

REGULATION OF THE INDONESIA DEPOSIT INSURANCE CORPORATION
NUMBER 2 OF 2024
ON RESOLUTION PLAN FOR COMMERCIAL BANKS

BY THE BLESSINGS OF ALMIGHTY GOD

BOARD OF COMMISSIONERS OF THE INDONESIA DEPOSIT INSURANCE
CORPORATION,

Considering : that in order to implement the provisions of Article 18B section (3), Article 18C section (8), Article 29A point c and point d, and Article 46B section (2) of Law Number 9 of 2016 on Prevention and Handling of Financial System Crisis as amended by Law Number 4 of 2023 on Development and Strengthening of Financial Sector, it is necessary to issue a Regulation of the Indonesia Deposit Insurance Corporation on Resolution Plan for Commercial Banks;

Observing : 1. Law Number 24 of 2004 on Indonesia Deposit Insurance Corporation (State Gazette of the Republic of Indonesia of 2004 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 4420) as amended several times last by Law Number 4 of 2023 on Development and Strengthening of Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);

2. Law Number 9 of 2016 on Prevention and Handling of Financial System Crisis (State Gazette of the Republic of Indonesia of 2016 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 5872) as amended by Law Number 4 of 2023 on Development and Strengthening of Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);

HAS DECIDED:

To issue : REGULATION OF THE INDONESIA DEPOSIT INSURANCE CORPORATION ON RESOLUTION PLAN FOR COMMERCIAL BANKS.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation:

1. Commercial Bank hereinafter referred to as Bank, means a bank which operates conventionally or based on sharia principles which in its activities provide services in payment system, including branch office of bank domiciled abroad.
2. Branch Office of Bank Domiciled Abroad (Kantor Cabang dari Bank yang Berkedudukan di Luar Negeri), hereinafter referred to as KCBLN, means a Bank which is a branch office of bank that is incorporated and have its head office abroad.
3. Resolution Plan means a resolution plan as regulated under the Law on the prevention and handling of financial system crisis as amended by the Law on development and strengthening of financial sector.
4. Indonesia Deposit Insurance Corporation means the Indonesia Deposit Insurance Corporation as referred to in the Law on Indonesia Deposit Insurance Corporation.

6. Bank Under Resolution means a Bank determined by the Financial Services Authority as a Bank that:
 - a. experiences financial difficulties;
 - b. jeopardizes its business continuity; and
 - c. cannot be recovered by the Financial Services Authority in accordance with its authority.
7. Assuming Bank means a Bank that receives partial or entire transfer of assets and/or liabilities of the Bank Under Resolution.
8. Bridge Bank means a Bank established by the Indonesia Deposit Insurance Corporation to serve as a resolution tool by receiving partial or entire transfer of assets and/or liabilities of the Bank which is handled by the Indonesia Deposit Insurance Corporation, which will subsequently carry out banking business activities, and its ownership will be transferred to another party.
9. Board of Directors means an organ of Bank which is authorized and fully responsible for the management of Bank in the interests of the Bank, by the purposes and objectives of the Bank as well as representing the Bank, both in and out of the court in accordance with the provisions of the articles of association for Bank which are incorporated as limited liability companies, or head of branch office and official who is one level below the head of branch office for KCBLN.
10. Board of Commissioners means an organ of Bank which is in charge of conducting general and/or specific supervision in accordance with the articles of association and providing advice to the Board of Directors for Bank which is incorporated as a limited liability company, or a party appointed to carry out the supervisory function for KCBLN.

Article 2

Resolution Plan is prepared by Banks on the complete, accurate, up-to-date, and intact principles.

Article 3

- (1) Banks are required to prepare and submit the Resolution Plan to the Indonesia Deposit Insurance Corporation for approval.
- (2) The Resolution Plan as referred to in section (1) is one of the supporting tools for the Indonesia Deposit Insurance Corporation in making decisions on resolution action to Banks.
- (3) The Resolution Plan as referred to in section (1) is not binding for the Indonesia Deposit Insurance Corporation in resolution action against Banks which are determined as Bank Under Resolution.

Article 4

- (1) Banks that are required to prepare and submit the Resolution Plan as referred to in Article 3 section (1) include:
 - a. systemic banks; and
 - b. non-systemic banks.
- (2) Bridge Banks and Banks which are rescued by the Indonesia Deposit Insurance Corporation are exempted from the obligation to prepare and submit the Resolution Plan.

