

Loosening Downpayment Requirements on Automotive Loans/Financing

1. Policy Objectives and Background

- In response to the latest global and domestic developments, Bank Indonesia is maintaining an accommodative policy mix in line with efforts to stimulate economic recovery and maintain financial system stability.
- Considering the need to stimulate recovery, particularly in the automotive sector, and considering the sector has strong backward and forward linkages in the economy.
- The policy is implemented as part of the policy mix with fiscal stimuli issued by the Government, including a reduction to the Sales Tax on Luxury Goods (LGST).
- The amendment also takes into consideration the contained credit/financing risk in the automotive sector.
- Looser downpayment requirements on automotive loans must comply with prudential principles and risk management.

2. Changes to Downpayment Requirements on Automotive Loans/Financing:

Current Regulation					New Regulation				
Vehicle Type	Downpayment Requirements on Non-Green Vehicles		Downpayment Requirements on Green Vehicles		Vehicle Type	Downpayment Requirements on Non-Green Vehicles		Downpayment Requirements on Green Vehicles	
	NPL Requirements Met**	NPL Requirements Not Met**	NPL Requirements Met**	NPL Requirements Not Met**		NPL Requirements Met**	NPL Requirements Not Met**	NPL Requirements Met**	NPL Requirements Not Met**
Two Wheels	15%	20%	0%	15%	Two Wheels	0%	10%	0%	10%
Two Wheels or More (Non-Commercial)	15%	25%	0%	20%	Two Wheels or More (Non-Commercial)	0%	10%	0%	10%
Two Wheels or More (Commercial)	10%	15%	0%	10%	Two Wheels or More (Commercial)	0%	5%	0%	5%

*) previous regulation, PBI No. 21/13/PBI/2019

**) Requirements as follows:

- Gross NPL/NPF ratio <5%; and
- Net NPL/NPF ratio <5%

Notes:

Green vehicles include battery electric vehicles (BEVs) as stipulated in prevailing laws and regulations on accelerating the battery electric vehicle program for road transportation.

3. New regulation is effective from 1st March 2021.

The downpayment stipulated in point 2 is valid until 31st December 2021.

The policy will be re-evaluated at least once per year.