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Revised P2SK Law Enacted: 17 Key Provisions — From Danantara Bonds to Binding DPR Oversight of BI, OJK & LPS

Enacted 4 June 2026 | 145 articles | All 8 DPR factions unanimous | BI/OJK independence risk | Danantara Bond legal basis | BEI demutualization | OJK super-regulator | IFC Indonesia

Key Provisions	Institutions Affected	DPR Evaluation	New Instruments
17 145 articles | 1,212 DIM reviewed	**BI · OJK · LPS** + Danantara, BEI, banks, insurers	**Binding** Most controversial — independence risk	**Danantara Bonds** Patriot Bond + Merah Putih Bond

KEY TAKEAWAYS

- **Indonesia's parliament officially enacted the Revised P2SK Law on 4 June 2026 — 17 key provisions across 145 articles, following four months of deliberations covering 1,212 DIM.** All 8 factions of Commission XI voted unanimously in favour. Three core clusters: (1) institutional strengthening of BI, OJK, and LPS; (2) development of new financial instruments and markets; (3) resolution of legacy issues. Implementing regulations (PP and POJK) are still forthcoming before all provisions take full effect.
- **Most controversial provision: DPR is now empowered to evaluate the performance of BI, OJK, and LPS with legally binding recommendations.** BI and OJK annual budgets also now require DPR approval. While both institutions formally remain 'independent', the binding evaluation mechanism is the most consequential governance shift in this revision — one that foreign investors and rating agencies will likely monitor closely for any impact on monetary policy credibility, particularly ahead of future election cycles.
- **Two provisions with the most immediate market implications: Danantara Bonds and BEI demutualization.** The revision grants BPI Danantara legal basis to issue special debt instruments — Patriot Bond and Merah Putih Bond — outside the conventional SUN/SBSN framework. Guarantee structure, rating, tenor, and crowding-out impact on conventional government securities remain unpublished and are the key watch items. On BEI demutualization, exchange ownership is now open to the government and state institutions, paving the way for a potential BEI IPO or direct state ownership of capital market infrastructure.
- **OJK becomes a de facto super-regulator with its broadest mandate in history: new oversight of strategic mineral and commodity exchanges, crypto assets (transferred from Bappebti), hajj fund, and Tapera.** A new Chief Executive seat is added to OJK's Board of Commissioners for the Mineral Exchange. An insurance policy guarantee scheme under resolution — mirroring the LPS bank deposit model — addresses legacy Jiwasraya/Bumiputera failures. A joint task force (BI, OJK, PPATK, law enforcement) is established for illegal P2P lending and online gambling. Indonesia's International Financial Centre receives a legal foundation, targeting regional hub status.
- **On banking: commercial and Islamic banks gain flexibility to extend long-term financing, accompanied by a mandatory consolidation roadmap.** The Syariah Restricted Investment Account (S-RIA) expands Islamic banking products. Margin transfer rules strengthen derivatives and repo market infrastructure. MSME bad debt write-off mechanisms address COVID-era NPL legacy. A strengthened bank rehabilitation framework completes the resolution architecture.

17 PROVISIONS — FULL BREAKDOWN

#	Provision / Topic	Key Change from P2SK 2023	Significance / Watch
CLUSTER 1 — INSTITUTIONAL STRENGTHENING			
1	Institutional Reform — LPS	Strengthened as independent state institution; Board selection revised; annual budget now requires DPR approval	*Accountability upgrade — DPR involvement in LPS budget is new*
2	Institutional Reform — OJK	New mandates: mineral exchange, crypto (from Bappebti), hajj fund, Tapera; new Chief Executive added; OJK-LPS coordination strengthened	*OJK super-regulator; capacity to handle expanded mandate is key watch*
3	Institutional Reform — BI	Legal protection for Governors strengthened; annual budget requires DPR approval; policy mix mandate includes real sector and job creation support	*Expanded mandate signals accommodative bias; budget DPR approval is independence concern*
CLUSTER 2 — OVERSIGHT & ACCOUNTABILITY			

