

ACT OF THE REPUBLIC OF INDONESIA NUMBER 3 OF 2011
CONCERNING
FUNDS TRANSFER

BY THE GRACE OF THE ALMIGHTY GOD
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. whereas funds transfer activity in Indonesia has undergone expansion in number of transactions, total amount of transactions and the media used;
 - b. whereas in line with transaction growth, developments in funds transfer media and the issues that have arisen, a regulatory framework is necessary to guarantee the security and smooth operation of funds transfer and to provide certainty for parties concerned with the provision of funds transfer activities;
 - c. whereas it is envisaged that the secure, and smooth operation of funds transfer providing certainty for the parties concerned will bring about the smooth operation of the national payment system;
 - d. now therefore, based on the considerations in the above letter a, letter b and letter c, it is deemed necessary to establish the Act concerning Funds Transfer;
- In view of :
1. Article 5 paragraph (1), Article 20 and Article 23D of the 1945 Constitution of the Republic of Indonesia;
 2. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as amended by Act Number 10 of 1998 concerning Amendment to Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);
 3. 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), last amended by Act Number 6 of 2009 concerning Adoption of Government Regulation in Lieu of Act of Parliament Number 2 of 2008 concerning the Second Amendment to Act Number 23 of 1999 concerning Bank Indonesia as Act of Parliament (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4962);
 4. Act Number 11 of 2008 concerning Electronic Information and Transactions (State Gazette of the Republic of Indonesia Number 58 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4843);

5. Act Number 8 of 2010 concerning Prevention and Eradication of Money Laundering (State Gazette of the Republic of Indonesia Number 122 of 2010, Supplement to the State Gazette of the Republic of Indonesia Number 5164);

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECREED:
To enact: THE ACT CONCERNING FUNDS TRANSFER.

CHAPTER I
GENERAL PROVISIONS
Part One
Definitions

Article 1

The terminology used in this Law has the following meanings:

1. "Funds Transfer" is a series of activities commencing with an order from the Originator for transferring a sum of Funds to a Beneficiary specified in the Funds Transfer Order and ending with receipt of Funds by the Beneficiary.
2. "Funds Transfer Provider," hereinafter referred to as Provider, is any Bank or Indonesian non-Bank enterprise legal entity conducting Funds Transfer activities.
3. "Bank" is a Bank as referred to in the law concerning banking.
4. "Funds" are:
 - a. cash handed over by the Sender to a Receiving Provider;
 - b. money held in a Sender Account at a Receiving Provider;
 - c. money held in an Account of a Receiving Provider at another Receiving Provider;
 - d. money held in the Account of the Beneficiary at the Beneficiary Provider;
 - e. money held in an Account of a Receiving Provider allocated in favour of a Beneficiary not holding an Account at that Provider; and/or
 - f. overdraft or credit line extended by a Provider to a Sender.
5. "Funds Transfer Order" is an unconditional order from a Sender to a Receiving Provider for payment of a specified sum of Funds to a Beneficiary.
6. "Sender" is an Originator, Originating Provider and any Intermediary Provider issuing a Funds Transfer Order.
7. "Originator" is the party issuing a Funds Transfer Order in the first instance.
8. "Sending Provider" is an Originating Provider and/or Intermediary Provider sending a Funds Transfer Order.
9. "Originating Provider" is the Provider receiving the Funds Transfer Order from the Originator for execution of payment or to order another Provider to execute payment of a specified sum of Funds to the Beneficiary.
10. "Receiving Provider" is an Originating Provider, Intermediary Provider and/or Beneficiary Provider receiving a Funds Transfer Order, including the central bank and other Provider conducting settlement activities for inter-Provider payments.

11. "Intermediary Provider" is a Receiving Provider other than the Originating Provider and Beneficiary Provider.
12. "Beneficiary Provider" is the Provider executing payment or conveying the transferred Funds to the Beneficiary.
13. "Beneficiary" is the party specified in a Funds Transfer Order for receiving transferred Funds.
14. "Authentication" is the procedure performed by a Receiving Provider to ensure that a Funds Transfer Order, or amendment or cancellation thereof, is indeed issued by the party named in the Funds Transfer Order as the rightful Sender.
15. "Acceptance" is an action by a Receiving Provider indicating approval to execute or fulfil the contents of a received Funds Transfer Order.
16. "Execution Date" is a specified date at which a Receiving Provider is required to execute the Funds Transfer Order from the Originator.
17. "Payment Date" is the date at which the Beneficiary Provider is required to provide Funds that may be appropriated in favour of the Beneficiary.
18. "Account" is a demand deposit, savings deposit, other account or other type of recordkeeping, whether held by an individual, institution or collectively, that may be debited and/or credited for the purpose of execution of Funds Transfer, including interoffice Account with the same Provider.
19. "Funds Transfer System" is an integrated system for processing Funds Transfer orders using electronic or other means in accordance with regulations.
20. "Debit Transfer Order" is an unconditional order from a Debit Transfer Sender to a Debit Transfer Sending Provider to claim a specified sum of Funds from the Debit Transferor's Provider for payment to the Debit Transferee.
21. "Debit Transfer Sender" is a Debit Transfer Originator, Debit Transfer Originator's Provider and all Debit Transfer Intermediary Providers issuing Debit Transfer Orders.
22. "Debit Transfer Originator" or "Debit Transferee" is the party who places a Debit Transfer Order in the first instance with the Debit Transfer Originator's Provider and who is also the party entitled to receive the Funds.
23. "Debit Transferor" is the party who has the obligation to pay a specified sum of Funds to the Debit Transfer Originator via the Debit Transferor's Provider.
24. "Debit Transfer Originator's Provider or "Debit Transferee's Provider" is the Provider receiving a Debit Transfer Order from a Debit Transfer Originator or party issuing the Debit Transfer Order for its own account, and subsequently ordering the Debit Transferor's Provider to pay a specified sum of Funds to the Debit Transferee's Provider for payment to the Debit Transferee.
25. "Debit Transfer Sending Provider" is the Debit Transferee's Provider and/or Debit Transfer Intermediary Provider sending a Debit Transfer Order.
26. "Debit Transfer Receiving Provider" is a Debit Transferee's Provider, Debit Transfer Intermediary Provider and/or Debit Transferor's Provider receiving a Debit Transfer Order, including the central bank and other Provider conducting settlement for inter-Provider payments.
27. "Debit Transfer Intermediary Provider" is a Debit Transfer Receiving Provider other than a Debit Transferor's Provider, forwarding a Debit Transfer Order.
28. "Debit Transferor's Provider" is the Provider executing payment or conveying the transferred Funds to the Debit Transferee.
29. "Working Day" is the day during which a Receiving Provider opens offices for conducting Funds Transfer activities.

Part Two
Scope

Article 2

The provisions in this Law apply to:

- a. Inter-Provider or intra-Provider Funds Transfer, in rupiahs or foreign currency, in which all Sending Provider and Receiving Provider are within the territory of the Unitary State of the Republic of Indonesia; and/or
- b. Inter-Provider or intra-Provider Funds Transfer, to or from foreign territory, which involve Provider in Indonesia, whether as Originating Provider, Intermediary Provider or Beneficiary Provider, insofar as the Funds Transfer Order is within the territory of the Unitary State of the Republic of Indonesia.

Part Three
General Principles

Article 3

This Law is governed by the following general principles:

- a. each Provider office, whether at the same Provider or at different Providers, is deemed to be a different party in the Funds Transfer process;
- b. non-application of the rule of retroactive applicability after 00:00 hours (zero hour rule);
- c. finality of payment/finality of settlement;
- d. application of the delivery versus payment principle; and
- e. recognition of the netting mechanism within an efficient Funds Transfer System.

Article 4

The internal rules of a Provider pertaining to the execution of Funds Transfer, whether for the needs of the Provider itself or in its dealings with customers, may not contravene this Law.

Article 5

- (1) A Funds Transfer Order for which Acceptance is taken is valid as a contract.
- (2) An agreement giving rise to a Funds Transfer between the Originator and the Beneficiary, agreement between the Originator and the Originating Provider, agreement between the Originating Provider and Intermediary Provider or Beneficiary Provider, and agreement between an Intermediary Provider and the Beneficiary Provider, each constitutes a separate and independent agreement.
- (3) If an agreement between an Originator and an Originating Provider, agreement between the Originating Provider and Intermediary Provider or Beneficiary Provider, and agreement between an Intermediary Provider and the Beneficiary Provider, is made in standardised form, the clauses in such agreement shall be governed by prevailing laws and regulations.

- (4) In executing a Funds Transfer Order, the Provider may examine the agreement or verify the document of the agreement between the Sender and Beneficiary that gives rise to the Funds Transfer, unless stipulated otherwise in prevailing laws and regulations.

Article 6

For the purpose of confirmation in a Funds Transfer Order executed electronically, notification of the Account number and/or name of the Beneficiary may be exempted from the Bank secrecy provisions.

Part Four Forms of Funds Transfer Orders

Article 7

- (1) A Funds Transfer Order may be transmitted in written or electronic form.
- (2) A Funds Transfer Order as referred to in paragraph (1) may be issued for a single payment or multiple payments.

CHAPTER II EXECUTION OF FUNDS TRANSFER

Part One

Issuance of Funds Transfer Order by Originator

Article 8

- (1) A Funds Transfer Order as referred to in Article 7 paragraph (1) must specify at least the following information:
 - a. identity of the Originator;
 - b. identity of the Beneficiary;
 - c. identity of the Beneficiary Provider;
 - d. amount of transferred Funds and currency;
 - e. date of the Funds Transfer Order; and
 - f. other information that according to prevailing laws and regulations related with Funds Transfer must be set out in a Funds Transfer Order.
- (2) Identity of the Originator as referred to in paragraph (1) letter a shall include at least the name and Account number, or if the Originator does not hold an Account at the Originating Provider, the identity shall include at least name and address in accordance with prevailing laws and regulations.
- (3) Identity of the Beneficiary as referred to in paragraph (1) letter b shall include at least the name and Account number, or if the Beneficiary does not hold an Account at the Beneficiary Provider, the identity shall include at least name and address in accordance with prevailing laws and regulations.
- (4) Information on the identity of the Beneficiary Provider as referred to in paragraph (1) letter c may be set out in the Transfer Order for which funds are to be received by the Beneficiary in cash.
- (5) Information on identity of the Originator as referred to in paragraph (2) may be

forwarded to the Beneficiary if a request has been made by the Originator to the Originating Provider to forward this information to the Beneficiary.

