



BANK INDONESIA REGULATION
NUMBER 4 OF 2024
ON
BANK INDONESIA POLICY MIX

BY THE BLESSINGS OF ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering : a. that to achieve rupiah value stability, maintain payment system stability, and participate in maintaining financial system stability to support sustainable economic growth, it is necessary to have effective, credible, and accountable Bank Indonesia policy in the performance of Bank Indonesia's duties;
- b. that with the increasingly complex challenges faced by Bank Indonesia, including due to internal and external strategic environment changes, it is necessary to have Bank Indonesia policy mix which integrates monetary policy, macroprudential policy, and payment system policy, with the support of supporting policies, consistent with the achievement of Bank Indonesia's objective;
- c. that based on the foregoing considerations in point a and point b, it is necessary to issue Bank Indonesia Regulation on Bank Indonesia Policy Mix;
- Observing : 1. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as amended several times, most recently by Law Number 4 of 2023 on Development and Strengthening of Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to State Gazette of the Republic of Indonesia Number 6845);
2. Law Number 9 of 2016 on Prevention and Management of Financial System Crisis (State Gazette of the Republic of Indonesia of 2016 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 5872) as amended several times and last by Law Number 4 of 2023 on Development and Strengthening of Financial Sector

(State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to State Gazette of the Republic of Indonesia Number 6845);

HAS DECIDED:

To enact : BANK INDONESIA REGULATION ON BANK INDONESIA POLICY MIX.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Bank Indonesia Regulation, the definitios are as follows:

1. Bank Indonesia Policy Mix, hereinafter referred to as BKBI, means integration policies dynamically complementary and strengthening among main policies, with the support of supporting policies to obtain consistent policies in duty implementation and objective achievement of Bank Indonesia.
2. Bank Indonesia Policy means any decisions and/or actions of Bank Indonesia determined by the Board of Governors, Members of Board of Governors, or heads of working units.
3. Main Policy means Bank Indonesia Policy consisting of monetary policy, macroprudential policy, and payment system policy.
4. Supporting Policy means Bank Indonesia Policy to support the Main Policy.
5. Monetary Policy means Bank Indonesia Policy determined and implemented to achieve rupiah value stability.
6. Macroprudential Policy means Bank Indonesia Policy determined and implemented to contribute to maintain financial system stability.
7. Payment System Policy means Bank Indonesia Policy determined and implemented to maintain payment system stability.
8. Rupiah Value Stability means stability of prices of goods and services generally measured from low and stable inflation, and rupiah exchange rate stability measured from rupiah value stability against other country's currencies to achieve sustainable economic growth.
9. Financial System Stability, hereinafter referred to as SSK, means a financial system condition which functions effectively and efficiently and stays resilient from domestic and foreign shocks to contribute to the national economic growth.
10. Payment System Stability means system stability which includes a set of rules, institutions, mechanisms, infrastructure, fund sources for payment, and access to fund sources for payment, used to implement fund transfer to meet an obligation arising from an economic activity which is fast, easy, affordable, safe, and reliable, as well as availability of high-quality and trusted rupiah currency to achieve sustainable economic growth.

11. Meeting of Board of Governors, hereinafter referred to as RDG, means the highest decision-making forum in determining principal and strategic policies, conducting evaluation, and/or receiving policy reports for their reference under the applicable provisions.

Article 2

The purpose and objective of BKBI regulation are to:

- a. ensure formulation and implementation of BKBI in line with the duties and authorities of Bank Indonesia in achieving the objective mandated by the Law;
- b. become the main reference for establishment of Bank Indonesia provisions for BKBI implementation; and
- c. become a reference for external parties for BKBI implementation.

Article 3

BKBI is based on the principle of good governance of Bank Indonesia Policy, conducted through the element of governance system of Bank Indonesia Policy.

CHAPTER II

OBJECTIVE AND DUTIES OF BANK INDONESIA, AND BKBI

Part One

Objective and Duties of Bank Indonesia

Article 4

The objective of Bank Indonesia is to achieve Rupiah Value Stability, maintain Payment System Stability, and help maintain SSK to support sustainable economic growth.

Article 5

To achieve the objective referred to in Article 4, Bank Indonesia has the following duties:

- a. to determine and implement Monetary Policy in a sustainable, consistent, and transparent manner;
- b. to regulate and maintain payment system smoothness; and
- c. to determine and implement Macroprudential Policy.

Part Two

BKBI

Article 6

- (1) To achieve the objective referred to in Article 4, Bank Indonesia uses BKBI.
- (2) Targets of BKBI include:
 - a. low and stable inflation as well as stable exchange rate;
 - b. optimum credit or financing and financial system resilience; and
 - c. fast, easy, affordable, safe, reliable, high-quality, and trusted, as well as connected and integrated payment system,to support sustainable economic growth.

