

BANK INDONESIA REGULATION  
NUMBER: 4/2/PBI/2002  
CONCERNING  
MONITORING OF FOREIGN EXCHANGE PAYMENTS  
BY NON-FINANCIAL INSTITUTION COMPANIES

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas the monitoring of foreign exchange payments is vitally needed in support of the free foreign exchange system;
  - b. whereas complete, accurate, and timely information and data generated by the monitoring of Foreign Exchange Payments is vitally needed for preparation of statistics;
  - c. whereas statistics on Foreign Exchange Payments and especially statistics on Indonesia's balance of payments and international investment position are important factors in policy design and improvement of policy effectiveness in monetary affairs, the payment system, and the banking system;
  - d. now therefore, it is necessary to enact provisions concerning the Monitoring of Foreign Exchange Payments by Non-Financial Institution Companies in a Bank Indonesia Regulation;

- In view of :
1. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999,

Supplement to the State Gazette of the Republic of Indonesia Number 3843);

2. Act Number 24 of 1999 concerning Foreign Exchange Payments and Exchange Rate System (State Gazette of the Republic of Indonesia Number 67 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3844);

HAS DECREED:

To enact : THE BANK INDONESIA REGULATION CONCERNING MONITORING OF FOREIGN EXCHANGE PAYMENTS BY NON-FINANCIAL INSTITUTION COMPANIES.

## CHAPTER I GENERAL PROVISIONS

### Article 1

The terminology used in this Bank Indonesia Regulation has the following meanings:

1. Foreign Exchange Payments are transfers of financial assets and liabilities between Residents and Non-Residents, including transfers between Residents of Overseas Financial Assets and Liabilities;
2. Non-Financial Institution Company (hereinafter referred to as Company) is a Corporate Entity conducting business other than as a Bank and other than as a Non-Bank Financial Institution as stipulated in prevailing laws and regulations;

3. Overseas Financial Assets are Company assets comprising claims on Non-Residents, whether in foreign currency or in rupiahs, including but not limited to equity participation in overseas companies, deposits at overseas banks, and holdings of securities issued by non-residents;
4. Overseas Financial Liabilities are Company liabilities comprising liabilities to Non-Residents, whether in foreign currency or in rupiahs, including but not limited to foreign debt and trade payables to overseas companies;
5. Residents are persons, legal entities, or other entities domiciled or planning to be domiciled in Indonesia for not less than 1 (one) year, including diplomatic representation and diplomatic staff of the Republic of Indonesia stationed overseas.

## CHAPTER II REPORTING REQUIREMENTS

### Article 2

- (1) Any Company conducting activities in Foreign Exchange Payments is required to deliver complete, accurate, and timely reports presenting information and data on activities conducted by it in Foreign Exchange Payments to Bank Indonesia.
- (2) Information and data delivered to Bank Indonesia as referred to in paragraph (1) shall be confidential.

### Article 3

- (1) The reporting requirements referred to in Article 2 paragraph (1) shall apply to any Company:
  - a. having total assets of not less than Rp 100,000,000,000 (one hundred billion rupiahs); or

b. having ...

- b. having gross sales turnover in one year of not less than Rp 100,000,000,000 (one hundred billion rupiahs).
- (2) In the event that the total assets and/or gross sales turnover of a Company as referred to in paragraph (1) declines to less than Rp 100,000,000,000 (one hundred billion rupiahs), the Company shall notwithstanding be required to deliver reports insofar as it continues to conduct activities in Foreign Exchange Payments.
  - (3) The size of the total assets and gross sales turnover referred to in paragraph (1) may be amended in accordance with developments in a Circular Letter of Bank Indonesia.

#### Article 4

- (1) The reports that must be delivered as referred to in Article 2 paragraph (1) encompass reports concerning:
  - a. Transactions affecting Overseas Financial Assets and/or Liabilities,
  - b. Position of Overseas Financial Assets and/or Liabilities as per the end of the reporting period.
- (2) Transactions that must be reported as referred to in paragraph (1) letter a are transactions conducted not through any domestic Bank or Non-Bank Financial Institution.

### CHAPTER III SCRUTINY OF REPORTS

#### Article 5

In the event that the truthfulness of information or data delivered to Bank Indonesia is in doubt, Bank Indonesia shall scrutinize the information and data,

including ...

including by means of requesting bookkeeping evidence, records, and documents pertaining to activities in Foreign Exchange Payments.

