

Financial Services: Prevention of Terrorism Financing

by Galih Adi Prasetya



image source: techcrunch.com/wp-content/uploads/2014/12/currency.jpg

The Financial Services Authority of the Republic of Indonesia (**OJK**) has enacted new regulations on anti-money laundering and the prevention of terrorism financing in the financial sector (**Regulations**).*

The purpose of the Regulations is to add regulatory provisions to aid in the prevention of the financing of weapons of mass destruction. The Regulation allows a financial services provider to conduct any appropriate action to block the funds owned by any listed individual/corporation.

Further, the Regulations:

- allow Financial Service Providers to use registered third-parties to perform electronic face to face verification for prospective customers;
- require Financial Service Providers to identify whether a prospective customer is performing a transaction on behalf of themselves or for a beneficial owner;
- require Financial Service Providers to perform due diligence on all prospective customers, regardless of their risk level (prior regulation does not require low risk prospective customers to be investigated);
- require Financial Service Providers to reject any transactions and terminate any business relationship with any entities that are included on the official list of alleged terrorists and terrorist organisations and/or the official list of financing of mass destruction weapons proliferation;
- require that a sending bank provides customer information to a receiving bank; and
- requires Financial Service Providers to provide any information and/or documents to the OJK and/or other competent authorities at least three days after an authorised party sends an official request for such information and/or documents.

*OJK Regulation No. 23/POJK.01/2019 on the Amendment of OJK Regulation No. 12/POJK.01/2017 on the Implementation of the Anti-Money Laundering and Prevention of Terrorism Financing Program in the Financial Services Sector.

Mandatory Notification for Assets Acquisition

by Galih Adi Prasetya

On 3 October 2019, the Commission for the Supervision of Business Competition (the Commission) issued new regulations on mergers, consolidations and acquisitions to prevent monopolistic and unfair business practices (the Regulations).*

Several key points that should be noted in the Regulations are new provisions requiring business entities:

- that perform assets acquisition to submit a notification form to the Commission if the acquisition meets a certain listed value threshold (certain exemptions are available for affiliated parties); and
- to submit supporting documentation (for example, financial statements, articles of association, business plans, etc) when submitting the notification.



image source: pixabay.com

The Regulations also expand the areas that the Commission may consider when assessing a notification, including:

- policies aimed at the improvement of competitiveness and the strengthening of national industries;
- technological developments and innovations;
- protection of micro, small and medium-scale enterprises;
- the impact upon the workforce; and
- the implementation of applicable laws and regulations.

Any business entity that fails to submit the required notification within 30 business days after the effective date of the transaction, may be fined Rp 1 billion for every day of delay.

*Ministerial Decree of Finance No. 113/PMK/06/2019. This new regulation revoked Regulation of Minister of Finance No.176/2010 and the related regulation No.160/2013.

Freight Transportation

by Fahres Lay

In Indonesia, heavy goods traffic is increasing. The need to adequately and safely regulate this traffic has meant that the Minister for Communications issued regulations¹ introducing new rules relating to freight transport with a motorised vehicle. The essence of the new regulations is to ensure that any vehicle that is used in the logistics and transportation of goods must abide by the regulations that set out standards, procedures and technical requirements for that transport.



Image source: unsplash.com

The new regulations divide freight transport into two categories; special and general. General transport is the transport of goods that are not dangerous and do not require any special precautions. Conversely, special freight transport is the transport of dangerous goods and/or goods that need special transport requirements, such as climate-controlled vehicles. Both types of transport have safety requirements. Typically, special freight will require drivers to wear specialized protective clothing.

¹Regulation of the Minister for Communications of the Republic of Indonesia Number PM 60 of 2019

Companies that transport special freight must have a freight transportation licence. The licence is in the form of a document and an electronic ID card that includes a description of the vehicle, its purpose and any special conditions. Companies that carry out special freight transport must have a letter of recommendation from the Minister. This letter sets out detailed description of the freight and the methods that must be used when handling the freight.

Franchise Businesses

by Fahres Lay



Image source: s17026.pcdn.co/wp-content/uploads/sites/13/2018/07/Franchise-branding-e1532427506749.jpeg

The Minister for Trade has issued new regulations¹ to stimulate the growth of the franchising industry. The new Regulations list a number of criteria that a business must fulfill before it can be legally considered to be a franchise. Essentially, a franchise must have at least five years' experience in running their business and show that the business is stable, well run and profitable.

Unlike previous regulations, the new Regulations does not limit a franchiser's number of retail outlets.

Removing the limitation will help entrepreneurs and business people, since an increase of investment will surely be the result. The removal of the limit of retail outlets will also benefit local communities because new retail outlets will stimulate local economies.

This new, simplified regulatory regime will encourage entrepreneurs to apply for a franchise registration certificate (in Indonesian, a Surat Tanda Pendaftaran Waralaba), required in order to carry out franchising.

One of the benefits of obtaining a franchise registration certificate is the ability to sell franchises internationally.

¹Regulation of The Minister for Trade of the Republic of Indonesia Number 71 of 2019 on Organisation of Franchises

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