CHAPTER II

PREPARATION OF RESOLUTION PLAN

Article 5

- (1) Banks prepare the Resolution Plan which consists of:
 - a. executive summary;
 - b. general description of the Bank; and
 - c. resolution strategies.
- (2) The executive summary as referred to in section (1) point a is a summary of:
 - a. general description of the Bank as referred to in section (1) point b; and

- b. the resolution strategies as referred to in section (1) point c.
- (3) The general description of the Bank as referred to in section (1) point b at least contains:
- a. legality aspect;
 - b. vision and mission;
 - c. business plan;
 - d. management and organizational structure of Bank;
 - e. main business activities and main supporting activities;
 - f. business focus of Bank; and
 - g. analysis of strengths, weaknesses, opportunities, and threats.
- (4) The resolution strategies as referred to in section (1) point c at least contain:
- a. strategic business analysis;
 - b. resolution options;
 - c. potential impediments to the implementation of resolution options;
 - d. business continuity at the time of resolution action of Banks which are determined as Bank Under Resolution; and
 - e. communication strategy and management information system.

Article 6

- (1) The strategic business analyses as referred to in Article 5 section (4) point a at least contain:
- a. the structure of Bank, including those domiciled abroad and business entities of non-financial institutions;
 - b. affiliated parties;
 - c. material subsidiaries of the Bank;
 - d. financial condition;
 - e. core business lines;
 - f. critical economic functions;

- g. critical interconnectedness with Bank business groups;
 - h. critical interconnectedness with external parties; and
 - i. interconnectedness to the financial system.
- (2) The resolution options as referred to in Article 5 section (4) point b contain:
 - a. resolution option by transferring partial or entire assets and/or liabilities of the Bank determined as the Bank Under Resolution to the Assuming Bank; and
 - b. data, information, and/or documents regarding the resolution options as referred to in point a.
- (3) In the event that based on the evaluation of the Bank there are resolution options other than the option as referred to in section (2) point a, Banks may add other resolution options in accordance with the provisions of legislation.
- (4) Potential impediments to the resolution options as referred to in Article 5 section (4) point c at least contain:
 - a. analysis of potential impediments to the resolution options as referred to in section (2) and section (3); and
 - b. explanation of the plan to overcome potential impediments to the resolution options as referred to in point a.
- (5) Business continuity at the time of the resolution action of Banks which are determined as Bank Under Resolution as referred to in Article 5 section (4) point d at least contain the identification of:
 - a. operational aspects; and
 - b. access to critical financial market infrastructure.
- (6) The communication strategy and management information system as referred to in Article 5 section (4) point e at least contain analyses of:
 - a. governance of the information provision function;
 - b. management information system; and

- c. communication framework.

Article 7

The Resolution Plan must obtain approval from the Board of Commissioners prior to being submitted to the Indonesia Deposit Insurance Corporation.

CHAPTER III SUBMISSION OF RESOLUTION PLAN

Article 8

- (1) Banks are required to submit the Resolution Plan by not later than 30 November 2024.
- (2) For Banks which are newly engaged in business activities after the enforcement of this Regulation, the obligation to prepare the Resolution Plan comes into force after Banks have conducted their business activities for at least 1 (one) year.
- (3) The deadline for the submission of the Resolution Plan for Banks that have just started their business activities as referred to in section (2) is determined by the Indonesia Deposit Insurance Corporation.

Article 9

The Resolution Plan is submitted to the Indonesia Deposit Insurance Corporation accompanied by a cover letter signed by the president director and president commissioner of the Bank and copied to the controlling shareholders of the Bank.

CHAPTER IV EVALUATION OF RESOLUTION PLAN

Article 10

- (1) The Indonesia Deposit Insurance Corporation evaluates the Resolution Plan submitted by Banks.
- (2) The evaluation of the Resolution Plan as referred to in section (1) is conducted either directly or indirectly.

