

Indonesia

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

These are the most relevant laws and regulations for fintech in Indonesia.

Securities crowdfunding

Recently, the Indonesian Financial Services Authority (OJK) raised the bar by promulgating OJK Regulation No 17 of 2025 on Security Crowdfunding on 25 July 2025 ('POJK 17'). Revoking the previous regulation (ie, POJK 57), several notable updates were introduced in POJK 17, including:

- higher minimum paid-up capital (from IDR 2.5bn to IDR 25bn);
- updated minimum equity (ekuitas) maintenance obligation to IDR 5bn – even applicable to the issuers that have obtained a licence before the enactment of POJK 17;
- a new licensing mechanism; and
- a mandatory fit and proper test for certain parties.

OJK aims to enhance good corporate governance and the credibility of the issuer on the one hand and provide a more secure alternative investment vehicle for the investors on the other hand.

Peer-to-peer (P2P) lending

OJK also updated the P2P lending regulation by issuing OJK Regulation No 40 of 2024 ('POJK 40') at the end of December 2024. POJK 40 revokes the previous regulation of P2P lending, that is, POJK 10, which was issued in 2022. Although sharing a similar structure, several noteworthy aspects are found in POJK 40, such as:

- a new funding mechanism (introducing the separation of lending categories into consumptive and productive lending, thus, affecting the maximum lending limit: IDR 2bn for consumptive lending compared to IDR 5bn for productive lending);
- requirements on monetary soundness level; and
- the inclusion of anti-money laundering, counter-financing of terrorism (AML/CFT) and counter-proliferation financing (CPF) statements in relation to the funding source.

POJK 40 also tweaks the previous 85 per cent foreign shareholding restrictions in POJK 10, so the restrictions would be subject to a specific government regulation on foreign shareholding. In the absence of such government regulation, the 85 per cent foreign shareholding restriction remains applicable.

Payment system

On 29 December 2020, the Indonesian central bank (Bank Indonesia or BI), issued the Peraturan Bank Indonesia (PBI) Regulation No 22 on the payment system ('PBI 22'), effective from 1 July 2021.

PBI 22 distinguishes payment system providers into: (1) payment services providers; and (2) payment system infrastructure providers. Please see section 3 for more elaboration on this topic.

Crypto assets

Crypto assets were first acknowledged as a commodity in Indonesia in 2018 through Regulation No 99 of 2018, 'General Policy on Crypto Asset Trading', issued by the Ministry of Trade. As a follow-up to this, the Commodity Futures Trading Regulatory Agency (Bappebti) issued a regulation in 2019 to regulate the trading mechanism for crypto assets, namely Bappebti Regulation 5/2019. This was amended several times by Bappebti, lastly by Bappebti Regulation No 9 in 2024 ('Reg 9').

However, upon the issuance of the Indonesian Financial Sector Development and Strengthening Law (PPSK) Law, the supervision of crypto assets has been shifted from Bappebti to OJK as of 10 January 2025.

In implementing the PPSK Law, OJK has also issued:

- POJK No 27 of 2024 on the Implementation of Digital Financial Asset Trading, including Crypto Assets (POJK 27/2024); and
- its implementing regulation on supervision, namely Circular Letter No 20 on 2024, which mandates several matters, including requiring key market players to submit periodical and incidental reports to OJK.

For more on this subject, see section 2.

Digital gold

The trading of digital gold in Indonesia was first legalised through Ministry of Trade Regulation No 119, 2018. The trading process was further regulated by Bappebti through Bappebti Regulation No 3 of 2025 on the Implementation of Digital Gold Physical Market Trading in Futures, promulgated as of 25 June 2025 ('Reg 3'). The digital gold transactions allowed under Reg 3 are:

- sale and/or purchase;
- buying up to a specified amount of gold;
- fixed instalments with later delivery;
- deposit;
- printing; and
- other transactions based on the innovations, developments and needs in digital gold trading.