- (3) Indicators to achieve the BKBI targets referred to in section (2) include indicators pertaining to the following:
 - a. low and stable inflation and stable exchange rate;
 - b. optimum credit or financing and financial system resilience; and
 - c. fast, easy, affordable, reliable, high-quality and trusted payment system, as well as connected and integrated payment system.
- (4) BKBI is conducted by using Monetary Policy mix and Macroprudential Policy mix, supported by Payment System Policy mix, with the support of Supporting Policy.

CHAPTER III MAIN POLICY

Part One Monetary Policy

Article 7

- (1) Monetary Policy targets include:
 - a. low and stable inflation;
 - b. stable exchange rate; and
 - c. foreign exchange traffic which supports monetary stability, SSK, and macroeconomic stability, to support sustainable economic growth.
- (2) Monetary Policy is conducted to manage and optimize the achievement of the 3 (three) Monetary Policy targets referred to in section (1).
- (3) Indicators of achievement of Monetary Policy targets referred to in section (1) include:
 - a. inflation of consumer price index, core inflation, and inflation of volatile food;
 - b. exchange rate volatility and exchange rate according to economic fundamentals; and
 - c. current transaction, capital and financial transaction, and foreign exchange traffic risk against monetary stability, SSK, and macroeconomic stability.

Article 8

- (1) In achieving the low and stable inflation referred to in Article 7 section (1) point a as a Monetary Policy target, Bank Indonesia uses Monetary Policy instruments which include:
 - a. main instrument, namely interest rate instrument; and
 - b. the following supporting instruments:
 - 1. liquidity management instrument;
 - 2. food inflation control coordination instrument; and
 - 3. other supporting instruments determined by Bank Indonesia.
- (2) The interest rate instrument referred to in section (1) point a is used through determination, regulation, supervision, development, evaluation, and/or sanction imposition.

- (3) The liquidity management instrument referred to in section (1) point b item 1 is used through regulation, supervision, development, evaluation, and/or sanction imposition.
- (4) The food inflation control coordination instrument referred to in section (1) point b item 2 is used through synergy of Bank Indonesia and the Government at the central and regional levels.

Article 9

- (1) In achieving the stable exchange rate referred to in Article 7 section (1) point b as a Monetary Policy target, Bank Indonesia uses Monetary Policy instrument which includes policy determination pertaining to:
 - a. intervention in the spot market;
 - b. intervention in the derivative market;
 - c. purchase or sale of government securities; and
 - d. other instruments.
- (2) The Monetary Policy instrument referred to in section (1) is used through determination, implementation, regulation, supervision, development, evaluation, and/or sanction imposition.

Article 10

In achieving the foreign exchange traffic supporting monetary stability, SSK, and macroeconomic stability referred to in Article 7 section (1) point c as a Monetary Policy target, Bank Indonesia uses foreign exchange traffic management instrument.

Article 11

Monetary Policy is determined and implemented in a conventional manner and/or based on sharia principle.

Article 12

In managing interest rate, liquidity, and exchange rate, Bank Indonesia conducts monetary control in the following manner:

- a. monetary operation in the money market and foreign exchange market; and
- b. regulation of statutory reserve requirement in rupiah and foreign currency.

Article 13

Provisions for Monetary Policy are determined by Bank Indonesia.

Part Two

Macroprudential Policy

Article 14

- (1) Macroprudential Policy targets include:
 - a. optimum credit or financing;
 - b. financial system resilience; and
 - c. financial inclusion and green financing, to support sustainable economic growth.

- (2) Macroprudential Policy is conducted to manage and optimize achievement of 3 (three) Macroprudential Policy targets referred to in section (1).
- (3) Indicators of achievement of the Macroprudential Policy targets referred to in section (1) include:
 - a. credit or financing growth;
 - b. systemic risk, credit risk, liquidity resilience and capital capacity, and market risk;
 - c. financial inclusion and green financing; and
 - d. other indicators of achievement of Macroprudential Policy targets.

Article 15

- (1) In achieving Macroprudential Policy targets to reach optimum credit or financing referred to in Article 14 section (1) point a, Bank Indonesia uses Macroprudential Policy instruments which include:
 - a. capital buffer for credit or financing growth;
 - b. liquidity policy for credit or financing growth;
 - c. intermediation ratio for sustainable optimum credit or financing growth;
 - d. ratio of credit or financing value to collateral and advance payment;
 - e. ratio of funding or foreign debt; and
 - f. other instruments to support credit or financing growth.
- (2) The instruments to reach optimum credit or financing referred to in section (1) are used through determination, regulation, supervision including monitoring, development, evaluation, and/or sanction imposition.

