The Bank Money Changer committing breach as referred to in Article 36 shall be imposed sanctions as follows:
 - a. for foreign exchange non-bank commercial bank carrying out business activities conventionally and/or based on syariah principle:
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.1,000,000.00 (one million Indonesian Rupiah only) for each 1% excess of paid up capital.
 - b. For People's Credit Bank (BPR) and People's Syariah Credit Bank (BPRS)
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.100,000.00 (one hundred thousand Indonesian Rupiah only) for each 1% excess of paid up capital.
- (5) The Bank Money Changer late in submitting the periodic report as referred to in Article 46 (1) shall be imposed sanctions as follows:
 - a. for foreign exchange non-bank commercial bank carrying out business activities conventionally and/or based on syariah principle:
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.1,000,000.00 (one million Indonesian Rupiah only) for each report.

- b. For People’s Credit Bank (BPR) and People’s Syariah Credit Bank (BPRS)
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.100,000.00 (one hundred thousand Indonesian Rupiah only) for each report.
- (6) The Bank Money Changer not submitting the periodic report as referred to in Article 46, paragraph (3) hereof, shall be imposed sanctions as follows:
- a. for foreign exchange non-bank commercial bank carrying out business activities conventionally and/or based on syariah principle:
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.2,500,000.00 (two million and five hundred thousand Indonesian Rupiah only) for each report.
 - b. For People’s Credit Bank (BPR) and People’s Syariah Credit Bank (BPRS)
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.250,000.00 (two hundred and fifty thousand Indonesian Rupiah only) for each report.
- (7) The Bank Money Changer submitting incorrect and inaccurate report as referred to in Article 44, paragraph (1) hereof, shall be imposed sanctions as follows:
- a. for foreign exchange non-bank commercial bank carrying out business activities conventionally and/or based on syariah principle:
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.1,000,000.00 (one million Indonesian Rupiah only) for each report.
 - b. For People’s Credit Bank (BPR) and People’s Syariah Credit Bank (BPRS)
 - 1) a written reprimand; and
 - 2) obligation to pay Rp.100,000.00 (one hundred thousand Indonesian Rupiah only) for each report.

Article 51

The Money Changer committing breach against the provisions as referred to in Articles 39 and 48 shall be imposed sanctions under applicable legislation.

CHAPTER VIII TRANSITORY PROVISIONS

Article 52

- (1) Trade License for Non-Bank Money Changer (Non Bank PVA) already granted by Bank Indonesia before this Regulation of Bank Indonesia becomes effective shall be declared be in effect.
- (2) The Non-Bank Money Changer (Non Bank PVA) obtaining the Trade License from Bank Indonesia before this Regulation of Bank Indonesia becomes effective and has not submitted the photocopies on policy and procedure of the application of Know Your Customer Principles shall be obliged to submit it to Bank Indonesia within at least three (3) months as of coming into force this Regulation of Bank Indonesia.

- (3) In case the Non-Bank Money Changer (Non Bank PVA) has not met its obligation as referred to in paragraph (2) hereof, Bank Indonesia shall impose sanction of summons of the management and/or shareholders as referred to in Article 49, paragraph (4) letter n hereof.
- (4) The Non-Bank Money Changer (Non Bank PVA) obtaining the trade license from Bank Indonesia before coming into effect this Regulation of Bank Indonesia shall mount the trade license certificate as Money Changer issued by Bank Indonesia within at least one (1) year as of coming into effect of this Regulation of Bank Indonesia.
- (5) The Non-Bank Money Changer (Non Bank PVA) in Special Capital Province of Jakarta, Municipality of Denpasar and Badung Regency, as well as Batam Municipality obtaining the trade license from Bank Indonesia before coming into force this Regulation of Bank Indonesia shall be obliged to meet paid up capital of at least Rp.250,000,000.00 (two hundred and fifty million Indonesian Rupiah only) within the term of five (5) years since coming into effect of this Regulation of Bank Indonesia, by still taking into account the provisions as referred to in Article 16 hereof.
- (6) The trade license of the Non-Bank Money Changer (Non Bank PVA) shall be revoked and declared invalid in case it has not met its obligation as referred to in paragraph (5) hereof.
- (7) The application for the trade license for Non-Bank Money Changer (Non Bank PVA) already received by Bank Indonesia before coming into force this Regulation of Bank Indonesia will be processed under the Regulation of Bank Indonesia Number 6/I/PBI/2004, dated 6 January 2004 on Money Changer.

