

Appendices

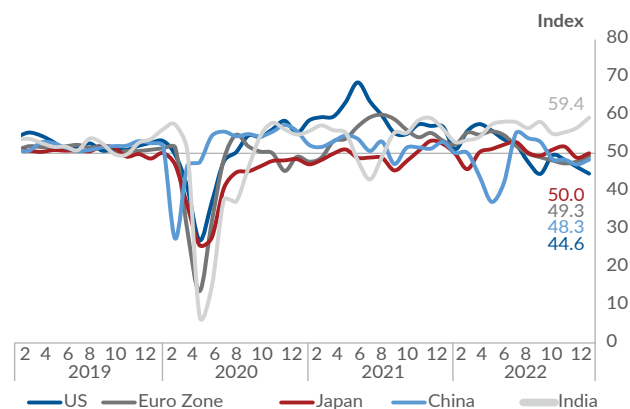


Chart Pack 1.

Global Economic Moderation Accompanied by High Uncertainty

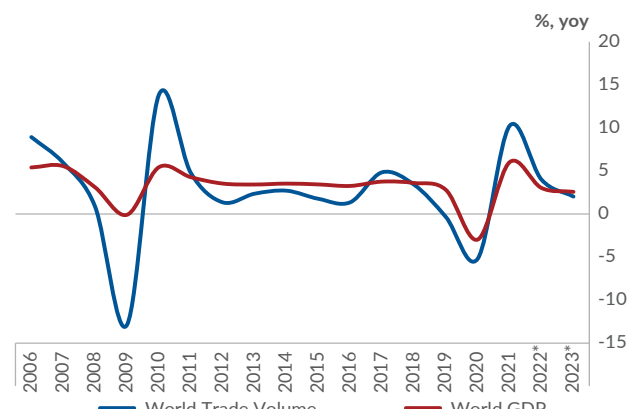
The Global Economic Slowdown was Reflected in the Decline in PMI Composite Index of Major Countries

Global PMI



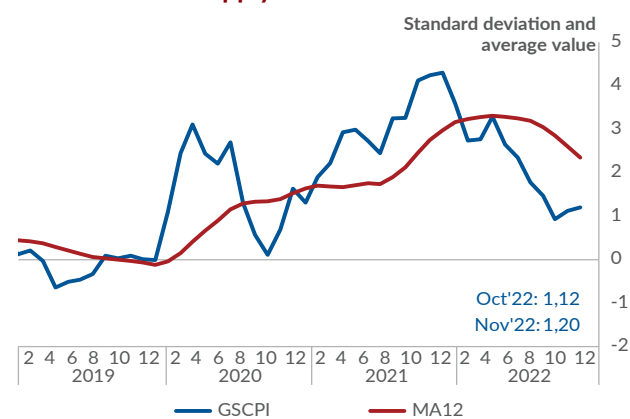
World Trade Activity Slowed in Line with the Global Economic Slowdown

Trade Volume and World GDP



Geopolitical Tensions Disrupt Global Supply Chains

Global Supply Chain Pressure Index



World Commodity Prices Rose Due to Geopolitical Tensions, Particularly Oil Prices

Indonesian Export Commodity Prices

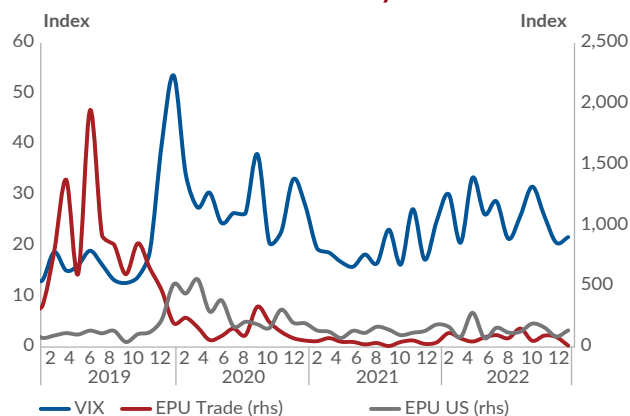
Commodities	2018	2019	2020	2021					2022				
				I	II	III	IV	2021	I	II	III	IV	2022
Copper	6.7	-7.8	3.3	50.3	80.3	44.3	33.1	50.2	17.4	-1.8	-17.7	-16.4	-5.2
Coal	2.5	-8.6	-18.5	19.5	92.8	203.9	204.7	123.2	94.1	73.2	11.1	-1.6	32.3
CPO	-19.2	-2.3	29.4	47.1	84.6	60.4	53.0	59.9	56.7	55.5	-12.2	-24.9	15.3
Rubber	-16.8	12.4	-0.3	37.7	42.7	6.6	-11.2	16.2	1.7	2.2	-6.0	-19.8	-4.9
Nickel	27.8	7.0	-0.1	37.9	41.4	33.7	23.0	33.3	59.4	66.7	16.0	30.3	42.1
Tin	0.5	-7.5	-5.5	46.1	86.1	91.1	101.2	82.0	80.6	25.3	-30.3	-43.1	0.0
Aluminum	7.4	-14.1	-3.7	22.9	57.7	52.2	43.0	43.6	54.3	20.2	-11.0	-14.7	9.4
Coffee	-15.4	-11.8	3.0	6.7	39.0	55.2	91.4	48.4	82.5	50.8	18.3	-21.2	24.6
Others	1.2	-0.7	-4.3	0.3	7.6	3.9	4.0	3.9	5.2	6.4	7.3	6.3	6.3
Indonesian Export Commodity Prices	-2.8	-3.0	-0.8	23.7	58.5	79.5	76.5	57.0	47.0	37.7	1.3	-6.8	15.3
Minyak (Brent)*	71	64	42	61	69	73	79	71	101	114	101	88	101

Source: Bloomberg.

*Oil (USD/barrel), other commodities (% , yoy)

Global Financial Market Uncertainty Remains Elevated

Global Uncertainty Index



Perceptions of High Risk on Global Financial Markets Stimulates Portfolio Investment Outflows from Developing Countries

Perception Index of Developing Countries and Indonesia

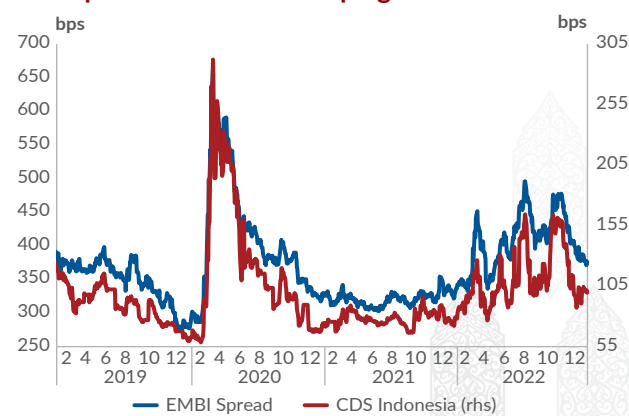
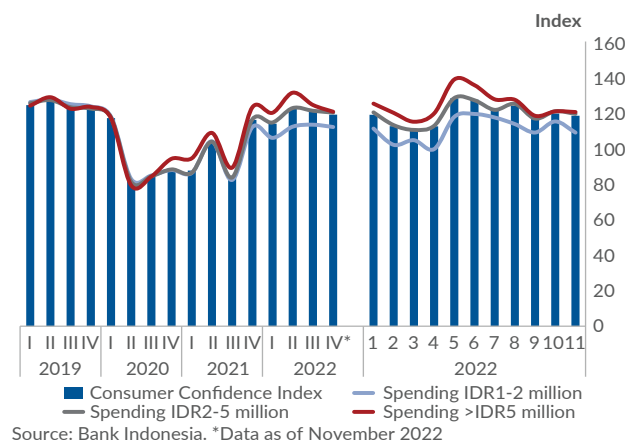


Chart Pack 2.

Domestic Economic Recovery Intact Despite Global Economic Moderation

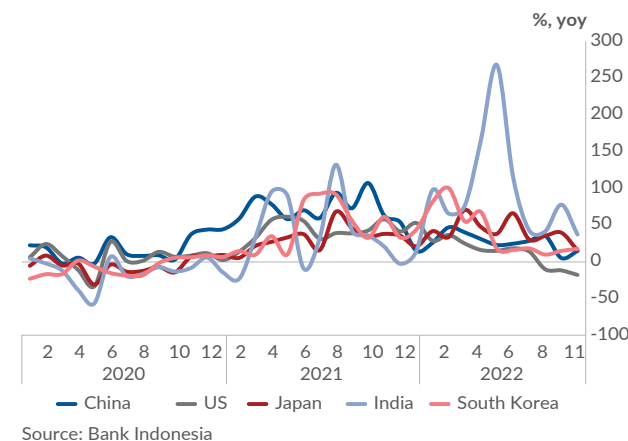
Resilient Domestic Demand on Maintained Confidence of Economic Actors

Consumer Confidence Index



Solid Export Performance Projected in line with Strong Demand in Main Trading Partners

Non-Oil and Gas Exports to Main Destination Countries



External Resilience Maintained

External Resilience Indicators

INDICATOR	2020	2021					2022	
	Total	I	II	III	IV	Total	I	II
Current Account/GDP (%) ¹⁾	-0.4	-0.4	-0.7	1.6	0.5	0.3	0.2	1.2
Exports - Imports of Goods and Services/GDP (%) ¹⁾	1.7	1.5	1.6	3.9	2.7	2.5	2.2	3.5
Exports + Imports of Goods and Services/GDP (%) ¹⁾	31.9	36.1	38.1	39.3	42.8	39.2	42.8	44.2
Total External Debt ³⁾ /GDP (%) ²⁾	39.3	39.0	37.5	37.1	35.0	35.0	33.7	31.8
Short-Term Total External Debt ⁴⁾ /GDP (%) ²⁾	6.1	6.4	5.9	5.7	5.0	5.0	5.1	5.3
Total External Debt ³⁾ /Official Reserve Assets (%)	306.8	303.0	303.4	288.8	286.4	286.4	295.8	296.0
Short-Term Total External Debt ⁴⁾ /Official Reserve Assets (%)	47.9	49.8	47.6	44.1	41.0	41.0	45.2	48.9

1) Quarterly GDP at Current Market Prices

3) Preliminary Figures of External Debt (SULNI publication in November 2022)

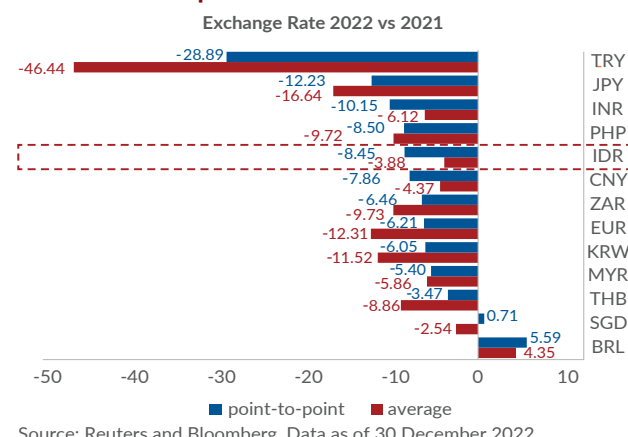
2) Annualized GDP at Current Market Prices (Sum of GDP for the last 4 quarters)

4) Based on remaining maturity

Source: Bank Indonesia

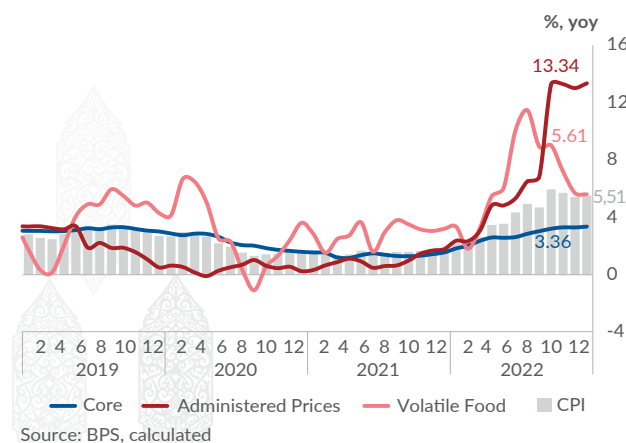
With BI Stabilisation Measures, Rupiah Stability Maintained Despite Global Financial Market Uncertainty

Rupiah and Peer Countries



Despite Exceeding 3.0%±1% Target, Inflation at End of 2022 Lower than Initial Projection

CPI Inflation and Components



Milder Inflationary Pressures on Volatile Food given Synergy to Control Prices through TPID-TPID and GNPID

Regional Volatile Food Inflation

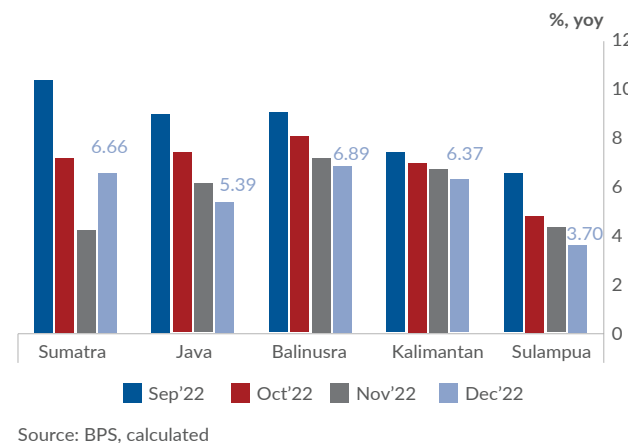
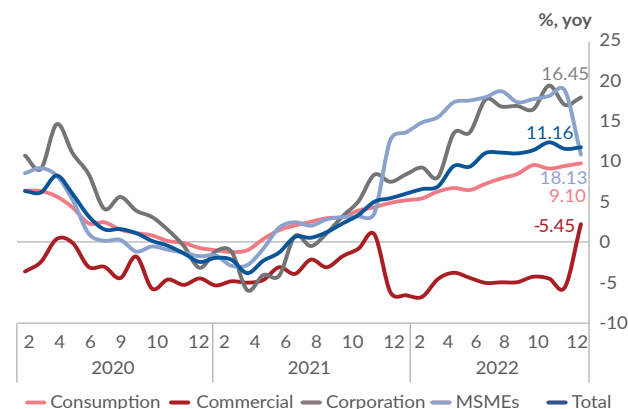


Chart Pack 3.

Financial System Resilience Maintained in terms of Capital, Credit Risk and Liquidity

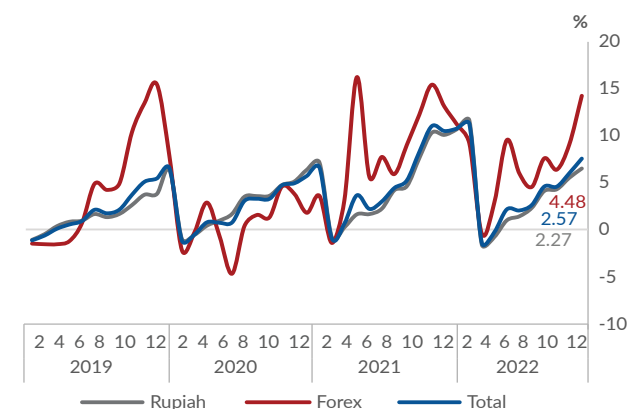
Credit Growth Accelerating, Driven by Corporate and MSME Segments

Credit Growth by Segment



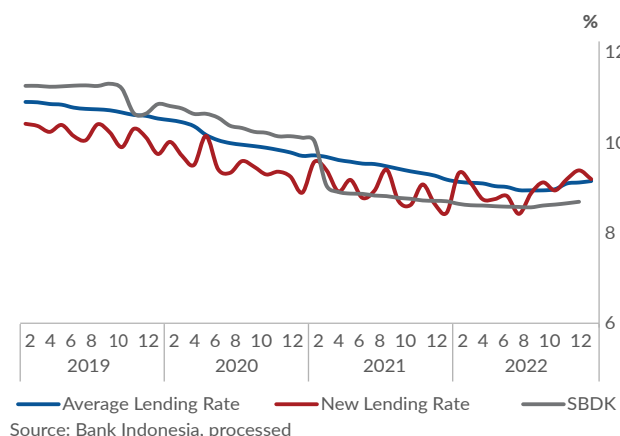
Strong Growth of Rupiah and Foreign Currency Third-Party Funds Persists

Development of Deposits Based on Currency



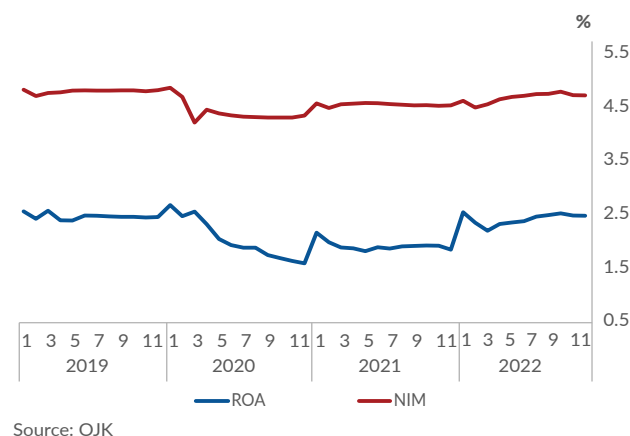
Lending Rates Beginning to Rise

Lending Rate Developments



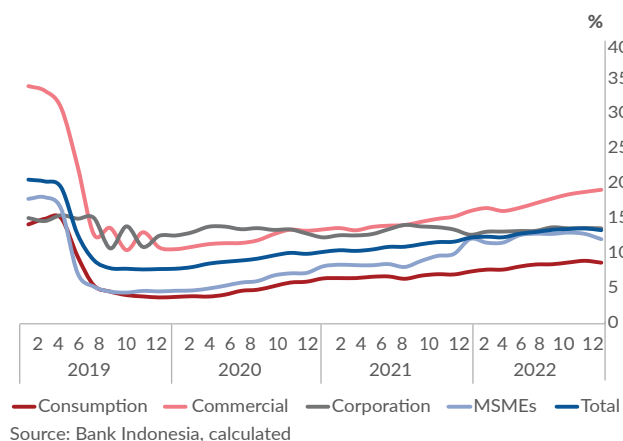
Bank Profitability Returning to Pre-Pandemic Level

Development of ROA and NIM Banking



Credit Risk Mitigated, with NPL Ratio Below 5% Threshold

NPL per Credit Segment



Credit Risk Mitigated, with LAR Ratio Approaching Pre-Pandemic Level

LAR per Credit Segment

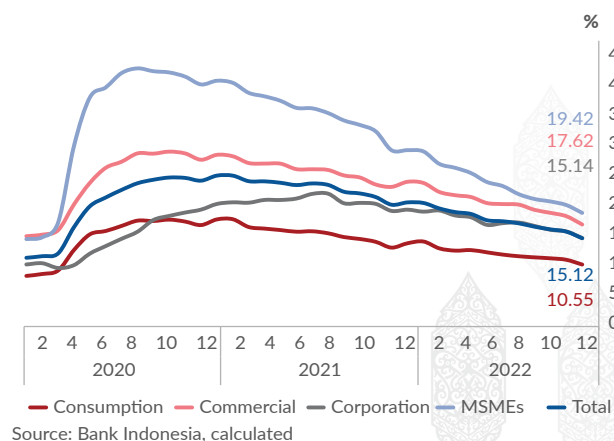
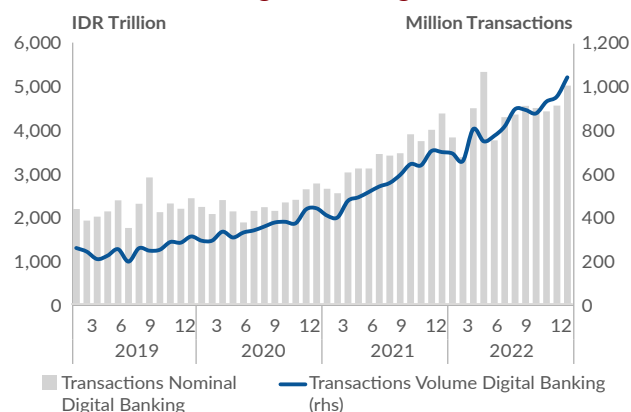