- (6) The Originator may insert a notification or message into a Funds Transfer Order.
- (7) If the Originator inserts a notification or message in the Funds Transfer Order, the Originating Provider must convey the notification or message as referred to in paragraph (6) to the Receiving Provider for the information of the Beneficiary.
- (8) Procedures for incoming and outgoing international Funds Transfer as referred to paragraph (1) shall be stipulated in Bank Indonesia Regulation.

Article 9

- (1) The Originator is required to enter complete information as referred to in Article 8 paragraph (1), except in the case of a Funds Transfer Order for which funds are to be received by the Beneficiary in cash, in which case information shall be entered as referred to in Article 8 paragraph (4).
- (2) If the Originator does not comply with the requirement referred to in paragraph (1), the Originating Provider is entitled to refuse execution of the Funds Transfer Order.
- (3) If the Originating Provider does not execute a Funds Transfer Order for a reason as referred to in paragraph (2), the Originating Provider is required to inform the Originator of the refusal to execute the Funds Transfer Order and the reasons therefor, no later than the subsequent Working Day from the date of receipt of the Funds Transfer Order from the Originator.
- (4) The time for notification as referred to in paragraph (3) may be waived on the basis of an agreement between the Originating Provider and the Originator.

Article 10

The Originator may specify the Execution Date in the Funds Transfer Order, based on an agreement with the Originating Provider.

Article 11

The Originator is entitled to obtain information from the Originating Provider on the estimated time frame for execution of a Funds Transfer.

Article 12

- (1) The Originator may specify a Payment Date in a Funds Transfer Order insofar as it does not precede the date of receipt of the Funds Transfer Order by the Beneficiary Provider.
- (2) In the event that the Originating Provider approves the specification of a Payment Date as referred to in paragraph (1), the Originating Provider shall ensure that the funds can be paid to the Beneficiary in accordance with the Payment Date specified in the Funds Transfer Order.
- (3) If the Payment Date for a Funds Transfer Order as referred to in paragraph (1) falls on a Saturday, Sunday or official holiday, the Payment Date for the Funds Transfer Order shall be the subsequent Working Day.

Article 13

A Funds Transfer Order is deemed issued by the Originator if the Funds Transfer Order has been sent by the Originator and received by the Originating Provider.

Part Two

Execution of Funds Transfer Order by
Sending Provider

Sub-Part 1

Execution of Funds Transfer Order by
Originating Bank

Article 14

- (1) The Originating Provider shall execute a Funds Transfer Order according to the information in the Funds Transfer Order received from the Originator, subject to this Law and other prevailing laws and regulations.
- (2) In executing a Funds Transfer Order from the Originator, the Originating Provider shall observe the agreement between the Originator and the Originating Provider.
- (3) If the Funds to be transferred are derived from cash payment, the Originating Provider may ascertain the entitlement of the Originator to the Funds to be transferred, except if it is required to do so by prevailing laws and regulations.

Article 15

- (1) The Originating Provider may perform Acceptance of a Funds Transfer Order if the following conditions are met:
 - a. the Funds Transfer Order contains information as referred to in Article 8 paragraph (1), except information on the identity of the Beneficiary Provider in the case of a Funds Transfer to be delivered in cash;
 - b. availability of sufficient funds from the Originator;
 - c. the Originating Provider has performed Authentication; and
 - d. the Funds Transfer Order complies with prevailing laws and regulation relevant to Funds Transfer.
- (2) The Originating Provider may only refuse Acceptance of a Funds Transfer Order for a justifiable reason.

Article 16

- (1) If the Originating Provider performs Acceptance, the Acceptance must be executed immediately on the same date as the date of receipt of the Funds Transfer Order from the Originator.
- (2) Any deviation to the time of Acceptance as referred to in paragraph (1) shall be permitted only if there is:
 - a. a justifiable reason and execution is no later than the subsequent Working Day after receipt of the Funds Transfer Order; or
 - b. an agreement on the time of Acceptance between the Originating Provider and

the Originator that is recorded and/or noted in the administration of the Originating Provider.

Article 17

- (1) If the conditions of Acceptance as referred to in Article 15 paragraph (1) are fulfilled, the Originating Provider is deemed to have performed Acceptance upon completion of the following actions:
 - a. debiting the Account of the Originator;
 - b. issuing a Funds Transfer Order for the purpose of executing the Funds Transfer Order received from the Originator; or
 - c. conveying notification of Acceptance to the Originator over media as agreed between the Originator and the Originating Provider.
- (2) The Originating Provider is deemed to have performed Acceptance if it has received the Funds Transfer Order and not refused it in 1 (one) Working Day after the date of receipt of the Funds Transfer Order.
- (3) If the Originating Provider completes more than one of the actions referred to in paragraph (1) and paragraph (2), the time of Acceptance shall be the time of Acceptance action that is completed first.
- (4) The debiting of Account as referred to in paragraph (1) letter a shall be executed on the same date as the issuance of the Funds Transfer Order by the Originating Provider.
- (5) If the Account of the Originator is debited by the Originating Provider in advance of the date of issuance of the Funds Transfer Order, the Originating Provider shall pay interest or compensation to the Originator calculated from the date of debiting the Account of the Originator until the date of issuance of the Funds Transfer Order.

Article 18

A Funds Transfer Order as referred to in Article 17 paragraph (1) letter b is issued if the Funds Transfer Order has been sent by the Originating Provider to a Receiving Provider and has been received by the Receiving Provider, whether directly or through Funds Transfer System.

Article 19

- (1) The Originating Provider may refuse Acceptance for a justifiable reason, and this refusal shall be executed no later than the subsequent Working Day after the date of receipt of the Funds Transfer Order from the Originator, unless agreed otherwise.
- (2) If the Originating Provider refuses Acceptance as referred to in paragraph (1), the Originating Provider is required to inform the Originator of the refusal and the reason therefor on the same date as the refusal of Acceptance.
- (3) If the Originating Provider does not execute a Funds Transfer Order after performing Acceptance, the Originating Provider is required to pay interest or compensation to the Originator calculated from the date of Acceptance until the date of return of the Funds.

Article 20

An Originating Provider having performed Acceptance of a Funds Transfer Order is responsible to the Originator for the execution of the Funds Transfer Order until Acceptance by the Beneficiary Provider in accordance with the provisions of this Law and its implementing regulations.

Article 21

- (1) An Originating Provider having performed Acceptance of a Funds Transfer Order shall remain responsible for execution of the Funds Transfer Order, even in the following circumstances:
 - a. natural disaster, danger, rioting, armed conflict and/or other emergency conditions determined by the government to have occurred in the region or location of the Originating Provider currently executing a Funds Transfer Order;
 - b. damage or failure in electronic or non-electronic infrastructure systems directly affecting the execution of Funds Transfer Orders, beyond the control of the Originating Provider;
 - c. failure in the clearing system or Funds Transfer System; or
 - d. other event as determined by Bank Indonesia.
- (2) In the event of circumstances as referred to in paragraph (1), an Originating Provider that has not executed a Funds Transfer Order after performing Acceptance shall remain obligated to pay the Originator interest or compensation on the Funds that should have been transferred.

Article 22

In the event of circumstances as referred to in Article 21, the Originating Provider must inform the Originator and follow up the processing of the Funds Transfer Order.

Article 23

- (1) Execution of a Funds Transfer Order shall be discontinued by the Originating Provider if an order, ruling, verdict or decision by an authority of the country of origin or country of destination prohibits the execution of the Funds Transfer Order.
- (2) If a Funds Transfer Order cannot be completed by the Originating Provider by reason of circumstances as referred to in paragraph (1), the Funds Transfer shall be treated in accordance with the order, ruling, verdict or decision of the authority.

Article 24

In the event of circumstances as referred to in Article 23, the Originating Provider must inform the Originator of the circumstances on the same day or no later than the subsequent Working Day.

Article 25

The Originating Provider may engage the services of an Intermediary Provider in the execution of a Funds Transfer Order.

Article 26

If the service of a certain Intermediary Provider is decided by Originating Provider, and such Intermediary Provider is unable to execute the Funds Transfer Order by reason of the freezing of its business activities or revocation of its business licence or because it is declared bankrupt, the Originating Provider is required to issue a new Funds Transfer Order at his own expense without waiting for return of Funds from the Intermediary Provider, which is subject to freezing of business activities or revocation of its operating licence or declared bankrupt.

Article 27

Provisions concerning payment procedures, calculation of time frames and amount of interest or compensation as referred to in Article 17 paragraph (5), Article 19 paragraph (3) and Article 21 paragraph (2) and the procedure for notification and processing of Funds Transfer Orders as referred to in Article 22 and Article 24 shall be stipulated in Bank Indonesia Regulation.

Sub-Part 2

Execution of Funds Transfer Order by Intermediary Provider

Article 28

Unless specifically stipulated in this Sub-Part, the provisions referred to in Article 14 until Article 27 shall also apply to execution of Funds Transfer Orders and performance or refusal of Acceptances of Funds Transfer Orders by Intermediary Providers, with adjustment of substituting the term Originator with Originating Provider or preceding Intermediary Provider.

Article 29

An Intermediary Provider shall execute a Funds Transfer Order if sufficient Funds are available on one of the following Accounts:

- a. Account of the Intermediary Provider at the Sending Provider;
- b. Account of the Sending Provider at the Intermediary Provider;
- c. Account of the Intermediary Provider at another Provider; or
- d. Account of the Intermediary Provider at the central bank.

Article 30

If an Intermediary Provider receives a Funds Transfer Order not on the same date as the date of receipt of Funds in an Account as referred to in Article 29, then subject to the provisions referred to in Article 16 and Article 17, the Intermediary Provider shall perform Acceptance of the Funds Transfer Order on the latter of the two dates.

