

BANK INDONESIA REGULATION  
NUMBER: 9/1/PBI/2007  
ABOUT  
IMPLEMENTATION OF RISK MANAGEMENT  
IN THE USE OF INFORMATION TECHNOLOGY BY PUBLIC BANKS

GOVERNER OF BANK INDONESIA

Considering:

- a. The development of Information Technology allow Bank use it to increase the efficiency of operational activity and Bank quality service to customer;
- b. The use of Information Technology in Bank operational activities can increase the risk of Bank;
- c. The increasing of risk make Bank should implement the risk management effectively;
- d. The Information Technology is the precious asset for Bank so to manage it not only the responsible of implementation Information Technology by unit committee but also for all party use it;
- e. In order to implementation Basel II, the Information Technology infrastructure needed;
- f. According to the consideration as mention in Letter a, Letter b, Letter c, Letter d and Letter e, should be establish the regulation which manage the Risk Management Implementation in the use of Information Technology by Public Bank of the Bank Indonesia Regulation

Remembering:

1. Law Number 7 Year 1992 about Banking (Lembaran Negara Year 1992 Number 31; Additional Lembaran Negara Number 3472) has been changed to Law Number 10 Year 1998 (Lembaran Negara Year 1998 Number 182; Additional Lembaran Negara Number 3790);
2. Law Number 23 Year 1999 about Bank Indonesia has been changed to Law Number 3 Year 2004 (Lembaran Negara Year 1999 Number 66; Additional Lembaran Negara Number 3843);
3. Bank Indonesia Regulation Number 5/8/PBI/2003 about the implementation of Risk Management for Public Bank (Lembaran Negara Year 2003 Number 56; Additional Lembaran Negara Number 4292)

DECIDE:

Establish: BANK INDONESIA REGULATION OF RISK MANAGEMENT IN THE USE OF  
INFORMATION TECHNOLOGY BY PUBLIC BANK

## **CHAPTER I**

### **GENERAL INFORMATION**

#### Point 1

As in Bank Indonesia Regulation, the meaning of:

1. Bank is the public bank as in Banks regulation No 7 Year 1992 about Banks which has been changed to be Regulation No 10 Year 1998.
2. Information Technology is a technology which related to computer, telecommunication and electronic media which used in manage financial data or banks service.
3. Banks Service via Electronic or Electronic Banking is a service which make Bank customer can get information, do communication, and do banking transaction through electronic media as ATM, Phone banking, Electronic Fund Transfer, Internet Banking, Mobile Phone.
4. Information Technology Strategic Plan is document view Bank information technology of vision and mission, the strategic which support that vision and mission and the main principals as the basic use of Information Technology to fulfill the business need and support strategic long term plan.
5. Data center is the main facility in processing the data of bank which consist of hardware and software to support the continuity of bank's operational.
6. Database is a collective of comprehensive data which arrange systematically, ease access by the user as their own authority which manage by an administrator.
7. Disaster Recovery Center (DRC) is the replacement facility as if the data center error or not functionally well because of no electricity flow off into computer's room, fire, explosive or damage in computer, which is used temporary as long as the recovery of Data Center Bank is being done to keep the business continuity.
8. Business Continuity Plan is the procedure which filled with the structure program and organized well to decrease the risk, handling well the cause of damage and recovery process to make the bank operational recover and service to customer still working well.
9. Technology based transaction process is the activities of adding, changing, deleting, and or authorization to the data which use in application system to process the transaction
10. Commissioners:
  - a. For the Bank in the form of Limited Company, the commissioner is as mention in the Article 6 of The Law Number 40 Year 2007 about Limited Company.
  - b. For the Bank in the form of District Enterprise is controlling as mention in the Article 19 of The Law Number 5 Year 1962 about District Enterprise.
  - c. For the Bank in the form of A Cooperative Society is controlling as mention in the Article 38 of The Law Number 25 Year 1992 about A Cooperative Society.
  - d. For the branches of Foreign Bank is the referred by head office of Foreign Bank to do monitoring activities.