Article 16

- (1) In achieving the Macroprudential Policy targets for financial system resilience referred to in Article 14 section (1) point b, Bank Indonesia uses Macroprudential Policy instruments which include:
 - a. adequacy of liquidity buffer;
 - b. market risk limitation;
 - c. crisis prevention and management, including:
 - 1. crisis management protocol; and
 - 2. lender of the last resort function;
 - d. implementation of stress test; and
 - e. other instruments for financial system resilience determined by Bank Indonesia.
- (2) The instrument to achieve adequacy of liquidity buffer referred to in section (1) point a and the market risk limitation instrument referred to in section (1) point b are used through determination, regulation, supervision including monitoring, development, evaluation, and/or sanction imposition.
- (3) The instrument for crisis prevention and management referred to in section (1) point c is used through implementation, provision, determination, regulation, macroprudential surveillance, on-site supervision,

assessment, development, evaluation, and/or sanction imposition.

Article 17

- (1) In achieving the Macroprudential Policy target to deepen financial inclusion and green financing referred to in Article 14 section (1) point c, Bank Indonesia uses Macroprudential Policy instruments which include:
 - a. financial inclusion;
 - b. ratio of credit value to green collateral and advance payment;
 - c. liquidity policy for green credit growth; and
 - d. other instruments to deepen other financial inclusion and green financing determined by Bank Indonesia.
- (2) The Macroprudential Policy instruments referred to in section (1) are used through determination, regulation, macroprudential surveillance, on-site supervision, assessment, development, evaluation, and/or sanction imposition.

Article 18

Macroprudential Policy is determined and applied to all banks, which conduct conventional business activities and under sharia principle, by considering overall assessment of financial system and its correlation with the economic condition.

Article 19

Provisions for Macroprudential Policy are determined by Bank Indonesia.

Part Three

Payment System Policy

Article 20

- (1) Payment System Policy targets include:
 - a. transactions and velocity of fast, easy, affordable, high-quality, and reliable retail and wholesale payment system;
 - b. interconnected and integrated payment system service industry; and
 - c. safe and reliable payment system infrastructure of Bank Indonesia and industry, to support sustainable economic growth.
- (2) Payment System Policy is conducted to manage and optimize achievement of the 3 (three) Payment System Policy targets referred to in section (1).
- (3) Indicators to achieve the Payment System Policy targets referred to in section (1) include transaction, interconnection, competence, risk management, and technology infrastructure.
- (4) The achievement indicators referred to in section (3) may be used as a reference to determine classification, activities, and/or participation of payment system service providers.

Article 21

In achieving the Payment System Policy targets referred to in Article 20 section (1), Bank Indonesia uses Payment System Policy instruments which include:

- a. arrangement of payment system industry structure and risk management strengthening;
- b. development of retail and wholesale payment system infrastructure;
- c. data development;
- d. expansion of acceptance and literacy;
- e. rupiah management; and
- f. other Payment System Policy instruments determined by Bank Indonesia.

Article 22

The Payment System Policy instruments referred to in Article 21 are used through determination, regulation, implementation, license granting, access policy, development, supervision, sanction imposition, exit policy, and/or management.

Article 23

Provisions for Payment System Policy are determined by Bank Indonesia.

CHAPTER IV SUPPORTING POLICY

Article 24

Supporting Policy includes:

- a. regional economic and financial policy;
- b. money market and foreign exchange market policy;
- c. inclusion and green policy;
- d. sharia economic and financial policy;
- e. international policy;
- f. consumer protection policy; and
- g. other Supporting Policy determined by Bank Indonesia, which are directed to support achievement of BKBI targets.

CHAPTER V SURVEY, ACQUISITION, PROCESSING, DEVELOPMENT, AND DISSEMINATION OF DATA, INFORMATION, REPORT, STATEMENT, AND EXPLANATION

Article 25

- (1) In performing the duties referred to in Article 5, Bank Indonesia is authorized to:
 - a. conduct surveys;
 - b. obtain data, information, report, statement, and/or explanation from the relevant parties; and
 - c. obtain data and information from and/or exchange data and information with the relevant authorities and/or ministries/institutions.
- (2) Bank Indonesia may process and disseminate data and/or information pertaining to their duty performance through

digital information system and/or any other mechanisms under the laws and regulations.

- (3) In implementing the authorities referred to in section (1) and section (2), Bank Indonesia may also conduct data development to support formulation and implementation of BKBI.
- (4) Provisions for surveys, acquisition, processing, development, and dissemination of data, information, report, statement, and/or explanation are determined by Bank Indonesia.

CHAPTER VI FORMULATION, DETERMINATION, AND IMPLEMENTATION OF BKBI

Article 26

- (1) Bank Indonesia formulates BKBI as a principal and strategic policy to be subsequently established in a monthly RDG.
- (2) The BKBI determined in a monthly RDG referred to in section (1) constitutes public policies on monetary, macroprudential, and/or payment system.
- (3) The BKBI referred to in section (1) considers:
 - a. correlation of assessments among Main Policy; and
 - b. assessment of Supporting Policy.
- (4) Bank Indonesia announces the monthly RDG schedule referred to in section (1) to the public.

Article 27

- (1) In BKBI implementation, the Board of Governors determines further details principal and strategic of BKBI in a weekly RDG.
- (2) The weekly RDG referred to in section (1) is held to:
 - a. evaluate BKBI implementation;
 - b. determine principal and strategic policies pertaining to BKBI implementation; and/or
 - c. receive reports on BKBI for the reference of the Board of Governors.