Article 31

An Intermediary Provider that has performed Acceptance of a Funds Transfer Order is responsible to the preceding Sending Provider for execution of the Funds Transfer Order until

Acceptance by the Beneficiary Provider in accordance with the provisions of this Law and its implementing regulations.

Part Three
Execution of Funds Transfer Order by
Beneficiary Provider

Article 32

Unless specifically provided for in this Part, execution of a Funds Transfer Order and the performance or refusal of Acceptance of a Funds Transfer Orders by the Beneficiary Provider shall be in accordance with the execution of Funds Transfer Orders and performance or refusal of Acceptance of Funds Transfer Orders by the Originating Provider as referred to in Article 14 until Article 27, with adjustment of substituting the term Originator with Originating Provider or Intermediary Provider.

Article 33

The Beneficiary Provider shall execute a Funds Transfer Order if sufficient Funds are available on one of the following Accounts:

- a. Account of the Beneficiary Provider at the Sending Provider;
- b. Account of the Sending Provider at the Beneficiary Provider;
- c. Account of the Beneficiary Provider at another Provider; or
- d. Account of the Beneficiary Provider at the central bank.

Article 34

- (1) If the Beneficiary Provider receives a Funds Transfer Order not on the same date as the date of the receipt of Funds in an Account as referred to in Article 33, then subject to the provisions of Article 16 and Article 17, the Beneficiary Provider shall perform Acceptance of the Funds Transfer Order on the latter of the two dates.
- (2) If a Funds Transfer Order specifies a Payment Date and that Payment Date falls after the Acceptance date, the value of Funds paid out shall be calculated according to the value date at the time of Acceptance.

Article 35

A Beneficiary Provider that has performed Acceptance of a Funds Transfer Order is responsible to the preceding Sending Provider for execution of the Funds Transfer Order in favour of the Beneficiary in accordance with the provisions of this Law and its implementing regulations.

Article 36

- (1) If the Beneficiary Provider performs Acceptance, the Acceptance must be executed immediately on the same date as the date of receipt of the Funds Transfer Order from the preceding Sending Provider.
- (2) The Beneficiary Provider has performed Acceptance of a Funds Transfer Order from a

preceding Sending Provider if it has completed the following actions:

- a. notified the preceding Sending Provider of Acceptance;
 - b. debited the Account of the preceding Sending Provider with the Beneficiary Provider;
 - c. allocated Funds in favour of the Beneficiary;
 - d. received the Funds Transfer Order from the preceding Sending Provider and an agreement exists between the Beneficiary Provider and the Sending Provider stating that each Funds Transfer Order received from the Sending Provider will be executed by the Beneficiary Provider;
 - e. credited the Account of the Beneficiary at the Beneficiary Provider; or
 - f. sent notification to the Beneficiary that the Beneficiary is entitled to collect the transferred Funds.
- (3) If the Beneficiary Provider has completed more than one of the actions referred to in paragraph (2), the time of Acceptance shall be the time of Acceptance action that is completed first.
 - (4) The Beneficiary Provider is deemed to have performed Acceptance if the Beneficiary Provider has not performed one of the actions referred to in paragraph (2) on the subsequent Working Day from the date of receipt of the Funds Transfer Order and Funds from the preceding Sending Provider.
 - (5) The provision referred to in paragraph (4) may be waived if an agreement exists between the Beneficiary Provider and the Originating Provider or Intermediary Provider concerning the time of Acceptance recorded and/or noted in the administration of the Beneficiary Provider.
 - (6) In the event that the Beneficiary Provider is subject to freezing of business activities or revocation of business licence or is declared bankrupt prior to completing one of the activities for Acceptance as referred to in paragraph (2), notwithstanding the Funds Transfer Order and the funds pertaining thereto have been received by the Beneficiary Provider and there is no error in transfer from a Sending Provider, the Beneficiary Provider is deemed to have performed Acceptance of the Funds Transfer Order.

Article 37

- (1) Transferred Funds intended to be collected by the Beneficiary in cash, but are not collected within a specified period after notification as referred to in Article 36 paragraph (2) letter f, the Beneficiary Provider shall inform the Beneficiary 2 (two) more times within a reasonable period.
- (2) If the transferred Funds remain uncollected by the Beneficiary after 3 (three) notifications as referred to in paragraph (1), the Funds shall be returned to the Originating Provider for return to the Originator.
- (3) If the whereabouts of the Originator as referred to in paragraph (2) cannot be ascertained within a period of 90 (ninety) days, the transferred Funds shall be placed by the Originating Provider in the hands of the Probate Court (*Balai Harta Peninggalan*) in accordance with prevailing laws and regulations.

Article 38

- (1) The Beneficiary Provider may refuse Acceptance for a justifiable reason, and such refusal executed no later than the subsequent Working Day from the date of receipt of

the Funds Transfer Order from the preceding Sending Provider, unless agreed otherwise.

- (2) The preceding Sending Provider shall be notified of the rejection and the reason therefor, as referred to in paragraph (1), on the same date as for refusal of the Acceptance.
- (3) Notification on the same date as referred to in paragraph (2) shall not apply if there is insufficient information on the identity of the previous Sending Provider.
- (4) If the Beneficiary Provider does not execute the Funds Transfer Order after performing Acceptance, the Beneficiary Provider is required to pay interest or compensation to the preceding Sending Provider for forwarding to the Originator.
- (5) The requirement for payment of interest or compensation by the Beneficiary Provider to a preceding Sending Provider as referred to in paragraph (4) shall be waived if the Beneficiary Provider does not execute the Funds Transfer Order for a reason ordered by law.

Article 39

Provisions concerning the Acceptance procedure and determination of period for collection as referred to in Article 36 and Article 37 and the procedure for payment, calculation of period and amount of interest or compensation as referred to in Article 38 paragraph (4) shall be stipulated in Bank Indonesia Regulation.

Part Four

End of the Funds Transfer Process

Article 40

The Funds Transfer process shall end when the transferred Funds are received by the Beneficiary or the Beneficiary Provider has completed actions as referred to in Article 36 paragraph (2).

Part Five

Postponement of Funds Transfer

Execution

Article 41

If a Receiving Provider has performed Acceptance, the Receiving Provider is required to execute the Funds Transfer Order with immediate effect, unless the Receiving Provider postpones the execution in accordance with prevailing laws and regulations or at the request of a competent authority.

CHAPTER III CANCELLATION AND AMENDMENT OF FUNDS TRANSFER

Part One

Cancellation of Funds Transfer Order by Sender

Article 42

- (1) A Funds Transfer Order may be cancelled by a Sender only insofar as the cancellation request is received by the Receiving Provider and the Receiving Provider has sufficient time to perform the cancellation and/or the Beneficiary Provider has not performed the Acceptance actions as referred to in Article 36 paragraph (2).
- (2) In addition to complying with the provisions referred to in paragraph (1), cancellation by an Originator may be permitted only for the following reasons:
 - a. an agreement exists between the Originator and the Originating Provider for performing the cancellation; or
 - b. the Receiving Provider has not executed the Funds Transfer Order.
- (3) If the Beneficiary Provider has performed Acceptance actions as referred to in Article 36 paragraph (2), the request for cancellation of the Funds Transfer Order shall be processed in accordance with the provisions concerning requests for return of Funds.
- (4) All charges incurred in relation to cancellation of a Funds Transfer Order as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be borne by the Sender requesting cancellation.
- (5) The Originating Provider shall be indemnified against all legal consequences arising from cancellation of a Funds Transfer Order by an Originator as referred to in paragraph (2) letter a.
- (6) In the event of cancellation as referred to in paragraph (2) letter b, the Originating Provider is required to pay interest or compensation and refund transfer charges to the Originator.
- (7) The provisions concerning procedure for payment, calculation of periods and amount of interest or compensation as referred to in paragraph (6) shall be stipulated in Bank Indonesia Regulation.

Article 43

Cancellation of a Funds Transfer Order as referred to in Article 42 paragraph (1) shall be made in writing or by other means stipulated by the Provider, subject to prudential principles.

Article 44

- (1) Cancellation as referred to in Article 42 and Article 43 shall be performed according to the applicable procedure in each Funds Transfer System.
- (2) If the Funds Transfer System does not provide cancellation procedure as referred to in paragraph (1), the cancellation shall be performed by applying procedure in accordance with an inter-Operator agreement pertaining to the cancellation process.

Part Two

Cancellation of Funds Transfer Order on Basis of Court Ruling or Decision

Article 45

- (1) A Funds Transfer Order may be cancelled on the basis of a Court ruling or decision.

- (2) The Receiving Provider shall be indemnified against all legal consequences arising from cancellation of a Funds Transfer Order based on a court ruling or decision as referred to in paragraph (1).

Part Three
Amendment of Funds Transfer Order by
Sending Provider

Article 46

- (1) A Funds Transfer Order may only be amended by a Sending Provider in the event of error as stipulated in Chapter V Part Two, subject to prudential principles.
- (2) Amendment of Funds Transfer Order as referred to in paragraph (1) shall be performed by a Receiving Provider if the Receiving Provider has sufficient time to perform the amendment and/or the Beneficiary Provider has not performed Acceptance actions referred to in Article 36 paragraph (2).

CHAPTER IV
RETURN OF FUNDS

Part One
Return of Funds in Case of Force Majeure

Article 47

- (1) If a Funds Transfer Order is not executed because of circumstances as referred to in Article 21 paragraph (1) and the Originator requests cancellation of the Funds Transfer Order and return of the transferred Funds from the Originating Provider, the Originating Provider is required to return the Funds to the Originator.
- (2) If the Originating Provider is late in returning Funds as referred to in paragraph (1), the Originating Provider is required to pay interest or compensation.

Article 48

If an Intermediary Provider is unable to execute a Funds Transfer Order, the return of Funds as referred to in Article 47 shall be executed under the following provisions:

- a. if the Intermediary Provider is proven to be selected by the Originator, the Originating Provider is required to return the Funds to the Originator after receiving the returned Funds from the Intermediary Provider; or
- b. if the Intermediary Provider is proven to be selected by the Originating Provider, the Originating Provider is required to return the Funds to the Originator without waiting for return of Funds from the Intermediary Provider.