Chart Pack 4. Rapid Growth of Digital Economy and Finance

**Digital Banking Transactions Continue to Grow,
Dominated by Internet Banking (81.8% share)**

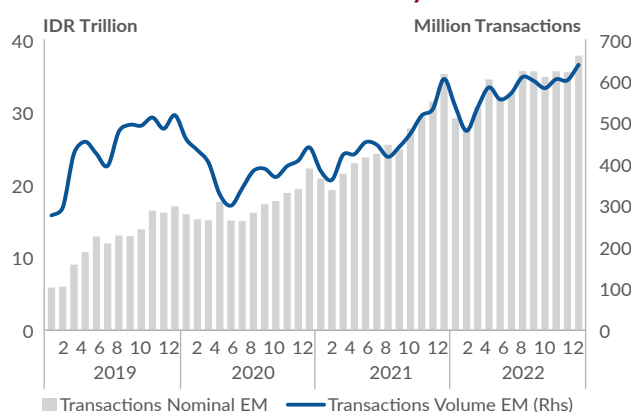
Digital Banking



Source: Bank Indonesia

**Electronic Money Transactions Throughout 2022
Continue to Increase, Dominated by the Server Based
Electronic Money**

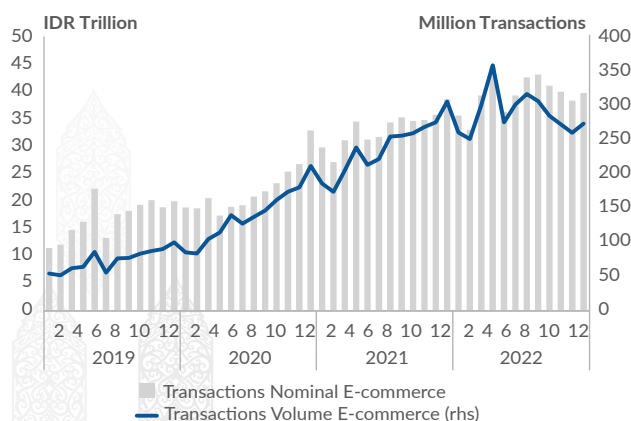
Electronic Money



Source: Bank Indonesia

E-commerce 2022 Rised

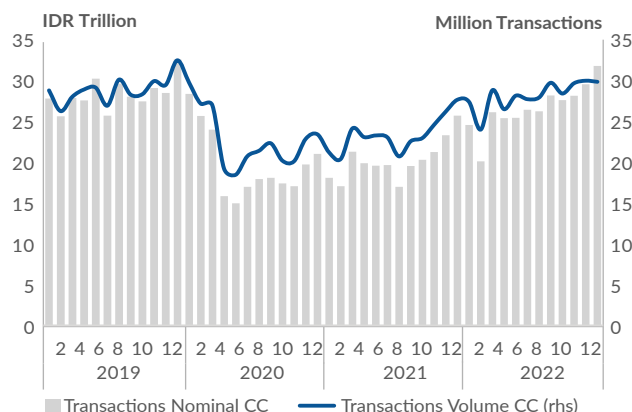
E-commerce



Source: Bank Indonesia

**Credit Card Transactions Increasing and Continuing to
Improve**

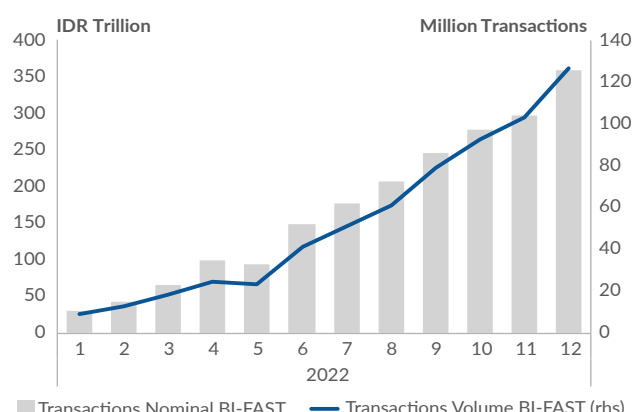
Credit Card



Source: Bank Indonesia

**BI-FAST Implementation Continues to Show a Positive
Steady Trend Since Launched in December 2021**

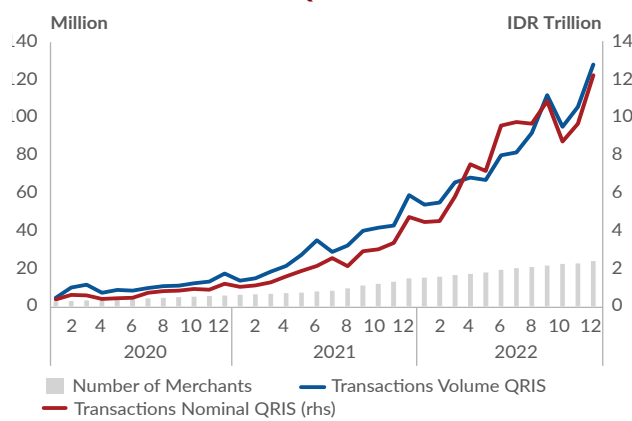
BI-FAST



Source: Bank Indonesia

**QRIS Acceptance Continues to Increase Supported by
Merchants' Expansion**

QRIS



Source: Bank Indonesia

Table: Bank Indonesia Policy Mix

I. Monetary Policy

No	Policy	Policy Description	Objectives and Background
1	Interest rate policy	a. In the Board of Governors Meetings (RDGs) from January 2022 to July 2022, maintained the BI 7-Day Reverse Repo Rate (BI7DRR) at 3.50%, the Deposit Facility (DF) rate at 2.75% and the Lending Facility (LF) rate at 4.25%.	This decision was consistent with the need to maintain exchange rate stability, control inflation, and stimulate economic growth amid a build-up of external pressures. The decision to keep these rates on hold was consistent with the forecast for steady core inflation amid the risk of impacts from the global economic slowdown on domestic economic growth.
		b. In the August 2022 RDG, increased the BI7DRR by 25 bps to 3.75%, the DF rate by 25 bps to 3.00% and the LF rate by 25 bps to 4.50%.	This decision to raise the policy rate represents a pre-emptive and forward-looking measure to mitigate the risks posed by rising core inflation and inflation expectations caused by higher non-subsidised fuel prices and volatile food inflation. As such, it also aimed to strengthening exchange rate stabilisation policy in line with the rupiah's fundamental value amid persistently elevated global financial market uncertainty and stronger domestic economic growth momentum.
		c. In the September RDG, increased the BI7DRR by 50 bps to 4.25%, the DF rate by 50 bps to 3.50% and the LF rate by 50 bps to 5.00%.	The decision to raise the policy rate was taken as a front-loaded, pre-emptive and forward-looking measure to lower inflation expectations and return core inflation to the 3.0%±1% target corridor in the latter half of 2023. The decision was also taken to strengthening exchange rate stabilisation policy in line with the rupiah's fundamental value, due to heightened global financial market uncertainty amid strong and increasing domestic demand.
		d. In the October 2022 RDG, increased the BI7DRR by 50 bps to 4.75%, the DF rate by 50 bps to 4.00% and the LF rate by 50 bps to 5.50%.	The decision to raise the policy rate was taken as a front-loaded, pre-emptive and forward-looking measure to lower overshooting inflation expectations and return core inflation to the 3.0%±1% target corridor in the first half of 2023. The decision was also taken to reinforce exchange rate stabilisation policy in line with the rupiah's fundamental value in response to broad-based US dollar appreciation and elevated global financial market uncertainty amid strong and increasing domestic demand.
		e. In the November 2022 RDG, increased the BI7DRR by 50 bps to 5.25%, the DF rate by 50 bps to 4.50% and the LF rate by 50 bps to 6.00%.	The decision to raise the policy rate was taken as a front-loaded, pre-emptive and forward-looking measure to lower inflation expectations which are currently overshooting, and return core inflation to the 3.0%±1% target range earlier in the first half of 2023. The decision was also taken to strengthening exchange rate stabilisation policy in line with the rupiah's fundamental value in response to the strong US dollar and elevated global financial market uncertainty amid strong and growing domestic economic demand.
		f. In the December 2022 RDG, increased the BI7DRR by 25 bps to 5.50%, the DF rate by 25 bps 4.75% and the LF rate by 25 bps to 6.25%.	The more calculated decision on policy rate increase was a follow-up step to ensure continued lower expected inflation and inflation in a front-loaded, pre-emptive and forward-looking measures to maintain core inflation within the range of 3.0%±1%.



No	Policy	Policy Description	Objectives and Background
2	Statutory Reserves Requirement	<p>a. Normalising liquidity policy while safeguarding the banking industry's ability to disbursing financing to the corporate sector and buy SBN to fund the State Budget due to persistently high level of the Liquid Assets to Deposits ratio, in the January 2022 RDG.</p> <p>1. Normalisation of liquidity took place by gradually increasing rupiah reserve requirements for conventional commercial banks from 3.5% as follows:</p> <ul style="list-style-type: none"> i. 150 bps increase to 5.0% with a daily requirement of 1.0% and average requirement of 4.0%, effective from 1 March 2022. ii. 100 bps increase to 6.0% with a daily requirement of 1.0% and average requirement of 5.0%, effective from 1 June 2022. iii. 50 bps increase to 6.5% with daily requirement of 1.0% and average requirement of 5.5%, effective from 1 September 2022. <p>2. Normalising liquidity policy by gradually increasing rupiah reserves requirement for sharia banks and sharia business units from 3.5% as follows:</p> <ul style="list-style-type: none"> i. 50 bps increase to 4.0% with daily requirement of 1.0% and average requirement of 3.0%, effective from 1 March 2022. ii. 50 bps increase to 4.5% with daily requirement of 1.0% and average requirement of 3.5%, effective from 1 June 2022. iii. 50 bps increase to 5.0% with daily requirement of 1.0% and average requirement of 4.0%, effective from 1 September 2022. <p>3. Providing reserve requirement remuneration of 1.5% for conventional commercial banks, sharia banks and sharia business units meeting the rupiah and average reserves requirement referred to in points 1 and 2.</p>	<p>This policy was taken to maintain stability and to mitigate the impact of global impact of policy normalisation in advanced economies, the US Federal Reserves in particular. A further aim was to safeguard the capacity of banks to disbursing loan/financing to the corporate sector and participate in purchasing of SBN for funding the state budget, given the continued high Liquid Assets to Deposits ratio.</p>

No	Policy	Policy Description	Objectives and Background
		<p>b. Accelerating liquidity policy normalisation by incrementally raising Rupiah reserves requirement, adopted in the May 2022 RDG as follows;</p> <ol style="list-style-type: none"> 1. The Rupiah reserves requirement for conventional commercial banks was raised from 5.0% to 6.0% on 1 June 2022, 7.5% on 1 July 2022 and 9.0% effective from 1 September 2022. 2. The Rupiah reserves requirement for sharia banks and sharia business units was raised from 4.0% to 4.5% on 1 June 2022, 6.0% on 1 July 2022 and 7.5% on 1 September 2022. 3. Providing 1.5% remuneration to banks fulfilling reserves requirement obligation after taking into account the incentives for banks disbursing loan/financing to priority sectors and MSMEs, and/or meeting the RPIM targets. 	<p>This policy was adopted to maintain stability in keeping with the need for inflation control and safeguarding exchange rate stability. At the same time, it continues to promote economic growth amid the high external pressures related to the geopolitical tensions of the Russia-Ukraine conflict and the more rapid normalisation of monetary policy in some advanced economies and emerging market nations. The increase in the reserves requirement did not constrain banks in their capacity for disbursing loan/financing to the corporate sector and participate in purchasing of SBN for funding the State Budget.</p>
3	Exchange rate stabilisation	<ol style="list-style-type: none"> a. Strengthening rupiah exchange rate stabilization policy as part of the measures to control inflation, through foreign exchange intervention, including spot and Domestic Non-Deliverable Forward (DNDF) transactions, as well as buying/selling SBN in secondary market. b. Continued to buy/sell SBN the secondary market (twist operations) to strengthen transmission of the BI7DRR by increasing the attractiveness of SBN yields for foreign portfolio investment inflows to strengthen exchange rate stabilisation measures, commencing from the RDG in August 2022. 	<p>Reinforced the rupiah exchange rate stabilisation policy in line with fundamentals in response to persistently heightened uncertainties on global financial markets in support of measures pursued for inflation control and macroeconomic stability.</p>

No	Policy	Policy Description	Objectives and Background
4	Monetary Operations	a. Continued auctions of Repo SBN/Bank Indonesia sharia liquidity management (PaSBI) instruments in the 1-week to 12-month tenors and auctions of FX swaps in the 1-month, 3-month, 6-month and 12-month tenors to safeguard availability of liquidity.	In line with the monetary operations strategy, further strengthening took place in the monetary operations strategy while continuing support for national economic recovery and safeguarding availability of liquidity in the banking system.
		b. Conducted contractionary Fine Tune Operations (FTOs) by opening auctions of rupiah Term Deposits (TDs) in 2- to 6-day tenors, using the fixed rate tender method, to bolster the effectiveness of monetary policy transmission.	The contractionary FTOs were conducted in line with normalisation of liquidity policy to guide the overnight interbank rate, representing the operational target, within the range of the BI7DRR policy rate.
		c. Adjusted the frequency of contractionary and long-tenor expansionary OMO auctions in line with normalisation of liquidity policy.	To support the credibility of the monetary operations framework and policy rate in line with normalisation of liquidity policy, liquidity management was directed towards longer tenors while maintaining the availability of liquidity in the banking system.
	Sharia Monetary Operations	d. Issued Bank Indonesia Sukuk (SukBI) with inclusive financing securities (SukBI Inklusif) used as their underlying instrument.	SukBI Inklusif can be recognised as Inclusive Financing Securities (SBPI) to support inclusive financing in implementation and the development of the sharia economy and finance.
	Forex Monetary Operations	e. Continued the triple intervention strategy through selling intervention on the spot market, the Domestic Non-Deliverable Forward (DNDF) or forex futures market and buying/selling of SBN in the secondary market.	This triple intervention strategy was pursued to maintain exchange rate stability while safeguarding an adequate level of rupiah liquidity.
		f. Strengthening of the Forex-Rupiah Transaction Monitoring System (SISMONTAVAR).	Market forex transactions not only involve interbank transactions, but also transactions between banks and their customers. The policy for strengthening the SISMONTAVAR aims to build more comprehensive monitoring of transactions on the forex market to include interbank transactions and bank transactions with customers in real time.
		g. Opened a LCBSA Cross Currency Repurchase Agreement (CCR) window for Appointed Cross Currency Dealer (ACCD) banks on a daily basis, effective from 17 March 2022.	The CCR is an instrument that makes use of international financial agreements (Bank Indonesia LCBSAs with partner nation central banks) with the aim of supporting the availability of forex liquidity in local currency transactions between Indonesia and the partner nations and promoting the development of the money market.
		h. Issued new forex monetary operations (MO) instruments to encourage domestic placement of export proceeds by banks and exporters, in particular for proceeds from exports of natural resources.	This measure was taken to reinforce stability, including the stability of the rupiah exchange rate and promote economic recovery. These instruments were operated with competitive yields based on a transparent market mechanism accompanied by incentives provided to banks.
5	Implementation of SBN purchases in follow up to Act No. 2 of 2020	Continued the purchasing of long-tenor SBN in the primary market for deficit funding for the 2022 State Budget under First Joint Decree of the Minister of Finance and Governor of Bank Indonesia both dated 16 April 2020, extended on 11 December 2020, and 28 December 2020, and the Third Joint Decree of the Minister of Finance and Governor of Bank Indonesia dated 23 August 2021.	In follow up to Act No. 2 of 2020, Bank Indonesia was granted authority to engage in buying of long-tenor SBN in the primary market to support financing related to national economic recovery.

No	Policy	Policy Description	Objectives and Background
6	Policy coordination related to inflation control	<p>a. Convened a High Level Meeting of the National Inflation Control Team (HLM TPIP)³² on 9 March 2022. The HLM TPIP was chaired by the Coordinating Minister for the Economy and attended by the Governor of Bank Indonesia; the Minister of Trade; the Minister of Agriculture; the Minister of Transportation; the Deputy Minister of Finance; the Head of Statistics Indonesia (BPS); and the President Director of the National Logistics Agency (BULOG); as well as other echelon I and/or similar ranking representatives of other line ministries/central agencies on the TPIP.</p> <p>b. On 18 August 2022, held an Rakornas for Inflation Control with the topic of Synergy for Price Stabilisation and National Food Resilience. The Rakornas was chaired in person by the President of Indonesia and attended by the Coordinating Minister for the Economy in his capacity as Chair of the TPIP, the Governor of Bank Indonesia, the Coordinating Minister for Maritime Affairs and Investment, some ministers of the Advanced Indonesia Cabinet and all TPIDs, representing provinces and regencies/municipalities. The Rakornas was held as a hybrid meeting with the primary venue at the Presidential Palace.</p>	<ul style="list-style-type: none"> The HLM TPIP discussed accountability for the inflation outcome in 2021; the outlook and risks for inflation in 2022; the report on TPIP performance of duties in 2021; the Inflation Control Roadmap for 2022-2024; and the topics for the National Coordinating Meeting (Rakornas) for Inflation Control in 2022. The HLM TPIP reached agreement on five strategic actions to strengthen inflation control. The aim of these actions was to manage inflation consistently within the 3.0%±1% targeting range in 2022 and sustain the momentum for economic recovery. These strategic actions are as follows: <ol style="list-style-type: none"> Strengthen policy coordination to maintain macroeconomic stability and bolster momentum for national economic recovery; Mitigate the impact of upside risks, including impact from normalisation of global liquidity policies and mounting world commodity prices on inflation and public purchasing power; Curb volatile foods inflation to within the 3.0%-5.0% range. To do this, actions were taken to safeguard supply and efficient distribution, particularly in advance of the national religious holidays. In implementing the strategy, key areas of focus included optimising the use of technology and upstream-downstream digitalisation of agriculture, expansion of connectivity and more robust cooperation among the different regions; Reinforced synergy in policy communications to support management of inflation expectations among the public; Strengthened central and regional government coordination in inflation control by holding the Rakornas for Inflation Control 2022 on the topic of Digitalisation of Food MSMEs for Access and Price Stabilisation. The HLM TPIP also reached agreement on ensuring that policies and work programs would be implemented as envisaged in the Inflation Control Roadmap for 2022-2024. During the Rakornas, the President of Indonesia issued five instructions for maintaining price stability and improving food resilience to support public purchasing power and national economic recovery. First, to have more robust identification of the sources of inflationary pressure in the regions by harnessing macro and micro data and detailed data. Second, to expand interregional cooperation in order to reduce regional disparities in supply and prices. Third, to reduce transportation costs by making use of distribution facilities for interregional trade and additionally to reduce airfares by increasing numbers of aircraft. Fourth, to optimise the use of budget contingency expenditures to provide support for regional inflation control measures. Fifth, to expedite absorption of Regional Budgets to support economic growth at the regional level. Responding to the President's instructions, Bank Indonesia worked in coordination with the central and regional governments as well as other relevant agencies to continue the acceleration of extra efforts for inflation control in the regions. In particular, this involved measures to bolster the National Movement for Food Inflation Control (GNPIP) initiated in early August 2022. The steps taken were a demonstration of the joint commitment for quick action to curb high food inflation and safeguard public purchasing power and general welfare.