CHAPTER VII REGULATION AND SUPERVISION

Part One General

Article 28

- (1) In performing their duties and authorities, Bank Indonesia conducts regulation and supervision.
- (2) The regulation and supervision referred to in section (1) include:
 - a. Main Policy; and
 - b. Supporting Policy.
- (3) The regulation and supervision referred to in section (1) include license or determination, on-site supervision, and/or sanction imposition.

Part Two
Regulation

Article 29

Regulations of Main Policy comprise regulations of:

- a. Monetary Policy;
- b. Macroprudential Policy; and
- c. Payment System Policy.

Article 30

- (1) The regulations of Monetary Policy referred to in Article 29 point a are conducted to:
 - a. achieve and maintain monetary stability;
 - b. ensure effectiveness of Monetary Policy; and
 - c. prevent and control risks which may be detrimental to the monetary stability achievement.
- (2) Scope of the regulations of Monetary Policy referred to in section (1) includes:
 - a. interest rate;
 - b. exchange rate;
 - c. liquidity;
 - d. foreign exchange traffic;
 - e. money market and foreign exchange market;
 - f. state foreign exchange reserves; and
 - g. other regulations of Monetary Policy determined by Bank Indonesia.
- (3) The regulations of Monetary Policy referred to in section (2) include surveys, acquisition, processing, development, and dissemination of data, information, report, statement, and/or explanation.

Article 31

- (1) The regulations of Macroprudential Policy referred to in Article 29 point b are conducted to:
 - a. promote optimum credit or financing;
 - b. maintain financial system resilience; and
 - c. accelerate financial inclusion and green financing.
- (2) The scope of regulations of Macroprudential Policy to promote optimum credit or financing referred to in section (1) point a includes:
 - a. intermediation;
 - b. capital capacity to support intermediation; and
 - c. other regulations of Macroprudential Policy determined by Bank Indonesia.
- (3) The scope of regulations of Macroprudential Policy to maintain financial system resilience referred to in section (1) point b includes:
 - a. credit risk resilience;
 - b. liquidity risk resilience;
 - c. market risk resilience;
 - d. crisis prevention and management; and
 - e. other regulations of Macroprudential Policy determined by Bank Indonesia.

- (4) The scope of regulations of Macroprudential Policy to accelerate financial inclusion and green financing referred to in section (1) point c includes:
 - a. financial inclusion;
 - b. green financing; and
 - c. other regulations of Macroprudential Policy determined by Bank Indonesia.
- (5) The scope of regulations of Macroprudential Policy referred to in section (2) until section (4) includes provisions for surveys, acquisition, processing, development, and dissemination of data, information, report, statement, and/or explanation.

Article 32

- (1) The regulations of Payment System Policy referred to in Article 29 point c are conducted to create implementation of fast, easy, affordable, safe, reliable, high-quality, and trusted payment system, and connected and integrated payment system ecosystem by observing access expansion and consumer protection.
- (2) The scope of regulations of Payment System Policy referred to in section (1) includes:
 - a. payment instrument;
 - b. institution;
 - c. payment system implementation mechanism;
 - d. infrastructure; and
 - e. other regulations of Payment System Policy determined by Bank Indonesia.
- (3) The regulations of Payment System Policy referred to in section (2) include provisions for surveys, acquisition, processing, development, and dissemination of data, information, report, statement, and/or explanation.

Article 33

- (1) Any party must meet their obligations under Bank Indonesia Regulation pertaining to BKBI implementation.
- (2) Sanction imposition against any breach of obligations referred to in section (1) is applied under the relevant Bank Indonesia Regulation.

Part Three Supervision

Article 34

- (1) Bank Indonesia conducts supervision to ensure implementation of Main Policy.
- (2) The supervision referred to in section (1) is conducted on all subjects involved in the implementation of Main Policy.

Article 35

- (1) Supervision of subjects involved in the implementation of Monetary Policy is conducted by:
 - a. monitoring and identifying risks in monetary sector;
 - b. ensuring compliance with the provisions for monetary sector; and

- c. monitoring other aspects related to the implementation of Monetary Policy.
- (2) The supervision referred to in section (1) is conducted through:
 - a. off-site supervision; and
 - b. on-site supervision.
- (3) Bank Indonesia may assign other parties for and on behalf of Bank Indonesia in conducting an on-site supervision.

Article 36

- (1) Supervision of subjects involved in implementation of Macroprudential Policy is conducted by:
 - a. monitoring and identifying systemic risks;
 - b. ensuring compliance with provisions in macroprudential sector; and
 - c. monitoring other aspects related to implementation of Macroprudential Policy.
- (2) The supervision referred to in section (1) is conducted through:
 - a. macroprudential surveillance; and/or
 - b. on-site supervision.
- (3) Bank Indonesia may assign other parties for and on behalf of Bank Indonesia in conducting an on-site supervision.