11. Director:

- a. For the Bank in the form of Limited Company, the director is as mention in the Article 1 of The Law Number 5 Year 2007 about Limited Company.
- b. For the Bank in the form of District Enterprise is controlling as mention in the Article 11 of The Law Number 5 Year 1962 about District Enterprise.
- c. For the Bank in the form of A Cooperative Society is controlling as mention in the Article 29 of The Law Number 25 Year 1992 about A Cooperative Society.
- d. For the branches of Foreign Bank is the Representative Head Office of the Foreign Bank Branches.

## **CHAPTER II**

### **FIELD OF RISK MANAGEMENT INFORMATION TECHNOLOGY**

#### **Article 2**

1. Bank should implement the effective risk management in the use of Information Technology.
2. Risk management implementation as in Para 1 (one) include:
  - a. Actively under-supervision of Board of Commissioners and Director.
  - b. Enough procedure and commitment in the use of Information Technology
  - c. Enough identification process, measurement, supervision and controlling the risk of Information Technology usage, and
  - d. Intern controlling system of the using of Information Technology
3. The implementation of risk management should be do integrated in every step of Information Technology usage from planning, supporting, expansion, operational, maintenance up to the finish and deleting the source of Information Technology.

#### **Article 3**

The implementation of risk management in Information Technology usage as in Chapter II should be the same as the objective, business policy, scope and Bank complexity activity.

## **CHAPTER III**

### **RISK MANAGEMENT IMPLEMENTATION IN THE USE OF INFORMATION TECHNOLOGY**

#### **PART ONE**

#### **Actively Under-Supervision of Board of Commissioners and Directors**

#### **Article 4**

Bank should MENETAPKAN obligation and clear responsibility to all step of concerned function with Information Technology usage.

#### **Article 5**

Obligation and responsibility as mention in Para 4 for Board of Commissioners include:

- a. To give instruction, to manage and to evaluate the Information Technology Strategic Planning and Bank Regulation related with Information Technology.
- b. To evaluate the responsibility report of Director about the implementation of risk management in the use of Information Technology.

## Article 6

Obligation and responsible as mention in Para 4 for Director include:

- a. To implement the Information Technology Strategic Planning and Bank Regulation related with Information Technology
- b. To make sure that:
  1. The Information Technology used by Bank can support the expansion of business; achieve the objective of bank business and the continuity services to the customer.
  2. There is activity to increase the competency of human resource management related with Information Technology usage.
  3. The implementation of risk management in the use of Information Technology is suffice and effective.
  4. The regulation and procedure of sufficient Information Technology and communicated and to be effectively implemented for each work-unit or the Information Technology usage.
  5. There is a system of measuring the achievement of the Information Technology's implementation at least could:
    - a) Support the process of supervision the strategy of implementation.
    - b) Support the finishing of project.
    - c) Maximize the function of human resource management and infestations in the infrastructure.
    - d) Increase the achievement process of Information Technology implementation and the service quality of delivering the process result to the user.

## Article 7

- (1) Bank should have an Information Technology Steering Committee.
- (2) The Information Technology Steering Committee as mention in Para (1) responsible to give recommendation to related Director of:
  - a. Information Technology Strategic Plan which in the same direction with the Bank Business Activities Strategic Plan;
  - b. The compatibility Information Technology approved projects with the Information Technology Strategic Plan;
  - c. The compatibility between the implementation of Information Technology projects with the project charter;
  - d. The compatibility Information Technology with the need of management system information and need of Bank business activities;
  - e. Effectively steps to minimize the risk or Bank investment of Information Technology sector to make that investment contributive to achieve the objective of Bank business.
  - f. Supervision of the Information Technology work achievement and the increasing support
  - g. Solving the problem of Information Technology, which not effectively, efficient and reliability handle by work/user unit and committee.
- (3) Information Technology Steering Committee as mention in Para (1) minimum filled with:
  - a. Director of Information Technology unit.
  - b. Director of Risk Management unit.
  - c. Higher authority person in charge of Information Technology Committee unit.
  - d. Higher authority person in charge of Information Technology User unit.