Article 53

- (1) The foreign exchange commercial bank branch office that carries out the business activity conventionally and/or based on syariah principle, that has enjoyed the approval from Bank Indonesia as the Bank Money Changer before coming into effect of this Regulation of Bank Indonesia shall be reported by the bank head office concerned to Bank Indonesia as the branch office that carries out the banking business activity in foreign exchange.
- (2) The head office and branch offices of foreign exchange non-commercial bank that carries out business activity conventionally, and/or based on syariah principle that has obtained the trade license as the Bank Money Changer before coming into force of this Regulation of Bank Indonesia shall register it again to enjoy the approval as Money Changer based on this Regulation of Bank Indonesia.

Article 54

- (1) The re-registration as referred to in Article 53, paragraph (2) hereof shall be submitted by a written application furnished with photocopy of the trade license as Money Changer issued by Bank Indonesia, within at least six (6) months as of coming into force of this Regulation of Bank Indonesia.
- (2) The trade license of Money Changer issued to the head office and branch offices of non-foreign exchange commercial bank that carries out business activity conventionally, and/or based on Syariah principle shall be revoked and declared invalid in case it does not re-register it as referred to in paragraph (1) hereof.

Article 55

Submittal of re-registration application as referred to in Article 54, paragraph (2) hereof shall be regulated as follows:

- a. for head office and branch offices of non-foreign exchange commercial bank that carries out business activity conventionally headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information, Jl. M. H. Thamrin No.2, Jakarta 10350.
- b. for head office and branch offices of non-foreign exchange commercial bank that carries out business activity based on Syariah principle headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information, Jl. M. H. Thamrin No.2, Jakarta 10350.
- c. for head office and branch offices of non-foreign exchange commercial bank that carries out business activity conventionally and/or based on Syariah principle, headquartered at the work commission of Head Office of Bank Indonesia shall be submitted to Bank Indonesia for the attention of Directorate of Licensing and Banking Information, Jl. M. H. Thamrin No.2, Jakarta 10350.

CHAPTER IX CONCLUDING PROVISIONS

Article 56

Provisions on the enforcement of this Regulation for Bank Indonesia will be regulated in the Circular of Bank Indonesia.

Article 57

By the issuance of this Regulation of Bank Indonesia, the Regulation of Bank Indonesia Number 6/I/PBI/2004, dated 6 January 2004 on Money Changer shall be revoked and declared invalid.

Article 58

This Regulation of Bank Indonesia shall come into force and effect as of the date it enacted.

Enacted in Jakarta

On the date of . .

GOVERNOR OF BANK INDONESIA,

[signed]

BURHANUDDIN ABDULLAH

**STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2007 NUMBER . .
DPM/DPNP/DPBS/DPBPR**

ELUCIDATION
FOR THE REGULATION OF BANK INDONESIA
NUMBER : 9/ /PBI/2007
REGARDING MONEY CHANGER

GENERAL

For the purpose of the continuation of the regulation for Money Changer consisting of the provision and issuance of business license, supervision, development and facilitation conducted by Bank Indonesia since the year of 1967 in accordance with Government Regulation Number 7 Year 1965 regarding Procedures of Use, Encumbrance, Transfer or Assignment of Right for Foreign Exchange Which Need Not Be Transferred/Submitted to Foreign Exchange Funds (Supplementary Funds), and in the efforts to protect the public interest in order to avoid distortion (market failure) in the national economics activities, especially the sales and purchase transactions of foreign bank notes, Bank Indonesia shall issue Regulation of Bank Indonesia regarding Money Changers.

In the course of the development of domestic money market, as a supporting agency in financial sector, Money Changers consisting of banks (which perform business activities in conventional manners and/or on the basis of Syariah principles) as well as the non bank institutions, shall play their quite strategic roles in influencing the development of sales and purchase transactions of foreign bank notes and purchase of traveler's cheque.

In connection with the aforesaid matters, and in order to provide secured feelings and legal certainty to the people in making or conducting the transactions, one of the principle requirements to become Money Changers is to have a legal entity in form of limited liability company as governed in Law Number 1 Year 1995 regarding limited liability company. This is due to the fact that an enterprise in form of a limited liability company has the characteristics which are more distinguished and clearer in terms of accountability and transparency arrangement to the public compared to other forms of legal entities or enterprises.

Furthermore, in the efforts to prevent the industry of foreign currency trading as a means or the target of crimes, either committed directly or committed indirectly by the offender, as well as by taking into account the recommendation of The Financial Action Task Force on Money Laundering (FATF), then it is necessary for Money Changers to apply *Know Your Customer Principles*.