32 The TPIP High Level Meeting is a meeting of the leading officials of the member line ministries and government agencies represented in the TPIP, as stipulated in Regulation of the Coordinating Minister for the Economy No. 10/2017 concerning the Working Mechanisms and Procedures for the National Inflation Control Teams (TPIP), Provincial Inflation Control Teams (TPID Provinsi) and Regency/Municipality Inflation Control Teams (TPID Kabupaten/Kota).



No	Policy	Policy Description	Objectives and Background
7	Policy coordination for manufacturing	On 6 December 2022, held a High Level Coordination Meeting on Manufacturing with the topic of Furthering Synergy in the Strengthening of Priority Manufacturing Sector for Economic Sustainability.	<ul style="list-style-type: none"> The meeting was held to support efforts for recovery and structural reinforcement of Indonesian manufacturing. The meeting represented a tangible product of the joint commitment of Bank Indonesia and the Government in forging closer synergy in order to promote development of priority manufacturing for higher, more sustainable economic growth. The support for development and structural reinforcement of manufacturing involved eleven strategic measures as well as joint work program organised between the Ministry of Industry and Bank Indonesia as follows: (i) Promote the strengthening of downstream processing of natural resources for increase in added value; (ii) Develop small and medium industries (SMIs) and MSMEs operating in manufacturing for greater inclusion; (iii) Strengthen policies for accelerating the green industry transition; (iv) Strengthen policies for promoting local value chains and import substitution; (v) Continue work on formulation of policy for promoting finance for manufacturing; (vi) Optimise policy for strengthening the manufacturing base; (vii) Boost export and investment promotion activities in support of manufacturing performance; (viii) Promote expanded use of international trade instruments; (ix) Continue and expand the exchange of data and information; (x) Continue cooperation in the secondment of employees to build human resources capacity; and (xi) Conduct monitoring and evaluation of the cooperation on a regular, periodic basis.
8	Policy coordination for tourism	Held a High Level Coordination Meeting of the Joint Secretariat for Accelerating Development in the Tourism Sector (Sekber Pariwisata) on 3 October 2022. The theme of this meeting was Building Momentum for Recovery in Tourism, Support for Strengthening the National Economy.	<ul style="list-style-type: none"> The meeting was convened to expedite the pace of recovery and strengthening of tourism in Indonesia and represents a product of the joint commitment of Bank Indonesia and the Government in bolstering synergy and collaboration in building momentum for recovery in tourism in support of strengthening the national economy. The meeting reached agreement on ten strategic measures to be taken, as appropriate to the competence of each line ministry and government agency. These measures are: (i) Continue and optimise actions for easing of restrictions on tourists, including a review of the updated regulations relating to visas; (ii) Promote more rapid improvement in the capacity and frequency of air transportation in support of mobility to tourism destinations in line with growing demand; (iii) Expedite the development of the 5 Super Priority Tourism Destinations (DPSP), including development supported by greater provision of amenities and application of the quality tourism principle; (iv) Carry out further development of Priority Tourism Destinations (DPP) and other tourism destinations; (v) Ensure that scheduled international scale and domestic events are held as planned, including the Nusantara Event Charisma (KEN) 2022 program and the series of supporting activities for the ASEAN Chairmanship in 2023; (vi) Improve synergy in government support for the holding of meetings, incentives, conferences and exhibitions (MICE); (vii) Continue support for incentives and improved access to finance for businesses operating in tourism, the creative economy and tourist villages, including macroprudential policy support for priority sectors; (viii) Foster program synergy in development of MSMEs supporting the tourism industry and tourist villages, including expansion of digitalisation of payment transactions; (ix) Encourage promotions for more extensive opening of Indonesia's tourism industry under the Tourism in Indonesia Pride (BW1) 2023 series of campaign activities; and (x) Step up the pace of vaccinations and expand the implementation of SNI-standard Cleanliness, Health, Safety and Environmental Sustainability (CHSE) at tourism destinations.

II. Macroprudential Policies

No	Policy	Policy Description	Objectives and Background																																			
Intermediation																																						
1	Reserve Requirement Incentive	<p>Provided an incentive comprising a reduction in the daily reserves requirement for banks disbursing loan/financing to priority sectors and engaged in inclusive financing and/or banks meeting the RPIM target. On 1 March 2022, the reserve requirement incentive was set with a maximum of 1%, divided into a maximum of 0.5% for 38 priority sectors and a maximum of 0.5% for inclusive credit. On 1 September 2022, the reserve requirement incentive was increased and expanded to a maximum of 2%, divided into 1.5% for 46 priority sectors and a maximum of 0.5% for inclusive credit. Alongside this, the maximum incentive for RPIM target achievement remained unchanged at 0.5%.</p> <div><div><p>PADG No. 24/4/PADG/2022</p><ol style="list-style-type: none">Government administrationLand transportRailway transportInsurance and pension fundsHorticultureHotels and restaurantsTransport equipment industryNon-metallic mineral products industryMetal and electronic goods industryRubber and plastics industryWoodworking and furniture industryChemical and pharmaceutical industryLeather goods and footwear industryBase metals industryFood and beverages industryMachinery and equipment industryTextile and wearing apparel industryInformation and telecommunicationsHealth servicesEducational servicesAncillary financial servicesFinancial intermediation servicesAgriculture servicesForestry and loggingConstructionLogisticsWater supplyTobacco processingWholesale and retail tradeMining of coal and ligniteMining of metal oresAnimal husbandryFisheriesReal estateFood cropsEstate cropsAir transportOther financial services</div><div><p>PADG No. 24/12/PADG/2022</p><div><p>List of Priority Sectors Resilient to Economic Pressures</p><ol style="list-style-type: none">HorticultureAnnual crop agriculture (estates)Mining of metal oresFood and beverages industryChemicals and chemical goods industry (incl. pharmaceuticals)Forestry, timber harvesting and non-timber forest productsTextile and wearing apparel industryNon-metallic mineral products industryTobacco processing industryFurniture industryWoods, products of woods-and cork (except furniture) and woven products made from bamboo, rattan and the likeBase metals industryMachinery and equipment industryLeather, goods and footwear industry</div><div><p>List of Priority Sectors Supporting Economic Recovery</p><ol style="list-style-type: none">Human healthcare activitiesInsurance, reinsurance and pension funds, excluding compulsory social insuranceFinancial intermediation servicesEducationOther processing industriesOther service activitiesSea transport</div><div><p>List of Priority Sectors Driving Economic Growth</p><ol style="list-style-type: none">Information and telecommunicationsReal estateAgricultural ancillary and post-harvest servicesFood cropsWater managementMining of coal and ligniteOther transportation equipment industryWholesale and retail tradeGovernment and socio-economic policy administrationRubber, rubber goods and plastic industryRailway transportAncillary financial services activities, excluding insurance and pension fundsOther financial services activities, excluding insurance and pension fundsTransportation on rivers, lakes and ferry crossingsPaper and paper goods, printing industry and reproduction of recorded mediaCorporate servicesFisheriesMetal and electronic goods industryAnimal husbandryTrading, repair and maintenance of cars and motorcyclesLand transportWarehousing and ancillary transportation activitiesConstructionAir transportProvision of accommodation and food and beverages</div></div></div> <div><table><tr><td>For banks performing:</td><td>the 1 March 2022 provisions³³</td><td>the 1 September 2022 provisions³⁴</td></tr><tr><td>disbursement of loan/financing to priority sectors</td><td>Maximum 0.5%</td><td>Maximum 1.5%</td></tr><tr><td>RPIM target achievement</td><td>Maximum 0.5%</td><td>Maximum 0.5%</td></tr></table><table><tr><td>For banks disbursing loan/financing to priority sectors:</td><td>Threshold</td><td>Amount of incentive (%)</td></tr><tr><td rowspan="3">Resilience</td><td>≥1%-6%</td><td>0.2%</td></tr><tr><td>>6%-8%</td><td>0.3%</td></tr><tr><td>>8%</td><td>0.4%</td></tr><tr><td rowspan="3">Growth Driver</td><td>≥1%-4%</td><td>0.4%</td></tr><tr><td>>4%-6%</td><td>0.5%</td></tr><tr><td>>6%</td><td>0.6%</td></tr><tr><td rowspan="3">Slow Starter</td><td>≥1%-3%</td><td>0.3%</td></tr><tr><td>>3%-4%</td><td>0.4%</td></tr><tr><td>>4%</td><td>0.5%</td></tr><tr><td>Maximum incentive</td><td></td><td>1.5%</td></tr></table></div> <div><p>The aim of the incentive policy is to promote banking intermediation with focus on designated economic activities contributing significantly to economic recovery while continuing to safeguard financial system stability. In policy implementation, the incentive of easing in the average Rupiah reserve requirement was provided to banks on the basis of their merit in disbursing loan/financing to priority sectors and/or RPIM target achievement. The provision of this incentive is expected to stimulate growth in banking intermediation to an optimum level that in turn can support national economic recovery.</p></div>	For banks performing:	the 1 March 2022 provisions ³³	the 1 September 2022 provisions ³⁴	disbursement of loan/financing to priority sectors	Maximum 0.5%	Maximum 1.5%	RPIM target achievement	Maximum 0.5%	Maximum 0.5%	For banks disbursing loan/financing to priority sectors:	Threshold	Amount of incentive (%)	Resilience	≥1%-6%	0.2%	>6%-8%	0.3%	>8%	0.4%	Growth Driver	≥1%-4%	0.4%	>4%-6%	0.5%	>6%	0.6%	Slow Starter	≥1%-3%	0.3%	>3%-4%	0.4%	>4%	0.5%	Maximum incentive		1.5%
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33 Regulation of the Board of Governors Members Number 24/4/PADG/2022 concerning Implementing Regulation for Incentive to Banks Providing Funds for Designated and Inclusive Economic Activities

34 Regulation of the Board of Governors Members Number 24/12/PADG/2022 concerning Amendment to Regulation of the Board of Governors Members Number 24/4/PADG/2022 concerning Implementing Regulation for Incentive to Banks Providing Funds for Designated and Inclusive Economic Activities

No	Policy	Policy Description	Objectives and Background
2	Loan to Value/ Financing to Value (LTV/FTV) ratios for home mortgages and down payments for vehicle loans/ financing	The relaxation of the maximum limit on the LTV/FTV was maintained at 100% for property in all categories. Similarly, the relaxation of the minimum down payment for vehicle loans/ financing to as low as 0% remains effective for all new motor vehicles. This policy initially came into force for 1 March 2021 to 31 December 2021, before it was extended to 31 December 2022, and is now extended again until 31 December 2023. ³⁵	To promote national economic recovery, Bank Indonesia announced further easing in the LTV/FTV ratios for property ownership and minimum down payment for vehicle purchases. These policies were adopted in synergy with the Financial System Stability Committee (KSSK) as part of an integrated policy package. Part of this was aimed at strengthening priority sectors with focus on property and the automotive industry, both understood to have considerable backward and forward linkages to other sectors of the economy. The relaxation of the LTV/FTV and minimum down payment was also consistent with the direction of accommodative macroprudential policy aimed at promoting balanced and quality in the bank intermediation function.
3	Interest rate transparency	<p>Strengthened the transparency of base lending rates (BLR) policy with in-depth assessment in:</p> <ul style="list-style-type: none"> January 2022: developments in the spread between loan and deposit rates by category of bank. February 2022: comparison of the bank loan interest rate spread with other countries in the region. March 2022: developments in BLR components in granular form and with influencing factors. April 2022: developments in sources of bank operating income. May 2022: loan interest rates in priority sectors. June 2022: overhead components in the BLR. July 2022: consumption credit rates. August 2022: interest rates disaggregated by credit segment. September 2022: aspects of bank profitability. October 2022: response of new loan interest rates to the policy rate. November 2022: response of bank interest rates to the policy rate. December 2022: loan interest rate responses by category of use, including home mortgages, to the policy rate. 	Bank Indonesia conducted an assessment of bank interest rate transparency for strengthening of monetary and macroprudential policy transmission as well as to improve governance and market discipline. This assessment was published using the media specified by Bank Indonesia. The objective was to promote the creation of more competitive base lending rates offered by banks in order to boost demand for intermediation and expedite economic recovery. With this publication, members of the public and the business community are able to see and compare the base lending rates offered by banks. This is expected to provide the public with an overview of the base lending rates offered by banks in Indonesia, including information on the statistical distribution of base lending rates.

35 Regulation of the Board of Governors Members Number 24/16/PADG/2022 concerning the Fourth Amendment to Regulation of the Board of Governors Members Number 21/25/PADG/2019 concerning Loan to Value Ratio for Property Mortgages, Financing to Value Ratio for Property Financing and Down Payments for Vehicle Loans or Financing (Fourth Amendment to the PADG concerning LTV/FTV and Down Payments).

No	Policy	Policy Description	Objectives and Background
4	Macroprudential Intermediation Ratio (MIR)/ Sharia MIR	<p>Continued with the implementation of accommodative macroprudential policies to promote disbursement of bank loans/ financing to business by maintaining the MIR in the 84%-94% range. This involved some updating of regulations,³⁶ as follows:</p> <ul style="list-style-type: none"> a. Relaxation and/or exemption for complying with the MIR. Additional relaxation criteria and exemption from MIR compliance for banks with limited resources for MIR compliance due to certain conditions, supervision status and ongoing borrowing of Short-Term Liquidity Assistance (PLJP) or the equivalent sharia-compliant facility (PLJPS). b. Data sources for calculating the MIR and MIR Demand Deposit. Adjustments in data sources for calculating the MIR and MIR Demand Deposit to bring them into line with the requirements of the Integrated Commercial Bank Report (LBUT) and to accommodate loans/financing and third party funds data from overseas branch offices for calculating the MIR. c. MIR compliance for banks undertaking fundamental strategic measures and establishment of new banks. Modifications to the regulation of MIR compliance for banks undertaking fundamental strategic actions (for example, a bank applying for revocation of its business license or closure of a foreign bank branch office undergoing integration or conversion) and establishment of a new bank under the guidance of BI and OJK regulatory provisions. 	<p>The MIR requirements are aimed at promoting balanced and quality intermediation by banks, and therefore regular evaluation is necessary to ascertain the effectiveness of implementation in the banking industry. In keeping with developments in the financial cycle in Indonesia and evaluation of implementation of regulations, it is necessary to evaluate regulations pertaining to relaxation and/or exemption from MIR compliance, MIR compliance for banks undertaking fundamental strategic measures and for establishment of new banks, and adjustment in data sources for calculating the MIR and MIR Demand Deposit.</p>
Resilience			
5	Countercyclical Capital Buffer (CCyB)	Continued an accommodative macroprudential policy by maintaining the countercyclical buffer (CCyB) ratio at 0% throughout 2022.	<p>This decision was consistent with the primary indicator for the CCB (Credit to GDP Gap), which had not shown any indication of excessive tendencies in intermediation. This was also affirmed by the sustained prudent levels of macro and banking indicators.</p>

³⁶ Regulation of the Board of Governors Members Number 24/14/PADG/2022 concerning the Fifth Amendment to Regulation of the Board of Governors Members 20/22/PADG/2019 concerning Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Banks and Sharia Business Units

No	Policy	Policy Description	Objectives and Background
6	Macroprudential Liquidity Buffer (MPLB)	<p>Accommodative macroprudential policies were continued in support of banking liquidity resilience by maintaining the MPLB ratio at 6% with 4.5% repo flexibility and the Sharia MPLB ratio at 4.5% with 4.5% repo flexibility. This involved some updating of regulations,³⁷ as follows:</p> <ul style="list-style-type: none"> a. Relaxation and/or exemption from MPLB compliance: Additional relaxation criteria and exemption from MPLB compliance for banks with limited resources for complying with the MPLB due to certain conditions, supervision status and ongoing borrowing of Short-Term Liquidity Assistance (PLJP) or the equivalent sharia-compliant facility (PLJPS). b. Data sources for MPLB calculation: Modifications to data sources for calculation of the MPLB for consistency with the LBUT requirements. c. MPLB compliance for banks undertaking fundamental strategic measures and establishment of new banks: Modifications to the regulation governing compliance with the MPLB for banks undertaking fundamental strategic actions (for example, a bank applying for revocation of its business license or closure of a foreign bank branch office undergoing integration or conversion) and for establishment of a new bank with reference to regulations of BI and the Financial Services Authority (OJK). 	The MPLB requirements are aimed at supporting resilience in banking liquidity, and therefore regular evaluation is necessary to ascertain the effectiveness of implementation in the banking industry. In keeping with developments in the financial cycle in Indonesia and evaluation of implementation of regulations in the field, it is necessary to evaluate regulations pertaining to relaxation and/or exemption from MPLB compliance, MPLB compliance for banks undertaking fundamental strategic measures and for establishment of new banks, and adjustment in data sources for calculating the MPLB.
Financial Inclusion			
7	Macroprudential Inclusive Financing Ratio (RPIM)	<p>Strengthen the implementation of the RPIM policy,³⁸ most importantly for fulfilment of bank commitments to the prescribed RPIM targets in keeping with the expertise and business model of the individual bank.</p> <ul style="list-style-type: none"> a. The RPIM is a ratio for the proportion of Commercial Bank Inclusive Financing in which conventional commercial banks, sharia commercial banks and sharia units are obligated to extend credit/financing to targeted borrowers for inclusiveness, i.e. (i) MSMEs, (ii) incorporated MSMEs, (iii) low-income individuals in a certain number relative to total credit/financing. b. Banks are able to make use of schemes of financing modalities for funding the RPIM. These are: (1) inclusive financing provided directly and using supply chains; (2) financing through financial institutions and public service agencies/other business entities; and (3) financing through purchase of inclusive financing securities (SBPIs). c. RPIM compliance is required for each end-December position, commencing from the position for December 2022. 	In setting the RPIM, Bank Indonesia supports Government efforts to improve access to financing and development for micro, small and medium enterprises and low income individuals. To encourage an optimum contribution from banks in complying with the RPIM, it is necessary to take account of the bank's expertise and business model in inclusive financing.
Policy Coordination			

- 37 Regulation of the Board of Governors Members Number 24/14/PADG/2022 concerning the Fifth Amendment to Regulation of the Board of Governors Members 20/22/PADG/2019 concerning Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Units
- 38 Regulation of the Board of Governors Members Number 24/6/PADG/2022 concerning Implementing Regulation for the Macroprudential Inclusive Financing Ratio for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Units (PADG RPIM)

No	Policy	Policy Description	Objectives and Background
8	Regular meetings of the Financial System Stability Committee (KSSK)	The KSSK scheduled meetings for the first, second, third and fourth quarter of 2022 were held to provide coordination in safeguarding financial system stability and accelerating the pace of national economic recovery.	The KSSK scheduled meetings are held regularly on a quarterly basis for interagency coordination in the financial system (Ministry of Finance, Bank Indonesia (BI), the Financial Services Authority (OJK) and the Indonesia Deposit Insurance Corporation (LPS)) within the context of maintaining financial system stability. Among the outcomes of this coordination was policy formulation for an integrated policy package and a synergistic interagency policy mix. Discussion in the meetings generally consisted of an assessment of the economy and financial system; the formulation of policies; and various topical issues that are considered to be closely related to efforts to maintain financial system stability.
9	BI-OJK-LPS coordination	During 2022, coordination with OJK and LPS involved the following: a. monitoring of the condition of banks requiring attention; b. coordination in the preparatory work for the bill on Development and Strengthening of the Financial Sector (RUU P2SK); c. coordination mechanism for LPS placements in banks; d. coordination for expansion of metadata in the LBUT in a reporting integration forum; and e. joint research on strategic topics related to the assessment of risks to macroeconomic conditions and the banking sector arising from transition to the green economy.	Working together with OJK and LPS, BI took steps to strengthen powers and authority in support of the process of expediting national economic recovery.
10	BI-OJK coordination	During 2022, BI engaged in bilateral coordination with OJK in relation to such activities as: a. harmonisation and alignment of BI and OJK policies, for example, the RIM, MPLB, RPIM, CAR, sharia rural banks, market risk-weighted assets; b. formulation of further policy implementation, for example, the LBUT, consolidation of commercial banks and coordination in the implementation of RPIM policy; c. interagency exchange of data and/or information; and d. updating of the list of systemically important banks.	Policies relating to the financial system have a high degree of complexity and require support through close synergy and coordination between BI and OJK as appropriate to their individual powers and authority. The full support of OJK in supervision of the banking system and other financial services institutions is essential for ascertaining the effectiveness of policies in accelerating the growth of the Indonesian economy.
11	BI-LPS coordination	During 2022, BI engaged in bilateral coordination with LPS in relation to such activities as: a. harmonising and alignment of policies, for example, resolution of intermediary banks; and b. strengthening of coordination in both regular and incidental exchange of data/information, including knowledge sharing.	BI and LPS engaged in regular coordination to support the exercise by each institution of their powers and functions.