Reg 3 now regulates that the gold deposited in the repository shall not be under any encumbrance, involved in dispute or sourced from criminal actions.

Bullion

Bullion was first introduced under the PPSK Law. The PPSK Law defines bullion as activity related to gold in the forms of deposits, financing, trading, gold deposit and/or other activities carried out by a financial institution. To legally operate bullion activities in Indonesia, a financial institution must obtain permit from the OJK. Further implementing regulations concerning bullion is regulated under OJK Regulation No 17 of 2024.¹

Mutual funds

In Indonesia, a mutual fund in the form of a collective investment fund, or KIK mutual fund, can only be offered and sold to investors by an investment manager. This is regulated under OJK Regulation No 23/POJK.04/2016 as amended by OJK Regulation No 2/POJK.04/2020 and OJK Regulation No 4 of 2023, both on mutual funds in the form of collective investment contracts (POJK 23). POJK 23 opens an opportunity for the investment manager to cooperate with other parties who have: (1) wide networks in their business activities to provide a point of sales or sales outlets; and/or (2) a credible electronic system. Certain clauses are mandatory to be included in the cooperation agreement, such as mandatory Indonesian language, a termination clause and the rights and obligations of each parties.

To adapt to the fast-pace of technology, POJK 23 also provides that the transaction of a mutual fund participation unit can be conducted electronically, either through an electronic system built by the investment managers themselves or by cooperation with a third party.

IT-based expert advisory services

Bappebti recently issued a regulation to outlaw rogue robot trading, but allows – and indeed facilitates – the provision of online advisory services to help retail investors make informed choices. The regulation is issued under Bappebti Regulation 12 of 2022 on the Provision of Information Technology-based Expert Advisory Services in Commodity Futures Trading.² The regulation allows futures advisers (FA) that have been approved by the Bappebti to carry out IT-based advisory services (AS). AS is an automated service related to market monitoring, calculating market entry and exit opportunities, placing of reasonable transactions and managing risk as appropriate to client needs.

In this scheme, the FA will only provide the advice but the final decision on whether or not to invest would be taken by the customer.

Fintech taxation

The Indonesian Government issued Minister of Finance Regulation No 69/PMK.03/2022 on Income Tax and VAT on the Implementation of Financial Technology.³ The focus of this regulation is the imposition of: (1) income tax on the interest earnings in a P2P transaction; and (2) VAT on

1 Peraturan Otoritas Jasa Keuangan No 17 Tahun 2024 tentang Penyelenggaraan Kegiatan Usaha Bulion.

2 Peraturan Bappebti No 12 Tahun 2022 tentang Penyelenggaraan Penyampaian Nasihat Berbasis Teknologi Informasi Berupa Expert Advisor di Bidang Perdagangan Berjangka Komoditi.

3 PMK No 69/PMK.03/2022 tentang Pajak Penghasilan dan Pajak Pertambahan Nilai atas Penyelenggaraan Teknologi Finansial.

the services provided in the financial technology market. The regulation requires the financial technology operator who has been appointed as a taxable entrepreneur to collect the VAT on the fee, commission, merchant discount rate or other consideration obtained from the services provided to the consumer. The tariff would be 11 per cent.

Regarding the first imposition, the interest earned by the lender in a P2P transaction will be deemed as earnings of the lender, which would be subject to income tax and must be reported in the annual tax return of the lender. The interest would be subject to:

- Article 23 of the Income Tax Law in the case of domestic taxpayers or permanent establishments: the income tax rate would be 15 per cent of the gross interest amount.
- Article 26 of the Income Tax Law in the case of foreign taxpayers: the income tax rate would be 20 per cent of the gross interest amount or in accordance with the amount agreed in any tax treaty.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

Crypto assets have been acknowledged as a commodity in Indonesia in 2018 through the issuance of Ministry of Trade Regulation No 99 of 2018 on General Policy on Crypto Asset Trading.