Article 49

Provisions concerning payment procedures, calculation of time frames and amount of interest or compensation as referred to in Article 47 paragraph (2) and the procedure for return of Funds as referred to in Article 48 shall be stipulated in Bank Indonesia Regulation.

Part Two
Return of Funds in Case of Provider Subject to
Business Freeze or Revocation of Business Licence or Declaration of Bankruptcy

Article 50

In the event that a Sending Provider is subject to freezing of business activity or revocation of business licence or is declared bankrupt, a Funds Transfer Order must be completed if the Funds Transfer Order:

- a. has been executed by the Sending Provider from 00:00 hours until shutdown of the operating system of the Sending Provider whose business activities are frozen or business licence is revoked;
- b. has been executed by the Sending Provider from 00:00 hours until the time of pronouncement of a bankruptcy order for the Sending Provider; or
- c. has been received by the operator of a specified Funds Transfer System.

Article 51

- (1) In the event that a Provider is subject to freezing of business activity or revocation of business licence or is declared bankrupt, Funds in the process of Funds Transfer must be returned to:
 - a. the Originator, if the Provider whose business activities are frozen or business licence is revoked or which is declared bankrupt is the Originating Provider and the Funds Transfer Order has not been executed; or
 - b. the Originator, Originating Provider or preceding Intermediary Provider, if the freezing of business activity or revocation of business licence or declaration of bankruptcy applies to an Intermediary Provider, and the Funds Transfer Order has not been executed.
- (2) Return of Funds as referred to in paragraph (1) letter b shall be effected in accordance with the provisions concerning return of Funds without prejudice to the provision governing the obligation of the Sending Provider to send a new Funds Transfer Order at its own expense.
- (3) If the Provider subject to freeze of business activities or revocation of business licence or declared bankruptcy is the Beneficiary Provider, entitlement to Funds received by the Beneficiary Provider is stipulated as follows:
 - a. rightfully belong to the Beneficiary, if no error has occurred in the transmission of the Funds Transfer Order; or
 - b. rightfully belong to the Sender that committed an error in the first instance.
- (4) The mechanism for return of Funds as referred to in paragraph (1), paragraph (2) and paragraph (3) shall operate in accordance with prevailing laws and regulations concerning freezing of business activity, revocation of operating license or bankruptcy.

Article 52

Provisions concerning the obligation for settlement of Funds Transfer Orders as referred to in Article 50 and the criteria for Funds Transfer Orders not executed as referred to in Article 51 paragraph (1) shall be stipulated in Bank Indonesia Regulation.

Part Three
Return of Funds on Basis of Court Ruling or Decision

Article 53

- (1) In the event of cancellation of a Funds Transfer Order on the basis of a Court ruling or decision as referred to in Article 45 paragraph (1), the Beneficiary Provider is required to retain or reclaim the transferred Funds insofar as the Funds exist in the Account of the Beneficiary or the Funds have not been paid in cash to the Beneficiary.
- (2) Any Funds retained or reclaimed by the Beneficiary Provider as referred to in paragraph (1) shall be returned to the rightful party in accordance with the ruling or decision of the Court.

CHAPTER V
DELAY AND ERROR IN FUNDS TRANSFER AND
RESPONSIBILITY OF RECEIVING PROVIDER

Part One
Delay in Funds Transfer

Article 54

- (1) Any Provider that is late in execution of a Funds Transfer Order shall be responsible for payment of interest or compensation to the Beneficiary for the delay.
- (2) Provisions concerning procedure for payment, calculation of periods and amount of interest or compensation as referred to in paragraph (1) shall be stipulated in Bank Indonesia Regulation.

Article 55

In the event of late execution of a Funds Transfer Order by reason of delay at an Intermediary Provider or the Beneficiary Provider, the obligation for payment to the Beneficiary of interest or compensation for delay as referred to in Article 54 paragraph (1) shall notwithstanding remain the obligation of the Originating Provider without prejudice to its rights to seek reimbursement from the Intermediary Provider or Beneficiary Provider late in forwarding the Funds Transfer Order.

Part Two
Error in Execution of Funds Transfer

Article 56

- (1) In the event of an error by a Sending Provider in execution of a Funds Transfer Order, the Sending Provider must immediately correct the error by performing cancellation or amendment.
- (2) If the Sending Provider is late in correcting an error as referred to in paragraph (1), it is required to pay interest or compensation to the Beneficiary.

Article 57

- (1) If the Beneficiary Provider commits an error in Acceptance of a Funds Transfer Order resulting in Acceptance in favour of a beneficiary in error, the Beneficiary Provider is required to correct the error in Acceptance and perform Acceptance action in favour of the rightful Beneficiary.
- (2) If the Beneficiary Provider is late in correcting an error in Acceptance as referred to in paragraph (1), it is required to pay interest or compensation to the Beneficiary.

Article 58

Provisions concerning types of error, error correction procedure and procedure for calculation of interest or compensation as referred to in Article 56 and Article 57 shall be stipulated in Bank Indonesia Regulation.

Part Three

Responsibility of Receiving Providers in Assisting the Execution of Funds Transfer

Article 59

A Receiving Provider is responsible to assist the Originator and each preceding Sending Provider or Intermediary Provider in the settlement of a Funds Transfer Order until execution of the Funds Transfer is complete, including in any event of cancellation or correction of the Funds Transfer Order.

CHAPTER VI

EXECUTION OF DEBIT TRANSFERS

Article 60

A debit transfer consists of a series of 2 (two) inseparable activities encompassing the following:

- a. request for payment, an action performed by a Debit Transfer Sending Provider, whether for its own behalf or at the request of a Debit Transfer Sender, using a debit transfer instrument issued by itself or using a specified debit transfer instrument issued by the Debit Transferor's Provider, to claim payment from a Debit Transferor's Provider and execute the Funds Transfer against the Debit Transferor's Provider itself or at the order and expense of the Debit Transferor; and
- b. execution of payment, an action performed by the Debit Transferor's Provider, whether on its own account or at the order and expense of the Debit Transferor, executing a Funds Transfer to the Debit Transferee's Provider, in favour of the Debit Transferee's Provider itself or for forwarding to the Debit Transferee.

Article 61

A debit transfer instrument as referred to in Article 60 shall function as a Debit Transfer Order.

Article 62

- (1) The Debit Transfer Originator's Provider may perform Acceptance of a Debit Transfer Order only if all the following requirements are met:
 - a. The Debit Transfer Order contains the information referred to in Article 8, except for information on the identity of the Debit Transfer Originator;
 - b. The Debit Transfer Originator's Provider has performed Authentication as may be necessary;
 - c. The Debit Transfer Order complies with the applicable internal rules of the Debit Transfer Originator's Provider; and
 - d. The Debit Transfer Order complies with other prevailing laws and regulations related with Funds Transfer.
- (2) The Debit Transfer Originator's Provider has performed Acceptance of a Debit Transfer Order from a Debit Transfer Originator if it has completed one of the following actions:
 - a. issued a Debit Transfer Order in favour of the Debit Transfer Originator;
 - b. forwarded a specified debit transfer instrument to the Debit Transferor's Provider; or
 - c. transmitted notification of Acceptance to the Debit Transfer Originator over media as agreed by the Debit Transfer Originator.
- (3) Acceptance by a Debit Transfer Originator's Provider in this Chapter shall be in accordance with the provisions of Article 17 until Article 20.
- (4) If execution of a debit transfer is based on an order from the Debit Transfer Originator for direct debit of the Account of the Debit Transferor, Acceptance by the Debit Transfer Originator's Provider may only proceed if a written agreement is in place between the concerned parties for execution of the debit transfer.

Article 63

- (1) The Debit Transferor's Provider may perform Acceptance of a Debit Transfer Order only if all the following requirements are met:
 - a. The Debit Transfer Order contains the information referred to in Article 8, except for information on the identity of the Debit Transfer Originator;
 - b. The Debit Transferor's Provider has performed Authentication as may be necessary;
 - c. The Debit Transfer Order complies with the applicable internal rules of the Debit Transferor's Provider;
 - d. The Debit Transfer Order complies with prevailing laws and regulations related with Funds Transfer; and
 - e. if execution of the debit transfer is based on an order from the Debit Transferee to debit the Account of a Debit Transferor's Provider or Account of the Debit Transferor, Acceptance shall be performed by the Debit Transferor's Provider only if the Debit Transfer Order is in accordance with a written agreement between the parties.
- (2) The Debit Transferor's Provider is deemed to have performed Acceptance if it has debited the Account of the Debit Transferor.
- (3) If the Debit Transferor's Provider performs Acceptance, the Debit Transferor's Provider is required to pay the Funds to the Debit Transfer Originator's Provider in accordance

with the Debit Transfer Order that it has received from the Debit Transfer Originator's Provider on the same date as the debiting of the Account of the Debit Transferor.

- (4) Any deviation in the time of Acceptance as referred to in paragraph (1) shall be permitted only if there is a justifiable reason and a reasonable time frame.

Article 64

- (1) If the Debit Transferee's Provider receives a Debit Transfer Order from a Debit Transfer Originator containing a request for debiting:
- a. more than one Debit Transferor in favour of one Account of the Debit Transfer Originator; and/or
 - b. one Debit Transferor in favour of more than one Account of the same Debit Transfer Originator,
- each such debit request shall be deemed as one Debit Transfer Order.
- (2) In the event of a discrepancy between the nominal amount set forth in the Debit Transfer Order presented by the Debit Transfer Originator's Provider and the nominal amount paid by the Debit Transferor's Provider, the Debit Transfer Originator's Provider is required to reject and return the Funds to the Debit Transferor's Provider.
- (3) Violation to the obligation for return of Funds and notification of rejection as referred to in paragraph (2) may be permitted only for a justifiable reason and within the prescribed time frame.
- (4) In the event of rejection and return of Funds by Debit Transferee's Provider as referred to in paragraph (2), the Debit Transferor's Provider is required to return the Funds, with the correct amount set forth in the Debit Transfer Order, to the Debit Transferee's Provider..
- (5) Violation to the obligation for return of Funds as referred to in paragraph (4) may be permitted only for a justifiable reason and within the prescribed time frame.
- (6) In the event of error involving delivery of Funds in an amount not according to the Debit Transfer Order, the Debit Transferor's Provider shall pay interest or compensation.
- (7) The provisions concerning time frame, calculation procedure and amounts of interest or compensation as referred to in paragraph (6) shall be stipulated in Bank Indonesia Regulation.

