Indonesia Payment Systems Blueprint 2025
Navigating the National Payment Systems in Digital Era
Digital Ecosystem and Finance Ecosystem 2025

Opening up access for **83.1 million unbanked people** and **62.9 million MSMEs** to formal economics and finance in a sustainable manner through digitalization.
Indonesia Payment System Blueprint 2025 – Policy Context

Indonesia Payment System Blueprint 2025 comes as a solution to respond the digital challenges

1. Digitalization of the economy and finance is increasing rapidly

2. Digital technology changes human behavior, both as consumers and workers
Indonesia Payment Systems (IPS) Vision 2025

1. IPS 2025 reinforces the integration of national digital economy and finance in assuring the proper functioning of central bank mandate in money circulation, monetary policy, and financial system stability as well as financial inclusion.

2. IPS 2025 fosters digital transformation within the banking industry to sustain banks' role as a primer institution in the digital economy and finance through the implementation of open-banking standard as well as the deployment of digital technology and data on their financial product and services.

3. IPS 2025 assures interlink between fintech and banks to contain the escalation of shadow banking risk through the regulation of the use of digital technology (e.g., API), business relation, and business ownership.

4. IPS 2025 strikes the balance among innovation, consumers protection, integrity, and stability as well as fair competition through the implementation of digital KYC & AML-CFT, data/information/public business openness, and the deployment of Reg-tech & Sup-tech for reporting, regulatory and supervisory.

5. IPS 2025 safeguards national interest on cross-border use of digital economy and finance through the obligation of domestic processing for all onshore transactions and domestic partnership for all foreign players under the consideration of reciprocity principle.
IPS 2025 reinforces the integration of national digital economy and finance in assuring the proper functioning of central bank mandate in money circulation, monetary policy, and financial system stability as well as financial inclusion.

**Configuration of Indonesia Digital Economy and Finance 2025**

**Economic Sector**
- Payment ID
- Society
  - Community economy and Financial Inclusion
  - KYC/AML-CFT
  - Consumer Protection
  - Data Privacy
  - Fair Competition
  - National Interest
- Digital Economy
  - Consumers
  - Corporations
  - SMEs
  - E-Commerce
  - Marketplace

**Financial Sector**
- Consumer Consent Architecture
- Data Hub
- Public Infrastructures
- Integrated Payment Interface (API)
- Blockchain & DLT
- Cloud Computing
- Data & Artificial Intelligence

**Bank Indonesia**
- Infrastructure
  - Retail Payment
    - SKNBI
  - Wholesale Payment
    - BI-RTGS
    - BI-FAST
    - SSS/CSD
  - GPN
  - CeBM
- Policy
  - Regulation
  - Supervision
  - Reporting

**Notations**
1. APMU: Currency based payment
2. APMR: Deposit-account based payment
3. APMD: Non deposit-account based payment

*Integrated Payment Interface*
IPS Blueprint 2025 involves engagement and collaboration throughout stakeholders...
The Open Banking Initiative acts as a strategic solution to drive digital transformation. Banks are required to take end-to-end digital transformation.

The Open Banking initiative will commence through standardizing Open API which comprises data, technical, security, and governance standardizations.

**Policy Context**
Fosters national digital economy and finance by interlinking between fintech and banks to increase efficiency of payment system and to encourage financial inclusión, MSMe.

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**Open API Framework in Indonesia**

**Objectives**
1. Improving efficiency in transactions and payment systems
2. Increasing innovation and competition
3. Improving financial inclusion
4. Reducing the risk of Shadow Banking.

