



## New Regulation on E-Money

Bank Indonesia recently issued its Regulation No. 20/6/PBI/2018 on Electronic Money (“**PBI 20/6**”). This regulation replaces the previous Bank Indonesia regulations on the same subject.

The following are some of the key provisions introduced by PBI 20/6:

1. E-money issuer license application  
PBI 20/6 envisages that a company may apply for e-money issuer license directly to Bank Indonesia, without first getting a business license from the BKPM.
2. Foreign ownership limitation  
PBI 20/6 now expressly provides that the maximum foreign ownership (directly and/or indirectly) in an e-money issuer company is 49%. During the licensing application process, Bank Indonesia will assess the ownership of the e-money issuer company up to the ultimate shareholder level.
3. Fit and proper test requirements  
Any controlling shareholder (ie a shareholder who has a shareholding of at least 25% in the e-money issuer company, or, any shareholder who has less than 25% shareholding but has direct/indirect control over the e-money issuer company), director and commissioner of the e-money issuer company is subject to fit and proper test conducted by Bank Indonesia.
4. Change of control restriction  
PBI 20/6 restricts any change of control of the e-money issuer company within 5 years since the issuance of the e-money issuer license. However, in certain conditions, such restriction may be waived with a prior approval from Bank Indonesia.
5. Minimum capital requirements  
An e-money issuer company is required to have its issued and paid-up capital of at least IDR 3,000,000,000 (around USD. 215,000). The company is also required to increase its issued and paid-up capital depending on the increase of the float funds it manages.

We suspect that Bank Indonesia will also issue the implementing regulations for this PBI 20/6 to replace the existing Bank Indonesia circular letters on e-money. Pending the issuance of the implementing regulations, the implementation of PBI 20/6 remains to be seen. We believe it is likely that Bank Indonesia will only process new licensing applications following the issuance of the implementing regulations.

### Our contacts:

#### Dwipo Lubis Baskoro & Partners

Plaza SUA, 3<sup>rd</sup> Floor

Jl. Prof. Dr. Soepomo, S.H., No. 27

Jakarta 12810, Indonesia

Tel: (62-21) 8370 5820

[patron.hara@dplawoffices.com](mailto:patron.hara@dplawoffices.com)

[muhammad.ikhsan@dplawoffices.com](mailto:muhammad.ikhsan@dplawoffices.com)

[r.sanjani@dplawoffices.com](mailto:r.sanjani@dplawoffices.com)