## PART TWO

### Sufficiency of the Regulation and Procedure of Using the Information Technology in Bank

#### Article 8

- (1) Bank should have the regulation and procedure of using the Information Technology as mention in Article 2 Para (2) letter b.
- (2) The regulation and procedure of using the Information Technology include the aspect as follows:
  - a. Management
  - b. Procurement and Development
  - c. Information Technology Operational
  - d. Communication Network
  - e. Information Security
  - f. Business Continuity Plan
  - g. End User Computing
  - h. Electronic Banking, and
  - i. Third party of the Information Technology Provider
- (3) Bank should establish the limitation of tolerate risk to make sure the related aspects of Information Technology as mention in Para (2) can work optimal.

#### Article 9

- (1) Bank should have the Information Technology Strategic Plan which supports the Bank Business Activity Plan.
- (2) The Information Technology Strategic Plan as mention in Para (1) is described into the Bank Business Plan.

## PART THREE

### RISK MANAGEMENT PROCESS RELATED WITH INFORMATION TECHNOLOGY

#### Article 10

- (1) Bank should do the process of risk management which includes the identification, measurement, monitoring and controlling of the risk caused of the Information Technology usage.
- (2) The process of risk management to the related aspect of Information Technology with minimum includes the development and procurement of Information Technology, Information Technology Operational, Communication Network, Information Security, Business Continuity Plan, and user computing, Electronic Banking, and Third Party of Information Technology Provider.
- (3) In the process of using the third party to provide the Information Technology in Bank, Bank should be sure that the Information Technology provider also implement the Information Technology and risk management too which is suit less with the Regulation of Bank Indonesia.

#### Article 11

When do the implementation and supporting the Information Technology, Bank should do the recovery steps to make a protection and integrated of system and data which also support the objective of Bank as follows:

- a. To establish and implement the procedure and methodology of developing and supplying the consistent Information Technology.
- b. To implement the project management of the developing system
- c. To do appropriate testing during developing and supplying the system, including trying together with user unit, to make sure the reliability and the function of system suitable with user need and one system appropriate with other system.
- d. To make a documentation of the developing and maintenance system.
- e. To have the application system management change.

#### Article 12

- (1) Bank should identify, monitor and also controlling the risk on the operational activity of Information Technology, on the communication network and also with the end user computing to make sure the effectively, efficiency and security activities by mean of:
  - a. To implement physic and environment controlling of Data Center and Disaster Recovery Center.
  - b. To implement the control of access rightful appropriately according to the determine authorization
  - c. To implement the controlling of input, process, and output of information
  - d. To observe the possibility caused risk of Bank dependence of using Information communication
  - e. To make sure that the aspect design and operation of communication network implementation appropriate with need.
  - f. To monitor the activities of Information Technology operational including the audit trail.
  - g. To monitor the usage of developed application by user unit beside the Information Technology unit.
- (2) For Bank which have business unit based on syariah principal, have to establish the system deliver the separate report as the Bank activities based on syariah principal.

#### Article 13

- (1) Bank should make sure the Business Continuity Plan and Disaster Recovery Plan can be carried out effectively to keep Bank Business working while the significant disaster of Information Technology used by Bank.
- (2) Bank should test the Business Continuity Plan and Disaster Recovery Plan to all critical system/application and infrastructure as the result of Business Impact Analysis, less than 1 (one) year with the involvement of end user (end to end)
- (3) Bank should renew the Business Continuity Plan and Disaster Recovery Plan.