III. Policies for the Payment System

No	Policy	Policy Description	Objectives and Background
1	Extended the Fee Reduction Policy for the Bank Indonesia National Clearing System (SKNBI)	Reduced the SKNBI fees paid by banks to BI from IDR600 to IDR1 and paid by customers to banks from the previous IDR3,500 maximum to a maximum of IDR2,900, effective from 1 April 2020.	These reductions were made to increase cost efficiency and economic activity in society for sustaining the economic recovery momentum and to improve convenience in financial transactions in support of economic recovery.
2	Continuation of the Fee Reduction Policy for Bank Indonesia Real Time Gross Settlement (BI-RTGS) Services	Reduced the BI-RTGS service fees for each time zone and lowered price capping from a maximum of IDR35,000 to IDR30,000, effective from 1 December 2020.	<ul style="list-style-type: none"> Undertaken to ease the burden of members of the public in conducting wholesale and corporate economic activities. The fee structure continued to take account of sustainability for the industry and BI.
3	Continuation of the policy for adjustments in the Merchant Discount Rate (MDR) for Indonesian Standard QR Codes (QRIS)	Reduced the Merchant Discount Rate (MDR) to 0% for micro business merchants, effective 1 April 2020.	<ul style="list-style-type: none"> Undertaken as part of efficiency improvements for sustaining the momentum for economic recovery. Continued the drive to expand the digital ecosystem and promote transaction growth with focus on MSMEs. Strengthened payment system policy in support of economic recovery and acceleration of inclusive digitalisation.
4	Raised the QRIS transaction limit	Increase in the QRIS transaction limit from IDR5 million to IDR10 million per transaction, effective 1 March 2022.	This was undertaken to maintain stability, support continued economic recovery and promote more rapid, inclusive and efficient implementation of the Digital Economy and Finance (DEF).
5	Expand the QRIS user base and QRIS features	a. Implementation of QRIS features for transfers, withdrawals and deposits. b. Implementation of the Cross-border QRIS.	To encourage use by the public and payment system innovation in support of accelerating the pace of economic recovery.
6	Further Policy Actions for Credit Cards	Credit card policy actions: a. Reduction in the maximum credit card interest rate from 2% to 1.75% per month, effective 1 July 2021. b. Reduction in minimum payment from 10% to 5%, effective from 1 May 2020. c. Reduction in the late payment penalty from 3% or a maximum of IDR150,000 to 1% or a maximum of IDR100,000, effective 1 May 2020.	Undertaken as part of efficiency improvements for sustaining the momentum of economic recovery and increasing the pace of inclusive digitalisation.
7	Increased the stored value limit for electronic money	Raised the limit on value that may be stored in registered electronic money from IDR10 million to IDR20 million and the monthly transaction limit from IDR20 million to IDR40 million, effective from 1 July 2022.	Measures undertaken to maintain stability, support continued economic recovery and promote more rapid, inclusive and efficient implementation of the Digital Economy and Finance (DEF).
8	Operationalise and implement the National Standard for Open Payment APIs (SNAP)	The implementation of SNAP includes: the operationalisation of SNAP First Movers starting 30 June 2022; and full implementation of SNAP Second Movers on 31 December 2022.	Implemented in support of banking and fintech interlinks that satisfy the principles of integration, interconnection and interoperability.

No	Policy	Policy Description	Objectives and Background
9	Implementation of BI-FAST	Accelerated implementation of BI-FAST through expansion of members; payment channels in mobile banking; alternatives for providing infrastructure in line with member capacity; and improved communication to the public and relevant agencies.	Expanding payment system services to the public at a level commensurate with acceleration of economic recovery; the drive for growth; and for economic and financial inclusion.
10	Electronification of Regional and Local Government Transactions, Social Assistance and the Transportation Sector	<p>a. Innovation, acceleration and expansion of the electronification of regional and local government revenues and expenditures, integrated management of regional and local government finances and support for integration of the digital economy and finance provided through Teams for Regional Acceleration and Expansion of Digitalisation (TP2DD).</p> <p>b. BI extended support for disbursement of non-cash social assistance by facilitating the use of non-cash payment instruments and conducting pilot digitalisation of social assistance (Government to Private 4.0).</p> <p>c. Coordination with relevant line ministries and central agencies in facilitation for electronification and integration of payments for transportation modes and support for application of contactless technology on toll roads.</p>	To promote accelerated digitalisation in the regions in support of regional economic growth at a level commensurate with acceleration of economic recovery; the drive for growth; and for economic and financial inclusion.
11	Development of domestic government credit cards	Implementation of domestic government credit cards as an early stage in initiating the development of interconnected and interoperable domestic credit card instruments.	<ul style="list-style-type: none"> • To promote implementation of payment system services that satisfy the principles of integration, interconnection and interoperability. • To increase acceptance and transaction volume with domestic credit cards, and to improve efficiency in Government transactions.
12	Pursued further regulatory reform through relaxation of regulatory provisions for digital financial services (DFS)	<p>The relaxation of the regulatory provisions applying to DFS, included the following:</p> <p>a. Requirements for DFS operation by agents of individual DFS agents;</p> <p>b. Requirements for the minimum business tenure of DFS agents;</p> <p>c. Exemption from the required minimum business tenure of DFS agents for government programs;</p> <p>d. Limits on value of first-time cash withdrawals at DFS agents; and</p> <p>e. Cooperation with supporting third parties.</p>	To expand financial access to unbanked people. This would be done within the general scope of support for more rapid financial inclusion, non-cash social assistance (G2P 4.0) and cross-institutional harmonisation of regulations for technology-based non-office banking and other financial services in cooperation with bank agents (Laku Pandai).
13	FEKDI	Promotions, education and awareness raising for various digital initiatives and innovations in Indonesia. Together with the Coordinating Ministry of the Economy and business associations, BI organised the FEKDI 2022, which was also a side event of the G20, on 11-15 July 2022.	<ul style="list-style-type: none"> • A concrete step in support of integration of the digital economy and finance ecosystem. • The event utilised and expanded the non-cash ecosystem while promoting innovation in the digital economy and finance.

IV. Policy for Management of Cash in Circulation

No	Policy	Policy Description	Objectives and Background
1	Centralised cash distribution	<p>Bank Indonesia (BI) has introduced centralised distribution of rupiah cash in all regions of Indonesia through implementation of front office, middle office and back office (FOMOBO) business procedures, which will be phased in by 2025. This implementation entails:</p> <ul style="list-style-type: none"> a. Improvements to the national cash distribution network; b. Implementation of FO functions at all BI Representative Offices for providing cashier services and cash processing; c. Strengthening of the Rupiah Cash Management Command Centres in carrying out MO functions comprising a line of command in the managing the adequacy of the national cash supply; d. Designation of eight BI Representative Offices as Regional Cash Depots to perform FO and BO functions.; and e. Establishment of the South Sulawesi Main Cash Depot to perform BO functions for carrying out the distribution and storage of cash. 	<p>BI set key milestones for centralisation of cash distribution for provision of rupiah currency fit for circulation in adequate volume and appropriate denominations on a timely basis as legal tender throughout the national territory of Indonesia.</p> <p>Also, the policy was introduced with priority to efficiency, taking into account available routes and modes of transportation as well as inventory management practices for optimising cash storage capacity.</p>
2	Digitalisation & automation of cashier equipment and infrastructure	<p>The digitalisation and automation of cashier equipment and infrastructure is being phased in at all Bank Indonesia Representative Offices, taking into account the needs and condition of cash management commensurate with implementation of the FOMOBO business processes in centralisation of cash distribution. Digitalisation and automation used an automated banknote feeding system; an automated banknote packaging system; the introduction of a warehouse management system (WMS) equipped with a racking system; and banknote serial number readers. In addition, enhancements were made in the decision support system and executive information system to support monitoring, early warning and adoption of a policy strategy for more complete, accurate, state of the art and complete rupiah cash management.</p>	<p>Digitalisation and automation represent key milestones for rupiah cash management. They have been implemented in support of modern, integrated, efficient and secure circulation and management of cash with less human intervention.</p>
3	Issuance of series 2022 rupiah banknotes	<p>BI issued new series 2022 banknotes in denominations of IDR100,000, IDR50,000, IDR20,000, IDR10,000, IDR5,000, IDR2,000 and IDR1,000. These banknotes were launched as legal tender in the national territory of Indonesia on 17 August 2022.</p>	<p>The issuance of series 2022 banknotes took place within the context of enhancing banknote design, raw materials and security features to satisfy the public need for rupiah cash; to be more easily recognisable; to be more difficult to counterfeit; and to remain in circulation longer. As a result, rupiah cash improved in quality and commanded greater trust.</p>
4	Withdrawal of commemorative rupiah coins	<p>On 30 August 2022, BI revoked and withdrew from circulation two denominations of commemorative coins minted in celebration of Indonesia's 50th Year of Independence in 1995. These coins comprised the Democracy Series Commemorative Coin with face value of IDR300,000 and the President of the Republic of Indonesia Series with face value of IDR850,000.</p> <p>Replacement of rupiah banknotes and coins that have been revoked and withdrawn from circulation will be take place for 10 years following the year of revocation and withdrawal. As of the third quarter of 2022, a total of 13 rupiah banknote denominations, 4 coins and 22 denominations of commemorative banknotes and coins that had been revoked and withdrawn from circulation, could still be exchanged for replacement.</p>	<p>BI takes various matters into account when revoking legal tender status and withdrawing rupiah currency from circulation. These include conditions in counterfeiting of rupiah banknotes, technological developments in production of materials and printing and minting of currency in denominations needed by the public.</p>

No	Policy	Policy Description	Objectives and Background
5	Improvement in rupiah literacy at the Indonesia Sovereign Rupiah Festival (FERBI)	FERBI is a new platform for improving rupiah literacy. It was held for the first time in Jakarta on 19-21 August 2022 and featured the theme "Unified in the Rupiah, Sovereign in the Unitary State of Indonesia". FERBI was organised with various activities including showcasing of the rupiah; a rupiah talk show; and rupiah entertainment on stage.	This is a form of public education on the rupiah currency. The Rupiah Love, Pride and Understanding program has the objectives of: (1) strengthening public understanding about the role of the rupiah in the course of the nation's history; (2) building optimism and patriotism; and (3) reinforcing the sovereignty of the Unitary State of the Republic of Indonesia with use of the rupiah currency.
6	Policy coordination with the Government for planning, minting and destruction of rupiah cash	BI maintained constant coordination with the Government in rupiah cash management, including in the stages of planning; printing/minting; and destruction of rupiah cash, as mandated in Act No. 7 of 2011 concerning Currency.	This coordination with the Government is intended to ensure the availability of rupiah cash fit for circulation in adequate volume and appropriate denominations for the public.
7	Mobile cash services in frontier, outermost and remote regions	Under the theme of Shipping for the Sovereign Rupiah in 2022, BI operated mobile cash services for frontier, outermost and remote regions in collaboration with the Indonesian Navy. These services covered a total of 81 frontier, outermost and remote islands spread over 16 provinces in Indonesia.	Implemented for protecting the sovereignty of the rupiah throughout the territory of Indonesia with the objectives of: (1) Upholding the territorial integrity of Indonesia with the rupiah currency as a symbol of state sovereignty; (2) Provision and circulation of rupiah cash fit for circulation in frontier, outermost and remote regions, with specific focus on the new series 2022 rupiah cash; and (3) Expanded coverage of the Rupiah Love, Pride and Understanding educational campaign includes the frontier, outermost and remote regions.
8	Expansion of services for exchange of damaged/defaced rupiah cash with the online PINTAR application	BI introduced an online, public service for ordering replacement of damaged/defaced rupiah cash through the PINTAR application. This service targeted not only members of the public replacing currency at a BI office, but also those intending to use a mobile cash service for this purpose.	To support implementation of the new normal, Bank Indonesia provided an online, public booking service to exchange damaged or defaced rupiah cash. With this service, members of the public could place a cash service order online before visiting a Bank Indonesia office or a mobile cash service site. This reduced the gathering of crowds.
9	Digital planning of cash needs estimates	BI has introduced digitalisation at all stages of the rupiah cash management process on an omni-experience platform, in line with the digital transformation at BI. Working in phases, digitalisation of the planning stage was carried out for preparation of Cash Needs Estimates, supported by use of the Rupiah Cash Needs and Integrated Analytics Application (AKURAT).	To assure the timely and effective availability of cash, BI prepared accurate and integrated Cash Needs Estimates as a basis for determining the volume of rupiah cash to be printed.

No	Policy	Policy Description	Objectives and Background
10	Prevention and eradication of counterfeit rupiah	Bank Indonesia coordinates continually with all offices of the Coordinating Agency for Eradication of Rupiah Counterfeiting (Botasupal), to pre-empt counterfeiting of the rupiah.	<p>Bank Indonesia has adopted a range of policies for prevention and eradication of counterfeit rupiah, to strengthen confidence in the rupiah currency as legal tender throughout the territory of Indonesia.</p> <p>Preventive measures include enhancing security features in order to produce rupiah currency that is difficult to counterfeit, using marks of authenticity that can be easily recognised by the public.</p> <p>In addition, Bank Indonesia provided support for laboratory examination of rupiah banknotes of doubtful authenticity found in cases uncovered by law enforcement officials. Bank Indonesia also provided expert testimony in the investigation and court trials of counterfeiting cases, as well as support in the form of exchange of data/information with law enforcement officials on discoveries of counterfeit rupiah banknotes.</p> <p>Furthermore, BI undertook a public education campaign under the banner "Rupiah Love, Pride and Understanding".</p>
11	Closer coordination with industry through establishment of the Rupiah Cash Management Industry Forum and Working Group (WG)	As part of the reorganising of the rupiah cash management industry, BI collaborated with the industry by establishing the Rupiah Cash Management Industry Forum (FORIN PUR). The forum members included BI; banks; rupiah cash processing service providers (PJPUR); and other relevant parties.	FORIN PUR and the PUR Industry WG are important to the implementation of the Rupiah Cash Management Blueprint 2025, especially in cash demand planning activities; network efficiency; improvement of cash services; institutional architecture; digitalisation; and an integrated information system.
12	Improvements to distribution strategy and cash services	Bank Indonesia conducted further evaluation relating to the selection of routes and transportation modes for distribution of cash throughout the territory of Indonesia. Separately, another evaluation was conducted on cash service activities (including mobile cash and outsourced local cash management), focused on effectiveness and efficiency.	The improvements to distribution strategy and cash services are closely linked to efforts to achieve the policy objectives of rupiah cash management. These objectives are to provide cash fit for circulation in appropriate denominations on a central bank driven just-in-time basis; bring non-cash policy into alignment; and take careful note of efficiency and the national interest.

V. Financial Market Development Policy

No	Policy	Policy Description	Objectives and Background
1	Digitalisation and strengthening of financial market infrastructure	<p>a. Issuance of business licenses to existing electronic trading platform (ETP) providers for the money market: PT. LSEG Transaction Services Indonesia (Refinitiv) on 23 September 2022; and PT. Antara Elektronik Transaksi Pratama (Bloomberg) on 17 October 2022.</p> <p>b. Accelerated establishment of the Central Counterparty (CCP) institutions on the money market and forex market. The CCP will be integrated, interconnected and interoperable (3I) in terms of both technological and non-technical readiness and serve as systemically important financial market infrastructure.</p> <p>c. Development of the conceptual designs for financial market infrastructure (FMI) encompassing the BI-APS, BI-SSSS, and Trade Repository.</p> <p>d. Assessment of FMI development.</p>	<ul style="list-style-type: none"> • Business licencing is part of the implementation of G20 OTC derivative market reforms in fulfilling the recommendations for mandatory trading on electronic trading platforms. • The aim of accelerated establishment of CCP institutions on the money market is to support consolidation of market operators on an integrated, interconnected, and interoperable basis. • The conceptual design for FMI development takes into account the application of 3I (integration, interconnection, and interoperability) between the FMI for the money market, the monetary operations infrastructure, and payment system infrastructure. It is also being aligned with the development initiative for the Central Bank Digital Currency (CBDC). • The assessment was prepared for the drafting of recommendations for FMI development, including self-assessment of compliance with the principles of financial market infrastructure vis-a-vis the BI-SSSS; evaluation of the implementation of ETP multi-matching systems; and development of FMI relating to OTC transactions in interest rate and exchange rate derivatives and repos.
2	Development of market actors, products and prices to bolster effectiveness of monetary policy transmission	<p>A. Development of market actors</p> <p>a. Harmonisation of the development framework for money market actors with MO membership, consistent with the payment system industry classification. (which groups according to systemic, critical and general criteria).</p> <p>b. Issuance of an updated code of ethics and certification of treasures, by Board of Governors Members Regulation (PADG) No. 24/9/PADG/2022 concerning Application of Market Code of Ethics and Operation of Treasury Unit Certification.</p> <p>c. Synergy with the Indonesia Foreign Exchange Market Committee (IFEMC) for updated the Market Code of Conduct (MCOC), carried out by the IFEMC professionalism sub-committee.</p> <p>d. Appointment of the IFEMC for the 2022-2026 period and institution building for the IFEMC.</p>	<ul style="list-style-type: none"> • Harmonisation aspects are aimed at improving the structure of the money and forex markets and reducing segmentation, thus improving the efficiency of market mechanisms. • Regulatory provisions were updated in order to accommodate: the latest changes in the Indonesian National Work Competency Standards (SKKNI); implementation of a code of ethics guided by international best practices; and improvements in the treasury unit certification scheme for both conventional and sharia-complaint operations. • The MCOC has been updated to bring it into line with global best practices and the dynamics of the domestic financial markets. • The aim of institution building of the IFEMC is to build a Self-Regulatory Organization (SRO) on the money market and forex market, to expedite industry-led development of the money market. The institution building of the IFEMC has taken place through transformation into an SRO Association, while still performing its function as an LFXC. The IFEMC transformation encompasses membership, competencies and institutional structure and is implemented in stages. The initial stage took place with a prolongation of the Decree of the Governor of BI on Appointment of the IFEMC for the 2022-2026 Period and restructuring of the IFEMC subcommittees.