In the meantime, in order to improve efficiency and effectiveness in respect of the activities which related to the Money Changers in line with the faster growth and development of institutions and transaction activities, it is necessary to perform decentralization in respect of the permitting, supervision, facilitation and development for the Money Changers with their domiciles outside the jurisdiction of Head Office of Bank Indonesia to the regional Bank Indonesia Office,

ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Self-explanatory

Article 3

Paragraph (1)

Self-explanatory

Paragraph (2)

Other business activities prohibited to be done by Money Changer (PVA) shall include the following:

- a. to maintain correspondence relation with foreign banks overseas in order to issue direct payment order to be cashed or withdrawn overseas;
- b. to self transfer/invoice to overseas;
- c. to act as sales agent for traveller's cheque (TC); and/or
- d. to conduct the following transactions activities among others : margin trading, spot, forward, swap and such other derivative transactions.

Margin trading shall mean sale and purchase transaction of a currency which is not followed by fund movement and instead, only by the margin of exchange rate difference.

Spot shall mean sale/purchase transaction in cash between two currencies by the submission or delivery of funds two business/banking days after the transaction date.

Forward shall mean sale/purchase transaction in future trading manner between two currencies by the submission or delivery of funds of more than two business/banking days after the transaction date.

Swap shall mean transaction of the exchange between two currencies through cash sales and purchase (*spot*) and the sales and purchase in future trading manner (*forward*) which are conducted simultaneously.

Derivative transaction shall mean a transaction which is base on a payment contract or payment agreement whose value is the derivative of instrument value on which it is base on such as interest rate, exchange rate, commodity, equity and index, either it is followed or it is not followed by the movement of funds or instruments.

Article 4

Self-explanatory

Article 5

Self-explanatory

Article 6

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Number 1

Self-explanatory

Number 2

Paid-up capital arrangement especially for Special Capital Province of Jakarta, Municipality of Denpasar, and Badung Regency as well as Municipality of Batam shall consider among others the improvement of professionalism and competitiveness of Non Bank Money Changer (Non Bank PVA) in such regions.

Letter d
Self-explanatory

Letter e
Self-explanatory

Article 7

Letter a
Self-explanatory

Letter b
Self-explanatory

Letter c
Evaluation or assessment is performed based on among others, the information obtained by Bank Indonesia and/or information that has become the public domain.

Article 8

Paragraph (1)
Self-explanatory

Paragraph (2)
Letter a
Self-explanatory

Letter b
Self-explanatory

Letter c
Evaluation or assessment is performed based on among others, the information obtained by Bank Indonesia and/or information that have become the public domain.

Letter d
Self-explanatory

Article 9

Self-explanatory

Article 10

Self-explanatory

Article 11

Self-explanatory

Article 12

Self-explanatory

Article 13

Self-explanatory

Article 14

Non Bank Money Changer (Non Bank PVA) under this Article shall mean Non Bank Money Changer (Non Bank PVA) owned by shareholders and managed by the management of the concerned institution.

Personal interest shall mean sale and purchase activities for foreign banknotes (UKA) and purchase of traveler's cheque (TC) not recorded in the bookkeeping of the said Non Bank Money Changer (Non Bank PVA).

Article 15

Self-explanatory

Article 16

Self-explanatory

Article 17

Self-explanatory

Article 18

Self-explanatory

Article 19

Self-explanatory

Article 20

Paragraph (1)

Self-explanatory

Paragraph (2)

The provisions under this paragraph shall be applicable for Non Bank Money Changer (Non Bank PVA) located outside Special Capital Province of Jakarta, Municipality of Denpasar, and Badung Regency as well as Municipality of Batam.

Article 21

Self-explanatory

Article 22

Self-explanatory

Article 23

Self-explanatory

Article 24

Self-explanatory

Article 25

Legalization or endorsement shall be in accordance with the prevailing laws and regulations.

Article 26

Legalization or endorsement shall be in accordance with the prevailing laws and regulations.

Article 27

Paragraph (1)

Stoppage or cessation of business activities in the head office shall automatically cease the business activities in all branch offices.

Paragraph (2)

Extension of temporary stoppage or termination of cessation of business activities may be made for 1 (one) time.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 28

Self-explanatory

Article 29

Paragraph (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Operational preparation plans shall mean:

- a. specifying the bank office which will conduct business activities as Money Changer (PVA).
- b. to own business places in the bank office being proposed.
- c. to have adequate human resources
- d. to have sufficient supporting facilities for the activities including policies, systems, and procedures in writing.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 30

Self-explanatory

Article 31

Self-explanatory

Article 32

Self-explanatory

Article 33

Self-explanatory

Article 34

Self-explanatory

Article 35

Self-explanatory

Article 36

Asset post or asset accounts in foreign currency shall mean the post in People's Credit Bank (BPR), and Syariah People's Credit Bank (BPRS) monthly reports in accordance with the prevailing laws and regulations.