Article 65

- (1) In the event of any discrepancy between amount of money in words and in figures in a Debit Transfer Order:
- a. the Debit Transfer Receiving Provider may refuse Acceptance of the Debit Transfer Order; or
 - b. the Debit Transfer Receiving Provider may perform Acceptance subject to the provisions that:
 1. the amount of money in effect is in accordance with the amount written in words; and
 2. if the amount of money, whether in words and/or figures, is written multiple times and a discrepancy exists, the smallest amount of money shall be in effect.
- (2) If the Debit Transferee's Provider refuses Acceptance of a Debit Transfer Order as

referred to in paragraph (1) letter a, the Debit Transferee's Provider shall return the Debit Transfer Order at the earliest opportunity, notwithstanding no later than 3 (three) Working Days, to the Debit Transfer Sender, enclosing the reason for refusal.

Article 66

The execution of payment in debit transfer as referred to in Article 60 letter b shall be executed in accordance with the provisions for Funds Transfer, unless specified otherwise in this Chapter, with the following adjustments in nomenclature:

- a. Originator is substituted with Debit Transferor;
- b. Originating Provider is substituted with Debit Transferor's Provider;
- c. Beneficiary Provider is substituted with Debit Transfer Originator's Provider; and
- d. Beneficiary is substituted to read Debit Transfer Originator.

Article 67

If provisions exist in prevailing laws and regulations stipulating the debit transfer instruments that may be used as Debit Transfer Orders, the utilisation of these debit transfer instruments is subject to each of those provisions, as long as it does not contravene this Law.

CHAPTER VII FUNDS TRANSFER CHARGES

Article 68

- (1) Each Receiving Provider is entitled to impose charges for Funds Transfer.
- (2) An Originating Provider is required to provide the Originator with information on the amount of Funds Transfer charges as referred to in paragraph (1).
- (3) Provisions concerning the procedure for imposition of charges and obligation for provision of information as referred to in paragraph (1) and paragraph (2) shall be stipulated in Bank Indonesia Regulation.

CHAPTER VIII LICENSING OF FUNDS TRANSFER PROVIDERS

Article 69

- (1) A non-Bank enterprise conducting activities in provision of Funds Transfer must be incorporated as an Indonesian legal entity and obtain a licence from Bank Indonesia.
- (2) The requirements and procedure for licensing of a Funds Transfer Provider as referred to in paragraph (1) shall be stipulated in Bank Indonesia Regulation.

Article 70

A non-Bank enterprise conducting activities in provision of Funds Transfer as referred to in Article 69 is subject to the provisions of this Law.

CHAPTER IX
COMPENSATION BASED ON SHARIA PRINCIPLES

Article 71

- (1) For Funds Transfer activities conducted by Providers conducting business based on sharia principles, all obligations related to payment of interest stipulated in this Law shall apply the provisions for compensation based on sharia principles.
- (2) Further provisions concerning compensation as referred to in paragraph (1) shall be stipulated in Bank Indonesia Regulation.

CHAPTER X
OVERSIGHT

Article 72

- (1) Oversight of the provision of Funds Transfer by a Provider shall be conducted by Bank Indonesia.
- (2) In conducting the oversight activities as referred to in paragraph (1), Bank Indonesia shall coordinate with the relevant supervisory authorities.
- (3) Oversight by Bank Indonesia as referred to in paragraph (1) shall comprise on-site oversight and/or off-site oversight.
- (4) On-site oversight as referred to in paragraph (3) shall be conducted by Bank Indonesia by means of regular examinations and/or at any time as may be necessary.
- (5) Off-site oversight as referred to in paragraph (3) shall be conducted by examination of reports, information and explanations of the provision of Funds Transfer.
- (6) Bank Indonesia may assign other parties to conduct oversight as referred to in paragraph (3) on behalf of and in the name of Bank Indonesia.
- (7) Other parties conducting oversight as referred to in paragraph (6) are required to maintain the confidentiality of information and data obtained in the course of oversight.

Article 73

Providers are required to submit reports, information and explanations of the provision of Funds Transfer to Bank Indonesia.

Article 74

If a Provider fails to comply with obligations for purposes of oversight as referred to in Article 72 and/or submission of reports, information and explanations as referred to in Article 73, Bank Indonesia is empowered to impose administrative sanctions in the form of:

- a. written warning;
- b. administrative fines;
- c. temporary freezing of Funds Transfer business activity; or
- d. revocation of licence for conducting business in Funds Transfer.

Article 75

The provisions concerning the scope and procedures of oversight as referred to in Article 72, procedure for submission of reports, information and explanations of the provision for Funds Transfer as referred to in Article 73 and procedure for imposition of administrative sanctions as referred to in Article 74 shall be stipulated in Bank Indonesia Regulation.

CHAPTER XI
INSTRUMENTS OF EVIDENCE AND BURDEN OF PROOF

Article 76

- (1) In Funds Transfer activities, electronic information, electronic documents and/or printouts thereof constitute valid legal evidence.
- (2) Electronic information, electronic documents and/or printouts thereof as referred to in paragraph (1) constitute an extension of valid legal evidence in accordance with the applicable code of legal procedure.

Article 77

Electronic signatures in the course of Funds Transfer activities have valid legal force.

Article 78

In the event of delay or error in a Funds Transfer resulting in loss for the Originator or Beneficiary, the Provider and/or other party controlling the Funds Transfer System carries the burden of proof in establishing whether or not such delay or error occurred in the Funds Transfer.

CHAPTER XII
PENAL PROVISIONS

Article 79

- (1) Any person conducting Funds Transfer activities without a licence as referred to in Article 69 paragraph (1) shall be sentenced to imprisonment not exceeding 3 (three) years and a fine not exceeding Rp 3,000,000,000 (three billion rupiahs).
- (2) In addition to the penal provisions referred to in paragraph (1), a person conducting activities in unauthorised provision of Funds Transfer shall be required to cease all activities in provision of Funds Transfer.

Article 80

- (1) Any person who unlawfully produces or retains possession of Funds Transfer Orders with the intention of using them or ordering other persons to use them shall be sentenced to imprisonment not exceeding 2 (two) years or a fine not exceeding Rp 2,000,000,000.00 (two billion rupiahs).
- (2) Any person using and/or presenting a Funds Transfer Order instrument as referred to

in paragraph (1) shall be sentenced to imprisonment not exceeding 4 (four) years or a fine not exceeding Rp 4,000,000,000 (four billion rupiahs).

Article 81

Any person who unlawfully collects or transfers Funds belonging to another person, whether in whole or in part, by means of forged Funds Transfer Order, shall be sentenced to imprisonment not exceeding 5 (five) years or a fine not exceeding Rp 5,000,000,000.00 (five billion rupiahs).

Article 82

Any Beneficiary who wilfully receives or holds for safekeeping, whether for himself or for another person, Funds known or that should reasonably be known to originate from an illegally made Funds Transfer Order shall be sentenced to imprisonment not exceeding 4 (four) years and/or a fine not exceeding Rp 1,000,000,000.00 (one billion rupiahs).

Article 83

- (1) Any person who unlawfully amends, removes or deletes any or all information set forth in a Funds Transfer Order for personal gain or the gain of another person shall be sentenced to imprisonment not exceeding 2 (two) years or a fine not exceeding Rp 1,000,000,000.00 (one billion rupiahs).
- (2) If a criminal act as referred to in paragraph (1) results in losses for the Sender and/or rightful Beneficiary and/or other party, the party committing the act shall be sentenced to imprisonment not exceeding 4 (four) years or a fine not exceeding Rp 2,000,000,000.00 (two billion rupiahs).

Article 84

Any person who unlawfully causes damage to a Funds Transfer System shall be sentenced to imprisonment not exceeding 20 (twenty) years and a fine not exceeding Rp 20,000,000,000.00 (twenty billion rupiahs).

Article 85

Any person who wilfully takes possession and purports to be the owner of transferred Funds to which that person is known or should reasonably be known to have no right of possession shall be sentenced to imprisonment not exceeding 5 (five) years or a fine not exceeding Rp 5,000,000,000.00 (five billion rupiahs).

Article 86

If a criminal act as referred to in Article 80, Article 81 or Article 83 is committed by a manager, officer and/or employee of a Provider, the sentence imposed shall be the maximum base criminal sentence plus 1/3 (one-third).

Article 87

- (1) If a criminal act as referred to in Article 80 until Article 85 is committed by a corporation, the corporation and/or its management shall be sentenced.
- (2) A corporation shall be sentenced for an act committed for and/or on behalf of the corporation if the act comes within the scope of its business as prescribed in the articles of association or other provisions applicable to the corporation.
- (3) The corporation shall be convicted of a crime if the crime:
 - a. is committed or ordered by controlling personnel of the corporation;
 - b. is committed in pursuit of the purpose and objectives of the corporation;
 - c. is committed in accordance with the duties and functions of the perpetrator or person issuing orders; and
 - d. is committed with the intention of bringing gain to the corporation.
- (4) The sentence imposed on a corporation shall be the maximum fine plus 2/3 (two-thirds).

Article 88

In addition to the sentence, in the case of crimes as referred to in Article 80 paragraph (2), Article 81, Article 83 paragraph (2) or Article 85, an order may be imposed for restitution of Funds comprising the proceeds of the crime to the aggrieved party, together with interest or compensation.

CHAPTER XIII TRANSITIONAL PROVISIONS

Article 89

Upon the coming into force of this Law:

- a. natural persons or non-legal-entity enterprises previously licensed by Bank Indonesia as Funds Transfer providers are required to be incorporated as Indonesian legal entities within a period not exceeding 2 (two) years;
- b. for enterprises already providing Funds Transfer services and licensed by an institution other than Bank Indonesia, their existing licence shall remain valid and the enterprises shall be recognised as a Provider after reporting their activities to Bank Indonesia within a period not exceeding 6 (six) months; and
- c. an enterprise that has reported its activities to Bank Indonesia as referred to in letter b shall bring its activities into conformity with this Law within a period not exceeding 1 (one) year.