No	Policy	Policy Description	Objectives and Background
		<p>B. Development of the Money Market</p> <ul style="list-style-type: none"> a. Publication of the white paper on Guidelines for Strengthening Benchmark Rates on the Domestic Money Market, 31 March 2022. b. Synergy between the Financial Services Authority (OJK) and the Association of Debt Securities Dealers (HIMDASUN) for improvements to version 2 of the Market Standard Transaction Repurchase Agreement published by HIMDASUN on 18 April 2022. c. G20 Side Event on Benchmark Reform with the title of International Best Practices and Lessons Learnt on LIBOR Transition in Developing a Robust and Credible Reference Rate, held on 13 June 2022. d. Publication of the white paper on Guidelines for Use of the IndONIA as a Reference for Rupiah Interest Rates in Various Financial Products on 30 September 2022. e. Updating of the provisions of the Board of Governors External Regulation on IndONIA and JIBOR (PADG No. 24/18/PADG/2022, concerning amendment of the PADG concerning IndONIA and JIBOR) on 14 December 2022, effective date 1 January 2023. f. Preparation of assessment on money market development. 	<p>The primary objective of publishing the white paper was to establish the Indonesia Overnight Index Average (IndONIA) as a reference rate for other rupiah rates in non-overnight tenors. The white paper also recommended make greater use of the IndONIA in pricing of various rupiah products and financial instruments.</p> <p>Synergy in updating market standards is part of the development of repo transactions, entailing standardisation of interbank repos in line with repos conducted with Bank Indonesia. The scope of revisions to the Market Standards for Repurchase Agreement Transactions encompasses:</p> <ol style="list-style-type: none"> 1. Harmonisation of repos between market actors with BI repos, especially regards haircuts on government securities as collateral. They would be guided by: the haircut level in BI Monetary Operations transactions, including the determination of repo proceeds using a dirty price (that is, taking account off accrued interest): and 2. Other improvements according to the needs of market actors. <p>The G20 side event was held with the aim of obtaining insights from international speakers on lessons learned in two areas: (1) International Best Practices and Lessons Learnt on the LIBOR transition; and (2) Domestic Benchmark Reform: Where We Are and the Way Forward. The side event featured international guest speakers and representatives of the key domestic institutions.</p> <p>The main objective of publishing the white paper is to provide recommendations for use of IndONIA as the rupiah benchmark rate for non-overnight tenors, formed based on IndONIA and calculated in accordance with international best practice</p> <p>The objective of issuing updated Board of Governors Members regulations on IndONIA and JIBOR was to support domestic benchmark reform primarily IndONIA as an alternative benchmark rate in rupiah for various financial products and publication of the Compounded IndONIA and IndONIA Index that market actors can utilize when using the IndONIA as reference for benchmark rates in rupiah for non-overnight tenors.</p> <p>The assessment was performed to develop recommendations for development of the forex market, including: (1) ESG money market; (2) ESG interest rate derivatives; and (3) harnessing the benefits of financial technology on the money market.</p>

No	Policy	Policy Description	Objectives and Background
		<p>C. Forex market development</p> <ul style="list-style-type: none"> a. G20 Side Event on Managing Risk of the Exit Policy Dynamic Through More Diversified Currency to Support Global Trade and Investment on 16 February 2022. b. Kick off for establishment of the National Task Force for Local Currency Settlement (TFN LCS) on 25 May 2022. c. Regulatory reform for transactions on the money market, undertaken with the issuance of Bank Indonesia Regulation (PBI) Number 24/7/PBI/2022 concerning Transactions on the Foreign Exchange Market, Regulation of Board of Governors Members (PADG) Number 24/10/PADG/2022 concerning Implementation Regulation for Transactions on the Foreign Exchange Market, and PADG Number 24/11/2022 concerning Domestic Non-Deliverable Forward Transactions. d. Expansion of DNDF instruments for Indonesia-Thailand LCS, expansion of partner nations to include Singapore and streamlining of LCS reporting. e. Work completed in LCS development integrated into the QRIS in Thailand (implemented) and in Malaysia (pilot project). f. Preparation of an assessment of forex market development. 	<p>The side event was held to promote increased use of LCS facilities and Indonesia's implementation of LCS facilities with partner countries. The session in the side event was divided into two as follows:</p> <p>Strategic Policy Framework to Enhance the Usage of Local Currency Settlement in Trade and Investment in Asia; and (2) Showcasing the Implementation of the LCS Framework between Indonesia and Partner Countries. The event featured international guest speakers (BIS and PBOC) and representatives from Indonesia (economists, banks and business associations).</p> <p>The members of the TFN LCS include BI; nine line ministries/central agencies (Coordinating Ministry for the Economy, Coordinating Ministry for Maritime Affairs and Investment, Ministry of Finance, Ministry of State-Owned Enterprises, Ministry for Trade, Ministry of Industry, Ministry of Foreign Affairs, OJK, and LPS); two business associations (Indonesia Chamber of Commerce and Industry (KADIN) and the Indonesian Employers Association (APINDO)); and one association of banks (ACCDs).</p> <p>The following points of principle were applied in updating the transaction rules on the forex market: (i) integration and simplification of various forex market regulations; (ii) regulation under a principle-based approach for improving flexibility and effectiveness in implementation for market actors; and (iii) support for optimum formation of forex demand and supply.</p> <p>The development of LCTs is aimed at reducing dependence on major currencies, such as the United States dollar (USD). Customers' benefits from LCTs include: a higher threshold for underlying transactions on the forex market; facilities for opening accounts in Indonesia denominated in partner nation currencies and vice versa; ability to obtain financing in partner nation currencies; more efficient quoting of exchange rates and faster transfer times due to processing within the same time zone (Asian time).</p> <p>The integration of LCS development into the QRIS is aimed at providing convenience and expanding payment options for members, thereby improving the efficiency of transactions, supporting digitalisation in trade and investment and bolstering macroeconomic stability, by promoting wider use of LCS. This will be possible with use of direct quotations of local currency exchange rates made available by ACCD banks operating as part of the LCS.</p> <p>Assessment was performed to develop recommendations for development of the forex market, including: ESG FX derivatives; strengthening of the LCT framework and membership criteria; strengthening of FX arrangement flexibility and simplification of reporting; and expansion of LCT cooperation under agreements with MAS, the Reserve Bank of India (RBI), and the Bank of Korea (BoK).</p>



No	Policy	Policy Description	Objectives and Background
		<p>D. Developments in prices</p> <ol style="list-style-type: none"> Publication of non-USD/IDR benchmark exchange rates. Publication of data on repo rates and a repo trading summary in the LBUT. Self-assessment of compliance in setting the IndONIA and JIBOR based on the IOSCO Principles for Financial Benchmarks. 	<p>Non-USD/IDR benchmark rates are rates for specified foreign currencies against the rupiah. Market actors may use them for settlement of non-USD derivative transactions. (Non-USD/IDR benchmark rates are now published daily at 4.30 PM Western Indonesian Time, a change from 3:30 PM during the Covid-19 pandemic. These benchmark rates, published on BI's website since 11 July 2022, cover virtually all major regional currencies (THB, MYR, JPY, CNY, SGD, AUD, CAD, CHF, CNH, EUR, GBP, KRW, NZD and SAR). One more benchmark rate is set to be added in the next phase, that is INR. The benchmark rates are republished by Bloomberg and Refinitiv.</p> <p>Using the LBUT application, banks receive data on repo rates and a repo trading summary on a daily basis. These data include: the average daily repo volume for the bank and prices in certain tenors (ON, 1 week, 2 weeks, 1 month, 3 months, 6 months, 9 months, 12 months, other tenors ≤ 12 months and tenors > 12 months).</p> <p>The aim of conducting the self-assessment was to evaluate compliance in setting of the IndONIA and JIBOR with the principles and best practices set forth in the IOSCO Principles for Financial Benchmarks. The results show that the setting of the IndONIA and JIBOR generally conform with the principles and best practices set forth in the IOSCO Principles for Financial Benchmarks with some areas noted for improvement.</p>
3	Development in sources of economic financing and risk management	<ol style="list-style-type: none"> G20 Side Event, Scaling Up the Utilisation of Sustainable Financial Instruments on 18 February 2022. Organised the #1 LIKE IT series webinar (Leading Edge Financial Literacy in Indonesia) on 12 August 2022. Workshop on Use of Long-Term Hedging Transactions for the Banking System Preparation of assessments for promoting sources of economic financing. Development of priority sources of economic financing under the Coordinating Forum for Development Financing on Financial Markets (FK-PPPK), including: Green & Sustainable Instruments; harmonisation of taxation policies; and expansion of the retail investor base by means of a piloting program, FGDs and webinars. 	<ul style="list-style-type: none"> The side event aimed at obtaining insights for drafting the development strategy for ESG finance in Indonesia and to increase the exposure of EDG finance on the domestic market. The session in the side event was divided into two: (1) Strategic Outlook (Global Trends, International SFI Best Practice, and ESG Portfolio Management); and (2) Green and Sustainable Instruments as Alternative Financing and Investment & Indonesia's SF Future Direction. The speakers at the event were both international (ICMA, IFC, foreign banks) and invited from domestic institutions (OJK, Indonesian banks). Represents the first in a longer series of webinars on financial literacy held by the FK-PPPK, which brings together BI, the Ministry of Finance, OJK and LPS. The organisation of LIKE IT is an endeavour to expand the retail investor base. By the end of November 2022, retail investor base registered in the Debtor Information System (SID) had grown to 10 million users. Workshop on the use of long-term hedging aimed at promoting the long-term derivatives market with focus on supporting investment hedging in infrastructure financing. Assessments were carried out as part of the drafting of recommendations for development of economic financing instruments, including: (1) Preparation of Mapping of Markets and Incentives/Disincentives for Sustainable/Green Financing; (2) Potential of Digital Banks in Supporting Expansion of the Retail Investor Base through Digital Investment Platforms; and (3) Asset Securitisation with Underlying MSME Claims (Credit).

VI. Sharia Economy and Finance Policy

No	Policy	Policy Description	Objectives and Background
1	Development of the sharia money market	Development of the sharia money market was carried out applying the product, pricing, participants and infrastructure (3P and 1I) approach.	Product development aim to strengthen existing instruments, as appropriate to needs. Pricing development took place by utilising the benchmark rate for the money market. Participant development was aimed at expanding the issuer and investor base on the sharia money market. Infrastructure development aimed at supporting the smooth operation of activities and transactions on the sharia money market. The creation of an Islamic money market ecosystem in terms of products, pricing and participants is envisaged as helping to build credibility and support the creation of market resilience. In turn, the ecosystem will act as a catalyst for emergence of a deep and growing sharia financial market.
2	Sharia monetary operations	Liquidity management by absorbing liquidity and/or injecting liquidity into the sharia-compliant money market.	To maintain monetary stability, the sharia monetary operations focused on the adequacy of liquidity on the sharia-compliant money market and forex market. The instruments for rupiah liquidity absorption include the SukBI and the Sharia Bank Indonesia Deposit Facility (FASBIS); instruments for liquidity injection included the Bank Indonesia Sharia Liquidity Management (PaSBI) and the Bank Indonesia Sharia Liquidity Facility (FLiSBI). In addition, sharia-compliant foreign currency term deposits (TDs) were employed as an absorption instrument on the sharia forex market.
3	Sharia macroprudential regulation	Strengthening of the Macroprudential Inclusive Financing Ratio (RPIM) policy; relaxation of the Financing to Value (FTV) policy; and continuation of policies for the Sharia Macroprudential Intermediation Ratio (SRIM), the Sharia Macroprudential Liquidity Buffer (SMLB) and the Countercyclical Capital Buffer (CCyB) ratio.	<p>This policy reinforcement includes the following:</p> <ul style="list-style-type: none"> • Updating of the RPIM provisions to regulate mandatory bank compliance with the RPIM and the setting of RPIM targets by banks based on a self-assessment set out in the bank business plan. • A policy incentive was introduced that eased the average Rupiah Statutory Reserves Requirement for sharia banks extending financing to priority sectors and/or meeting the RPIM target. • The policy relaxed FTV ratios for property financing, with the maximum limit raised to 100% for property in all categories, and the lowering of the limit on down payments for vehicle financing to a minimum of 0% for all types of new motor vehicles. • Maintained the sharia MIR target within the 84%-94% range in support of a balanced, quality intermediation function. Also kept the sharia MPLB on hold at 4.5% to bolster the liquidity resilience of the sharia-compliant banking industry. • Bank Indonesia (BI) maintained the CCyB ratio at 0%, and therefore banks were not subject to any obligation for additional capital formation.

No	Policy	Policy Description	Objectives and Background
4	Policy coordination in development of the Halal Value Chain (HVC) ecosystem	<p>a. Conducted development of the HVC ecosystem under the Program for Strengthening the Economic Self-Reliance of Islamic Boarding Schools.</p> <p>b. Conducted development of the HVC ecosystem under the sharia business development program with support from the halal industry.</p>	<p>The objectives of strengthening the economic self-reliance of Islamic boarding schools are to support inclusive growth and reinforce the structure of the national economy.</p> <p>The following was carried out in 2022:</p> <ul style="list-style-type: none"> • Strengthening of Islamic boarding school business units in line with the program for building greater national food resilience in the National Campaign for Food Inflation Control (GNPIP) and supporting exports of agricultural commodities under the Export-Oriented Horticultural Business Network Program (JUARA EKSPOR); • Institution building for Islamic boarding schools at the grassroots level, involving capacity building and establishment of the Islamic Boarding Schools Economics and Business Association (HEBITREN) in nine provinces. • Empowerment of sharia-compliant businesses operated by Islamic boarding schools in frontier, outermost and remote regions, using renewable energy (solar panels). • Strengthening of business entities and institution-building was supported by other ecosystem development, comprising development of supporting infrastructure, such as the publication of several books serving as a repository of knowledge; launching of the Indonesia Islamic Boarding School Accounting Application (SANTRI); and harnessing new energy and renewables with rooftop solar power plants. <p>The strengthening of the HVC comprised a key strategy in sharia economic empowerment, undertaken in an upstream-downstream integrated ecosystem approach. This aimed at supporting structural improvement in the economy by strengthening export-oriented and import-substituting sharia businesses that include the following: (i) development of business models; (ii) strengthening of sharia business actors; and (iii) faster halal certification as part of the supporting infrastructure, by collaborating with line ministries/central agencies, higher educational institutions and communities.</p>

No	Policy	Policy Description	Objectives and Background
5	Policy coordination in development of sharia social finance	Supported the development of sharia social finance through development of Cash Waqf Linked Sukuk (CWLS) instruments, development of productive waqf business models, strengthening of governance in sharia social finance; digitalisation of payments at sharia social institutions and distribution of zakat charitable funds in least developed, border and outlying regions.	<p>The integration of the commercial and social financial sectors for growth in sharia-compliant financing and deepening of the sharia financial market represents a contribution to optimisation of economic growth. This integration is expected: to expand the variety of instruments; alleviate poverty; improve financial inclusion and socio-economic well-being; and bolster financial system stability.</p> <ul style="list-style-type: none"> • In 2022, the launching took place of CWLS series, including: the second Waqf-linked Sukuk for Private Placement (SW002); the third Waqf-linked Retail Sukuk (WSR003); and the third and fourth Waqf-linked Sukuk for Private Placement (SW003 and SW004). • Initiated cooperation with the Awqaf Properties Investment Fund (APIF) and potential nazhirs for provision of financing for productive waqf assets. • In cooperation with the National Zakat Board (BAZNAS) and the Indonesia Waqf Board (BWI), Bank Indonesia continued work on the preparation of technical notes (TNs) for the Zakat Core Principles (ZCP) and Waqf Core Principles (WCP) for strengthening waqf management practices in Indonesia. • Digitalisation of payments in management of zakat, infaq and sedekah charitable funds (ZESWAF) is expected to provide an effective and efficient means for strengthening funds mobilisation for sharia-compliant social finance while improving the transparency of their management. • To safeguard public purchasing power, Bank Indonesia provided support for the zakat distribution program undertaken by BAZNAS in the least developed, border and outlying regions. In this context, Bank Indonesia worked in collaboration with the Bank Indonesia Shipping of Sovereign Rupiah program.

VII. International Policy

No	Policy	Policy Description	Objectives and Background
1	Cooperation in the International Financial Safety Net (IFSN) Facilities	Concluded renewal of cooperation under the Bank Indonesia-People's Bank of China bilateral Currency Swap Arrangement, effective 21 January 2022	The objective of this cooperation agreement (and others, below) is to promote bilateral trade and direct investment in the local currency of each country in support of the economic development of both nations. It also demonstrates the commitment of the two central banks to safeguard financial system stability. Under the BCSA, swaps can be performed in the local currency of each country up to CNY250 billion or IDR550 trillion (equivalent to about USD38.8 billion).
		On 23 September 2022, concluded agreement on renewal of the Local Currency Bilateral Swap Arrangement between BI and Bank Negara Malaysia (BNM)	The Local Currency Bilateral Swap Agreement (LCBSA) is up to a value of RM8 billion or IDR28 trillion, effective for three years.
		On 4 November 2022, concluded agreement with the Monetary Authority of Singapore (MAS) to extend the BI-MAS bilateral financial cooperation, effective until 3 November 2023.	This collaborative arrangement aims at maintaining monetary and financial stability in the region, including in the two countries. The cooperation consists of two agreements as follows: 1. the Local Currency Bilateral Swap Agreement (LCBSA), enabling local currency to be exchanged by the two central banks up to a value of 9.5 billion Singapore dollars or IDR100 trillion; and 2. the Bilateral Repo Line (BRL), enabling repo transactions to be conducted between the two central banks to obtain liquidity in US dollars up to USD3 billion by pledging government bonds issued by any of the G3 countries (the United States, Japan and Germany) that are held by the two central banks.
		Signed agreement for cooperation in the Renminbi Liquidity Arrangement (RMBLA)	BI and the Bank for International Settlements (BIS), together with BNM, the Hong Kong Monetary Authority (HKMA), MAS, the Central Bank of Chile and the PBoC, signed an agreement for the Renminbi Liquidity Arrangement (RMBLA) that entered into force on 25 June 2022. The objective of the RMBLA is to provide liquidity to participating central banks in the Asia-Pacific region under a reserve pool scheme. Each participating central bank will contribute a minimum of RMB 15 billion or the equivalent in US dollars, to be held in the BIS.
2.	Cooperation in bilateral currency swaps within the scope of trade and investment transactions	Concluded agreement on renewal of the Bank Indonesia-Reserve Bank of Australia Bilateral Currency Swap Arrangement (BCSA), effective 18 February 2022.	The objective of this agreement is to promote bilateral trade between Australia and Indonesia for the economic development of both nations, and is focused on support for settlement of commercial transactions in each nation's local currency. The agreement enables swaps to be performed in the local currency of each country up to AUD10 billion or IDR100 trillion. The agreement is effective for three years and may be extended by mutual agreement of the two central banks.
		Signed MoU between BI and MAS on 29 August 2022	The BI and MAS Memorandum of Understanding (MoU) promotes local currency use in bilateral transactions between the two nations, such as in trade and direct investment. This step is in line with concerted efforts in ASEAN to bring about financial integration in the region to facilitate greater use of local currencies in settlement of transactions for intra-ASEAN trade and investment. Businesses are able to take advantage of this initiative to reduce their exposure to exchange rate risk and lower the cost of conducting bilateral transactions between countries.