Article 37

- (1) Supervision of subjects involved in implementation of Payment System Policy is conducted by:
 - a. monitoring and identifying risks in payment system sector;
 - b. ensuring compliance with provisions in payment system sector; and
 - c. monitoring other aspects related to implementation of Payment System Policy.
- (2) The supervision referred to in section (1) is conducted through:
 - a. off-site supervision; and
 - b. on-site supervision.
- (3) Bank Indonesia may assign other parties for and on behalf of Bank Indonesia in conducting on-site supervision.

Article 38

- (1) Bank Indonesia conducts an integrated supervision to ensure effective implementation of Main Policy and optimize achievement of BKBI targets.
- (2) The integrated supervision referred to in section (1) is conducted by integrating the result of supervision referred to in Article 35 until Article 37.
- (3) Strategies for the integrated supervision referred to in section (2) are conducted by observing correlation between implementation of Bank Indonesia Policy, and include all regulation objects of Bank Indonesia Policy.

Article 39

- (1) In conducting supervision, Bank Indonesia is authorized to carry out supervisory follow-up actions.

- (2) If there is any supervision result related to the power of other authorities, the supervisory follow-up actions referred to in section (1) may be in the form of delivery of information and/or recommendations based on supervisory results to any other authorities.
- (3) Provisions for regulation and supervision are determined by Bank Indonesia.

CHAPTER VIII COORDINATION AND SYNERGY

Article 40

- (1) To increase effectiveness of BKBI and support for national policy mix, Bank Indonesia conducts coordination and synergy of policies with the relevant external parties.
- (2) The coordination and synergy of policies referred to in section (1) are conducted by applying the principle of independence in inter-dependence of policies.

CHAPTER IX ACCOUNTABILITY, POLICY TRANSPARENCY, AND POLICY COMMUNICATION

Article 41

- (1) In formulating and implementing policies, Bank Indonesia prioritizes fulfilment of the principle of accountability.
- (2) The accountability referred to in section (1) is implemented to ensure good governance to strengthen the credibility of Bank Indonesia.

Article 42

Bank Indonesia applies the principle of policy transparency on Bank Indonesia Policy determined as a form of accountability to the public.

Article 43

Bank Indonesia communicates policies as part of implementation of the policy transparency referred to Article 42 aimed at increasing public understanding of BKBI and directing as well as forming inflation expectation of the public and market participants to increase BKBI effectiveness.

CHAPTER X IMPLEMENTATION OF OTHER AUTHORITIES

Article 44

- (1) Bank Indonesia has the authority to manage liquidity to support economic growth.
- (2) The liquidity management referred to in section (1) is conducted through instruments in BKBI, both Main Policy and Supporting Policy.
- (3) The liquidity management through instruments in BKBI referred to in section (2) may be conducted through purchase or sale of government securities and/or other quality securities in the secondary market, fund placement

at a financial institution for money market development, statutory reserve requirement policy, Monetary Policy mix, and/or other policy instruments.

- (4) In conducting the liquidity management referred to in section (1), Bank Indonesia prioritizes to achieve rupiah value stability for Monetary Policy by observing macroeconomic condition and applying good governance.

Article 45

- (1) Bank Indonesia has the authority in a condition of crisis.
- (2) The authority of Bank Indonesia in a condition of crisis referred to in section (1) is based on:
 - a. the laws and regulations;
 - b. provisions of Bank Indonesia; and
 - c. agreement among authorities.

Article 46

Bank Indonesia is the only party authorized to lodge an insolvency petition and/or a petition for suspension of debt payment from a debtor which is a payment service provider and payment system infrastructure provider, rupiah processing service provider, money market brokers, provider of means of trade, means of clearing for derivative transactions of interest rate and over-the-counter exchange rate, or other institutions granted license and/or decision by Bank Indonesia provided that the liquidation and/or insolvency are not specified different from other laws and regulations.

CHAPTER XI CLOSING PROVISIONS

Article 47

At the time when this Bank Indonesia Regulation comes into force, Bank Indonesia Regulation Number 16/11/PBI/2014 on Macroprudential Regulation and Supervision (State Gazette of the Republic of Indonesia of 2014 Number 141, Supplement to State Gazette of the Republic of Indonesia Number 5546), is declared to remain in effect insofar as it is not contrary hereto.

Article 48

This Bank Indonesia Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Bank Indonesia Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
On 5 July 2024

GOVERNOR OF BANK INDONESIA,

PERRY WARJIYO

Promulgated in Jakarta
On 10 July 2024

MINISTRY OF LAW AND HUMAN RIGHTS
REPUBLIC OF INDONESIA,

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2024 NUMBER 15/BI



ELUCIDATION
OF
BANK INDONESIA REGULATION
NUMBER 4 OF 2024
ON
BANK INDONESIA POLICY MIX

I. GENERAL

To achieve Bank Indonesia's objective, namely to achieve Rupiah Value Stability, maintain Payment System Stability, and participate in maintaining SSK to support sustainable economic growth, Bank Indonesia has the following duties:

- a. to determine and implement Monetary Policy in a sustainable, consistent, and transparent manner;
- b. to regulate and maintain payment system smoothness; and
- c. to determine and implement Macroprudential Policy.