**Guiding Principles**
1. Openness
2. Interoperability
3. Independence
4. Flexibility
5. Governance
6. Customer Protection and Consent
7. Novelty

**Implementations**
1. Business Model (Transfer & Payment)
2. Participants (PISP)
3. Time Frame Implementation

**Standard**
1. Data
   - All data can be opened with customer consent.
   - Scope / type of data: transfer and payment.
   - Standard data content
2. Technical
   - Communication / Connection Protocol: HTTPS
   - Architecture Type: REST
   - Data Format: JSON
3. Security
   - Customer Authentication: According to Bank / Fintech design (e.g. 2FA)
   - PISP & Third Party Website Auth
   - Authorization: OAuth 2.0
   - Encryption: SHA-2 / AES-256
4. Governance
   - Standard Governing Body
   - Standardization of Contracts
   - Consumer Protection - Consumer Consent & Dispute Resolution

**Stages and Timeline**
1. Consultative Paper
2. Establishment of National Working Group (Regulator, Industry and Ministry)
3. Finalization
4. Implementation
Modernization of Retail Payment System Infrastructure aims at developing fast, efficient and secure infrastructures by utilizing the latest innovations. The end state will be the presence of real-time, infrastructures that operate 24/7 efficiently inexpensive, safe, and able to serve various payment transactions between customers by utilizing Payment ID.
The new regulatory structure aims at integrated entry policy, supervision, and reporting mechanism of PSPs in accordance with best practices and sound business practices principle.

Regulation in payment systems will be directed toward a more structured, proportional, forward-looking, and agile process.
## Roadmap and Timetable IPS Blueprint 2025

### Main Deliverables

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<tr>
<th>WG 1</th>
<th>OPEN BANKING</th>
<th>2019</th>
<th>2020</th>
<th>2021-2025</th>
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<tr>
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<td>Consultative paper</td>
<td>Open API Implementation in Digital Payment Ecosystem</td>
<td>Enhancement of Open API Implementation</td>
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<tr>
<th>WG 2</th>
<th>RETAIL PAYMENT SYSTEMS</th>
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<tr>
<td></td>
<td>Conceptual Design BI-FAST</td>
<td>BI-FAST Development</td>
<td>Conceptual Design IPI</td>
<td>Enhancement of BI-FAST (2021 Wave of credit transfer 2023)</td>
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<td>QRIS MPM</td>
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<td>Enchancement of IPI (2021), Live (2025)</td>
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<tr>
<th>WG 3</th>
<th>FINANCIAL MARKET INFRASTRUCTURES</th>
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<td>Conceptual Design BI-RTGS</td>
<td>KPEI-BI SSSS</td>
<td>Live LSM BI-RTGS Existing</td>
<td>BI-RTGS (live 2023)</td>
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<td>Conceptual Design BI-ETP</td>
<td>Conceptual Design BI-SSSS</td>
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<td>BI-ETP (Live 2022)</td>
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<th>WG 4</th>
<th>DATA</th>
<th>2019</th>
<th>2020</th>
<th>2021-2025</th>
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<tbody>
<tr>
<td></td>
<td>Conceptual Design Data Hub &amp; Payment ID</td>
<td>Data Hub Piloting &amp; Payment ID</td>
<td>Scope Development and Expansion Data Hub &amp; Payment ID (including reporting integration enhancement)</td>
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<td>BI Antasena</td>
<td>Enhancement BI Antasena</td>
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<th>WG 5</th>
<th>REGULATORY, LICENSING, SUPERVISORY</th>
<th>2019</th>
<th>2020</th>
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<td></td>
<td>Regulation Framework Design a.i. Cloud Policy, Entry Policy, and Supervision</td>
<td>BI Regulation on Payment Systems (Umbrella regulation for payment system)</td>
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<td>Operating Regulations</td>
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The Implementation of IPS Blueprint 2025 requires strong commitment and collaboration from the banking industry. Make a cooperation and productive collaboration between bank and a reciprocal fintech, including exchange of customer-based payment transaction data. Fosters the implementation of standard API through harmonization process with all banking industry and PJSP. Conduct digital end-to-end transformation to maintain and improve competitiveness. Conducts investment planning in the future according to infrastructure development in Bank Indonesia.
Thank you