No	Policy	Policy Description	Objectives and Background
3.	Expansion of bilateral cooperation in the areas of payment systems, central banks, digital financial innovations, AML/CFT and so forth	Signed MoU between BI and the Bank of Korea (BoK), on 16 February 2022	BI and BoK reached agreement on cooperation in central banking to strengthen bilateral relations between the two central banks. The MoU is intended to provide a more structured and systematic framework for cooperation and to facilitate collaboration between the two central banks in the areas of monetary policy; macroprudential policy; financial system stability; payment and settlement systems (including cross-border payments, digital payments and other areas relating to improvement and innovation of payments and market infrastructure); as well as other areas of central banking.
		On 16 July 2022, signed the BI-Reserve Bank of India (RBI) MoU for expanding cooperation between the two central banks.	BI and RBI committed to deepening the relationship between the two central banks and bolster information exchange and cooperation in central banking: including payment systems; digital financial innovation; and the regulatory and supervisory framework within the context of Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). This Memorandum of Understanding (MoU) establishes the basis for building shared understanding, developing efficient payment systems and expansion of cross-border payment connectivity through policy dialogue, technical cooperation, exchange of information and joint initiatives.
4.	Initiation of cooperation in payments	Initiation of cooperation in cross-border QR payment linkage between Indonesia and Malaysia	On 27 January 2022, BI embarked on expansion of the cross-border QRIS cooperation with Bank Negara Malaysia (BNM). In the trial launching of interconnection of cross-border payments, the QRIS (Indonesian Standard QR Code) or DuitNow, the Malaysia Payments QR Code, could be used with offline and online merchants. This cooperation began with a trial phase and moved into the commercial launching phase in the third quarter of 2022. This cooperation will be upscaled in the future to support cross-border remittances in real time between Indonesia and Malaysia.
		Initiation of cooperation in cross-border QR payment linkage between Indonesia and Singapore	On 29 August 2022, BI and Monetary Authority of Singapore (MAS) initiated cross-border QR code-based payment cooperation as part of efforts to promote payment connectivity in the ASEAN region. The cooperation is targeted for launching during the second half of 2023. It is envisaged as facilitating users in making instant, safe and efficient retail payments by scanning the QRIS (Quick Response Code Indonesian Standard) codes or NETS QR codes displayed by merchants.

No	Policy	Policy Description	Objectives and Background
		Signed MoU for Cooperation in Regional Payments Connectivity between BI, BNM, Bangko Sentral ng Pilipinas, MAS and the Bank of Thailand	On 14 November 2022, BI, BNM, Bangko Sentral ng Pilipinas, MAS and the Bank of Thailand reached agreement on strengthening and expanding cooperation in payment connectivity in the region with the aim of introducing and supporting faster and more affordable, transparent and inclusive cross-border payments. The cooperation in regional payment connectivity is expected to accelerate economic recovery and support more inclusive economic growth. In implementation, this cooperation will also provide support and facilitation for trade, investment, financial market deepening, remittances, tourism and other cross-border economic activities. It will also promote a more inclusive regional economy and finance ecosystem through support for MSMEs operating on the global market.
		Signed an MoU related to QR code-based payments with the Japanese Ministry of Economy, Trade and Industry	Signed on 9 December 2022, the agreement marks the beginning of cooperation between BI and the Japanese Ministry of Economy, Trade and Industry (METI) for engaging in a range of activities related to the interconnectivity of QR code-based payment systems. These activities include policy dialogue, technical cooperation and the establishment of working groups to ensure that objectives are achieved, including efforts to implement QR code-based cross-border payments in support of transactions between members of the public in the two countries.
5.	Policy to maintain positive perceptions of the Indonesian economy	Policy for maintaining the confidence of international stakeholders in Indonesia's economic resilience amid global uncertainty and pressures from high inflation, with key support from credibility of policies and close synergy between BI and the Government in the policy mix.	<ul style="list-style-type: none"> • BI and relevant line ministries/central agencies worked intensively to hold a series of investor meetings and conference calls with international investors and rating agencies. These activities also involved members of the BI Board of Governors and senior Ministry of Finance officials, who participated as speakers. Twelve investor conference calls (ICCs) were held during 2022 (until December). • Indonesia successfully maintained the level of its Sovereign Credit Rating (SCR) and outlook, which remained at investment grade. • Affirmation of Indonesia's SCR by Moody's at Baa2 (investment grade) with outlook stable in February 2022. • Affirmation of Indonesia's SCR by Fitch at BBB (investment grade) with outlook stable in December 2022. • Affirmation of Indonesia's SCR by S&P at BBB (investment grade) with outlook negative in April 2022. • Affirmation of Indonesia's SCR by R&I at BBB+ (investment grade) with outlook stable in July 2022. • Affirmation of Indonesia's SCR by JCR at BBB+ (investment grade) with outlook stable in July 2022.

No	Policy	Policy Description	Objectives and Background
6.	International policy coordination with strategic partners in Indonesia and other countries	<p>a. Strengthening of IRU-RIRU-GIRU (Investor Relations Unit – Regional Investor Relations Units – Global Investors Relation Units) linkages</p> <p>b. High level bilateral meeting between BI and the Bank of England (BoE) within the framework of Structured Bilateral Cooperation (SBC)</p> <p>c. High level bilateral meeting between BI and the Bank of Korea (BoK) within the framework of Structured Bilateral Cooperation (SBC)</p>	<p>As part of efforts to curb the current account deficit, BI coordinated and worked in synergy with the relevant line ministries/central agencies in organising investment and trade promotion activities to attract inflows of foreign direct investment (FDI) and boost exports, primarily of MSME products. BI conducted promotional activities through the IRU-RIRU-GIRU linkages, which are synergised, targeted and outcome-oriented to match supply and demand for MSME investment projects and products. On the supply side, the role of the RIRUs (BI domestic representative offices and stakeholders) is to identify clean and clear regional investment projects for promotion to foreign investors and to promote flagship MSME products to overseas aggregators and buyers. On the demand side, the GIRUs (BI overseas representative offices and stakeholders) will identify the investment sectors that interest foreign investors and the MSME products of interest to aggregators and buyers in the working area of the overseas representative office. Matching of the supply and demand is performed by the IRU (BI Head Office) in coordination with line ministries/central agencies at the national level to identify potential promotional activities that BI is able to organise or attend and to ensure the readiness of RIRUs and GIRUs for participating in promotional activities. Indonesian investment and trade promotion activities are carried out abroad with the aid of the IRU-RIRU-GIRU linkages, which include flagship promotional activities in the working areas of the BI overseas representative offices. Examples of these are the:</p> <ol style="list-style-type: none"> 1. Indonesia Business & Investment Forum, Shanghai; 2. Indonesia Investment Forum, London; 3. Specialty Coffee, Boston; 4. Singapore International Jewellery Expo, Singapore BI; and 5. Expo 2020 Dubai. <p>These were held in coordination with other line ministries/central agencies. In 2022, BI also established new Regional Investor Relations Units (RIRUs) to bolster coordination in investment and trade promotions at the regional level.</p> <p>BI organised a Regional ASEAN Workshop on the topic of Financial Market Infrastructure (FMI), attended by representatives of central banks in Southeast Asia, Nepal, India, Hongkong and Japan as well as some academics from Indonesia. The workshop also presented international best practices to serve as a reference in implementation of the Money Market Development Blueprint (BPPU) 2025.</p> <p>BI held communications with the BoK for discussion of programs for 2022. These communications followed the signing of the BI-BOK MoU for the SBC, including in Payment Systems and Digital Finance Innovations (SP-IKD) in February 2022.</p> <p>The program for cooperation in 2022 included a high level meeting, joint seminars and technical discussions in the areas of the payment system, financial system stability and policy enablers.</p>



No	Policy	Policy Description	Objectives and Background
		d. High level bilateral meeting between BI and the Central Bank of the Republic of Türkiye (CBRT) within the framework of Structured Bilateral Cooperation (SBC)	<ul style="list-style-type: none"> • BI conveyed its views on the coordination pursued by BI, the Government and other stakeholders in tackling inflation, including coordination in the TPIP and TPID forums. • BI engaged in discussions on accounting treatment for cooperation in local currency bilateral swap arrangements and about central banks budgets.
		e. High level bilateral meeting between BI and MAS	The BI-MAS bilateral meeting held in Singapore on 15 June 2022 discussed, among others, initiatives for cooperation between Indonesia and Singapore such as: QR code-based payment connectivity; the PayNow and BI-FAST linkage; the Local Currency Settlement Framework; crypto currencies; CBDC; and the planned renewal of the LCBSA & BRL.
		f. High level bilateral meeting between BI and RBI	This meeting was convened to discuss preparations for the India G20 Presidency in 2023 and ways forward for the MoU signed by BI and RBI in central banking, including Payment Systems and Digital Finance Innovations (SP-IKD).
		g. BI-BoE, BI-BoK and BI-CBRT high level bilateral meetings held on the sidelines of the FMCBG-G20	BI had individual meetings with a number of partner central banks– (BoE, BoK and CBRT) on the sidelines of the G20 Meeting of Finance Ministers and Central Bank Governors (FMCBG-G20) in Bali on 15-16 July 2022. These bilateral meetings discussed various strategic issues concerned with the condition of the global economy, while also strengthening commitments for cooperation among central banks.
		h. High level bilateral meeting held between BI and the Reserve Bank of Australia	Meeting held to discuss the potential for bilateral cooperation and the importance of global initiatives in tackling inflationary pressures resulting from supply side disruptions and rising food and energy commodity prices caused by geopolitical crises, while also discussing efforts to deal with potential stagflation.
		i. High level bilateral meeting held between BI and the Bank of Japan	Meeting held in December 2022 to discuss economic developments in both nations and to reinforce commitments to cooperation between the two institutions.

VIII. MSME Development and Consumer Protection Policies

No	Kebijakan	Deskripsi Kebijakan	Tujuan dan Latar Belakang
1	Bank Indonesia policy framework in MSME development	MSME development policy was implemented in the three pillars: corporatisation; capacity building; and expansion in access to financing for MSMEs.	<p>a. The Bank Indonesia (BI) policy for MSME development was implemented through corporatisation; capacity building; and expanded access to financing to increase the economy of scale and competitiveness of MSMEs.</p> <p>b. Further progress was achieved in corporatisation of MSMEs through institution building; expansion of partnerships; and development of new entrepreneurs.</p> <p>c. Capacity building took place end-to-end with support from digitalisation to drive improvements in production; financial management; and expansion of market access.</p> <p>d. Efforts to expand access to MSME financing aimed to support compliance with the inclusive financing requirements, including by mapping MSME financing profiles in multiple channel e-commerce and partnerships and by business matching.</p>
2	Promotion of more rapid digitalisation to increase MSME productivity, efficiency and access (marketing, finance and transactions)	The MSME digitalisation program is one of the key areas of focus in MSME capacity building for improving productivity and efficiency; expanding MSME marketing access at the national and global level; creating easier access to MSME financing ;and facilitating MSME transactions as an entry point into the digital economy and finance ecosystem through adoption of QRIS codes.	<p>a. BI facilitated the adoption of digitalisation for MSMEs operating in agriculture sector production (cultivation). This would improve their productivity and efficiency, and in marketing for efficiency in agricultural commodity distribution chains. This also contributed to implementation of the National Campaign for Food Inflation Control (GNPIP).</p> <p>b. BI facilitated an MSME onboarding program to instil a digital mindset and build capacity in MSMEs for utilising digital marketing channels, as appropriate to their business.</p> <p>c. BI expanded the use of the Information System for Financial Information Recording Applications (SI APIK) to facilitate MSMEs' in digital preparation of financial statements. These would be used as reference material for banks and non-bank financial institutions in analysing the feasibility of MSME financing.</p> <p>d. BI promoted the use of QRIS codes as a quick, convenient, low-cost, secure and dependable transaction solution for MSME payments during the pandemic, a solution that also helps MSMEs become more efficient with better financial management.</p> <p>e. BI introduced digitalisation in promotions of MSME products with use of e-catalogues and facilitated business matching in online meetings at the national and international level.</p>
3	Promote export MSMEs with push and pull strategies	BI pursued two strategies to promote MSME exports. One was a push strategy involving facilitation for MSMEs to increase capacity. The other was a pull strategy (market driven) to identify standards and requirements that apply in export destination countries.	<p>These push and pull strategies were undertaken to promote more rapid growth in MSME exports.</p> <p>a. The push strategy was conducted with facilitation of capacity building and mentoring for MSMEs to meet requirements in terms of quantity; quality; and continuity of products, including facilitation for certification and product selection to ensure that they meet high standards and interconnection with global supply chains.</p> <p>b. The pull or market-driven strategy is carried out by harnessing market intelligence to identify potential markets and standardisation; facilitation of trade; and synergy with relevant stakeholders. Activities undertaken include encouraging MSMEs to participate in various trade promotions and exhibitions in other countries and in business matching with business actors or potential buyers.</p>

No	Kebijakan	Deskripsi Kebijakan	Tujuan dan Latar Belakang
4	Strengthened synergy for improving MSME competitiveness	The Bank Indonesia development strategy for MSMEs operates by applying the principle of synergy with various stakeholders to improve MSME competitiveness. This synergy involved capacity building for MSMEs; onboarding of MSMEs; business matching; and facilitating access to financing, exhibitions and international trade promotions.	<p>a. Working in synergy with various line ministries/central agencies, BI organised Indonesia Creative Works 2021 with the theme of Synergy, Globalisation and Digitalisation of MSMEs and the Tourism Sector. This represented one tangible form of BI support for the Made in Indonesia Pride (BBI) and Tourism in Indonesia Pride (BWI) national campaigns.</p> <p>b. BI provided active support for the BBI and BWI national campaigns with involvement from all BI offices. As part of this support, BI acted as movement manager and organised activities, such as the MSME product shopping program; expansion in MSME use of QRIS codes; and various strategic BI activities.</p> <p>c. MSME development was conducted by BI with involvement from all BI Representative Offices in cooperation with the various stakeholders at the national and regional levels.</p>
5	National Strategy for an Inclusive Economy and Finance	The National Strategy for an Inclusive Economy and Finance (SNEKI) consists of three main pillars: Economic Empowerment; Expanded Financial Access; and Literacy and Policy Harmonisation.	<p>BI helped to support implementation of the National Financial Inclusion Strategy, applying a three-pillar approach, as follows:</p> <p>a. The Economic Empowerment pillar, which offers capacity building for subsistence groups, such as beneficiaries of non-cash social assistance. This is aimed at improving their skills and abilities for running businesses in a group-based approach (corporatisation), to achieve economies of scale in jointly owned business units.</p> <p>b. The pillar of Expansion in Access to Finance and Financial Literacy involved financial education and use of payment digitalisation as an entry point for the public to financial services. It also promoted financing appropriate to the needs and capacity of subsistence groups.</p> <p>c. The Policy Harmonisation pillar, was implemented by line ministries and central agencies working in synergy to support the expansion in MSME corporatisation and to create a healthy business ecosystem for MSMEs.</p>
6	Development of an inclusive economy and finance	The inclusive economy and finance development program targets subsistence groups in a three-pillar approach of economic empowerment; expanded financial access; and literacy and policy harmonisation.	<p>a. BI supports the SNKI through its membership in the National Inclusive Finance Council (DNKI) under Presidential Regulation No. 114 of 2020 concerning the SNKI. BI plays an active role in various DNKI working groups: (1) financial education; (2) community property rights; (3) products, intermediation and distribution channels; (4) government sector financial services; and (5) consumer protection.</p> <p>b. In 2022, BI carried out follow up pilot projects, replications and exploration of business model replications at the line ministries/central agencies. These were related to development of economic and financial inclusion for subsistence groups, as part of the nurturing of micro entrepreneurship with potential for greater self-reliance.</p>

No	Kebijakan	Deskripsi Kebijakan	Tujuan dan Latar Belakang
7	Financial inclusion framework in harnessing digitalisation to increase productivity, sustainable and inclusive economies of women, youth and MSMEs	This framework was designed as a deliverable of the Global Partnership for Financial Inclusion under the Indonesia G20 Presidency.	<p>The Financial Inclusion Framework aims to maximize the benefits of digitalisation for underserved groups (namely women, youth and MSMEs) as part of the drive for building more productive and sustainable economies. This framework consists of the following outcomes:</p> <ol style="list-style-type: none"> Implementation Guide for the G20 High-Level Principles for Digital Financial Inclusion; Database on Digital and Innovative Financial Products and Services for MSMEs beyond Credit; G20/AFI Preliminary Regulatory Toolkit for MSME Access to Digital Financial Services; and Progressing the Agenda on MSMEs Data Harmonisation Framework. <p>Complementing these outcomes are: the 2022 G20/OECD High-Level Principles on Financial Consumer Protection; and the 2022 Updated G20/OECD High-Level Principles on SME Financing.</p>
8	Bank Indonesia Consumer Protection Framework	<p>BI provides consumer protection through four strategic actions:</p> <ol style="list-style-type: none"> Regulation and policy; Supervision; Handling of complaints; and Education and literacy. 	<ol style="list-style-type: none"> BI worked on strengthening consumer protection in order to bring about sustainable economic growth, supported by financial system stability through financial inclusion, financial literacy and consumer protection policies. The BI Consumer Protection framework operates with focus on three pillars of policy: (1) an effective BI role; (2) compliance of providers; and (3) empowerment of consumers. The strengthening of consumer protection is also supported by institutional cooperation at the national and international level and development of infrastructure. The measures to build more robust consumer protection are creating an effective consumer protection function capable of responding to challenges and developments in financial innovations and digitalisation of financial services products and/or services that give greater priority on consumer interests.