Related to the objective and duties of Bank Indonesia, it is necessary to have effective, credible, and accountable Bank Indonesia's policies in their implementation of duties to be able to realize the achievement of Bank Indonesia's objective.

Considering the increasingly complex faced by Bank Indonesia, including due to internal and external strategic environment changes, integrated performance of duties is necessary to achieve the objective. In connection therewith, Bank Indonesia integrates Monetary Policy, Payment System Policy, and Macroprudential Policy, with the support of Supporting Policy, in BKBI to achieve Rupiah Value Stability, maintain Payment System Stability, and help maintain SSK to support sustainable economic growth.

Based on the foregoing, it is necessary for Bank Indonesia to issue Bank Indonesia Regulation on BKBI.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

The term "principle of governance system of Bank Indonesia Policy" means the principle underlying the application and enforcement of governance system of Bank Indonesia Policy which includes independence, consistency, coordination, accountability, and transparency.

The term “element of governance system of Bank Indonesia Policy” means the key aspect of governance system of Bank Indonesia Policy implemented to ensure the application of the principle of governance system of Bank Indonesia Policy.

Article 4

To achieve Rupiah Value Stability, rupiah exchange rate stability is necessary and constitutes an inseparable part from efforts to support the achievement of low and stable inflation.

Rupiah Value Stability, Payment System Stability, and SSK are vital to support sustainable economic growth.

The term “sustainable economic growth” means economy which grows according to its capacity and inclusive so that it is maintained stable, balanced, and resilient to global and domestic volatilities.

Article 5

Sufficiently clear.

Article 6

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Monetary Policy mix and Macroprudential Policy mix supported by Payment System Policy mix are applied by considering the ongoing development of economic and financial cycle.

Calibration of Monetary Policy mix and Macroprudential Policy mix is conducted to respond to risks on Rupiah Value Stability and SSK to support sustainable economic growth.

Calibration of Monetary Policy mix and Macroprudential Policy mix is conducted with measured extent, time, and sequence.

The role of Payment System Policy mix in BKBI is to maintain Payment System Stability which supports implementation of Monetary Policy mix and Macroprudential Policy mix in achieving Rupiah Value Stability and help maintain SSK to support sustainable economic growth.

Article 7

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Determination, regulation, supervision, development, evaluation, and/or sanction imposition are conducted among others on:

- a. BI Rate as the interest rate of Bank Indonesia policy;
- b. interest rate for fund placement at Bank Indonesia (*deposit facility rate*) and fund provision from Bank Indonesia (*lending facility rate*);
- c. interest rate of other transactions with Bank Indonesia;

- d. monetary operations in the money market and foreign exchange market; and
- e. money market.

Monetary operations in the money market and foreign exchange market are implemented among others through determination of monetary operation strategies and development of monetary operation instruments.

Section (3)

Regulation, supervision, development, evaluation, and/or sanction imposition are conducted among others on:

- a. monetary operations in the money market and foreign exchange market as well as giro reserve requirement in rupiah and foreign currency; and
- b. money market and foreign exchange market.

For monetary operations in the money market and foreign exchange market, refer to the explanation of Section (2).

Section (4)

Synergy between Bank Indonesia and the Government, both the central Government and regional Government, is conducted through the central and regional inflation control teams in maintaining price affordability, sufficiency of supply, smooth distribution, and effective communication, as conducted in the national movement on food inflation control.

Article 9

Section (1)

Point a

The term “spot” means transactions in cash, namely transactions on the fund transfer date which are made 2 (two) working days after the transaction date.

Point b

The term “derivative” means an instrument whose value is derivative from the underlying assets.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Section (2)

Determination, implementation, regulation, supervision, development, evaluation, and/or sanction imposition are conducted among others on:

- a. monetary operations in the money market and foreign exchange market; and
- b. money market and/or foreign exchange market.

For monetary operations in the money market and foreign exchange market, refer to Article 8 Section (2).

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Section (1)

Point a

Capital buffer instrument for credit or financing growth among others is countercyclical capital buffer.

Point b

Liquidity policy instrument for credit or financing growth among others is macroprudential liquidity incentive policy.

Point c

Intermediation ratio instrument for sustainable optimum credit or financing growth among others is macroprudential intermediation ratio.

Point d

Instruments of credit or financing value ratio to collateral and advance payment among others are loan to value ratio for property credit, financing to value ratio for property financing, and advance payment for motorized vehicle credit or financing.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Section (2)

Determination, regulation, supervision, including monitoring, development, evaluation, and/or sanction imposition are conducted among others on the instrument amount, implementation of instruments, and instrument policy.