#### Article 14

Bank should make sure the security of Information effectively carried out at least by the way of:

- a. The security of information is tended to make the processing information keep confidentiality, integrity and availability effectively and efficiency obedience according to the policy.
- b. The security of information is through the aspect of technology, human resource management and the process of using the Information Technology.
- c. The security of information include the management of Bank asset which related with the information, human resource policy, physically security safety, access safety, operational safety, and the aspect of using other Information Technology.
- d. Presence the management handling the incident of the information pacification, and
- e. The security of information is implemented based on the value result of risk assessment of the information owned by Bank.

#### PART FOUR

#### CONTROLLING SYSTEM AND INTERNAL AUDIT OF INFORMATION TECHNOLOGY COMMITTEE

#### Article 15

- (1) Bank should implement the internal controlling system effectively for all aspect of using the Information Technology.
- (2) Internal controlling system as mention in Para (1) at least include:
  - a. Controlling by management and presence the restraint practice.
  - b. Identification and evaluation the risk
  - c. Restraint activities and function separation
  - d. Information System, accounting system and communication system
  - e. Monitoring activities and deviation correction by operational unit, internal audit unit and or other unit.
- (3) Information system, accounting system and communication system as mention in the Para (2) Letter d should be supported by the technology, human resource and suffice organization structure of Bank.
- (4) Controlling activities and deviation correction as mention in Para (2) Letter e at least include:
  - a. The continuity of monitoring activities
  - b. Implementation internal audit function effectively and comprehensive
  - c. Right deviation correction by operational unit, internal audit unit or other unit

#### Article 16

- (1) The implementation of internal audit function of Information Technology as mention in Article 15 Para (4) Letter b consider the obedience of policy conduct.
- (2) If there is limitation of the capability of Technology Information Internal Audit unit, so the implementation of internal audit function as mention in Para (1) can be done by external auditor.
- (3) The implementation of internal audit should be done regularly.

## Article 17

- (1) Manual internal audit which is belong to Bank should include the internal audit of using Information Technology establish by own or by third party of Information Technology provider.
- (2) Bank should report the result of internal audit of the Information Technology as the part of the implementation report and main point of internal audit as mention in the regulation of the standard implementation of the internal audit function.
- (3) Bank should re-examine the internal audit functional of using Information Technology minimal once in 3 (three) years.
- (4) The re-examine as mention in Para (3) should use the external independent service provider.
- (5) The result of re-examine along with the repair suggestion reported to Bank Indonesia as the part of re-examine report as conduct in the regulation of implementation

## **CHAPTER IV**

### THE IMPLEMENTATION OF INFORMATION TECHNOLOGY BY THE THIRD PARTY OF INFORMATION TECHNOLOGY SERVICE PROVIDER

#### PART ONE

#### GENERAL

## Article 18

- (1) Bank could implement Information Technology by own and or using the Third Party of Information Technology Service Provider.
- (2) The user of the Third Party of Information Technology Service Provider as mention in Para (1) only could be implemented as long as the Bank and the Information Technology service provider could fulfill the qualification as follows:
  - a. For Bank
    - 1) Bank still responsible with the implementation of risk management
    - 2) Bank is able to do monitoring of Bank activities which provide by the Information Technology service provide.
    - 3) The selection of Information Technology service provider is conducted by Bank based on the cost and benefits analysis and related the Bank Information Technology Committee unit.
    - 4) Bank should periodically monitor and evaluate the reliability of Service Provider including the quality of work, reputation of Service Provider and the continuity of supporting service.
    - 5) Bank gives the access to the internal auditor, external from Bank Indonesia to collect data and information needed and reliable.
    - 6) Bank gives the access to Bank Indonesia to get the database on time for present or past.
  - b. For Third Party of Information Technology Service Provider
    - 1) The Third Party of Service Provider should implement the principal of IT control MEMADAI proved by audit result by independent party.
    - 2) The Third Party of Service Provider should provide the access for the internal auditor Bank, assignment external auditor by Bank, and auditor of Bank Indonesia to collect the data and information needed and reliable.
    - 3) The Third Party of Service Provider should be declared not objection if Bank Indonesia will do the monitoring of the implementation of that service.