#### Article 6

A Company shall be required to furnish bookkeeping evidence, records, and documents as referred to in Article 5.

### CHAPTER IV ADMINISTRATIVE SANCTIONS

#### Article 7

- (1) Any Company delivering a report as referred to in Article 4 paragraph (1) letter a that is incomplete or inaccurate shall be liable to administrative sanctions comprising a fine of Rp 50,000 (fifty thousand rupiahs) for each incomplete and/or incorrect field of information and data up to a maximum fine of Rp 20,000,000 (twenty million rupiahs).
- (2) The amount of fine as referred to in paragraph (1) may be amended in a Circular Letter of Bank Indonesia.

#### Article 8

- (1) Any Company late in delivery of a report as referred to in Article 4 paragraph (1) letter a shall be liable to administrative sanctions comprising a fine of Rp 1,000,000 (one million rupiahs) for each day of delay up to a maximum fine of Rp 10,000,000 (ten million rupiahs).
- (2) The amount of fine as referred to in paragraph (1) may be amended in a Circular Letter of Bank Indonesia.

#### Article 9

- (1) Any Company failing to deliver a report as referred to in Article 4 paragraph (1) letter a shall be liable to administrative sanctions comprising a fine of Rp 20,000,000 (twenty million rupiahs) in addition to the fine for late reporting as referred to in Article 8.
- (2) In the case of any Company that does not deliver any report as referred to in Article 4 paragraph (1) letter a for 6 (six) consecutive periods or not more than 6 (six) months, Bank Indonesia shall issue a recommendation to the competent agency for administrative sanctions comprising revocation or cancellation of operating license.

#### Article 10

In the case of any Company failing to furnish evidence of bookkeeping, records, and documents as referred to in Article 6, Bank Indonesia shall issue a recommendation to the competent agency for administrative sanctions comprising revocation or cancellation of operating license.

#### Article 11

The sanctions referred to in Article 7, Article 8, Article 9, and Article 10 shall come into force on December 1, 2002, for activities in Foreign Exchange Payments conducted during November 2002.

CHAPTER V  
CONCLUDING PROVISIONS

Article 12

Procedures for reporting, the amounts of and procedure for imposition of sanctions, and the requested information and data shall be stipulated further in a Circular Letter of Bank Indonesia.

Article 13

This Bank Indonesia Regulation shall come into force on June 1, 2002.

Enacted in Jakarta

Dated March 28, 2002

THE GOVERNOR OF BANK  
INDONESIA

SYAHRIL SABIRIN

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA NUMBER 15 OF 2002

DSM

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
NUMBER: 4/2/PBI/2002  
CONCERNING  
MONITORING OF FOREIGN EXCHANGE PAYMENTS  
BY NON-FINANCIAL INSTITUTION COMPANIES

GENERAL REVIEW

As stipulated in Act Number 24 of 1999 concerning Foreign Exchange Payments and the Exchange Rate System, the Government continues to maintain a free foreign exchange system. Accordingly, any Resident may freely hold and use foreign exchange in his/her possession. However, because of the lack of availability of complete information and data on activities in Foreign Exchange Payments, a system is needed for monitoring Foreign Exchange Payments. This monitoring system will enable the monetary authority to maintain complete, accurate, and timely statistics on activities in Foreign Exchange Payments, and in so doing provide support for design and strengthening the effectiveness of monetary policy. The Foreign Exchange Payments monitoring system will support the application of the free foreign exchange system so that it does not negatively impact the national economy.

Monitoring of Foreign Exchange Payments encompasses the monitoring of all transactions resulting in transfer of financial assets and liabilities between Residents and Non-Residents. In addition, to obtain information on foreign exchange movements in the non-financial sector, it is also necessary to monitor the transfer of overseas financial assets and liabilities between Residents. The main purpose of these reports is for the preparation of statistics on Indonesia's

balance ...

balance of payments and international investment position in support of monetary stability.

In this regard, for the Foreign Exchange Payments monitoring system to come into being, all Companies conducting activities in Foreign Exchange Payments are required to report their Foreign Exchange Payment activities to Bank Indonesia.

## ARTICLE BY ARTICLE

### Article 1

Number 1 through number 5

Self-explanatory

### Article 2

Paragraph (1)

As stipulated in Article 1 number 2 of this Regulation, a Company as defined in this Article is a Non-Financial Institution Company conducting business other than as a Bank and other than as a Non-Bank Financial Institution (NBFI) as stipulated in prevailing laws and regulations.