Article 16

Section (1)

Point a

Liquidity buffer adequacy instrument among others is macroprudential liquidity buffer.

Point b

Market risk limit instrument among others is net foreign exchange position.

Point c

Item 1

Sufficiently clear.

Item 2

Crisis prevention and management instruments related to the function of lender of the last resort among others are short-term liquidity loan and short-term liquidity financing under sharia principle.

Point d

Stress test implementation among others is stress test on capital and liquidity resilience.

Point e

Sufficiently clear.

Section (2)

Determination, regulation, supervision, including monitoring, development, evaluation, and/or sanction imposition are conducted among others on instrument amount or limit, implementation of instruments, and instrument policy.

Section (3)

Implementation, provision, determination, regulation, macroprudential surveillance, on-site supervision, assessment, development, evaluation, and/or sanction imposition are conducted among others on:

- a. crisis management protocol; and/or
- b. fund for commercial banks to perform the function of lender of the last resort.

Implementation of macroprudential surveillance and assessment of crisis management protocol includes surveillance and assessment in monetary, macroprudential, and payment system. Fund provision to perform the function of lender of the last resort is conducted among others through extension of short-term liquidity loan fund or short-term liquidity financing under sharia principle.

Article 17

Section (1)

Point a

Inclusive financing instrument among others is macroprudential inclusive financing ratio.

Point b

Instruments of credit value ratio to green collateral and advance payment among others are green loan to value and financing to value.

Point c

Liquidity policy instrument for green credit growth among others is macroprudential liquidity incentive policy on inclusive and green financing extension.

Point d

Sufficiently clear.

Section (2)

Determination, regulation, surveillance, on-site supervision, assessment, development, evaluation, and/or sanction imposition are conducted on instrument amount, instrument implementation, and instrument policy.

Article 18

Applications of Macroprudential Policy on banks which conduct business activities in a conventional manner and under sharia principle among others are in the form of determination of:

- a. conventional macroprudential instruments for banks conducting conventional business activities; and/or
- b. macroprudential instruments under sharia principle for banks conducting activities under sharia principle.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Determination, regulation, implementation, permit granting, access policy, development, supervision, sanction imposition, exit policy, and/or management are conducted among others on:

- a. payment system service, including data standardization and management;
- b. payment system service provider;
- c. payment system infrastructure which is safe and reliable and meets the principle of integrated, interoperable, and interconnected;
- d. implementation of Payment System Policy based on compliance and/or risks;
- e. payment system digitalization and protection of payment system service consumers; and
- f. rupiah banknotes and coins, as well as digital rupiah.

Article 23

Sufficiently clear.

Article 24

Point a

The term “regional economic and financial policy” means a policy determined to support Main Policy and implemented in regions to achieve Rupiah Value Stability, maintain Payment System Stability, and help maintain SSK to support sustainable economic growth.

Point b

The term “money market and foreign exchange market policy” means a policy implemented to build modern money market and foreign exchange market in supporting effectiveness of Monetary Policy, SSK, and economic financing synergy.

Money market and foreign exchange market policy includes regulation, supervision, and development of money market and foreign exchange market by Bank Indonesia.

Point c

The term “inclusive and green policy” means a policy to promote development of inclusive and green economic and financial activities to support the achievement of Bank Indonesia’s objective.

Point d

The term “sharia economic and financial policy” means a supporting policy implemented to develop sharia economy and finance to support sustainable economic growth.

Point e

The term “international policy” means a policy implemented at the international level to support the achievement of Rupiah Value Stability, maintain Payment System Stability, help maintain SSK, and defend Bank Indonesia’s interest and/or Indonesia’s economy.

Point f

The term “consumer protection policy” means a policy which guarantees legal certainty to provide protection to consumers.

Point g
Sufficiently clear.

Article 25

Section (1)
Point a
Sufficiently clear.

Point b
If necessary, Bank Indonesia may request data and/or information from the parent company, subsidiary, and any party with business relationship and/or financial relationship.

Point c
Sufficiently clear.

Section (2)
Data processing and dissemination constitutes part of data management.

Section (3)
Sufficiently clear.

Section (4)
Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Section (1)
Sufficiently clear.

Section (2)
Point a
Macroprudential Policy regulations related to intermediation among others are regulations of macroprudential liquidity incentive, loan to value or financing to value and advance payment, and macroprudential intermediation ratio.

Point b
Macroprudential Policy regulations related to capital capacity to support intermediation among others are regulations of countercyclical capital buffer policy.

Point c
Sufficiently clear.

Section (3)
Point a
Sufficiently clear.

Point b

Macroprudential Policy regulations related to liquidity risk resilience among others are regulations of macroprudential liquidity buffer.

Point c

Macroprudential Policy regulations related to market risk resilience among others are regulations of net open position.

Point d

Macroprudential Policy regulations related to crisis prevention and management among others are regulations of crisis management protocol policy and short-term liquidity loan or short-term liquidity financing based on sharia principle.