- (3) For the purpose of evaluation of the Resolution Plan as referred to in section (1), Banks are required to submit to the Indonesia Deposit Insurance Corporation:
 - a. a recovery plan that has been approved by the Financial Services Authority; and
 - b. data and information as well as other documents required by the Indonesia Deposit Insurance Corporation.
- (4) The recovery plan which has been approved by the Financial Services Authority as referred to in section (3) point a is submitted by the Bank to the Indonesia Deposit Insurance Corporation not later than 15 (fifteen) calendar days since the Bank receives approval from the Financial Services Authority.
- (5) In the event that the documents as referred to in section (3) point a are not yet available, the Indonesia Deposit Insurance Corporation may request for recovery plan documents which have not been approved by the Financial Services Authority to the Bank.
- (6) Banks submit data and information as well as documents as referred to in section (3) point b and section (5) at the latest in accordance with the written request of the Indonesia Deposit Insurance Corporation.
- (7) The Indonesia Deposit Insurance Corporation may conduct clarifications and confirmations to Banks in relation to the submitted Resolution Plan.

Article 11

- (1) Based on the results of the evaluation of the Resolution Plan as referred to in Article 10 section (1), the Indonesia Deposit Insurance Corporation:
 - a. approves the Resolution Plan; or
 - b. is unable to grant approval for the Resolution Plan, along with a request for the Bank to revise the Resolution Plan.
- (2) In the event that the Indonesia Deposit Insurance Corporation has not been able to grant the approval as

referred to in section (1) point b, Banks are required to submit revisions to the Resolution Plan by not later than 30 (thirty) calendar days since a written request by the Indonesia Deposit Insurance Corporation.

- (3) In the event that the Indonesia Deposit Insurance Corporation has not approved the revision of the Resolution Plan as referred to in section (2), Banks undertake further revisions until the Resolution Plan is approved by the Indonesia Deposit Insurance Corporation.
- (4) Provisions regarding:
 - a. approval of the Resolution Plan by the Board of Commissioners as referred to in Article 7; and
 - b. the cover letter for the submission of the Resolution Plan as referred to in Article 9,apply mutatis mutandis for the revision of the Resolution Plan.

CHAPTER V RESOLVABILITY ASSESSMENT

Part One

Resolvability Assessment on Resolution Plan

Article 12

- (1) The Indonesia Deposit Insurance Corporation may conduct a resolvability assessment upon the Resolution Plan which has been approved by the Indonesia Deposit Insurance Corporation in order to identify any impediments that may exist during the Bank resolution action.
- (2) The resolvability assessment as referred to in section (1) is conducted at any time when the status of Banks is in normal supervision and/or the status of Banks under recovery.

- (3) The resolvability assessment on the status of Banks in normal supervision as referred to in section (2) is conducted on:
 - a. submission of the Resolution Plan for the first time; and/or
 - b. in the event that there are:
 - 1. changes in the structure of the controlling shareholder;
 - 2. merger, acquisition, segregation, or consolidation of Banks;
 - 3. changes related to:
 - a) material subsidiaries of the Bank;
 - b) critical interconnectedness with Bank business groups and critical interconnectedness with external parties;
 - c) critical operational assets; and/or
 - d) critical human resources;
 - 4. deteriorating condition of the Bank's financial performance; or
 - 5. other conditions as determined by the Indonesia Deposit Insurance Corporation.
- (4) In the event that there is a change in status from a Bank in normal supervision to a Bank under recovery, the Indonesia Deposit Insurance Corporation conducts the resolvability assessment.
- (5) In order to perform the resolvability assessment as referred to in section (2), the Indonesia Deposit Insurance Corporation may conduct:
 - a. clarification and confirmation to the Banks in relation to the Resolution Plan; and/or
 - b. request for data, information, and/or documents to the Banks.
- (6) Banks are required to submit data, information, and/or documents as referred to in section (5) point b at the latest in accordance with the written request of the Indonesia Deposit Insurance Corporation.

Article 13

Banks are required to submit information on the conditions as referred to in Article 12 section (3) point b point 1 to point 3 to the Indonesia Deposit Insurance Corporation not later than 30 (thirty) calendar days since the occurrence of the condition.

Part Two

Corrective Actions for Banks on Resolvability Assessment Results

Article 14

- (1) In the event that based on the results of the resolvability assessment as referred to in Article 12 section (1) it is found that potential impediments in the resolution action are found, the Indonesia Deposit Insurance Corporation requests in writing to the Bank to take corrective actions.
- (2) The corrective actions as referred to in section (1) include at least:
 - a. the update of the Resolution Plan which has been approved by the Indonesia Deposit Insurance Corporation; and
 - b. undertaking anticipatory measures to eliminate or minimize the potential impediments.
- (3) Request in writing to the Bank to take corrective actions in the form of anticipatory measures as referred to in section (2) point b may be conducted after the Indonesia Deposit Insurance Corporation coordinates with the Financial Services Authority.