- 4) As the affiliated party, service provider party should be able to guarantee the security of all information including the confidential data of Bank and Bank customer.
  - 5) The Third Party of Service Provider only could do the subcontract part of the activities based on the agreement of Bank proved by written document.
  - 6) The Third Party of Service Provider should report to Bank every crisis could cost the significant financial compensate and or disturb the ease of Bank operational.
  - 7) The Third Party of Service Provider should give periodic report the result of Information Technology audit done by independent auditor for the implementation of Data Center, Disaster Recovery Center and or Technology Based Transaction Procession, to Bank Indonesia along with the related Bank.
  - 8) The Third Party of Service Provider should provide evaluated and suffice Disaster Recovery Plan, and
  - 9) The Third Party of Service Provider could accept the possibility of bring to halt the agreement before the period end (early termination).
- (3) The usage of Third Party of Service Provider by Bank as mention in Para (1) should be related to the written agreement which contained the capability of Information Technology Service Provider to implement and or to preserve the activities as mention in Para (2) Letter b.
- (4) Within the position of Information Technology service provider as related party of Bank, Bank should do the selection process and transaction with the Principe of carefulness, risk management and based on the arm's length principle.
- (5) Within the situation as follows:
- a. If the quality work of Information Technology service provider become worst and give the significant impact to the Bank activities;
  - b. If the Information Technology service provider become not solvable, or in the process to liquidation, or to become bankrupt by the court;
  - c. If there is a violation by service provider toward the policy of Bank confidently and obligation to keep confidential customer personal data.
- So Bank should do the activities as follows:
- a. Reporting to Bank Indonesia within 3 (three) workdays after that condition recognize by Bank.
  - b. Decide the continued action will be taken to handling the problem including the termination of using service provider if needed.
  - c. Reporting to Bank Indonesia right after Bank terminates the using of service provider before the period end.
- (6) In case of using the service provider or have a plan to use service provider cause or indicate to cause the monitoring trouble by Bank Indonesia, so Bank Indonesia could:
- a. Order Bank to terminate the use of Information Technology service provider before the end period, or
  - b. Reject the plan of using the Information Technology service provider offered by Bank.

## PART TWO

### IMPLEMENTATION DATA CENTER AND OR DISASTER RECOVERY CENTER

#### Article 19

- (1) Data Center and/or Disaster Recovery Center are established in domestic area.
- (2) In case of implementation Data Center and or Disaster Recovery Center by Bank in abroad, Bank should get approval from Bank Indonesia and fulfilled with certain requirement.
- (3) The approval as mention in Para (2) could be given if Bank fulfilled the requirements as mentioned in Article 18 Para (2) to Para (4) included the additional requirements as follow:
  - a. Bank will report the result of country risk analysis;
  - b. Bank makes sure the implementation of Data Center and/or Disaster Recovery Center abroad will not decrease the effectively monitoring of Bank Indonesia;
  - c. Bank makes sure that Bank confidential information only can be unfolded by the law regulation in Indonesia;
  - d. Bank makes sure that the written approval with the service provider also accommodates the clause choice of law.
  - e. If the Bank is a Foreign Bank Branch Office or Bank owned by Foreign Monetary Institution , so Bank should deliver:
    - 1) Declaration Letter from the monetary institution watch authority abroad that the service provider within its area of monitoring;
    - 2) Declaration Letter of Being Not Objection from the monetary institution watch authority abroad that Bank Indonesia can do monitoring to service provider;
    - 3) Declaration Letter that Bank will report periodically the value result done by Bank Office abroad about the risk management implementation by service provider party;
  - f. Application of approval offered by Bank should deliver:
    - 1) The benefits for Bank more than the risk for Bank
    - 2) The planning of Bank to increase the capability of human resource of Bank which may related with the implementation of Information Technology or business transaction or offering product.