However, the first crypto assets trading regulation in Indonesia was Bappebti Regulation No 5, issued in 2019 (approximately a year after the issuance of the umbrella regulation). The most recent regulation governing cryptocurrency assets was enacted under POJK 27/2024, following the transfer of supervisory authority from Bappebti to the OJK.

Crypto asset characteristics under Indonesian Law

Under Indonesian law, crypto assets are categorised as a commodity that can be traded in the market. However, crypto assets cannot be used as a method of payment in Indonesia. The prevailing laws and regulations in Indonesia only allow the use of the Indonesian rupiah as the currency and method of payment for transactions performed within the territory of the Republic of Indonesia.

Crypto assets can only be traded in the physical market if they meet the requirements as set out under POJK 27/2024 and have been listed in the tradable asset crypto list issued by the Organisers of Exchange for Digital Financial Assets. The list will be periodically updated by the relevant authority.

Tax obligations

Unlike the previous Minister of Finance (MoF) Regulation No 68/PMK.03/202 (already revoked) which deemed crypto assets as intangible taxable goods (which delivery (*penyerahan*) was subject to VAT), the updated MoF Regulation No 50 of 2025 on VAT and Income Tax over Crypto Asset Transaction (MoF Reg 50), deems crypto assets as securities (*surat berharga*).

Accordingly, VAT is no longer imposed on the delivery of crypto asset transactions (ie, sale and purchase of crypto assets are no longer subject to VAT). However, VAT is still applicable for the

provision of electronic facilities for crypto assets trading through the trade organiser, through the electronic system (PPMSE), verification of crypto asset transactions, and/or management services of the mining pool of crypto assets.

Further, any incomes received by the: (1) crypto assets trader; (2) trade organiser through the electronic system; and (3) crypto miners in relation to the crypto assets will be subject to income tax. The income of the crypto asset traders will be subject to a final income tax with the tariff of 0.21 per cent of the transaction amount.

Digital rupiah (Garuda Project)

The Garuda Project was launched by BI on 30 November 2022 as the roadmap for central bank digital currency. BI had already issued a white paper that referred to the high-level design of the digital rupiah, then issued a consultative paper and a proof of concept to garner reactions and input from stakeholders.

In the consultative paper, there are two types of digital rupiah, namely:

- wholesale digital rupiah (risk-free assets in the wholesale market); and
- retail digital rupiah.

The wholesale digital rupiah can be accessed by token-based verification and will use distributed ledger technology (DLT), instead of a public blockchain network such as Bitcoin and Ethereum. BI views that DLT is a solution to avoid a single point of risk failure, enhancing transaction integrity and pushing efficiency. However, to date, BI has yet to carry out a pilot project.

Investor protection in relation to crypto asset transactions

Based on POJK 27/2024, only key market players that meet certain criteria can be registered. There are requirements for:

- a minimum paid-up capital;
- mandatory equity maintenance;
- engaging an employee with specific qualifications;
- passing the fit and proper test carried out by OJK;
- mandatory periodical and incidental reporting; and
- other aspects to protect investors' interests.

Guidance provided on the tradable cryptocurrency assets listed in the cryptocurrency asset lists also offers investors purchasing these assets some assurance.

Several types of sanctions could be imposed on violators, including warnings, temporary suspension, revocation of registration approval, fines, and other sanctions available in the prevailing laws and regulations .

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

After the issuance of PBI 22, payment system providers in Indonesia have been classified into:

- Payment services provider, or *penyedia jasa pembayaran* (PJP): These are banks or non-bank institutions that offer services of facilitating payment transactions to users such as account information services, payment initiation and/or acquiring services, account issuance services and/or remittance services. A PJP company must obtain a licence from BI; digital wallets and e-money service providers will be categorised as PJP under PBI 22.
- Payment system infrastructure provider, or *penyelenggara infrastruktur sistem pembayaran* (PIP). These are parties that provide infrastructure for transferring funds and carrying out clearing and/or final settlement. A PIP company must obtain a so-called 'appointment' from BI.