Article 15

- (1) Banks are required to follow up the corrective action in the form of the update of the Resolution Plan as referred to in Article 14 section (2) point a not later than 60 (sixty) calendar days as of the date of written request from the Indonesia Deposit Insurance Corporation.
- (2) The update of the Resolution Plan as referred to in section (1) is carried out on the part which must be

revised in accordance with the written request of the Indonesia Deposit Insurance Corporation.

- (3) Provisions regarding:
 - a. approval of the Resolution Plan by the Board of Commissioners as referred to in Article 7; and
 - b. the cover letter for the submission of the Resolution Plan as referred to in Article 9,apply mutatis mutandis for the update of the Resolution Plan.

Article 16

Banks are required to undertake and report to the Indonesia Deposit Insurance Corporation the follow-up to corrective actions in the form of anticipatory measures as referred to in Article 14 section (2) point b.

CHAPTER VI

PERIODIC RESOLUTION PLAN

Article 17

- (1) Banks are required to submit the Resolution Plan to the Indonesia Deposit Insurance Corporation every 2 (two) years since the deadline for submission as referred to in Article 8, if the Banks experience significant changes in the financial condition of its assets, liabilities, and/or equity.
- (2) Significant changes in financial conditions as referred to in section (1) if Banks experience changes in financial conditions of more than 20% (twenty percent) of the total assets, total liabilities, and/or total equity as of the date of the financial statements contained in the previous Resolution Plan.
- (3) The obligation to submit the Resolution Plan as referred to in section (1) is exempted for Banks that have updated the Resolution Plan due to the deteriorating condition of the Bank's financial performance as referred to in Article 12 section (3) point b point 4, not later than 1 (one) year

prior to the deadline for the submission of periodic Resolution Plan.

- (4) Submission of the Resolution Plan as referred to in section (1) is conducted on the part of the Resolution Plan that undergoes changes.
- (5) The Indonesia Deposit Insurance Corporation assesses the part of the Resolution Plan which is amended as referred to in section (4) and may conduct resolvability assessment on Bank's Resolution Plan.
- (6) Provisions regarding:
 - a. evaluation of the Resolution Plan as referred to in Article 10 and Article 11; and
 - b. the resolvability assessment as referred to in Article 12 to Article 16,apply mutatis mutandis for periodic Resolution Plan.

CHAPTER VII

RESPONSIBILITIES OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Article 18

- (1) The Board of Directors is obligated to:
 - a. prepare the Resolution Plan, revise the Resolution Plan, and/or take corrective actions upon the results of the resolvability assessment in accordance with the principles as referred to in Article 2;
 - b. ensure the accuracy and completeness of data, information, and/or documents in preparing the Resolution Plan, make revision to the Resolution Plan, and/or take corrective actions upon the result of resolvability assessment;
 - c. submit the Resolution Plan, the revision of the Resolution Plan, and/or the update of the Resolution Plan to the Board of Commissioners for approval;
 - d. submit the Resolution Plan, revise the Resolution Plan, and/or carry out corrective actions on the results of the resolvability assessment to the

Indonesia Deposit Insurance Corporation in accordance with the deadline which has been determined in this Regulation; and

- e. undertake the implementation of plans to overcome potential impediments to the implementation of resolution options.
- (2) The Board of Commissioners is obligated to:
- a. supervise the fulfilment of Bank obligations in preparing the Resolution Plan, improve the Resolution Plan, and/or take corrective actions upon the result of resolvability assessment;
 - b. evaluate the Resolution Plan, improve the Resolution Plan, and/or update the Resolution Plan which has been prepared by the Board of Directors;
 - c. approve the Resolution Plan, the revision of the Resolution Plan, and/or the update of the Resolution Plan; and
 - d. supervise the implementation of plans in order to overcome potential impediments to the implementation of resolution options.