Pursuant to Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998, Bank encompasses Commercial Bank and Rural Bank.

Pursuant to Bank Indonesia Regulation No. 1/9/PBI/1999 concerning Monitoring of Foreign Exchange Payments by Banks and Non-Bank Financial Institutions, NBFIs include insurance companies, pension funds, securities houses, venture capital companies, and finance Companies, in addition to other entities providing services in management of funds owned by the public.

In this regard ...

In this regard, Company as defined in this Article includes:

- a. State Owned Enterprise (SOE), namely state owned enterprises established pursuant to Act Number 9 of 1969 concerning Promulgation as Act of Government Regulation in Lieu of Act No. 1 of 1969 concerning State Enterprise Entities, and other enterprises established pursuant to their own Acts having an element of state ownership,
- b. Regional Government Enterprise, namely an enterprise with capital partly or wholly owned by a Regional Government, and
- c. Private Enterprise, namely an enterprise not included within the above definitions of State Owned Enterprise and Regional Government Enterprise, whether incorporated as an Indonesian or foreign legal entity, or not incorporated as a legal entity.

Information and data is defined as including but not limited to parties conducting transactions, purpose of transactions, and transaction value.

Paragraph (2)

Confidential information and data is any information and data of an individual nature.

Article 3

Paragraph (1)

The decision regarding the size of total assets and gross sales turnover shall be based on the latest audited financial statement. In the event that the audited financial statement is not available, the unaudited financial statement shall be used.

Paragraph (2) ...

Paragraph (2)

Continuing to conduct activities in Foreign Exchange Payments is defined as a Company conducting transactions in Foreign Exchange Payments and/or holding a Position of Overseas Financial Assets and/or Overseas Financial Liabilities.

Paragraph (3)

Self-explanatory

Article 4

Paragraph (1)

Letter a

Transactions affecting Overseas Assets and/or Liabilities include but are not limited to:

1. Receipts and/or payments between a Company and Non-Residents, whether in rupiahs or foreign currency, including but not limited to receipts of export earnings, import payments, draw down and repayment of foreign borrowings, interest received on deposits, receipt of settlement of trade receivables, and payment of trade payables, including recognition of payables/receivables and settlement conducted on a netting basis;
2. Receipts and/or payments between a Company and Residents in foreign currency, including but not limited to sale or purchase of foreign banknotes, and receipts and payments in the course of trading in goods and services.

Letter b ...

Letter b

The position of Overseas Financial Assets and/or Liabilities shall cover both on balance sheet assets and liabilities effective as claims and/or liabilities of the Company and items still recorded in the notes to the financial statement, such as contingency claims/liabilities and commitment claims/liabilities.

The position of Overseas Financial Assets and/or Liabilities shall be based on the latest audited financial statement. In the event that the audited financial statement is not yet available, the unaudited financial statement shall be used.

Paragraph (2)

Transactions not conducted through domestic Banks and Non-Bank Financial Institutions include but are not limited to receipts and/or payments through an Overseas Current Account of a Company and settlement of transactions through inter-office/Company accounts.

In the case of transactions conducted through a domestic Bank and Non-Bank Financial Institution, the reporting shall be made by the Bank and Non-Bank Financial Institution concerned.

Article 5

In scrutinizing the accuracy of information and data, Bank Indonesia shall request clarifications and/or examine bookkeeping, records, and documents pertaining to the reporting of the Company's activities in Foreign Exchange Payments.

Article 6

Self-explanatory

Article 7 ...

Article 7

Self-explanatory

Article 8

A Company shall be deemed late in delivery of a report if the Company's report is received by Bank Indonesia past the deadline for report delivery and up to the end of the period for late delivery of reports.

Days are defined as calendar days.

Article 9

A Company shall be deemed not to have delivered a report if Bank Indonesia does not receive the Company's report by the end of the period for late delivery of reports.

The administrative sanctions in this Article are without prejudice to the criminal provisions stipulated in Article 6 of Act Number 24 of 1999 concerning Foreign Exchange Payments and the Exchange Rate System.

Article 10

The administrative sanctions in this Article are without prejudice to the criminal provisions stipulated in Article 6 of Act Number 24 of 1999 concerning Foreign Exchange Payments and the Exchange Rate System.

Article 11

Self-explanatory

Article 12

Self-explanatory

Article 13

Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA NUMBER 4178 OF 2002

DSM