PBI 22 also introduces foreign direct investment restrictions. PJP business is open to 85 per cent foreign shareholding, provided that at least 51 per cent of shares with voting rights, management control and veto rights are held by Indonesian shareholders. PIP business is only open to 20 per cent foreign shareholding, provided that at least 80 per cent of shares with voting rights, management control and veto rights are held by Indonesian shareholders. The calculation of the shareholding participation will be traced up to the ultimate beneficiary of the shareholders.

4. Special support for fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

As a result of constant innovation in the fintech sector, some fintech business models are not yet covered by the existing regulations. To deal with this problem, the government introduced the Financial Sector Technology Innovation (Inovasi Teknologi Sektor Keuangan, or ITSK) programme in the PPSK Law. The scope of ITSK includes:

- payment system;
- settlement of securities transactions;
- capital collection;
- investment management;
- risk management;
- funds collection and/or distribution;

- market supports;
- activities related to digital financial assets including crypto assets; and
- other digital financial services activities.

The ITSK is supervised by BI or OJK, depending on the specific nature of the activities. Each government institution has also established an implementing regulation for this matter.

For fintech related to payment systems: BI Regulation No 23/6/PBI/2021 on Payment Services Providers⁴

Under this regulation, BI may determine that a particular product, activity, service or business model may be 'sandboxed' for testing purposes. The purpose of this is to: (1) encourage technological innovation; and (2) monitor/detect opportunities and risks of technological innovation, the development of the digital economic and financial ecosystem, and the implementation of the payment system.

For fintech related to lending and all other aspects of fintech: OJK Regulation No 3 of 2024 on Digital Financial Innovation in the Financial Services Sector

This regulation establishes the Financial Sector Technology Innovation (FSTI) regime (previously Digital Financial Innovation or DFI) ('Reg 3'). Sharing a similar structure with the previous DFI regime, Reg 3 requires prospective FSTI organisers to register with OJK to participate in the sandbox mechanism. However, Reg 3 introduces new criteria for participating the FSTI in the sandbox, including:

- the innovation must contain the element of novelty and/or that have a significant differentiating element from previous DFI;
- the innovation must provide benefits, improve services and provide added value to consumers, society and/or the financial sector ecosystem; and
- the innovations must be ready to be tested and developed.

After completing the sandbox process, the OJK will issue a pass/fail status. Any pass status can be used for applying for a business licence from OJK. On the other hand, a failed FSTI participant is required to terminate all operational activities of any businesses that have been tested, comply with their obligations and implement the exit policies outlined in their trial plans within three months of receiving failure letters from the OJK.

4 PBI No 23/6/PBI/2021 tentang Penyedia Jasa Pembayaran.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

BI issued the Regulation of Members of the Board of Governors No 23/15/PADG/2021 on the Implementation of National Standard Open Application Programming Payment Interface.⁵ This regulation sets out protocols and instructions that facilitate open interconnection between applications in payment transaction processing.

6. Regulation of virtual asset service providers.

Indonesia does not have a general virtual asset service provider (VASP) licence. VASP activities are governed under POJK 27/2024, which sets certain minimum standards for certain key market players – for example, minimum capital requirements, updated obligations and consumer onboarding processes. There are several difference licences that can be issued to VASPs under POJK 27/2024. These are divided based on the activities of the business players.

Exchange

An exchange is a business entity that organises and provides systems and/or facilities to facilitate activities related to the trading of digital financial assets, including crypto assets, and/or provides reports on the trading of digital financial assets. From the capital aspect, POJK 27/2024 sets a minimum paid-up capital of IDR 1tn; the exchange shall maintain a minimum 80 per cent equity of the paid-up capital for an exchange.

From the employee aspect, the exchange shall, at a minimum, hire a certified information systems auditor and a certified information systems security professional as employees for transaction supervision and security. Alternatively, the exchange may cooperate with other qualified institutions/persons.