4	**DPR Evaluation of BI, OJK & LPS (Binding)**	DPR empowered to evaluate all three institutions; recommendations legally binding on institutions and government	*Most controversial — structurally undermines central bank independence; rating agency watch*
CLUSTER 3 — FINANCIAL MARKET DEVELOPMENT			
5	Banking & Islamic Banking Expansion	Long-term financing permitted (previously short-term only); mandatory consolidation roadmap; S-RIA introduced	*Enables bank participation in infrastructure and project finance; consolidation will pressure smaller banks*
6	**BEI Demutualization**	Ownership opened to government and state institutions beyond member brokers	*Potential BEI IPO or state ownership; governance implications*
7	Margin Transfer in Capital Markets	Formal regulatory framework for derivatives and repo margin transfer	*Deepens market infrastructure; reduces counterparty risk*
8	**Danantara Bonds (Patriot & Merah Putih)**	BPI Danantara authorized to issue special debt outside SUN/SBSN framework	*Guarantee, rating, tenor and crowding-out vs SBN all unpublished — most market-moving*
CLUSTER 4 — CONSUMER PROTECTION & STABILITY			
9	Insurance Resolution Guarantee Scheme	Policy guarantee program for insurers under resolution — mirrors LPS bank deposit model	*Addresses Jiwasraya/Bumiputera legacy; LPS mandate indirectly expanded*
10	Traffic Accident Compensation Fund	Revised governance of mandatory traffic accident insurance fund (SWDKLLJ)	*Administrative update; limited market impact*
CLUSTER 5 — NEW INSTRUMENTS & MARKETS			
11	**Strategic Mineral & Commodity Exchange**	Regulated exchange for nickel, copper, bauxite, coal under OJK supervision	*Directly links to DHE SDA and PP Tata Kelola Ekspor — formalizes commodity pricing*
12	Crypto Assets	Full oversight transfer from Bappebti to OJK	*Centralization risk flagged; OJK approach likely more conservative*
13	Task Force: Illegal P2P Lending & Judol	Joint task force: OJK, BI, PPATK, law enforcement	*Operationally significant; tackles growing financial crime risk*
14	Indonesia IFC	International Financial Centre receives formal legal foundation	*Long-term structural; regulatory and tax framework still TBD*
CLUSTER 6 — LEGACY RESOLUTION			
15	MSME Bad Debt Write-Off	Formal mechanism for write-off of non-performing MSME loans	*COVID-era NPL relief; BUMN bank balance sheet improvement*
16	Financial Sector Enforcement & Restorative Justice	Strengthened OJK enforcement; restorative justice as alternative to criminal prosecution	*Reduces over-criminalization risk for financial disputes*
17	Bank Rehabilitation Framework	Strengthened resolution for banks under intensive/special supervision	*Completes bank resolution architecture; reduces systemic failure risk*

KEY WATCH — 3 CRITICAL OPEN ITEMS

Open Item	Detail & Market Implication
#1 BI/OJK/LPS Independence	Binding DPR evaluation — how this is used in practice determines whether monetary and financial regulatory credibility holds; Moody's, Fitch, S&P may flag in sovereign outlook reviews
#2 Danantara Bond Structure	Patriot Bond and Merah Putih Bond legal basis confirmed — but guarantee mechanism, credit rating, tenor, pricing, and crowding-out vs conventional SBN not yet disclosed; market impact depends entirely on these parameters

#3 OJK Capacity vs Mandate	Adding crypto, mineral exchange, hajj fund, Tapera, carbon exchange to OJK creates supervision sprawl risk; watch for PP/POJK implementation timelines and staffing announcements

Source: DPR RI Plenary Session No. 20, 4 June 2026. Menkeu Purbaya's statement at Komisi XI Raker, 3 June 2026; Ketua Panja Hekal's 17-point report; CNBC Indonesia, Bisnis.com, ANTARA, Liputan6.com (3–4 June 2026). Implementing regulations (PP and POJK) still forthcoming. For informational purposes only.