CHAPTER VIII

REQUESTS FOR DATA, INFORMATION, AND/OR DOCUMENTS TO OTHER PARTIES

Article 19

- (1) In order to conduct an evaluation and a resolvability assessment of the Resolution Plan, the Indonesia Deposit Insurance Corporation may request for data, information, and/or documents to other parties.
- (2) Other parties who are requested for data, information and/or documents as referred to in section (1) are obligated to provide them to the Indonesia Deposit Insurance Corporation.

CHAPTER IX
CERTAIN CONDITIONS AND FORCE MAJEURE

Article 20

- (1) Under certain conditions, the Indonesia Deposit Insurance Corporation may adjust the deadline for the submission of the Resolution Plan, revision of the Resolution Plan, and/or corrective actions upon the results of the resolvability assessment.
- (2) Certain conditions as referred to in section (1) consist of:
 - a. occurrence or state of emergency of disaster with national impact determined by the Government;
 - b. occurrence that endangers the national economy and/or the stability of the financial system determined by the Government; and/or
 - c. occurrence beyond human capabilities and cannot be avoided so that several Banks are unable to carry out their activities properly in the form of disaster or disruption of Bank system which is justified or determined by the relevant authority or agency at the center or in the local area.
- (3) Certain conditions as referred to in section (1) are determined by the Indonesia Deposit Insurance Corporation.
- (4) The deadline adjustment as referred to in section (1) is determined by the Indonesia Deposit Insurance Corporation.
- (5) The deadline adjustment as referred to in section (1) is submitted by the Indonesia Deposit Insurance Corporation to the Banks.

Article 21

- (1) In the event of a Bank experiencing force majeure so that it is unable to submit:
 - a. the Resolution Plan;
 - b. revision of the Resolution Plan; and/or

- c. corrective actions on the results of the resolvability assessment,
the relevant Bank submits information to the Indonesia Deposit Insurance Corporation regarding the force majeure it has encountered.
- (2) In the event that the Bank information as referred to in section (1) is received by the Indonesia Deposit Insurance Corporation, the Indonesia Deposit Insurance Corporation notifies Banks of the adjusted deadline as well as media for the submission of the Resolution Plan, revision of the Resolution Plan, and/or corrective actions upon the results of resolvability assessment that may be used by Banks.

CHAPTER X SANCTIONS

Article 22

- (1) Banks that fail to comply with the provisions as referred to in:
 - a. Article 3 section (1) in accordance with the provisions in Article 8;
 - b. Article 10 section (3) in accordance with the provisions in Article 10 section (4) and section (6);
 - c. Article 11 section (2);
 - d. Article 15 section (1); or
 - e. Article 17 section (1),are subject to administrative sanction in the form of fine amounting to Rp1,000,000.00 (one million rupiah) per day of late submission.
- (2) The administrative sanction in the form of fines as referred to in section (1) are imposed on a maximum of Rp100,000,000.00 (one hundred million rupiah).
- (3) The imposition of administrative sanction in the form of fines as referred to in section (1) does not eliminate the obligation of Banks to submit the Resolution Plan,

revision of the Resolution Plan, and/or the update of the Resolution Plan.

- (4) The imposition of the amount of fine and the procedure for its payment is notified by the Indonesia Deposit Insurance Corporation in writing to any Banks that violate the provision as referred to in section (1).
- (5) In addition to the fine as referred to in section (1), Banks may be subject to sanction in the form of a written warning with a copy to the Financial Services Authority.

Article 23

Banks that fail to comply with the provisions as referred to in Article 12 section (6), Article 13, and/or Article 16 are subject to sanction in the form of a written warning with a copy to the Financial Services Authority.

Article 24

Members of the Board of Directors and/or Board of Commissioners who fail to comply with the provisions as referred to in Article 18 are subject to sanction in the form of a written warning with a copy to the Financial Services Authority.

Article 25

Members of the Board of Directors, members of the Board of Commissioners, Bank shareholders, Bank employees and/or other parties who:

- a. cause Banks to fail to comply with the submission of the Resolution Plan;
- b. provide incorrect, false and/or misleading data and/or information;
- c. do not provide data, information and documents; and/or
- d. cause Banks to fail to fulfil the obligation to pay administrative sanction in the form of fines,

are subject to criminal sanctions in accordance with the Law on Indonesia Deposit Insurance Corporation.