Glossary of Terms

Term	Definition
3I	Integrated, Interconnected and Interoperable, which describes the connectivity between pieces of financial market infrastructure (FMIs)
Administered Prices (AP)	The component of inflation comprising the prices of goods and services heavily influenced by Governments or state-owned enterprises
Aggregate Demand	The total demand for final goods and services in the economy
Aggregate Supply	The total quantity of final goods and services produced by the economy
Application Programming Interface (API)	A set of algorithms, protocols and tools for developing software applications that define the way software components communicate and interact
Appointed Cross Currency Dealers (ACCD)	Banks that are appointed by the authorities in both transacting countries to facilitate LCS implementation by opening accounts in the currency of the partner country in each respective country
Appreciation	An increase in the value of the domestic exchange rate against foreign currencies
Asset-Backed Securities – Collective Investment Contracts (KIK-EBA)	A contract between an investment manager and custodian bank that binds holders of asset-backed securities, wherein the investment manager is authorised to manage the collective investment portfolio and the custodian bank is authorised to carry out collective custody
Asset-Backed Securities Participation Note (EBA-SP)	A specific type of asset-backed security in which the issuer's portfolio is part of a collection of receivables. Documentation includes proof of proportional ownership of the receivables, which are jointly owned by a group of EBA-SP holders
Asset-Backed Security	A security whose underlying asset is an income flow from a collection of receivables, for example, a bundle of mortgages, toll road receipts or credit card bills. For the issuer, an asset-backed security effectively converts a future stream of income into immediate cash
Bank Indonesia-Electronic Trading Platform (BI-ETP)	Infrastructure used to facilitate transactions electronically
Bank Indonesia Policy Mix	The simultaneous application of several policy instruments by Bank Indonesia, including monetary, macroprudential, payment system and other supporting policies
Bank Indonesia – Real Time Gross Settlement (BI-RTGS) system	Electronic funds transfer infrastructure, where settlement is in real time on a per transaction or an individual (gross) basis
Bank Indonesia – Scrippless Securities Settlement System (BI-SSSS)	Electronic infrastructure used to administrate transactions and transfer securities
BI-Core Banking System	The integrated Bank Indonesia e-Licensing application, and the appointment of Bank Indonesia as an administration and payment agent of foreign currency Government Sharia Securities (SBSN) issued on the international market
BI-FAST	Payment system services that are executed in real-time and 24/7 to expedite the transaction settlement process and replace the Bank Indonesia National Clearing System (SKNBI)
BigTech	The major technology companies
Bilateral Currency Swap Arrangement	A form of bilateral financial cooperation commonly used by central banks that allows a central bank to acquire foreign currency from a partner central bank by exchanging equivalent amounts of the local currencies, which are returned on a future agreed date
Blockchain	An unchangeable record of ownership and transfer of ownership of digital tokens, the records being decentralized (that is, under no single authority)

Term	Definition
Blue Economy	The sustainable use of ocean resources for economic growth, aimed at preserving the health of the marine ecosystem
Business Matching	Business meetings between economic actors
Capital Adequacy Ratio (CAR)	The ratio of a bank's available capital in relation to its risk-weighted assets (RWA)
Cash-is-King Phenomenon	A phenomenon where investors or market players prefer to place their funds in highly liquid assets or cash equivalents rather than other investment assets because cash is considered safer during periods of uncertainty
Central Bank Digital Currency (CBDC)	A new electronic form of central bank money that is the liability of the central bank and denominated in the official national currency, which functions as a medium of exchange unit of account and store of value
Cluster	Interconnected entities, for example, business groups or MSME centres
Coexist	Compatible with existing infrastructure
Communiqué	An official announcement or statement conveyed to the public regarding current issues of common concern
Conceptual design	A theoretical framework used in early stages of product development
Consensus Forecast	Predictions of the future that are compiled by combining several forecasts created by separate institutions/observers/economists
Core Inflation	The inflation component that tends to be persistent in inflationary movements. It is influenced by fundamental factors, such as demand-supply interactions; exchange rates; international commodity prices; trading partner inflation; and inflationary expectations
Countercyclical Capital Buffer	Additional bank capital that functions as a cushion against losses in the event of excessive credit growth with risk of disruptions to financial system stability
Covid-19	Coronaviruses (CoV) are a large family of viruses that cause illness ranging from the common cold to more severe diseases, such as Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV). Coronavirus disease (Covid-19) is a particularly infectious disease caused by the most recently discovered coronavirus in 2019.
Credit Restructuring	Policy programs that revive economic growth through efforts by financial institutions (e.g., banks and finance companies) to provide relief to borrowers experiencing difficulties in repaying instalment obligations. Typically, this entails re-negotiation of the terms of repayment, for instance, a longer re-payment period
Credit spread	The difference in yield between two different debt instruments or bonds of similar maturity but with different credit quality or rating
Cross-border payments	International transactions involving entities operating in at least two different countries
Cross-Border QRIS	A collaborative initiative to standardise settlement infrastructure for cross-border trade
Crypto Assets	Intangible commodities in the form of digital assets, which typically use cryptography, peer-to-peer networks and distributed ledgers to manage the creation of new units, verify transactions and secure transactions without third-party intervention
Cryptocurrency	A digital asset designed to function as a medium of exchange using cryptography to secure financial transactions, control the creation of additional units and verify asset transfers
Currency Diversification	Efforts to use more diverse currencies for transactions, for example, to reduce risk in cross-border payment activities
Current Account Deficit	A deficit in the BOP component that comprises: the trade balance; services balance; primary income balance; and secondary income balance

Term	Definition
Delivery-versus-Payment	A settlement mechanism for securities transactions linked to securities transfers and funds transfers. It guarantees the delivery of securities only after payment has been made
Demand Deposit	A bank account from which deposited funds can be withdrawn at any time by a cheque, transfer or other payment order
Depreciation	A decrease in the value of the domestic exchange rate against foreign currencies
Derivatives	A financial instrument, namely a contract, agreement or transaction, whose value is dependent upon that of another financial instrument
Digital Banking	Electronic banking services developed by optimising customer's data to serve customer more quickly and conveniently based on customer's needs, and performed independently by the customer in compliance with various security features
Digital Economy	An economy oriented towards the development and advancement of information and communication technology
Digital Finance	Finance that uses digital technology, such as third-party cellular or web-based technology
Digitalisation	The process of transferring media from physical, printed, audio or video format to an electronic format
Digital Rupiah	Digital currency issued by Bank Indonesia and denominated in rupiah
Direct Cash Assistance (BLT)	A government social assistance program with conditional and unconditional direct cash disbursements and various other supports, specifically targeting disadvantaged groups
Distributed Ledger Technology	An approach to recording and sharing data across multiple data storage locations, not under any single authority
Domestic Non-Deliverable Forward (DNDF)	A standard derivative transaction in the form of forward contract based on a fixing mechanism with the settlement currency in rupiah
Domestic Price Obligations (DMOs)	An obligation of a business entity to sell some of its products to meet domestic needs, usually at below-market prices. The amount to be sold is normally stipulated in a cooperation contract
Do no harm	Changes made do not have adverse effects on the existing situation
E-commerce	Online retail transactions using internet technology
Economic Cycle	Fluctuations in economic activity around the long-term growth trend
Economic-Financial Inclusion	Increasing access to financial and goods markets
Economic Transformation	A process aimed at orienting the economy towards sectors with higher productivity, to increase total productivity
Electronification	Transitioning from cash to cashless payment methods
e-Money	An electronic means of payment issued based on the value of money that has been deposited in advance
End-to-End	Integrated, inclusive and comprehensive policies
ETP Multi-matching	An electronic system used by money market players to conduct financial market transactions, using multiple price quotations that are transparently accessible and anonymous within the trading system
Exit Policy or Exit Strategy	Policies instituted to exit from extraordinary policy measures previously implemented due to exceptional events
Exports	The sale of goods or services from one country to another country
Finance Track	G20 working groups comprising ministries of finance and central banks from each respective G20 member country
Financial Cycle	Fluctuations in financial activity around the long-term growth trend

Term	Definition
Financial Market Infrastructure (FMI)	Multilateral systems among participating financial institutions, including the operator of the system, used for the purposes of recording, clearing or settling payments, securities, derivatives or other financial transactions
Financial Technology (FinTech)	See FinTech, above
Financing to Value	The ratio of bank financing to asset value
FinTech	Financial technology (FinTech) refers to innovative electronic technology, often used by start-up companies, to improve products and services as a challenge to traditional companies in finance and banking industry
Fiscal Stimuli	The use of government tax and spending policies to boost aggregate demand
Fit For Circulation	Genuine rupiah banknotes and coins that meet circulation requirements based on quality standards set by Bank Indonesia
Foreign Exchange	Foreign currency or precious metals (typically gold) that is widely accepted and recognised by the international community for payment of international transactions
Forward Looking Monetary Policy	Refers to monetary policy oriented towards achieving a future target, possibly an inflation target, and taking into account the time lag in the impact of monetary policy
Front loaded policy	A policy instituted forcefully towards the beginning of the policy regime
Future Proof Solution	A sustainable solution
G20 Presidency	G20 is a multilateral cooperation forum consisting of 19 major countries and the European Union (EU). The presidential function is held by one of the member countries, and it rotates every year
Granular Data	A highly detailed level of data in some data bank
Green Economic/Financial Inclusion	Increasing access to financial and goods markets that emphasis environmental, social and good governance aspects
Green Economy and Finance	Economic and financial systems that support efforts to maintain environmental and/or climate aspects
Halal Industry	An industry operating in accordance with the halal criteria of the Assessment Institute for Food, Drugs and Cosmetics of the Indonesian Ulema Council (LPPOM-MUI)
Halal Value Chain (HVC)	A supply chain or ecosystem from upstream to downstream industries producing halal products. The HVC comprises five major sectors, namely Muslim-friendly tourism; modest fashion; halal cosmetics and medicaments; halal food and beverages; and the halal financial industry.
Hedging	Activities carried out by investors to reduce or eliminate a source of risk
Herd Immunity	Herd immunity occurs when a large portion of the population becomes immune to a disease, thus providing indirect protection to those who are not immune to that infectious disease
Imported Inflation	Inflation caused by higher prices of commodities originating from abroad
Imports	Purchases of goods or services from abroad
Inclusive Finance	A form of deepening financial services that enhances access to formal financial products for formerly underserved groups
Inflation Disparity	Differences in inflation rates between different regions of a country or between different countries
Institutional Transformation	Transformation that encompasses strengthening the organisation and work processes, human resources and work culture, including digitalisation
Integrated Policy Framework	A policy framework that takes a wide range of policy levers into account
Interconnection	The ability of systems to exchange information or transact, possibly through intermediaries
Interest Rate Differential (IRD)	The difference in interest rates between two countries

Term	Definition
Interoperability	The ability of systems to work together
Investment	The acquisition of assets with the expectation of generating future profit, normally referring to real (i.e., non-financial) assets
Investment Grade	A rating that indicates a high quality (i.e. low risk) financial instrument, such as government bonds
Inward Looking	Policies that emphasise industrialisation, protectionism and the substitution of imported goods to meet domestic needs
Java Region	A region that encompasses Jakarta, West Java, Central Java, Yogyakarta, East Java and Banten. The island of Java.
Lending Requirements	Lending standards, typically required by a lender of a borrower
Liquidity	An entity's ability to meet short-term debt obligations
Loans at Risk (LaR)	An indicator of default risk for disbursed loans, consisting of: restructured; collectability 1 loans; collectability 2 loans; and non-performing loans (NPL)
Loan to Value	The ratio of the amount of a bank loan to the purchased asset's value
Local Currency Bilateral Swap Arrangement (LCBSA)	A form of bilateral financial cooperation, commonly used by central banks, that allows a central bank to acquire foreign currency from a partner central bank by exchanging equivalent amounts of the local currencies, which are returned on a future agreed date
Local Currency Settlement (LCS)	Bilateral transactions between two countries settled in the local currency of each country; payment transactions are made within the jurisdiction of the respective countries
Local Currency Transactions (LCT)	Bilateral transactions between two countries using the local currency of each country to diversify currency exposure
Local Value Chain	Production activities that aim to increase local value added and linkages between domestic economic sectors
Lockdown	Severe mobility restrictions on peoples' movements
M1	Narrow money, comprising currency and demand deposits
M2	Broad money, comprising: currency; demand deposits; quasi-money (time deposits, savings in rupiah and foreign currencies); and certain securities issued by other depository institutions
Macroprudential	An approach to financial regulation that aims to mitigate systemic risk to the financial system as a whole
Macroprudential Intermediation Ratio (MIR)	A refinement of the previous RR-loan to funding ratio (RR-LFR). It expands the scope of intermediation components, by including securities held by banks as a financing component. Only securities meeting specific requirements are eligible to be included as MIR components, such as those issued by a non-financial institution with an investment grade rating or equivalent
Macroprudential Liquidity Buffer (MPLB)	A macroprudential instrument formulated to increase banking liquidity resilience by requiring banks to hold extra liquidity, as a cushion, in the form of securities against a certain amount of rupiah third-party funds
Macroprudential Policy Trilemma	An economic theory referring to the policy trade-offs that a government faces in using macroprudential policy. It states that it is impossible for a central bank to simultaneously achieve the three objectives of macroprudential policy, namely: financial system stability; balanced intermediation; and market efficiency and inclusivity
Margining	Refers to the practice of using borrowed funds from a broker to trade a financial asset, which forms the collateral for the loan from the broker. The practise increases default risk
Market Place	The physical or non-physical (e-commerce) place where transactions between sellers and buyers are performed
Microprudential	Prudence in relation to the management of individual financial institutions, often to ensure business continuity

Term	Definition
Monetary Policy Trilemma	An economic theory referring to the policy trade-offs that a government faces in implementing monetary policy. It states that it is impossible for a central bank to simultaneously achieve the three objectives of monetary policy, namely: price stability; exchange rate stability; and free capital movement
Money Market Infrastructure	Multilateral systems among participating financial institutions, including the operator of the system, used for the purposes of buying, selling, recording, clearing and settling payments, securities, derivatives or other financial transactions
Multimatching	Matching between many units
Multipolar Global Supply Chain	A complex global supply chain, sensitive to disruption in some of its components, sometimes characterized by acrimonious competition between strategic rivals
National Open API Payment Standard (SNAP)	The Payment Standards set by Bank Indonesia to create a healthy, competitive and innovative payment system industry; foster payment system infrastructure integration, interconnection, interoperability as well as security and reliability; and/or nurture healthy, efficient and fair market practices in the payment system
Net Zero Carbon Emissions	A condition whereby the amount of carbon (greenhouse gas) emissions from an activity is fully offset by other means, for instance by planting trees or employing technology to capture the carbon before it is released
Non-Cash	Cashless payment methods, for example, e-money, mobile banking or internet banking
Non-Performing Loans (NPL)	Bank loans that are at risk of default, usually owing to overdue repayments
Non-residential Investment	Investment in physical assets other than residential buildings, mainly machinery and equipment and non-residential construction
Offline	Inactive on a network, because not connected to the internet or a computer network
One Input, One Process, Multi-Purposes	An approach applied by Bank Indonesia to support the implementation of more efficient business processes through business process re-engineering (BPR) by aligning the actors, processes and technologies
Online	Active on a network, because connected to the internet or a computer network
Output Gap	A macroeconomic concept, defined as the difference between Actual Output and Potential (or Ideal) Output
Overnight Index Swap	An index swap is a hedging contract in which one party exchanges a predetermined amount of cash flow to a counter-party on a specified date with the settlement based on determined by some financial indicator. An overnight index swap uses a daily compounded interest rate as the financial indicator
Overshooting	A condition when something has exceeded normal conditions on the high side
Pandemic	A widespread occurrence of an infectious disease over an entire country or the world at a particular time
Payment System	System for transferring large amounts of money from one party to another, such as banks
Payment System Policy Trilemma	An economic theory referring to the policy trade-offs that a government faces in implementing payment system policy. It states that it is impossible for a central bank to simultaneously achieve the three objectives of payment system policy, namely: creating and maintaining a healthy, competitive and innovative payment system industry; developing integrated, interconnected and interoperable (3I) infrastructure; and creating and maintaining healthy, efficient and fair market practices.
Payment-versus-Payment	A mechanism to ensure that a final transfer of one currency occurs only if a final transfer of another currency or currencies also takes place
Policy Levers	Tools at the disposal of the government and government agencies to achieve policy targets
Policy Mix	The simultaneous application of several policy instruments

Term	Definition
Policy Normalisation	Policies instituted to return extraordinary policy measures, which were taken under unusual circumstances, back to the normal settings
Political and Economic Fragmentation	Splintered political relations and economic markets caused, in the current context, by uncertain and turbulent conditions
Pre-emptive	A rapid response to an anticipated future risk
Pricing Policy	The strategy in setting prices for the usage of some good or service
Private Placement	The issuance and sale of government securities (SBN) by the government to a specific buyer, with the terms and conditions based on mutual agreement
Product Diversification	Efforts to produce or hold different types of products
Pro-growth	Policies instituted to bolster economic growth
Project Garuda	An initiative that underlies the exploration of CBDC design in Indonesia, known as the Digital Rupiah
Pro-stability	Policies instituted to maintain economic stability
Purchasing Managers Index (PMI)	An indicator of economic trends obtained from monthly surveys of business conditions (improving, deteriorating or unchanged) in private sector
QR Code	A technology that, for example, allows a payment transaction to be carried out simply by scanning a matrix barcode through a mobile application
Quantitative Easing (QE)	Liquidity injections directly into the economy by a central bank
Quick Response Code Indonesian Standard (QRIS)	The standardisation of various QR codes from different payment system service providers, developed by the payment system industry in synergy with Bank Indonesia to ensure a convenient, fast and secure transaction process
Regional Payment Connectivity (RPC)	Payment connectivity cooperation agreements agreed by Bank Indonesia, Bank Negara Malaysia, Bangko Central ng Pilipinas, the Monetary Authority of Singapore and the Bank of Thailand
Regulator-Led Policy	Policies set by the regulator
Renminbi Liquidity Arrangement (RMBLA)	An agreement developed to provide liquidity through a reserve pooling scheme to participating central banks in the Asia-Pacific region. It was developed in cooperation with the People's Bank of China, which accounts for the name 'Renminbi'. Each participating central bank will contribute a minimum of RMB15 billion or equivalent in US dollars, placed at the Bank for International Settlements (BIS)
Repo	Sale of a security with repurchase obligations in accordance with an agreed price and time period
Resflation	An economic condition where the risk of recession is accompanied by high inflation
Resilience	The capacity to adapt to and withstand a difficult situation
Reverse Repo	Purchase of a security with a promise to resell at a predetermined time and price. The same as a Repo, but refers to the opposite side of the transaction
Sandboxing	A cybersecurity practice used to test products-often those of FinTech companies-before they come to market
Scarring Effect	Continuing damage to the economy, occurring well after the initial crisis has passed
Shadow Banking	Financial intermediation by entities outside the official banking system
Shadow Central Banking	Central bank functions performed outside the formal monetary system
Shadow Currency	Currency or a means of payment used for financial transactions outside the scope of legal tender in a country
Sherpa Track	G20 working groups comprised of relevant government ministries/agencies
Shock Absorber	Policy measures, coordination or cooperation to cushion the impact of turmoil/shocks

Term	Definition
Small Open Economy	An economy that participates actively in international trade (exports and imports), but with relatively low trade value compared to its trading partners
Social Assistance	Providing temporary and selective aid in the form of money/goods from the Regional Government to individuals, families, groups and/or communities to mitigate the likelihood of social risks
Spot	FX transactions with settlement on the same day or up to a maximum of two days
Stagflation	An economic condition where low economic growth is accompanied by high inflation
Statutory Reserve Requirement (SRR)	The minimum balance that must be maintained by commercial banks in cash or in demand deposits at the central bank
Stress Test	A test designed to assess how well a system functions when subjected to extraordinary stress
Strong Dollar	The phenomenon of a strong US dollar versus a wide range of other currencies
Structural Reform	Fundamental changes to a system
Structural Reform Policies	Policies instituted by the government to improve the supply side of markets, often emphasizing the removal of barriers, such as restrictive regulations
Subsidy	Funds granted by the government to lower the price of a good or service
Sukuk	Long-term securities issued in compliance with sharia principles to sharia bondholders
Super Priority Tourism Destinations (DPSP)	Tourism destinations prioritised for development in 2019-2024, including Lake Toba, Borobudur, Mandalika, Labuan Bajo and Likupang
Sustainable Finance	Support from the financial services industry that encourages sustainable growth
Sustainable Infrastructure	The development of physical infrastructure that takes account of economic, social and environmental impacts
Talent Pool	A group of potential candidates for some activity
The Fed	The Federal Reserve, central bank of the United States
Time Deposit	An interest-bearing bank account that has pre-set date of maturity based on an agreement between the bank and customer
Token	The digital version of banknotes and coins with object validity verification
Trade Repository	An entity that collects and maintains the records of derivative trading. It aims to assist the regulator monitor systemic risk.
Triple Intervention	A rupiah exchange rate stabilisation strategy implemented through simultaneous intervention on the spot market; the DNDF market; and purchasing SBN in the secondary market
Trusted Money	Currency that is trusted and relied upon by the public
Twist Operation	Bank Indonesia policy to change the yield structure of rupiah interest rates. In the current context, BI sells short-term SBN in the secondary market while buying in the long-term market. This increases short-term SBN yields and lowers long-term yields, thereby 'twisting' the term structure to produce a desired change in the shape of the yield curve, that is, to create a flatter SBN yield structure
Ultra-Risk Averse	Ultra-cautious investor behaviour to avoid risk
Unicorn	A privately held start-up company valued at over US\$1 billion, often operating in the software or technology sector
User-centric	A strategy that prioritises user satisfaction as the overarching goal