Clearing and settlement institutions

A clearing and settlement institution is a business entity that provides settlement services for digital financial asset trade transactions and settlement guarantees for digital financial asset trade transactions. From the capital perspective, POJK 27/2024 sets a minimum paid-up capital of IDR 500bn and requires maintenance of a minimum 80 per cent equity of the paid-up capital for a clearing and settlement institution. From the management aspect, a minimum of three directors and two commissioners are required. A director shall not hold multiple positions as a commissioner, director or employee at another company engaged in digital financial asset trading.

Custodian (depository manager)

A custodian is a business entity that has obtained a business licence from the OJK to manage storage area of digital financial assets in order to conduct storage, maintenance, supervision and/or

⁵ Peraturan Anggota Dewan Gubernur No 23/15/PADG/2021 tentang Implementasi Standar Nasional *Open Application Programming Interface* Pembayaran.

handover of digital financial assets. From the capital aspect, POJK 27/2024 sets a minimum paid-up capital of IDR 250bn and requires a custodian to maintain a minimum of 80 per cent equity of the paid-up capital. From the management aspect, certain divisions are required (eg, legal, IT, internal supervisory and risk management).

Trader

A trader is a business entity that carries out the trading of digital financial assets, either on behalf of itself and/or to facilitate its consumers. From the capital aspect, POJK 27/2024 set a minimum paid-up capital of IDR 100bn; the trader shall maintain a minimum equity of IDR 50bn. From the management aspect, certain divisions are required (eg, legal, IT, audit, customer service and accounting).

The capital of the key market players as outlined above shall not originate from any of the following activities:

- AML/CFT/CPF-related activities;
- loans; and/or
- other activities prohibited under applicable laws and regulations.

7. AML and the Travel Rule in crypto asset transactions.

Please see section 6.

In relation to the Travel Rule, POJK 27/2024 requires key entities involved in digital financial asset trading, among others, to:

- establish marketing standards and procedures to accept new customers;
- provide access to supervision and reporting systems in real time to Bappebti (now OJK) for supervision purposes;
- submit periodical and on-demand reports on the implementation of digital financial asset trading;
- ensure real-time recording of consumer orders within the trading system, as aligned with their instructions;
- implement the AML/CFT/CPF programmes; and
- submit detailed ownership reports and reports on controlling parties to the OJK.

Considering most of the regulations in Indonesia are territory-based, OJK only has the authority to oversee the activities carried out in Indonesian territory. Failure to carry out the above requirements may be subject to administrative sanctions including warnings, fines, temporary suspensions, revocation of business licence, and other sanctions available under prevailing laws and regulations by OJK.

8. Enforcement and cross-border recognition of tokenisation and structuring of secured transactions involving crypto assets.

OJK recently published a regulation framework draft on digital financial asset offerings for public discussion and review (the 'Draft'). In the Draft, 'digital financial asset' covers the financial assets digitally kept or represented, including crypto assets. The Draft contains several matters relating to digital financial assets, including offering procedures, certain digital financial asset requirements, and certain reporting and other obligations.

Digital financial assets offered in the digital financial assets market must meet the following criteria:

- issued, stored, transfer and/or offered by using DLT;
- not a financial asset electronically recorded by financial service institutions;
- not sourced from and/or used in illegal activities; and
- other criteria as regulated by OJK.

A tokenised asset must meet the following requirements:

- be an asset or right over asset (either tangible or intangible) or other rights, save for the financial digital asset itself or other assets only available in digital form;
- create economic benefit that can be distributed to the consumers;
- be legally valid under the possession, control and ownership of the issuer;
- not involved in dispute; and
- not involved as security, attachment and/or other encumbrance.

Further, the Draft prohibits tokenised assets in the form of: (1) a derivative of the financial asset, and (2) a crypto asset. As the tokenisation and structuring of secured transactions in Indonesia is relatively new, the legal infrastructure, including the security is not established yet.