CHAPTER XI MISCELLANEOUS PROVISIONS

Article 26

In the event that the deadline for:

- a. submission of the Resolution Plan as referred to in Article 8;
- b. submission of the recovery plan which has been approved by the Financial Services Authority as referred to in Article 10 section (4);
- c. submission of the revision of the Resolution Plan as referred to in Article 11 section (2);
- d. submission of information on the conditions as referred to in Article 13;
- e. submission of the update of the Resolution Plan as referred to in Article 15 section (1); and
- f. periodic submission of the Resolution Plan as referred to in Article 17 section (1),

falls on Saturday, Sunday, national holiday, local holiday, or joint leave determined by the Government, the deadline for submission falls on the following workday.

Article 27

- (1) Banks prepare, submit, revise, and update the Resolution Plan in accordance with the guidelines and formats determined by the Indonesia Deposit Insurance Corporation.
- (2) Further provisions regarding the guidelines and format for the preparation, as well as the procedures for the submission, revision, and update of the Resolution Plan as referred to in section (1) are determined by the Indonesia Deposit Insurance Corporation.

CHAPTER XII TRANSITIONAL PROVISION

Article 28

At the time this Regulation comes into force, Banks that have submitted the Resolution Plan before this Regulation comes into force are exempted from the obligation to submit the Resolution Plan as referred to in Article 8 section (1) as long as the Banks do not experience any changes in condition as referred to in Article 12 section (3) point b point 1 to point 3 and/or significant changes in the financial condition of the Bank's assets, liabilities and/or equity as referred to in Article 17.

CHAPTER XIII CLOSING PROVISIONS

Article 29

At the time this Regulation comes into force, all implementing provisions of Regulation of the Indonesia Deposit Insurance Corporation Number 1 of 2021 on Resolution Plan for Commercial Banks (State Bulletin of the Republic of Indonesia of 2021 Number 234, Supplement to the State Bulletin of the Republic of Indonesia Number 36), are declared to remain effective to the extent not contrary to the provisions of this Regulation.

Article 30

At the time this Regulation comes into force, Regulation of the Indonesia Deposit Insurance Corporation Number 1 of 2021 on Resolution Plan for Commercial Banks (State Bulletin of the Republic of Indonesia of 2021 Number 234, Supplement to the State Bulletin of the Republic of Indonesia Number 36), is repealed and declared ineffective.

Article 31

This Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta
on 7 August 2024
CHAIRPERSON OF THE BOARD OF
COMMISSIONERS
OF INDONESIA DEPOSIT INSURANCE
CORPORATION,

signed

PURBAYA YUDHI SADEWA

Promulgated in Jakarta
on 13 August 2024
DIRECTOR GENERAL AD INTERIM
OF LEGISLATION
OF THE MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

ASEP N. MULYANA
STATE BULLETIN OF THE REPUBLIC OF INDONESIA OF 2024 NUMBER 472

Jakarta, 23 June 2025
Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA

ELUCIDATION
OF
REGULATION OF THE INDONESIA DEPOSIT INSURANCE CORPORATION
NUMBER 2 OF 2024
ON
RESOLUTION PLAN FOR COMMERCIAL BANKS

I. GENERAL

Law Number 9 of 2016 on Prevention and Handling of Financial System Crisis as amended by Law Number 4 of 2023 on Development and Strengthening of the Financial Sector provides the strengthening of the legal basis on the Resolution Plan in the prevention and resolution of financial system crisis. In order to increase the effectiveness of the handling of Banks which are determined as Bank Under Resolution, the Indonesia Deposit Insurance Corporation is required to obtain the Resolution Plan which contains, among others, details of the characteristics of the Banks and the strategies of preferred resolution measures to maintain the sustainability of critical economic functions of Banks without causing disruption to the stability of the financial system if the Bank undertakes a resolution action by the Indonesia Deposit Insurance Corporation.

The obligation for Banks to prepare and submit the Resolution Plan is regulated under Regulation of the Indonesia Deposit Insurance Corporation Number 1 of 2021 on Resolution Plan for Commercial Banks. With the promulgation of Law Number 4 of 2023 on Development and Strengthening of the Financial Sector, there is a strengthening of arrangements regarding the obligation to prepare and submit the Resolution Plan for Banks to the Indonesia Deposit Insurance Corporation, therefore it is necessary to amend Regulation of Insurance Corporation Number 1 of 2021 on Resolution Plan for Commercial Banks.