CHAPTER XIV CONCLUDING PROVISIONS

Article 90

With the coming into force of this Law, the provisions concerning Funds Transfer stipulated in other prevailing laws and regulations are declared to remain valid insofar as they are not in contraction of this Law.

Article 91

This Law shall come into force on the date of promulgation.

For the public to be informed, it is ordered that this Law be promulgated in the State Gazette of the Republic of Indonesia.

Signed into law in Jakarta

Dated 23 March 2011

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,
(signed)

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta, 23 March 2011

THE MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA

(signed)

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 39 OF 2011

Authenticated copy

MINISTRY OF THE STATE SECRETARIAT
OF THE REPUBLIC OF INDONESIA
Deputy Assistant for Legislation
in charge of Economic Affairs

SETIO SAPTO NUGROHO

Unofficial Translation

In any event of discrepancy between the original text of the Law in Bahasa Indonesia and this unofficial translation, the original text in Bahasa Indonesia shall always prevail.

ELUCIDATION
TO
ACT OF THE REPUBLIC OF INDONESIA
NUMBER 3 OF 2011
CONCERNING
FUNDS TRANSFER

I. GENERAL REVIEW

The rising level of national economic activity is one key factor in the effort to bolster public confidence in the business climate in Indonesia. Improvement in public confidence is reflected, among others, in steady growth in the flow of transactions involving movement of funds, not only in number of transactions, but also in transaction amounts. Besides speed and convenience in execution of Funds Transfer, other key factors in Funds Transfer are certainty and legal protection for the parties involved. To promote these efforts and achieve the ultimate objective of safeguarding the safety and smooth operation of the payment system, it is necessary to have comprehensive regulation concerning Funds Transfer activities. The lack of comprehensive regulation in the form of a law governing Funds Transfer activities has generated obstacles hampering the resolution of issues arising in Funds Transfer activities. Alongside this, international economic developments have become more and more integrated into the global financial market. Crossborder movement of Funds has become a necessity for international economic world, requiring that the government and competent authorities derive optimum benefit from this condition as part of the drive for national economic advancement. As a universal form of transaction, Funds Transfer activities involve a large and expanding numbers of parties, both domestic and foreign. Foreign parties who are partners of domestic businesses need to be assured of the smooth operation and safety of Funds Transfer execution in Indonesia. The assurance of adequate prevailing laws and regulations in place concerning Funds Transfer activities is essential not only for parties in Indonesia, but also overseas.

In view of the complexity of issues and broad scope of material to be regulated, it is insufficient for Funds Transfer activities to be regulated only in legal provisions subsidiary to laws. In addition, the regulation of evidence and penal provisions in Funds Transfer activities requires certainty so that these matters can be firmly applied by all relevant parties and authorities, whether in dispute resolution or in criminal acts in Funds Transfer activities.

In one measure to provide certainty in the operation of Funds Transfer, this Law stipulates a number of regulatory principles, such as non-application of the zero hour rule, finality of payment/finality of settlement and delivery versus payment. With non-application of the zero hour rule, Funds Transfer executed after 00:00 hours on the day until the closing of the operating system of a Bank or the pronouncement of a bankruptcy decision for a non-Bank enterprise incorporated in Indonesia must be completed. Accordingly, any Funds transferred to a Receiving Provider may not be reclaimed. To enforce this regulatory application, this Law also applies the principle of finality of payment/finality of settlement, which comprises an elaboration of the non-application of the zero hour rule, in which Funds that have moved from one institution to another institution are in principle final and may not be reclaimed. If this process is

linked to the obligation of a Beneficiary acting as seller to deliver goods after receipt of Funds from the Originator acting as buyer, from that moment the Funds is received, the Beneficiary is required to deliver the purchased goods to the Originator (delivery versus payment principle).

To establish the same regulatory framework for all Providers in conducting Funds Transfer activities, the stipulations in this Law apply not only to Banks conducting conventional business, but also to Banks conducting business based on sharia principles and non-Bank enterprises incorporated in Indonesia that conduct conventional business or business based on sharia principles. In the case of Banks and non-Bank enterprises incorporated in Indonesia conducting business based on sharia principles, the provisions pertaining to interest or compensation and other obligations shall be adjusted on the basis of sharia principles.

To ensure compliance in all these areas, including consumer protection, compliance with the know-your-customer principle and prevention of money laundering in Funds Transfer, whether by a Bank or a non-Bank enterprise incorporated in Indonesia, it is necessary to regulate licensing and the forms of oversight of Funds Transfer activities. Regarding non-Bank enterprises incorporated in Indonesia, Funds Transfer activities in principle may be conducted after obtaining approval from the competent authority. In addition, these Funds Transfer activities must be reported on a regular basis to the competent authority as a form of oversight of Funds Transfer activities. Regarding Banks in particular, Funds Transfer activities constitute one of the business lines of a Bank, and therefore the provision of Funds Transfer activities by Banks requires no approval from a competent authority. Nevertheless, the operation of Funds Transfer activities by Banks must comply with all aspects stipulated in this Law, including the reporting obligations for these activities.

Regarding evidence, given that almost all Funds Transfer activities involve the use of electronic media, this Law expressly stipulates that the scope of evidence also extends to electronic information and documents and/or their printouts as valid evidences. This stipulation is intended to accommodate developments of evidence in electronic transactions and in so doing provide greater legal certainty for parties in conducting Funds Transfer activities. Given that crimes in various transactions are now committed not only by individuals, but also involve corporations, this Law also provides for penal provisions against corporations that commit crimes in Funds Transfer activities.

It is expected that the regulation of all aspects related to Funds Transfer activities will enable all parties involved, both domestic and foreign, to have greater confidence and sense of security in conducting Funds Transfer activities not only within the territory of the Unitary State of the Republic of Indonesia, but also in outgoing transactions from the territory of the Unitary State of the Republic of Indonesia and incoming transactions to the territory of the Unitary State of the Republic of Indonesia. This will have a direct impact in increased Funds Transfer activities that will ultimately also strengthen the momentum of economic developments in Indonesia.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Letter a

"Intra-Provider Funds Transfer" means Funds Transfer conducted by the same Provider, whether between offices of that same Provider or within one office of that same Provider.

For example: a transfer takes place from customer A to customer B via the same Bank or from customer A to customer B via the same non-Bank enterprise.

"Inter-Provider Funds Transfer" means Funds Transfer performed by different Providers, whether inter-Bank, between non-Bank enterprises or between a Bank and a non-Bank enterprise.

For example: a transfer is executed from customer A via Bank X to customer B via Bank Y, or from customer A via non-Bank enterprise X to customer B via non-Bank enterprise Y.

The understanding of "Sending Provider and Receiving Provider within the territory of the Unitary State of the Republic of Indonesia" includes an office of a foreign Bank within the territory of the Unitary State of the Republic of Indonesia.

Letter b

Self-explanatory.

Article 3

Letter a

In the Funds Transfer process, the principle in which each Provider office, whether of the same Provider or different Provider, is deemed a different party is intended to affirm the performance of obligations of each Provider office in execution of Funds Transfer Orders. However, this principle does not apply in relation to responsibilities of a Provider as a corporation.

Letter b

The zero hour rule is a principle in bankruptcy law stipulating that all transactions conducted by a Provider after 00:00 hours on the date of a decision to freeze business activity or revoke a Bank business licence, or pronouncement of bankruptcy order for a non-Bank enterprise incorporated in Indonesia, are deemed void or no longer valid.

In consequence of the non-application of the zero hour rule, all Funds Transfer executed after 00:00 hours on the day until the closing of the operating system of the Bank or the pronouncement of bankruptcy order for a non-Bank enterprise incorporated in Indonesia are not void and must be completed. Accordingly, any Funds transferred to a Receiving Provider may not be reclaimed. This is intended to provide certainty in the smooth operation of the payment system and to safeguard the overall stability of the financial system.

With the non-application of the zero hour rule, under the following conditions:

- 1) freezing of business activities or revocation or business licence or pronouncement of bankruptcy of the Originator, the Funds shall continue to be forwarded to the Beneficiary. This condition means that a liquidation team or executor of an Originator is entitled to assess a transaction or the underlying motive for execution of a Funds Transfer. In the event of impropriety or invalidity of a transaction or motive, the liquidation team or

executor may file for cancellation of the transaction and request the Funds transferred by the Originator to be returned as assets under liquidation or bankruptcy estate.

If the Provider is a Bank, the liquidation team is entitled to assess the motive for execution of a transfer and request cancellation of the Funds Transfer if it is proven that the transfer was conducted with the intention of defrauding the Bank.

- 2) freezing of business activity or revocation of business licence or declaration of bankruptcy of a Sending Provider, Funds Transfer Orders Funds Transfer Orders executed from 00:00 hours until:
 - a. the time of shutdown of the operating system of the Sending Provider subject to freezing of business activity or revocation of business licence; or
 - b. the time of pronouncement of the bankruptcy decision for the Sending Operator, must be completed.
- 3) freezing of business activity or revocation of business licence or declaration of bankruptcy of a Receiving Provider, the Funds from Funds Transfer Orders received by the Receiving Provider shall rightfully belong to the Beneficiary, for which settlement shall be conducted by the liquidation team or executor for the Receiving Provider in accordance with the provisions of prevailing laws and regulations.

Letter c

Finality of payment/finality of settlement is a principle in which Funds transferred from one Provider to another Provider are final and may not be reclaimed unilaterally by the Sending Provider unless a cancellation request is placed by the Sending Provider under the cancellation mechanism prescribed in this Law.

Letter d

"Delivery versus payment" means a principle under which if a Funds Transfer constitutes an obligation arising from another agreement between the Sender and Beneficiary at the time that the Beneficiary Provider has taken Acceptance of the Funds Transfer Order, the obligation of the Sender to execute payment to the Beneficiary is settled and the Sender is entitled to the contracted object of exchange.

Letter e

"Netting mechanism" means a process of offsetting rights and obligations between 2 (two) or more parties performed by a Funds Transfer System operator by directly offsetting the final calculation of rights and obligations held by these parties.