Currently, Indonesia only acknowledges several *in rem* securities:

- mortgages in respect of immovable property, which must be registered at the Land Register Office;
- fiduciary security, for tangible/intangible objects and immovable objects that are not secured under the Mortgage Law;
- hypothec for vessels;
- warehouse receipt; and
- pledge.

A fiduciary security must be made by a notarial deed and in the Indonesian language. The fiduciary receiver shall register the fiduciary security to the Minister of Law and attach to the application a registration statement with the stipulated data. Upon registration on the date of receipt of the registration application, the applicant will obtain a fiduciary security certificate stating the date of the application. The fiduciary security is created on the date of registration it in the Fiduciary Register Book (*Buku Daftar Fidusia*). The fiduciary security certificate has force of execution equal to a final court verdict.

In the event of execution, there are several options – such as enforcement of executorial title in the fiduciary security certificate, public auction or private sale – based on the mutual consent from the creditor and the debtor. However, due to the emerging market, we have not seen any precedents to date.

9. Litigation and jurisdiction on crypto assets: legal implications of disputes involving crypto assets.

Unless regulated otherwise in specific regulations, generally each party may choose to submit to a foreign jurisdiction for dispute settlement based on the freedom of contract concept. However, to enforce a foreign-based decision (either court or arbitration board) in Indonesia is quite challenging in practice, as the Indonesian Government does not recognise foreign court decision enforcement.

On the other hand, although a foreign arbitration award is acknowledged and can be enforced in Indonesia, Indonesian laws and regulations require a foreign arbitration award to be enforced through the Central Jakarta District Court.

10. Intellectual property (IP) and crypto assets: legal protection, ownership, enforcement and monetisation of IP rights related to digital and virtual assets.

Indonesia is a party to a number of international conventions on copyright protection, such as Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the Berne Convention for the Protection of Artistic and Literary Works. Therefore, innovations and inventions are protected by several laws and regulations.

The Copyright Law

Law No 28 of 2014, as amended (the 'Copyright Law') protects works in the field of art, literature and science, including related rights. The related rights cover copyright protection for performers, producers of sound recording and broadcasting institutions.

Unlike most rights in the IP system, copyright and related rights are not granted upon registration. This means that every work, whether it is registered or not, will be protected by the Copyright Law. However, it is advisable to register the copyright in order to simplify providing evidence at the Commercial Court if there is a copyright infringement.

The Copyright Law applies to the following invention and products, namely those of:

- Indonesian citizens, people and legal entities;
- non-Indonesian citizens, non-Indonesian people and non-Indonesian legal entities, which are published for the first time in Indonesia;
- non-Indonesian citizens, non-Indonesian people and non-Indonesian legal entities, provided that the foreign country signs a bilateral agreement with Indonesia for the copyright protection or the foreign country and Indonesia is a party or signatory to the same multilateral agreement for copyright protection.

The Patent Law

Law No 13 of 2016, as amended (the 'Patent Law') grants an exclusive right to inventors for certain periods of time, and allows such parties to either exploit their inventions or permit other parties to do so.

In order to obtain a patent certificate, any prospective patent holder must undergo the following registration procedure:

- submission of application;
- administrative examination;
- announcement that the application has been deemed complete;
- substantive examination; and
- rejection or approval of the patent application.

Note that these procedures also apply to simple patents, although there are a number of differences relating to the various timeframes (ie, announcement, substantive examination and approval).

Civil disputes related to patents may be brought before the Commercial Court or arbitration body (if the parties are bound to settle the dispute through an arbitration body) in accordance with prevailing laws and regulations. Appeal for civil disputes is possible only in cassation by the Supreme Court.

Under Indonesian laws and regulations, unless regulated otherwise, the parties may choose the dispute settlement forum based on the freedom of contract principle. Thus, parties' submission to foreign jurisdictions is generally allowed.

Regardless of the foregoing and above, current regulations are silent on IP over crypto assets.



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