## PART THREE

### IMPLEMENTATION TRANSACTION PROCESSING BY SERVICE PROVIDER PARTY

#### Article 20

- (1) The implementation of transaction processing by service provider can only be done as long as fulfill the principal of carefulness;
- (2) The implementation Information Technology Based on Transaction Processing by the service provider party in domestic area can only be done as long as fulfill the Article 18 Para (2) to Para (4);
- (3) The implementation Information Technology Based on Transaction Processing by the service provider in abroad can only be done as long as get approval from Bank Indonesia;

- (4) The approval as mention in Para (3) could be given if Bank fulfill the requirement as mention in Article 18 Para (2) to Para (4) and Article 19 Para (3) including the requirement as follows:
- a. Pay attention to the customer protection;
  - b. The activity which the processing system deliver to the service provider abroad is not the inherent banking function activity;
  - c. Supporting finance administration document of the transaction in Bank Indonesia should be taken care in Bank office in Indonesia.
  - d. Bank business plan shows there is the effort to increase the rule of Bank in the development of Indonesia economic matters.

#### Article 21

- (1) The planning of using service provider in the implementation Data Center, Disaster Recovery Center and/or Information Technology Based on Transaction Processing should be accommodated in the Information Technology Strategic Plan and Bank Business Plan.
- (2) Bank should report the plan of using service provider in the implementation Data Center, Disaster Recovery Center and/or Information Technology Based on Transaction Processing in domestic area to Bank Indonesia maximum 2 (two) months before the implementation activity by the service provider effectively operated.
- (3) In order to report the implementation of Data Center , Disaster Recovery Center and/or Information Technology Based on Transaction Processing to the service provider abroad, Bank should request approval at least 4 (four) month before the implementation activity by the service provider effectively operated.
- (4) The realization of implementation planning Data Center, Disaster Recovery Center and/or Information Technology Based on Transaction Processing by service provider should be reported at least 1 (one) month after the activity effectively operated.
- (5) Delivery of planning and realization of planning as mention in Para (2), Para (3) and Para (4) done by using the format of Basic Alteration Report.
- (6) The agreement or disagreement of the request as mention in Para (3) given at least 3 (three) months after the request document complete accepted.

## **CHAPTER V**

### **ELECTRONIC BANKING**

#### Article 22

- (1) Bank implement the activity of Electronic Banking should fulfill the requirement conducted by Bank Indonesia.
- (2) Bank should give the education to customer about the product of Electronic Banking and its security matter continually.

## Article 23

- (1) Every plan of Electronic Banking new launching should be accommodate in the Bank Business Plan.
- (2) Every launching plan of Electronic Banking product which transactional should be reported to Bank Indonesia at least 2 (two) month before the product launch.
- (3) The report of launching plan of Electronic Banking product as mention in Para (2) is not effective for Electronic Banking product as there is the requirement of Bank Indonesia which specify the approval requirement of that product.
- (4) The report of the launching plan of product as mention in Para (2) should be fulfilled with the requirement as follow:
  - a. The readiness evidence to implement Electronic Banking at least fill with:
    - 1) Supported organization structure including the monitoring of management;
    - 2) The policy, system, procedure and authority in launching Banking Electronic product;
    - 3) Readiness of Information Technology infrastructure to support the product of Electronic Banking;
    - 4) Analysis result and risk identification to the related risk on Electronic Banking product;
    - 5) Readiness the implementation of risk management specially security control to make sure fulfill the principal of confidentiality, integrity, authentication, non repudiation and availability;
    - 6) The analysis result of law aspect;
    - 7) Description of accounting information system;
    - 8) Costumer protection and education program.
  - b. The analysis business result of the new project 1 (one) year to the fore.
- (5) Delivering the report as mention in Para (2) should be fulfilled with the observation result from independent party to give the opinion about the product characteristic and the sufficiency of Information Technology security system related with the product and also the obedience of the requirement and or international practice.
- (6) In the Information Technology which is used to implement the Electronic Banking activity by service provider, also comes in effect the policy as mention in Chapter IV about The Implementation of Information Technology by Information Technology Service Provider Party.
- (7) Realization of launching planning of Electronic Banking should be reported at least 1 (one) month after the planning has been done using the Information Technology Basic Alteration Report format.