Upon the Resolution Plan submitted by the Bank, the Indonesia Deposit Insurance Corporation evaluates the Resolution Plan by granting approval or requesting the revision of the Resolution Plan. The Indonesia Deposit Insurance Corporation may conduct a resolvability assessment upon the approved Resolution Plan. The resolvability assessment is an act of testing by the Indonesia Deposit Insurance Corporation on the feasibility and credibility of the Resolution Plan and strategies for eliminating potential impediments during the resolution action against Bank.

The resolvability assessment is primarily conducted to assess the impact of Bank failures on the financial system and the economy as a whole.

Furthermore, in order to improve the effectiveness of the preparation and submission of the Resolution Plan, it is necessary to issue a Regulation of the Indonesia Deposit Insurance Corporation on resolution plan for commercial banks.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Rencana Resolusi are commonly known as resolution plan.

The term “complete” means that the preparation of the Resolution Plan is based on the source of data, information, and/or documents obtained from Banks, relevant institutions/authorities, as well as other parties who may become the source of Resolution Plan analysis data in accordance with the guidelines for the preparation of Resolution Plan.

The term “accurate” means the preparation of the Resolution Plan based on data, information, and/or appropriate documents and may correctly reflect the condition of the Banks at the time of the preparation of the Resolution Plan.

The term “up-to-date” means that the preparation of the Resolution Plan is based on the most recent data, information and/or documents in accordance with the guidelines for the preparation of the Resolution Plan.

The term “intact” means that the preparation of the Resolution Plan is carried out thoroughly and into a single unit with the final result in

the form of a document containing the entire scope of the Resolution Plan.

Article 3

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Non-binding such as in making decisions, differences are very likely to arise between resolution action of Banks which are set out in the Resolution Plan and resolution action against Bank Under Resolution which will be selected by the Indonesia Deposit Insurance Corporation.

As a matter of fact that the decision on resolution action by the Indonesia Deposit Insurance Corporation is undertaken by considering the estimated resolution costs and other factors based on the provisions of legislation.

Article 4

Section (1)

Sufficiently clear.

Section (2)

The term “Banks which are rescued” means Banks which are subject to resolution action by the Indonesia Deposit Insurance Corporation through temporary capital placement.

Article 5

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

The term “business focus of Bank” means the superiority or uniqueness of a Bank in comparison with other Banks, among others, excelling in transactional banking or excelling in the micro, small and medium business sector.

Point g

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 6

Section (1)

Point a

Sufficiently clear.

Point b

The term “affiliated parties” means:

1. a member of the Board of Commissioners or its equivalent, a member of the sharia supervisory board, a member of the Board of Directors or its equivalent or its proxy, an official or an employee of a Bank;
2. parties who provide services to the Bank, including public accountants, appraisers, legal consultants, and other consultants;
3. parties who control or are controlled by a Bank, either directly or indirectly; and/or
4. parties which according to the evaluation of the Financial Services Authority, influence the management of the Bank, either directly or indirectly, among others are parties who have family relationships through marriage and descent up to the second degree,

either horizontally or vertically, with a member of the Board of Commissioners or its equivalent, a member of the sharia supervisory board, members of the Board of Directors or their equivalent or their proxies, officials or employees of the Bank.

Point c

Material subsidiaries of the Bank include subsidiaries that contribute significantly to the Bank's profits.

Point d

Sufficiently clear.

Point e

The term “core business lines” means lines of business which contribute significantly to the Bank.

Point f

The term “critical economic functions” means activities or services of the Bank which, if terminated, cause significant obstacle and disruptions to the stability of the financial system and to the economy as a whole due to the size, market share, internal and external interconnectedness, complexity and cross-country activities of the Bank.

Point g

The term "critical interconnectedness with Bank business groups" means the interconnectedness between the Bank and Bank business groups which have a significant impact on the financial or operational performance of the Bank, including but not limited to:

1. financial interconnectedness;
2. the critical shared services in the information technology sector; and
3. critical shared services other than those in the information technology sector.

Point h

The term "critical interconnectedness with external parties" means the interconnectedness between the Bank and external parties which have a significant impact on the financial or operational performance of the Bank, including but not limited to:

1. financial interconnectedness in terms of assets (debtors);
2. financial interconnectedness in terms of liabilities (creditors, depositors);
3. the critical shared services in the information technology sector;
4. critical shared services other than in the information technology sector; and
5. critical financial market infrastructure.