Operator of a Funds Transfer System which is using a netting mechanism must execute each Funds Transfer Order it received and the Funds Transfer Orders may not be unilaterally reclaimed by the Sending parties.

In the event of a decision to freeze business activity or revoke the business licence of a Bank or a bankruptcy order for a non-Bank enterprise incorporated in Indonesia, in which the entity is a participant in a Funds Transfer System using the netting mechanism, the Funds Transfer System operator shall continue to implement the netting process for Funds Transfer Orders received

for or from the participant concerned on the date that the decision for liquidation or bankruptcy becomes effective.

Accordingly, all transactions that have been conducted by a participant whose business activity is frozen or business licence is revoked or is pronounced bankrupt on the date of issuance of the decision to freeze business activity or revoke the business licence or pronounce the bankruptcy order shall notwithstanding be processed and settled in accordance with the provisions governing the Funds Transfer System in question.

For example: A bankruptcy ruling is pronounced in Jakarta at 13:00 hours Western Indonesian Time on 30 November 2010, and therefore all Funds Transfer Orders received by the Funds Transfer System operator from 00:00 hours Western Indonesian Time on 30 November 2010 and before 13:00 hours Western Indonesian Time shall continue to be processed and settled.

If the netting result indicates that a participant whose business activity is frozen or business licence is revoked or is declared bankrupt holds liabilities to another provider or participant, the participant whose business activity is frozen or business licence is revoked or is declared bankrupt must settle these payment liabilities in accordance with the mechanism stipulated in the provisions governing the Funds Transfer System in question.

If the netting result indicates that a participant subject to freezing of business activities or revocation of business licence or declared bankrupt is entitled to receive payment from another provider or participant, the participant subject to freezing of business activities or revocation of business licence or declared bankrupt is entitled to receive this payment in accordance with the mechanism stipulated in the provisions governing the Funds Transfer System in question.

Article 4

Self-explanatory.

Article 5

Paragraph (1)

Acceptance from a Receiving Provider of a Funds Transfer Order from a Sender means that an agreement exists on the part of the Receiving Operator to execute the Funds Transfer Order from the Sender.

Paragraph (2)

In this paragraph, the stipulation of separate and independent agreement is intended to affirm that even though Funds Transfer comprises a series of activities, the legal relationship between each of the parties in the Funds Transfer process is governed by the agreements between each of the parties involved in each Funds Transfer agreement. Accordingly, the voiding of one agreement shall not of itself void another agreement.

Paragraph (3)

"Standardised" means an agreement made unilaterally by the Sending Provider or Beneficiary Provider.

"Laws and regulations" means, including but not limited to, the law concerning consumer protection.

Paragraph (4)

Self-explanatory.

Article 6

"Bank secrecy provisions" are defined as the provisions for Bank secrecy as stipulated in the law concerning banking.

Article 7

Paragraph (1)

"Funds Transfer Order may be transmitted in electronic form" means Funds Transfer Order made with the use of electronic media used in the process for execution of Funds Transfer Orders.

The electronic system used to process electronically transmitted Funds Transfer Orders is subject to the prevailing laws and regulations concerning electronic transactions, such as certification of the system for electronic provision of Funds Transfer.

Paragraph (2)

In this provision, Funds Transfer Orders that may be issued for more than one payment include but are not limited to standing instructions, in which it is sufficient for the Sender to issue a single Funds Transfer Order to be executed more than one time by the Originating Provider.

Article 8

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

In a Funds Transfer Order transmitted electronically over an electronic system agreed to be used by the Originator and Originating Provider, the date of the Funds Transfer Order shall be assigned automatically by the computer system.

Letter f

"Laws and regulations relevant to Funds Transfer" means, including but not limited to, provisions concerning money laundering and the know-your-customer principle.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

"Notification or message" means, including but not limited to, the purpose of the transferred Funds.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Article 9

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The obligation for notifying the Originator shall use means of communication customarily utilised by the Provider, whether electronic or non-electronic.

Paragraph (4)

Self-explanatory.

Article 10

The Originating Provider may agree to an Execution Date only if the Originating Provider provides a facility for Funds Transfer Orders to be held for execution at a future date. If an Execution Date is agreed, the Originating Provider shall execute the Funds Transfer Order on the Execution Date.

Article 11

The Provider shall provide an estimated length of time in accordance with generally prevailing practice in Funds Transfer activities and the estimated time shall not be binding on the Originating Provider.

Article 12

Paragraph (1)

Self-explanatory.

Paragraph (2)

"May be paid" means similarly with Acceptance by the Beneficiary Provider.

Paragraph (3)

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Paragraph (1)

"Other prevailing laws and regulations" means, including but not limited to, the regulations concerning money laundering crimes.

Paragraph (2)

"Agreement between the Originator and Originating Provider" means, including but not limited to, an Account opening agreement and remittances agreement.

Paragraph (3)

"Laws and regulations" means, including but not limited to, regulations concerning money laundering.

Article 15

Paragraph (1)

Letter a

Self-explanatory.

Letter b

"Sufficient funds are available" means Funds in sufficient amount to execute the Funds Transfer Order that are paid in cash by the Originator or available in the Account of the Originator at the Originating Provider, including any overdraft or other credit facility.

Letter c

Self-explanatory.

Letter d

"Laws and regulations relevant to Funds Transfer" means, including but not limited to, provisions concerning restrictions on rupiah and foreign currency transactions.

Paragraph (2)

In these provisions, proper reason for refusal of Acceptance of a Funds Transfer Order includes but is not limited to the inability of the Originating Provider to execute the Funds Transfer Order in accordance with the Payment Date or that the Originating Provider cannot employ the services of the Intermediary Provider designated by the Originator.

Article 16

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

In these provisions, justifiable reason includes but is not limited to presentation by the Originator of the Funds Transfer Order to the Originating Provider near the end of the operating hours of the Originating Provider, rendering it impossible for the Originating Provider to process the Funds Transfer Order on the same day.

Letter b

An agreement on time of Acceptance must not necessarily be in contractual form, but may also comprise a verbal agreement set forth in an official record by an authorised officer of the Provider.

Article 17

Paragraph (1)

Letter a

Self-explanatory.

Letter b

A Funds Transfer Order issued by an Originating Provider may take a form that includes but is not limited to:

- a. transfer draft;
- b. electronic data containing a Funds Transfer Order for processing in the Funds Transfer System; or
- c. programming in a computer application for execution of Funds Transfer Orders.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

In these provisions, the requirement for payment of interest or compensation is intended to affirm the right of the Originator whose account is debited by the Originating Provider pending issuance of a Funds Transfer Order by the Originating Provider to the Receiving Provider.

Article 18

Self-explanatory.

Article 19

Self-explanatory.

Article 20

This provision is intended to limit the responsibility of the Originating Provider so that the Originating Provider is not burdened with responsibilities outside the provisions stipulated in this Law and its implementing regulations.

Article 21

Paragraph (1)

Letter a

"Danger" means a condition of danger officially pronounced by the government.

"Rioting" includes any conflict among social groups bringing the operations of the Provider to a halt.

"Originating Provider currently executing a Funds Transfer Order" means the office of a Provider issuing the Funds Transfer Order. If the Provider has a computerised system integrating the entire accounting system and/or Funds Transfer System of the Provider, the understanding of Originating Provider currently executing a Funds Transfer Order includes the Provider office that houses the operations of the computer control centre.

Letter b

"Damage or failure in electronic or non-electronic infrastructure systems directly affecting the execution of Funds Transfer Orders, beyond the control of the Originating Provider" means, including but not limited to,

damage caused by fire and lightning strike.

Letter c

"Failure in the clearing system or Funds Transfer System" means failure rendering the overall clearing system or Funds Transfer System inoperable or unable to operate properly, including the entire supporting systems and back-up or replacement system.

System failure occurring only at the Originating Provider is not included within the understanding of failure in the clearing system or Funds Transfer System.

Letter d

"Other matters prescribed by Bank Indonesia" means, including but not limited to, a decision by Bank Indonesia concerning the suspension of an Originating Provider from clearing activity or other Funds Transfer System activities.

Paragraph (2)

Self-explanatory.

Article 22

Notification may be provided by letter or other written instrument to the Originator, or by means of the print media. If this notification is provided by the print media, the notification must be carried in at least one print media with the broadest circulation in each area in which the Provider and/or office of the Provider is unable to operate but has a presence.

Article 23

Paragraph (1)

Order, ruling, verdict or decision by the competent authorities of a nation that prohibits execution of a Funds Transfer Order includes but is not limited to such action in connection with money laundering.

"Country of origin or country of destination" means the country of origin of the Sender or country in which the Funds are to be received.

Paragraph (2)

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Self-explanatory.

Article 26

The requirement for issuance of a new Funds Transfer Order is a consequence arising from the legal relationship between the Originating Provider and the Originator to send Funds to the Beneficiary in accordance with the Funds Transfer Order placed by the Originator.

Article 27

Self-explanatory.

Article 28

The adjustment of substituting the term Originator with preceding Intermediary Provider is necessary if the Originating Provider uses more than one Intermediary Provider.

Article 29

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"Other provider" means Provider other than the central bank maintaining an Account for an Intermediary Provider.

Letter d

Self-explanatory.

Article 30

The use of the latter date is intended so that the Intermediary Provider has obtained adequate information for forwarding of the Funds Transfer Order and has received the Funds for transfer.

Article 31

The limitation of the responsibility of the Intermediary Provider is intended so that the Intermediary Provider is not burdened with responsibilities outside the provisions stipulated in this Law and its implementing regulations.

Article 32

"Adjustment of substituting the term Originator with Originating Provider or preceding Intermediary Provider" means a change in the position of the parties, with the Originating Provider or Intermediary Provider positioned as Originator.

Article 33

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"Other Provider" means Provider other than the central bank maintaining an Account for the Beneficiary Provider.

Letter d

Self-explanatory.

Article 34

Paragraph (1)

The use of the latter date is intended so that the Beneficiary Provider has obtained information for forwarding the Funds Transfer Order and has received the Funds to be paid out.

Paragraph (2)

The reason for use of the value date in accordance with the Acceptance date is that the liability of the Provider arises when the Provider takes Acceptance.