## **CHAPTER VI** **REPORTING**

### **PART ONE** **INFORMATION TECHNOLOGY USAGE REPORT**

## Article 24

- (1) Bank should deliver again the Information Technology Usage Report at least 6 (six) months since this regulation of Bank Indonesia has been occurred.
- (2) Bank should deliver the Information Technology Usage Report at the least 1 (one) month since the last end year report.
- (3) Annually report as mention in Para (2) for the first time delivered in January 2009 for reporting year 2008.

## PART TWO BASIC ALTERATION REPORT

### Article 25

- (1) Bank should deliver the Information Technology Basic Alteration Report at the least 2 (two) months before the alteration effectively operated.
- (2) Bank should deliver the Information Technology Basic Alteration Report at the least 1 (one) month after the alteration effectively operated.
- (3) Product and/or new activities reported in the Information Technology Basic Alteration Planning Report is not necessary reported in the Product Report and New Activities as mention in the regulation of Bank Indonesia about risk management for public bank.

## PART THREE OTHER REPORT

### Article 26

- (1) Bank should report the result of Information Technology audit which is done by the independent party to Data Center and/or Disaster Recovery Center and/or the Transaction Processing Based on Technology which implemented by service provider as mention in Article 18 Para (2) Letter b Point 7 at the least 2 (two) month after the audit finish.
- (2) Bank should deliver the report of the implementation value result of risk management by service provider abroad as mention in Article 19 Para (3) Letter e Point 3 at the least 1 (one) month after the end period of risk appraisal.
- (3) Bank should report the critical moment, misuse, and/or crime during the implementation of Information Technology which can and/or has been caused the significant financial detriment and/or disturbing the smoothness operational of Bank.
- (4) The report as mention in Para (3) should be delivered immediately via e-mail or telephone followed by the written report at the least 7 (seven) workdays after the crisis moment and/or misuse/crime recognized.
- (5) Written report as mention in Para (4) is a part if the Condition Report which potential to cause the significant financial detriment condition as mention in the regulation of implementation risk management for public Bank.

## PART FOUR FORMAT AND ADDRESS TO DELIVERING REPORT

### Article 27

Format and guidance how to make the report as mention in Article 24, Article 25 and Article 26 is accommodated in Bank Indonesia Announcement Letter.

### Article 28

The approval request of using the service provider abroad as mention in the Article 29 and Article 20 and also the delivering report as mention in Article 24, Article 25 and Article 26 is addressed to:

- a. Direktorat Pengawasan Bank (Bank Monitoring Directorate), Jl. MH Thamrin No 2 Jakarta 10350, for Bank in the center area of Bank Indonesia Head Office working area.
- b. Local Bank Indonesia Office, for Bank in outside area of Bank Indonesia Head Office working area.

## **CHAPTER VII**

### **MICELLINOUS**

#### Article 29

- (1) Bank Indonesia could do the monitoring or ask Bank to do monitoring check to the related aspects of using Information Technology
- (2) Bank should establish the access for Bank Indonesia to do monitoring to all aspect related to implementation Information Technology by Bank own self or by other party.