Point i

The term “interconnectedness to the financial system” means the interconnectedness between a Bank and other financial institutions/banks.

Section (2)

Point a

Sufficiently clear.

Point b

Data, information and/or documents regarding the resolution options by transferring partial or entire assets and/or liabilities of Banks determined as Bank Under Resolution to the Assuming Bank, among others:

1. estimated assets and/or liabilities of Banks determined as Bank Under Resolution which may be transferred to the Assuming Bank; and
2. criteria for the prospective Assuming Bank.

Section (3)

Additional resolution options are accompanied by other relevant data, information and/or documents.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Point a

Sufficiently clear.

Point b

Management information systems include services that support management information systems, sources of data and/or information provided by management information systems, and management information system service providers.

Point c

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Section (1)

Sufficiently clear.

Section (2)

The term “direct evaluation” means the activity of obtaining, processing, and assessing data, information and/or documents regarding Banks which are conducted at Bank offices and at other locations directly or indirectly related to the Bank's operational activities (on-site).

The term "indirect evaluation" means the activity of obtaining, processing, and assessing data, information, and/or documents regarding Banks which are submitted by Banks and/or other parties to the Indonesia Deposit Insurance Corporation without visiting the Bank's office (off-site).

Section (3)

Point a

Sufficiently clear.

Point b

Other data and information as well as documents include detailed data and additional financial ratios required by the Indonesia Deposit Insurance Corporation.

Section (4)

The recovery plan submitted to the Indonesia Deposit Insurance Corporation is the recovery plan that has been approved by the Financial Services Authority, the submission period of which corresponds to the submission period of the Resolution Plan.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Section (1)

The term “resolvability assessment” means the assessment of the Indonesia Deposit Insurance Corporation against the feasibility and credibility of any Bank’s Resolution Plan that has been approved by the Indonesia Deposit Insurance Corporation and strategies in eliminating potential impediments that may exist during the Bank resolution action.

The resolvability assessment is primarily conducted to assess the impact of Bank failures on the financial system and the economy as a whole.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Point 1

The term “controlling shareholder” means controlling shareholder as referred to in the Regulation of the Financial Services Authority on the determination of supervisory status and handling of commercial bank problems.

Point 2

Sufficiently clear.

Point 3

Sufficiently clear.

Point 4

Sufficiently clear.

Point 5

Other conditions, as determined by the Indonesia Deposit Insurance Corporation, such as the status of financial system stability in a suspected crisis.

Section (4)

Sufficiently clear.

Section (5)

Point a

Sufficiently clear.

Point b

Data, information and/or documents which are requested by the Indonesia Deposit Insurance Corporation to Banks include, among others, Bank business plans and recovery plan.

Section (6)

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Section (1)

Sufficiently clear.

Section (2)

Point a

The update of the Resolution Plan is conducted based on the results of the resolvability assessment.

Point b

Anticipatory measure is in the form of follow-up to the recommendations of the resolvability assessment.

Example:

Stating resolution-proof clauses in contracts between Banks and third parties, including providers of internal and external services, both in the information technology and non-information technology sectors, providers of critical financial market infrastructure, as well as other equal third parties. These clauses among others state, that in the event that a Bank is determined to be a Bank Under Resolution, the third party:

1. does not terminate the agreement with the Bank without the approval of the Indonesia Deposit Insurance Corporation;
2. ensures that it continues to provide services to the Bank in a sustainable manner; and
3. submits data, information, and/or documents required by the Indonesia Deposit Insurance Corporation during Bank resolution action.

Section (3)

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Section (1)

Sufficiently clear.

Section (2)

Changes in financial condition of more than 20% (twenty percent) include changes in the form of an increase or decrease in total assets, total liabilities, and/or total equity.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Section (1)

The term "other parties" means parties related to Banks, including suppliers of goods/services for Banks.

Section (2)

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Section (1)

The term "force majeure" means an event that occurs beyond human capabilities and cannot be avoided so that an activity cannot be carried out properly, such as fires, mass riots, wars, sabotage, as well as natural disasters such as earthquakes and floods, as justified by the relevant authorities or agencies in the local area.

Section (2)

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Section (1)

The update of the Resolution Plan is a part of the Resolution Plan.

Section (2)

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.