Article 35

Execution of a Funds Transfer Order in favour of the Beneficiary is indicated by the completion of one of the actions for Acceptance by the Beneficiary Provider as stipulated in this Law and the regulations for its implementation.

This provision is intended to limit the responsibility of the Beneficiary Provider so that the Beneficiary Provider is not burdened with responsibilities outside the provisions stipulated in this Law and its implementing regulations.

Article 36

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"Allocation of Funds in favour of the Beneficiary" means provision of Funds in a specified account at the Beneficiary Provider for payment in cash to the Beneficiary.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

"Agreement" is not necessarily in contractual form, but may also take another form, including but not limited to verbal agreement set forth in an official record by an authorised officer of the Provider.

Paragraph (6)

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Paragraph (1)

In these provisions, justifiable reason for refusal to perform Acceptance of a Funds Transfer Order includes but is not limited to:

- a. the Funds Transfer Order is in contravention of prevailing laws and regulations;
- b. the Beneficiary Provider is unable to execute the Funds Transfer Order in accordance with the Payment Date;
- c. discrepancy between the Account number and Account name of the Beneficiary; and
- d. the Funds Transfer Order is received by the Beneficiary Provider close to the end of the operating hours of the Beneficiary Provider, rendering it impossible for the Beneficiary Provider to execute the Funds Transfer order on the same day.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

"Law" means, including but not limited to, the law concerning money laundering.

Article 39

Self-explanatory.

Article 40

Self-explanatory.

Article 41

"Competent authority" means, including but not limited to, the police, prosecutor's office, Financial Transaction Reporting and Analysis Centre (PPATK) and the courts.

"Laws and regulations" means, including but not limited to, the regulations concerning money laundering.

Article 42

Paragraph (1)

In this provision, sufficient time is case-specific and situational, among others in relation to the Funds Transfer System used to execute a Funds Transfer Order.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)
Self-explanatory.

Article 43
The operation of prudential principles in this provision includes but is not limited to prudence in the Authentication process.

Article 44
Paragraph (1)
Examples of Funds Transfer Systems include but are not limited to the Bank Indonesia National Clearing System (SKNBI) and the Bank Indonesia Real Time Gross Settlement System (BI-RTGS System).

Paragraph (2)
Self-explanatory.

Article 45
Self-explanatory.

Article 46
Paragraph (1)
Self-explanatory.
Paragraph (2)
In this provision, sufficient time is ascertained on a case-by-case and situational basis, among others in relation to the Funds Transfer System used to execute a Funds Transfer Order.

Article 47
Self-explanatory.

Article 48
Self-explanatory.

Article 49
Self-explanatory.

Article 50
Self-explanatory.

Article 51
Paragraph (1)
"Funds Transfer Order has not been executed" means Funds still within the Funds Transfer System at a Sending Provider and not transferred to a Receiving Provider.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 52
Self-explanatory.

Article 53
Paragraph (1)
"Account of the Beneficiary" includes an intermediary Account held by the Provider to hold liabilities immediately due to Beneficiaries.
In the event of insufficient Funds in the Account of the Beneficiary, the debiting shall be conducted in the amount of available Funds after deduction for the minimum balance that must be maintained by the Account holder with the Provider.
Paragraph (2)
Self-explanatory.

Article 54
Paragraph (1)
In principle, the party entitled to interest or compensation for delay is the Beneficiary.
Paragraph (2)
Self-explanatory.

Article 55
Self-explanatory.

Article 56
Self-explanatory.

Article 57
Self-explanatory.

Article 58
Self-explanatory.

Article 59
Self-explanatory.

Article 60
Letter a
Debit transfer instruments issued by a Debit Transfer Originator's Provider in its own capacity include but are not limited to interbank debit notes.
Specified debit transfer instruments issued by a Debit Transferor's Provider include but are not limited to cheques, giro payment orders (*bilyet giro*) and drafts.
Letter b
Self-explanatory.

Article 61

With the receipt of a specified debit transfer instrument as a Debit Transfer Order, the Debit Transfer Receiving Provider shall not require the issuance of a new Debit Transfer Order.

Article 62

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Authentication is necessary, among others, to check the authority of the Debit Transferee in issuing the Debit Transfer Order.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Paragraph (2)

Letter a

"Issue a Debit Transfer Order in favour of the Debit Transfer Originator" means the issuance of a Debit Transfer Order to execute a claim ordered by the Debit Transferee.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

"Relevant parties in execution of the debit transfer" means, including but not limited to, Debit Transferor, Debit Transferor's Provider and Debit Transfer Originator for executing payment to the Debit Transfer Originator against the Account of the Debit Transferor.

"Written agreement" is an agreement between the Debit Transferor and Debit Transferee governing the means by which the Debit Transferee obtains payment from the Debit Transferor against performance by the Debit Transferee, i.e. in which the Debit Transferee issues a payment request comprising, among others, an inter-Bank debit note, for which payment is claimed by the Debit Transferee Provider against the Debit Transferor's Provider.

Article 63

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Authentication is necessary, among others, to check the authority of the Debit Transferor in executing payment.

Letter c
Self-explanatory.

Letter d
Self-explanatory.

Letter e
"Parties" means, including but not limited to, the Debit Transferor, Debit Transferor's Provider, Debit Transferee's Provider and/or Debit Transferee.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
"Justifiable reason and a reasonable time frame" include but are not limited to presentation by the Debit Transferee of the Debit Transfer Order to the Debit Transferee's Provider near the end of the operating hours of the Debit Transferee's Provider, rendering it impossible for the Debit Transferee's Provider to process the Debit Transfer Order on the same day.

Article 64

Paragraph (1)
Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
"Justifiable reason" means, including but not limited to, payment received by the Debit Transferee's Provider near the end of operating hours, rendering it impossible for the Debit Transferee's Provider to refuse and return the Funds.

Paragraph (4)
Self-explanatory.

Paragraph (5)
Self-explanatory.

Paragraph (6)
Self-explanatory.

Paragraph (7)
Self-explanatory.

Article 65

Paragraph (1)
A Debit Transfer Order may be placed by means of a debit transfer instrument, such as cheque, giro payment order (*bilyet giro*), draft or other form, received from the Debit Transferee or a clearing debit note issued by the Debit Transferee's Provider, acting for itself.

Paragraph (2)
Self-explanatory.

Article 66

Self-explanatory.

Article 67

All provisions pertaining to drawing date, effective date, offering period and expiration are subject to the provisions governing each of these documents.

Article 68

Self-explanatory.

Article 69

Paragraph (1)

The requirement to obtain license is stipulated considering that Funds Transfer activities are essentially an activity requiring oversight, being related to the interests of the public whose funds are entrusted for transfer. The requirement to obtain license does not apply to a Bank acting as Provider because the licence to conduct Funds Transfer activities already constitutes part of the scope of business of Banks as stipulated in the law concerning banking.

The non-Bank enterprise legal entity that may conduct Funds Transfer activities shall be an Indonesian legal entity, such as limited liability company and co-operative.

Paragraph (2)

Self-explanatory.

Article 70

Self-explanatory.

Article 71

Self-explanatory.

Article 72

Paragraph (1)

Oversight consists of the activities of monitoring, assessment and inducing change.

Monitoring consists of activities aimed at obtaining information on the provision of Funds Transfer activities.

Assessment consists of activities aimed at understanding and evaluating the provision of Funds Transfer activities.

Inducing change consists of efforts to induce change in the industry in which Funds Transfer are conducted, including but not limited to moral suasion, consultative meetings, imposition of sanctions, co-operation with other institutions and development of guidelines for the industry.

Paragraph (2)

"Relevant supervisory authority" means, including but not limited to, the financial services supervisory authority and the ministry in charge of postal, telecommunications and information systems activities.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

"Other party" means a party that in the opinion of Bank Indonesia has the capacity to conduct oversight and assessment activities. Oversight and/or assessment by another party may be conducted independently or jointly with Bank Indonesia.

Paragraph (7)

Self-explanatory.

Article 73

Self-explanatory.

Article 74

Self-explanatory.

Article 75

Self-explanatory.

Article 76

In these provisions, electronic information in Funds Transfer activities comprise one or a set of electronic data in Funds Transfer activities, including but not limited to written, audio or image data, electronic data interchange (EDI), electronic mail, telegram, telex, telecopy or similar, letters, marks, numbers, access codes, symbols or perforations in a processed form, containing meanings or that are understandable to persons capable of understanding them.

In these provisions, electronic documents in Funds Transfer activities are any electronic information made, forwarded, transmitted, received or held in analogue, digital, electromagnetic, optical or similar form that may be visible, displayed and/or audible by means of a computer or electronic system, including but not limited to writing, voice, images or similar, letters, marks, numbers, access codes, symbols or perforations containing meanings or that are understandable to persons capable of understanding them.

Article 77

"Electronic signature" means affixed electronic information directly linked or relevant to another item of electronic information generated by the signatory to indicate the identity of the legal actor, for example, access code (password), public key infrastructure (digital signature), biometrics and symmetrical cryptography.

Validity of an electronic signature shall be assessed in accordance with the legal and regulatory provisions governing electronic information and transactions.

Article 78

"Other party controlling the system" means the party operating the Funds Transfer System.

Article 79

Self-explanatory.

Article 80
Self-explanatory.

Article 81
"Funds held by another person" includes Funds held by a Sending Provider.

Article 82
Self-explanatory.

Article 83
Self-explanatory.

Article 84
Self-explanatory.

Article 85
Self-explanatory.

Article 86
Self-explanatory.

Article 87
Paragraph (1)
"Corporation" in these provisions means an organised group of persons and/or assets, whether a legal entity or not a legal entity.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Letter a
Personnel controlling a corporation comprise any person holding power or authority as a corporate policymaker or holding powers for exercise of this corporate policy without requiring authorisation from a superior.
Letter b
Self-explanatory.
Letter c
Self-explanatory.
Letter d
Self-explanatory.
Paragraph (4)
Self-explanatory.

Article 88
Self-explanatory.

Article 89
Self-explanatory.

Article 90
Self-explanatory.

Article 91
Self-explanatory.

Unofficial Translation

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER
5204