## **CHAPTER VIII**

### **PINALTY**

#### Article 30

Bank which not followed the regulation as mention in this Regulation of Bank Indonesia and the other related requirement of implementation can be given administrative penalty as mention in Article 52 Law Number 7 Year 1992 about Banking which has been changed to Law Number 10 Year 1998, as:

- a. Written warning;
- b. Decreasing the value of wellness as the decreasing of management factor point result of the wellness level.
- c. The freezing of several activities
- d. Named the committee participant in the not pass list through the mechanism of test and fit and proper test.

#### Article 31

Bank which not fulfill the requirement as mention in Article 21 Para (2), Para (3) and Para (4), Article 23 Para (2) and Para (7), Article 24 and Article 25 in this Bank Indonesia Regulation would be get a penalty according to Article 52 Law Number 7 Year 1992 about Banking which has been changed to Law Number 10 Year 1998 as:

- a. Should pay penalty IDR 1,000,000.00 (one million rupiah) per day late per report;
- b. Should pay penalty IDR 50,000,000.00 (fifty million rupiah) per report, to Bank which not deliver yet the report after 1 (one) month after the limit period for reporting.

#### Article 32

Bank delivering un-reliable report with the real condition of Bank would pay penalty IDR 50,000,000.00 (fifty million rupiah) after that Bank accepted 2 (two) warning letter from Bank Indonesia with the compensation period of seven (7) days for each warning and if Bank not fix the report within seven (7) work days after the last warning letter.

## **CHAPTER IX**

### **TRANSFERRING DETERMINATION**

#### Article 33

Bank which already has the policy, procedure of using Information Technology and risk management guidance of using of Information Technology should be adjusted and completed at the least of 12 (twelve) months since this Bank Indonesia Regulation active.

#### Article 34

Bank which already use service provider of Information Technology before this Bank Indonesia regulation active, should adapt the established agreement with this Bank Indonesia Regulation at the least of 12 (twelve) months after this Bank Indonesia Regulation active.

#### Article 35

- (1) Bank when this Bank Indonesia Regulation not active yet has already gave the implementation of Data Center, Disaster Recovery Center and/or Transaction Processing Based on Technology to service provider abroad should deliver re-approval to adjust with this Bank Indonesia Regulation at the least of 12 (twelve) months since this Bank Indonesia Regulation active.
- (2) If Bank not gets any approval from Bank Indonesia as mention in Para (1), Bank should report the action plan to Bank Indonesia.
- (3) Action plan as mention in Para (2) deliver at the least of 3 (three) month from the end period as mention in Para (1) or after not get any approval from Bank Indonesia.

#### Article 36

Bank which not yet has the Information Technology Steering Committee as mention in Article 7 should establish or adjust that committee according to the regulation of this Bank Indonesia Regulation at the least 12 (twelve) months after this Bank Indonesia Regulation active.

### **CHAPTER X**

#### **CLOSING DETERMINATE**

#### Article 37

Other regulations about risk management implementation in the use of Information Technology by Public Bank will be conducted in encyclicals letters from Bank Indonesia.

#### Article 38

With the activation of this Bank Indonesia Regulation so:

- a. Decision Letter of Bank Indonesia Director Number 27/164/KEP/DIR and Encyclicals Letter Bank Indonesia Number 27/9/UPPB each of date 31 March 1995 about the usage of Technology of Information System by Bank;
- b. Decision Letter of Bank Indonesia Director Number 31/175/KEP/DIR and Encyclicals Letter Bank Indonesia Number 31/14/UPPB date 22 December 1998 about the completing Technology of Bank Information System in face of year 2000.
- c. Bank Indonesia Regulation Number 1/11/PBI/1999 date 22 December 1999 about the Special Facility in order to handle the problem of short term monetary for Public Bank because of the problem of Computer in year 2000
- d. Encyclicals Letter Bank Indonesia Number 6/18/DPNP date 20 April 2004 about the implementation of risk management to the activity of Bank Service via internet (internet banking);

has mentioned not active for Public Bank.

#### Article 39

This Bank Indonesia Regulation will be active from 31 March 2008