Point e

Sufficiently clear.

Section (4)

Point a

Macroprudential Policy regulations related to financial inclusion among others are regulations of macroprudential inclusive financing ratio policy.

Point b

Macroprudential Policy regulations related to green financing among others are regulations of green loan to value or financing to value and green advance payment.

Point c

Sufficiently clear.

Section (5)

Macroprudential Policy regulations on data acquisition consider needs in Macroprudential Policy implementation.

Article 32

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The scope of Payment System Policy regulations related to payment system implementation mechanism among others includes:

1. determination of payment system implementation standard, including a safe and reliable system standard;
2. price scheme; and
3. expansion of payment system digitalization.

Point d

Sufficiently clear.

Point e

The scope of other Payment System Policy regulations among others includes regulations of reference for determining classifications, activities, and/or participation for payment system service providers.

Section (3)

Sufficiently clear.

Article 33

Section (1)

The term “any party” means a party who becomes an object of regulation by referring to the respective policies, among others are:

- a. for Monetary Policy, namely individual, commercial bank, non-bank corporation, and financial market infrastructure, and other parties determined by Bank Indonesia;
- b. for Macroprudential Policy, namely commercial bank. The regulation considers assessment of financial system and the correlation with the economic condition; and
- c. for Payment System Policy, namely any party who conducts payment system activities, among others are Bank Indonesia and industry in the form of bank and non-bank institution.

The term “commercial bank” means a bank which conducts their business activities in a conventional manner and/or under sharia principle and provides services in payment traffic.

The term “bank” means an entity which collects funds from the public in the form of savings and distributes them to the public in the form of credit or financing and/or any other forms of credit or financing to improve public livelihood.

Section (2)

The types of sanctions imposed on breach of obligations among others are:

- a. written warning;
- b. obligation to pay; and
- c. permit revocation or determination revocation.

Related Bank Indonesia Regulations among others are Bank Indonesia Regulation on payment system, Bank Indonesia Regulation on macroprudential intermediation ratio and macroprudential liquidity buffer, and Bank Indonesia Regulation on money market and foreign exchange market.

Article 34

Section (1)

Sufficiently clear.

Section (2)

The term “subject” means the subjects specified in the implementation of Main Policy among others include:

- a. for Monetary Policy, namely individuals and corporations, including commercial banks, non-bank corporations, and financial market infrastructures, and any other parties determined by Bank Indonesia;
- b. for Macroprudential Policy, namely for macroprudential surveillance, it is financial system, and for on-site supervision, it is commercial bank and/or any other parties determined by Bank Indonesia; and
- c. for Payment System Policy, namely any parties implementing payment system, among others are Bank Indonesia and industry, both banks and non-bank institutions, and other parties determined by Bank Indonesia.

For Banks, refer to the explanation of Article 33 Section (1).

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

One of the integrated supervision strategies conducted by Bank Indonesia is through a dynamic approach to capture the dynamics in the financial system.

Article 39

Sufficiently clear.

Article 40

Section (1)

Coordination and synergy of policies with external parties are conducted related to Main Policy and Supporting Policy.

National policy mix among others is coordination and synergy of national inflation control policy through the central and regional inflation control teams.

Section (2)

Sufficiently clear.

Article 41

Section (1)

The term “accountability” means the accountability of Bank Indonesia to stakeholders for performance of duties and authority, as well as achievement of Bank Indonesia’s objective as mandated under the laws and regulations.

Section (2)

Accountability is conducted among others through submission of institutional performance report of Bank Indonesia in writing to the President and the House of People’s Representatives.

Article 42

The term “policy transparency” means openness of policies taken by Bank Indonesia which includes policy framework, policy strategic direction, decision, operationalization, and policy results.

The policy transparency is implemented among others through:

- a. delivery of information to the public in an open manner through mass media at the beginning of a budget year; and
- b. publication of periodic reports.

The delivered information contains evaluation of Bank Indonesia’s policy implementation in the previous year and policy plan and determination of Bank Indonesia’s target for the coming year.

Publication of periodic reports among others includes Indonesia’s Economy Report.

Article 43

Communication of policies by Bank Indonesia may be delivered through different communication canals.

Article 44

Section (1)

Liquidity management aims to maintain balance between liquidity supply and demand according to the economic capacity. Liquidity management is conducted by adding or reducing liquidity in the financial sector when the economy undergoes contraction or expansion, thereby supporting sustainable economic growth.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 45

Section (1)

The term “condition of crisis” means the condition of crisis as specified under the laws and regulations.

Section (2)

Point a

The laws and regulations among others are Law, Government Regulation in Lieu of the Law, Government Regulation, and/or Presidential Decree on management of SSK caused by a condition of crisis.

Point b

Bank Indonesia’s provisions among others are those for pressure status and crisis management.

Point c

Agreement among authorities among others are joint agreement between Bank Indonesia and the Government related to purchase of government securities in the primary market.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.