Article 37

Self-explanatory

Article 38

Self-explanatory

Article 39

Self-explanatory

Article 40

Self-explanatory

Article 41

Self-explanatory

Article 42

Paragraph (1)

Supervision performed by Bank Indonesia shall consist of direct supervision/indirect examination/audit and supervision including the on the spot monitoring and indirect supervision on the implementation of applicable provisions and study on the accuracy or truthfulness of the reports being submitted.

Facilitation and development conducted by Bank Indonesia shall include training for the report preparation and propagation regarding Know Your Customer Principles.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 43

Self-explanatory

Article 44

Complete Business Activities Report (LKU) shall mean that the reports consist of all types of transactions for foreign banknotes (UKA) and traveler's cheque (TC) in each month for every period of reporting.

Complete financial statement shall mean that the financial statement shall consist of Balance Sheet, Profit/Loss Accounts or Income Statements, and Change of Equity Report or Equity Statement.

Special report shall mean any reports that are incidental in nature requested by Bank Indonesia whenever it is necessary.

Article 45

Letter a

Business Activities Report (LKU) Quarter I (January, February and March) shall be submitted not later than the month of April of the current year.

Business Activities Report (LKU) Quarter II (April, May and June) shall be submitted not later than the month of July of the current year.

Business Activities Report (LKU) Quarter I (July, August and September) shall be submitted not later than the month of October of the current year.

Business Activities Report (LKU) Quarter I (October, November and December) shall be submitted not later than the month of January of the following year.

Letter b

Self-explanatory

Article 46

If Business Activities Report (LKU) Quarter I is submitted by Non Bank Money Changer (Non Bank PVA):

- between 1 until 30 April, then Non Bank Money Changer (Non Bank PVA) shall be declared that Non Bank Money Changer (Non Bank PVA) has submitted periodical report punctually.
- after 30 April, then Non Bank Money Changer (Non Bank PVA) shall be declared that Non Bank Money Changer (Non Bank PVA) is tardy to submit periodical report.

If Business Activities Report (LKU) Quarter I is submitted by Bank Money Changer (Bank PVA):

- between 1 until 30 April, then Bank Money Changer (Bank PVA) shall be declared that Bank Money Changer (Bank PVA) has submitted periodical report punctually.
- between 1 until 31 May, then Bank Money Changer (Bank PVA) shall be declared that Bank Money Changer (Bank PVA) is tardy to submit periodical report.
- after 31 May, then Bank Money Changer (Bank PVA) shall be declared that Bank Money Changer (Bank PVA) fails to submit periodical report.

Official holiday shall mean national official holiday or local official holiday stipulated by Government of First Level Region or Province.

Following business or banking day shall mean any days falling after the days of Saturday, Sunday or public holiday.

Example: Business Activities Report (LKU) Quarter I 2006 which must be submitted not later than 30 April which falls on Sunday, then the final due date of submission of Business Activities Report (LKU) Quarter I 2006 shall be Monday the 1st day of May 2006.

Article 47

Self-explanatory

Article 48

Paragraph (1)

Letter a

Self-explanatory

Letter b

Suspected Financial Transaction shall mean any transactions deviating from the profiles and characteristics as well as the norms of the transaction patterns

of the customers and the concerned service users, including financial transactions by customers or service users that require attention as they may be done for the purpose of avoidance of relevant transaction reporting that shall be made in accordance with the prevailing regulations.

Paragraph (2)

Self-explanatory

Article 49

Self-explanatory

Article 50

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Every excess of less than 1% must be rounded up above.

Paragraph (5)

Self-explanatory

Paragraph (6)

Self-explanatory

Paragraph (7)

Self-explanatory

Article 51

Self-explanatory

Article 52

Self-explanatory

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

In the event that Non Bank Money Changers (Non Bank PVA) located in Special Capital Province of Jakarta, Municipality of Denpasar, and Badung Regency as well as Municipality of Batam that have obtained business license from Bank Indonesia

before the effectuation of this Bank Indonesia Regulation will open branch office in Special Capital Province of Jakarta, Municipality of Denpasar, and Badung Regency as well as Municipality of Batam, the provision of Article 16 shall be enforced and applicable namely that it has met or provided paid-up capital of a minimum Rp 250,000,000.0 (two hundred and fifty million Rupiah).

Paragraph (6)

Self-explanatory

Paragraph (7)

Self-explanatory

Article 53

Self-explanatory

Article 54

Self-explanatory

Article 55

Self-explanatory

Article 56

Any matters that have not been regulated shall include the procedures of permitting, re-registration of business license or permits, application of Know Your Customer Principles, supervision, reporting, and imposition of sanctions.

Article 57

Self-explanatory

Article 58

Self-explanatory

**SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER ..**

DPM/DPNP/DPBS/DPBPR