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Key updates to
Indonesia's financing
regulatory framework

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I. Introduction

The Indonesia Financial Services Authority (*Otoritas Jasa Keuangan* or **OJK**) has reinforced the regulatory framework for the financing sector through the issuance of OJK Regulation Number 35 of 2025 on the Amendments to OJK Regulation Number 46 of 2024 on the Development and Strengthening of Financing Companies, Infrastructure Financing Companies, and Venture Capital Companies (**OJK Regulation 35/2025**).

The amendments under OJK Regulation 35/2025 represent key effort by OJK to align industry regulations with evolving economic dynamics and business needs, particularly in relation to financing business activities in Indonesia.

Effective on 22 December 2025, OJK Regulation 35/2025 partially amends the following OJK regulations:

- a. OJK Regulation Number 35/POJK.05/2018 on the Business Operations of Financing Companies
- b. OJK Regulation Number 10/POJK.05/2019 on the Business Operations of Sharia Financing Companies and the Sharia Business Units of Financing Companies
- c. OJK Regulation Number 46/POJK.05/2020 on Infrastructure Financing Companies
- d. OJK Regulation Number 47/POJK.05/2020 on Business Licensing and Institutional Requirements for Financing Companies and Sharia Financing Companies

II. Key changes under OJK Regulation 35/2025

It is essential for financing companies, sharia financing companies, and infrastructure financing companies to pay close attention to the key changes under OJK Regulation 35/2025, as follows:

a. Business and operational aspect

Aspect	Key changes
1. Face-to-face meeting obligation exemption	<ul style="list-style-type: none"> • Face-to-face meeting obligations may now be exempted for investment financing activities that fulfil the following requirements: <ol style="list-style-type: none"> a. The financing is provided to micro, small, and medium-sized enterprises (MSME). b. The maximum financing value is IDR10 million. c. Non-face-to-face financing receivables must not exceed 5% of total financing receivables. • Financing companies may now conduct digital financing services and digital sharia financing services without face-to-face meetings.
2. Financing ratio compliance	<ul style="list-style-type: none"> • Financing companies providing working capital or multipurpose financing were previously required to maintain a core capital-to-paid-up capital ratio of at least 150%; the requirement has now been reduced to 50%. • Financing companies with core capital to paid up capital ratio exceeding 100% and will provide working capital financing through working capital facilities and multipurpose financing through fund facilities may now be exempted from collateral requirements, subject to the following: <ol style="list-style-type: none"> a. The financing is provided to MSMEs b. Financing risk is transferred through insurance or credit guarantees. c. Non-collateralised financing receivables are limited to 10% of total receivables. • Financing companies with a net non-performing financing ratio up to 3% for motor vehicle financing may now be exempted from the minimum health rating requirement (Composite Rating 2), subject to certain down payment provisions.

Aspect	Key changes
3. Risk mitigation compliance	<p>Financing companies, sharia financing companies and infrastructure financing companies, may now implement additional financing risk mitigation including assessing the historical financial data of prospective debtors from financial information systems. Financing may still be extended where the debtor:</p> <ol style="list-style-type: none"> a. Has immaterial non-current receivables b. Remains capable of repayment c. Aligns with the company's risk appetite

b. Transaction/corporate action aspect

Aspect	Key changes
1. Change of ownership and capital composition	<ul style="list-style-type: none"> • Changes in ownership of private financing companies that do not result in a change of control no longer require prior OJK approval but must be reported within 20 business days after the change of ownership. The report must be submitted together with the required documents, including the share ownership structure up to the ultimate shareholder(s) and/or beneficial owner, the deed of shareholders' resolutions, the deed of share transfer, and other relevant documents. • In relation to the required documents for submitting an application to obtain OJK approval for a change of ownership in financing companies that results in a change of controlling shareholder(s), OJK no longer requires the company to submit: <ol style="list-style-type: none"> a. If the change in ownership is made through a capital reduction: monthly financial report for the period before the capital reduction and the financial report prognosis after the capital reduction, signed by the board of directors (BOD) b. Audited financial statements, non-consolidated financial statements, and the last month's financial statements <p>In exchange, OJK now requires that the shareholders' statement letter on the source of funds be accompanied by a detailed flowchart of the funds, supported by relevant documentation.</p> • The reporting obligation to OJK for changes in capital composition has been updated as follows: <ol style="list-style-type: none"> a. Changes that do not result in a change of controlling shareholder(s) must now be accompanied by additional documents, including the company's financial statements before and

Aspect	Key changes
	<p>after the capital increase, proof of return of paid-in capital (if applicable), and the company's bank statements evidencing such return (if applicable), in the case of capital reduction.</p> <p>b. Changes that result in a change of controlling shareholder(s) must now be accompanied by additional documents, including the shareholders' bank statements evidencing that funds have been disbursed to the company as capital contributions, or proof of placement of funds in the seller's account along with the buyer's bank statement, in the case of a share sale and purchase.</p>
2. Post-merger reporting obligation	<p>The closing balance sheet of the dissolving company that must be submitted to OJK following the general meeting of shareholders (GMS) on the merger of financing companies is no longer required to be submitted in an audited form.</p>
3. Securities issuance	<ul style="list-style-type: none"> Financing companies and sharia financing companies remain subject to the obligation to pre-report their plans to issue securities (whether through public offerings or private placements) to OJK. Under OJK Regulation 35/2025, OJK is required to issue a record letter within ten business days from receipt of the report, compared to the previous timeframe of 20 business days. In relation to the obligation of financing companies and sharia financing companies to pre-report their plans to issue securities through private placements to OJK, such companies are only required to submit an accounting management statement issued by a public accountant where internal control weaknesses are identified during the audit process.

III. How does this affect you?

OJK Regulation 35/2025 introduces greater operational flexibility and streamlined regulatory processes for financing companies, sharia financing companies, and infrastructure financing companies. In particular, the relaxation of capital ratio requirements, allowance for digital financing without face-to-face interaction, and exemptions from collateral requirements for certain MSME financing are expected to enhance business scalability and improve access to financing. At the same time, companies must strengthen their internal risk management frameworks, particularly in assessing debtor creditworthiness and ensuring compliance with risk mitigation requirements.

From a transactional and compliance perspective, the regulation simplifies ownership restructuring and capital actions by removing certain regulatory approval requirements and reducing documentation burdens. However, these efficiencies are accompanied by increased expectations on transparency, particularly in relation to source-of-funds disclosures and supporting documentation. Companies should therefore review and update their internal procedures, governance frameworks, and reporting processes to align with the updated regulatory requirements and timelines, including faster OJK processing periods for securities issuance.



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