Term	Definition
US Treasuries	Government bonds issued by the United States Department of the Treasury to finance federal government spending
Vocational Training	Training or courses that focus on skills required for a specific job function, such as a technician, plumber or nurse
Volatile Food (VF)	Components of the consumer price index that are volatile, being heavily influenced by transient shocks, such as harvest failures, transportation disruptions and international factors, for example, oil price shocks
Web 3.0	The third generation of web technology evolution, characterised by the concepts of decentralisation, blockchain technology, artificial intelligence and token-based means of payment
White Paper	An informational written report or guidelines to highlight an issue and the proposed solutions
Wholesaler	In the current context, parties with direct access to the Digital Rupiah from Bank Indonesia. They circulate the Digital Rupiah to retailers and end users

List of Abbreviations

Term	Meaning
2EG	Effective, Efficient and Governed
2P	Performers and Promotion
3A	Access, Attractions and Amenities
3A2P	Access, Attractions, Amenities, Performers and Promotion
3I	Integrated, Interconnected and Interoperable
3P	Product, Participant and Pricing
3T	Frontier, Outermost and Remote
3TP	Outermost, Frontier, Underdeveloped and Border
4K	Price Stability, Supply Availability, Smooth Distribution and Effective Communication
ABFS	Automated Banknote Feeding System
ABPS	Automated Banknote Packaging System
ACCD	Appointed Cross Currency Dealer
AFI	Alliance for Financial Inclusion
AFMGM	ASEAN Finance Ministers and Central Bank Governors Meeting
Akurat	Application for Rupiah Money Needs and Integrated Analytics
AL/DPK	Liquid Assets/Third Party Funds
Alsintan	Agricultural Equipment and Machinery
AP	Administered Prices
APBD	Regional Revenues and Expenditure Budget
APBN	State Budget
APEC	Asia-Pacific Economic Cooperation
API	Application Programming Interface
APIF	Awqaf Properties Investment Fund
APIF-IsDB	Awqaf Properties Investment Fund – Islamic Development Bank
APMD	Digital Payment Tools
APMR	Means of Payment Using an Account
APMU	Means of Payment Using Money
APU-PPT	Anti-Money Laundering and Prevention of Terrorism Financing
ASEAN	Association of Southeast Asian Nations
ASIFA	Aceh Shariah Funding Aggregator
ASPI	Indonesian Payments System Association

Term	Meaning
ASRS	Automated Storage Retrieval System
ATM	Automated teller machine
ATMR	Risk Weighted Assets
B2B	Business to Business
B2C	Business to Customer
Balinusra	Bali-Nusa Tenggara
Bansos	Social assistance
BAZNAS	National Amil Zakat Agency
BBI	Proudly Made in Indonesia
BBM	Fuel oil
BCB	Central Bank of Brazil
BCCH	Central Bank of Chile
BCSA	Bilateral Currency Swap Arrangement
BI7DRR	BI 7-Day (Reverse) Repo Rate
BI-APS	Bank Indonesia Auction Platform System
BI-CAC	BI-Counterfeit Analysis Centre
BI-FAST	Bank Indonesia – Fast Payment
BI-RTGS	Bank Indonesia – Real Time Gross Settlement
BIS	Bank for International Settlements
BISAID	MSME Potential Funding Database
BISIH	BIS Innovation Hub
BI-SILK	Bank Indonesia Cash Service Information System
BI-SSSS	Bank Indonesia – Scripless Securities Settlement System
BKK	Institutional Policy Mix
BKU	Main Policy Mix
BLT	Direct Cash Assistance
BNM	Bank Negara Malaysia
BoE	Bank of England
BoK	Bank of Korea
BoT	Bank of Thailand
Botasupal	Coordinating Agency for the Eradication of Counterfeit Rupiah
BPPU	Money Market Development Blueprint
BPPUR	Rupiah Money Management Blueprint
BPR	Business Process Re-engineering

Term	Meaning
BPRS	The People's Sharia Financing Bank
bps	Basis points
BPS	Central Bureau of Statistics
BS	Bank Sharia
BSNT	Non-Cash Social Assistance
BSP	Central Bank of the Philippines
BSPI	Indonesian Payments System Blueprint
BTCA	Better Than Cash Alliance
BTT	Unforeseen Expenditure Budget
BUK	Conventional Commercial Bank
BUMD	Regional owned enterprise
BUMN	State-owned enterprise
BUS	Sharia Commercial Bank
BWI	Proud to Travel in Indonesia
BWI	Indonesian Waqf Board
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CAS	Controlled Atmospheric Storage
CBDC	Central Bank Digital Currency
CBP	Cross Border Payments
CBP	Love, Pride and Understanding
CBRT	Central Bank of the Republic of Turkey
CBS	Core Banking System
CB-UAE	Central Bank of the United Arab Emirates
CCP	Central Counterparty
CCP SBNT	Central Counterparty Interest Rates and Exchange Rates
CCR LCBSA	Cross Currency Repurchase Agreement LCBSA
CCyB	Countercyclical Capital Buffer
CD	Conceptual Design
CeBM	Central Bank Money
Cemumuah	Fast, cheap, easy, safe and reliable
CF	Consensus Forecast
CFMs	Capital Flow Managements
CGAP	Consultative Group to Assist the Poor
CHSE	Cleanliness, health, safety and environmental Sustainability
CIU	Revocation of Business License

Term	Meaning
CKPN	Allowance for Impairment of Losses
COB	Currency Outside Bank
Covid-19	Corona Virus Disease 2019
CPM	Customer Presented Mode
CPMI	Committee on Payments and Market Infrastructure
CPO	Crude Palm Oil
CSD/SSS	Central Securities Depository/ Securities Settlement System
CwA	Compact with Africa
CWLS	Cash Waqf Linked Sukuk
DF Rate	Deposit Facility Rate
DHE	Foreign Exchange Export Proceeds
DID	Regional Incentive Fund
Digital BPR	Digital Business Process Re-engineering
DLT	Distributed Ledger Technology
DMO	Domestic Market Obligation
DNDF	Domestic Non-Deliverable Forward
DNKI	National Council on Inclusive Finance
DOC	Day Old Chicks
DPK	Third-party funds
DPO	Domestic Price Obligation
DPP	Priority Tourism Destinations
DPSP	Super Priority Tourism Destinations
DTU	General Transfer Funds
DvP	Delivery Versus Payment
DWP	Digital Workplace Platform
EBA	Asset Backed Securities
EBA-SP	Asset Backed Securities in the form of Participation Letters
EBT	New and Renewable Energy
EBTKE	New Renewable Energy and Energy Conservation
ECB	European Central Bank
EDC	Electronic Data Capture
EKD	Digital Economy and Finance
EKU	Estimation of Money Needs
EMBI	Emerging Markets Bond Index
eop	end of point
EPU	Economic Policy Uncertainty

Term	Meaning
ERP	Enterprise Resources Planning
ERPT	Exchange Rate Pass Through
ESG	Environmental, Social and Governance
ETP	Electronic Trading Platform
ETPD	Electronification of Local Government Transactions
EVP	Employee Value Proposition
FASBIS	Bank Indonesia Shariah Deposit Facility
FCBD	Finance and Central Bank Deputies
FEKDI	Indonesian Digital Financial Economy Festival
FERBI	Indonesian Sovereign Rupiah Festival
FeSyar	Sharia Economy Festival
FFR	Fed Funds Rate
FGD	Focus Group Discussion
FIMA	Foreign and International Monetary Authorities
FinTech	Financial Technology
FK-PPPK	Coordinating Forum: Development Financing through the Financial Markets
FLiSBI	Liquidity Facility Based on Bank Indonesia Sharia Principles
FMCBG	Finance Ministers and Central Bank Governors Meeting
FMI	Financial Markets Infrastructure
FOMOBO	Front Office, Middle Office and Back Office
FORIN PUR	Rupiah Money Management Industry Forum
FSB	Financial Stability Board
FTO	Fine Tuning Operation
FTV	Financing to Value
FX	Foreign Exchange
FX Swap	Foreign Exchange Swap
G20	Group of Twenty
G2P	Government to Person
G7	Group of Seven
Gernas BBI	Proud to be Made in Indonesia National Movement
Gertam Cabai	Chili Planting Movement
GFSN	Global Financial Safety Net
GHH	Global Halal Club
GHOS	Governors and Heads of Supervision
GIFA	Global Islamic Finance Award

Term	Meaning
GMV	Gross Merchandising Value
GNPIP	National Movement for Controlling Food Inflation
GPA	Global Policy Agenda
GPFI	Global Partnership for Financial Inclusion
GNP	National Payments Gateway
GS FCI	Goldman Sachs Financial Conditions Index
GVC	Global Value Chain
GWM	Statutory Reserve Requirement
HBKN	National Religious Holidays
HCS	Perfectly Printed (Rupiah Currency)
HEBITREN	Islamic Boarding School Economics and Business Association
HET	Highest Retail Price
HIMBARA	Association of State Owned Banks
HKMA	Hong Kong Monetary Authority
HLM	High Level Meeting
Horeka	Hotels, restaurants and cafes Meeting
HPDK	Cost of Funds for Credit
HVC	Halal Value Chain
IACA	International Association of Currency Affairs
ICC	Investor Conference Call
IFAD	International Fund for Agricultural Development
IFSB	Islamic Financial Services Board
IHIM	Import Price Index
IHK	Consumer Price Index
IHKEI	Indonesian Export Commodity Price Index
IHSG	Composite Stock Price Index
IIF	The Institute of International Finance
IILM	International Islamic Liquidity Management
IKM	Small and Medium Industry
IKNB	Non-Bank Financial Institutions
IKSK	Financial System Vulnerability Index
IMF	International Monetary Fund
IMF WEO	IMF World Economic Outlook
In2Mo-tionFest	Indonesia International Modest Fashion Festival
IndONIA	Indonesia Overnight Index Average

Term	Meaning
INDRA	Omni Data Repository
INHALIFE	International Halal Lifestyle
IOs	International Organizations
IPF	Integrated Policy Framework
IPT	Integrated Payment Interface
IRS	Interest Rate Swap
IRU	Investor Relations Unit
IsDB	Islamic Development Bank
ISEF	Indonesia Sharia Economic Festival
ISSK	Financial System Stability Index
ITSK	Financial System Technology Industry
JPKI	International Financial Safety Net
JUARA EKSPOR	Export Oriented Horticulture Business Network
KAD	Interregional Cooperation
KB	Mutual agreement
KCBLN	Branch Offices of Banks Domiciled Overseas
KCLN	Overseas Branch Office
KDR	Khazanah Digital Rupiah
KEKDA	Regional Financial Economic Studies
KEN	Kharisma Event Nusantara
KI	Investment Credit
KIK	Collective Investment Contract
KIK-EBA	Collective Investment Contract - Asset Backed Securities
KK	Consumer Credit
KKB	Motor Vehicle Loans
KKI	Indonesian Creative Works
KKP	Government Credit Card
KKP	Corporatization, capacity building, and expansion of access to financing
K/L	Ministries/Institutions
KMK	Working capital loans
KNEKS	National Committee for Sharia Economy and Finance
KPMI	Minimum Capital Adequacy Requirement
KPPIP	Committee for the Acceleration of Providing Priority Infrastructure
KPR	House ownership credit
KPSH	Supply Availability and Price Stability

Term	Meaning
KPwDN	Domestic Representative Office of Bank Indonesia
KSSK	Financial System Stability Committee
KTI	Eastern Indonesia
KTT	Summit Conference
KUR	People's Business Credit
LaR	Loan at Risk
LBUT	Integrated Commercial Bank Report
LCBSA	Local Currency Bilateral Swap Arrangement
LCS	Local Currency Settlement
LCT	Local Currency Transaction
LF Rate	Lending Facility Rate
LIKE IT	Indonesian Financial Literacy Program
LKBB	Non-Bank Financial Institutions
LKD	Digital Financial Services
LPS (or IDIC)	Deposit Insurance Agency (or Indonesian Deposit Insurance Corporation)
LSB	Non-Bank Institutions
LSP	Professional Certification Institute
LTV	Loan to Value
LTV/FTV	Loan to Value/Financing to Value
LU	Business field
LVC	Local Value Chain
MAS	Monetary Authority of Singapore
MCF	Multiple Channel Financing
MDR	Merchant Discount Rate
MES	Sharia Economic Society
MFSF	Macro Financial Stability Framework
MGCR	Bulk Cooking Oil for the People
MICE	Meeting, Incentive, Convention, and Exhibition
Migas	Oil and gas
MoU	Memorandum of Understanding
MPM	Merchant Presented Mode
MSME	Micro, Small and Medium Enterprises
MSUK	Banknote Sorting Machine
MSUK-R	Banknote Sorting Machine with shredder function
mtm	month to month
NBFI	Non-Bank Financial Institution(s)

Term	Meaning
NGO	Non-Governmental Organization
NKRI	The Unitary State of the Republic of Indonesia
NPI	Indonesia's Balance of Payments
NPL	Non- Performing Loans
NWGBR	National Working Group on Benchmark Reform
OECD	Organization for Economic Co-operation and Development
OHC	Overhead Costs
OIC	Organization of Islamic Cooperation
OIS	Overnight Index Swap
OJK	Financial Services Authority
OMS	Sharia Monetary Operations
OM Valas	Foreign Exchange Monetary Operations
OP	Market Operations
OPT	Open Market Operations
OVMi	Optically Variable Magnetic Ink
P2DD	Acceleration and Expansion of Regional Digitalization
PADG	Regulation of the Members of the Board of Governors
parekraf	tourism and creative economy
PaSBI	Liquidity Management Based on Sharia Principles
PBI	Bank Indonesia Regulation
PBoC	People's Bank of China
PBR	Low Income Individuals
PC-PEN	Handling of Covid-19 and National Economic Recovery
PDB	Gross Domestic Product
PDs	Primary Dealers
Pemda	Regional Government
PEN	National Economic Recovery
PINTAR	Order and Withdrawals of Rupiah Money
PIP	Payment System Infrastructure Operator
PJP	Payment Service Provider
PJP4U	Aircraft Landing, Placement and Storage Services
PJPUR	Rupiah Currency Processing Service Providers

Term	Meaning
PKB	Motor Vehicle Tax
PKH	Family Hope Program
PL	Live Participant
PLJP	Short Term Liquidity Loans
PLJPS	Sharia Short Term Liquidity Financing
PLM	Macroprudential Liquidity Buffer
PLTS	Solar Power Plant
PMA	Foreign investment
PMI	Purchasing Managers' Index
PMK	Hoof and Mouth Disease
PMTB	Gross Fixed Capital Formation
PPKM	Enforcement of Public Activity Restrictions
PPLN	Overseas Travelers
PPN	Value Added Tax
PSN	National Strategic Project
PSPK	Critical Payment System Operators
PSPS	Systemic Payment System Operators
PSPU	General Payment System Operators
PTL	Indirect Participants
PUAB	Interbank Money Market
PUR	Rupiah Money Management
PvP	Payment versus Payment
QE	Quantitative Easing
QR	Quick Response
QR Code	Quick Responses Code
QRIS	Quick Response Code Indonesian Standard
QRIS TTM	Quick Response Code Indonesian Standard Without Face to Face
QRIS TTS	Quick Response Code Indonesian Standard Transfer, Withdraw and Deposit
Rakornas	National Coordination Meeting
Rakorpusta	Central and Regional Government Coordination Meetings
RAR	Risk Adjusted Return
RBA	Reserve Bank of Australia
RBI	Reserve Bank of India
RBNZ	Reserve Bank of New Zealand
r-CBDC	retail CBDC
R&D	Research and Development

Term	Meaning
RDG	Board of Governors Meeting
Repo	Repurchase Agreement
resflasi	economic recession and high inflation
RIM	Macroprudential Intermediation Ratio
RIPIN	National Industrial Development Master Plan
RIVIBI	Bank Indonesia Digital Innovation Master Plan
RMBLA	Renminbi Liquidity Arrangement
RPC	Regional Payment Connectivity
RPIM	Macroprudential Inclusive Financing Ratio
RUU P2SK	Draft Law on the Development and Strengthening of the Financial Sector
SAL	Healthy, Innovative and Safe to Use QRIS
SANTRI	Indonesian Islamic Boarding School Accounting System
Saprotan	Agricultural Production Facilities
SARB	South African Reserve Bank
SBDK	Prime Lending Rate
SBK	Commercial Paper
SBN	State Securities
SBPI	Inclusive Financing Securities
SBSN	State Sharia Securities
SDA	Natural Resources
SDGs	Sustainable Development Goals
SDM	Human Resources
Sekber Pariwisata	Joint Secretariat for the Acceleration of Tourism Development
SekberSDM	Joint Secretariat
SGF	Sustainable and Green Finance
SIAPIK	Financial Information Recording Information System Application
S.I.A.P QRIS	Healthy, Innovative and Safe to Use QRIS
SIFIs	Systemically Important Financial Institutions
SiPA	Fund Management Certificate Based on Interbank Sharia Principles
SIPS	Payments System Industry / Systemically Important Payments System
SISMON-TAVAR	Monitoring System for Foreign Exchange Transactions against the Rupiah
SKKNI	Indonesian National Work Competency Standards

Term	Meaning
SKNBI	Bank Indonesia National Clearing System
SME	Small Medium Enterprise
SNAP	Open API Payments National Standard
SNEKI	National Economic and Financial Inclusive Strategy
SNI	Indonesian National Standards
SNKI	National Strategy for Financial Inclusion
SP	Payment system
SSBs	Standard-Setting Bodies (SSBs)
SUKBI	Bank Indonesia Sukuk
Sulampua	Sulawesi-Maluku-Papua
SUN	Government Bonds
TCFD	Task Force on Climate-Related Financial Disclosures
TE	Year of Issuance
TFP	Total Factor Productivity
TIK	Information and Communications Technology
TN	Technical Notes
TNI-AL	Indonesian Navy
TP2DD	Team to Accelerate and Expand Digitalization in the Regions
TPID	Regional Inflation Control Team
TPIP	Central Inflation Control Team
TSB	Interest Rate Transparency
UE	Electronic Money
ULN	Foreign debt
UM	Down payment
UMKM	Micro, Small and Medium Enterprises
UNDP	United Nations Development Program
URK	Special Rupiah Money
US	United States of America
UST	US Treasury
UU	Law
UUS	Sharia Business Unit
UV	Ultraviolet
UYD	Currency in circulation
Valas	Foreign Currency
VF	Volatile Food

Term	Meaning
VIX	Volatility Index
WB	World Bank
WC-ABIF	Working Committee on ASEAN Banking Integration Framework
w-CBDC	Wholesale CBDC
WCFINC	Working Committee on Financial Inclusion
WCP	Waqf Core Principles
WG	Working Group
WMS	Warehouse Management System

Term	Meaning
WWB	Women's World Banking
yoy	year on year
ytd	year to date
ZCP	Zero Covid Policy
ZCP	Zakat Core Principles
ZIS	Zakat, Infaq, and Sedekah
ZISWAF	Zakat, Infaq, Sedakah, and Wakaf

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