

POJK 27/2024: A Deep Dive into Indonesia's New Crypto Regulatory Framework

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On 10 December 2024, the Financial Service Authority (*Otoritas Jasa Keuangan* or “OJK”) enacted OJK Regulation No. 27 of 2024 regarding the Operation of Digital Financial Asset Trading Including Crypto Assets (“**POJK No. 27/2024**”), which officially came into effect on 10 January 2025. This represents a significant step in Indonesia's efforts to regulate and streamline the growing digital asset market, especially in crypto assets. POJK 27/2024 aims to foster a more reliable and secure environment for investors by establishing well-defined guidelines for digital asset exchanges, custodians, and other market participants. Additionally, it tackles pressing issues such as fraud, market manipulation, and the risks associated with the volatility of the digital financial asset market. As a result, this regulation is poised to build investor confidence and promote the responsible growth of Indonesia's digital asset market while aligning with global best practices in digital financial asset regulation. In this explanation, we will focus more on key aspects of digital financial asset trading, concentrating specifically on exchanges, clearing institutions, custodians and traders, and how each must comply with POJK No. 27/2024.

Exchange

The exchange of digital financial assets, including crypto assets, was previously done by the Futures Exchange, a business entity that organizes and provides a system and/or facilities for commodity trading activities based on futures contracts, sharia derivative contracts, and/or other derivative contracts. The Future Exchange was supervised by (*Badan Pengawas Perdagangan Berjangka Komoditi* or “**Bappebti**”), where the Futures Exchange was regulated under the regulation No. 8 of 2021 regarding Guidelines for Organizing Physical Market Trading of Crypto Assets on Futures Exchanges as lastly amended by Bappebti Regulation No. 9 of 2024 (“**Bappebti 8/2021**”). As from the enactment of the new OJK regulation, trading in digital financial assets (including crypto assets) will be specifically reserved for the digital financial assets exchange (“**Digital Asset Exchange**”). Unlike the Futures Exchange, which focuses on several futures products, the Digital Asset Exchange will focus on

providing systems and/or facilitating activities related to the trading of digital financial assets including crypto assets and/or providing reports on the trading of digital financial assets.

The establishment of a Digital Asset Exchange requires strict adherence to Indonesia's regulatory framework, which mandates the exchange be formed as a limited liability company (*Perseroan Terbatas* or “**PT**”) composed of at least eleven (11) PTs.¹ A majority of these entities must have a proven track record of at least three years of active involvement in digital financial assets business activities prior to acquiring ownership in the exchange.² Furthermore, any affiliated ownership or capital participation by the Republic of Indonesia is expressly prohibited.³

A Digital Asset Exchange must also meet stringent capital requirements to operate legally. One of the core provisions is the obligation to secure a minimum paid-up capital of IDR 1,000,000,000,000.00 (one trillion Rupiah).⁴ This

¹ Article 18 paragraph (2) of POJK No. 27/2024

² Article 18 paragraph (4) of POJK No. 27/2024

³ Article 18 paragraph (3) of POJK No. 27/2024

⁴ Article 19 paragraph (1) of POJK No. 27/2024

capital must come exclusively from lawful sources, with a clear prohibition on funds linked to money laundering (*Tindak Pidana Pencucian Uang* or TPPU), terrorism financing (*Tindak Pidana Pendanaan Terorisme* or TPPT), or the proliferation of weapons of mass destruction (*Pendanaan Proliferasi Senjata Pemusnah Massal* or PPSPM). Any capital derived from loans or illegal activities is also expressly forbidden, along with other activities prohibited by the Indonesian prevailing laws and regulations.⁵

Furthermore, Digital Asset Exchanges must maintain an equity of at least 80% (eighty percent) of the paid-up capital.⁶

Further to capital requirements, ownership of the Digital Asset Exchange is subject to strict limits. Shares may be held by exchange members, PTs, or individuals, but no shareholder, including related parties, can own more than 20% of the total paid-up capital.⁷ For PTs with foreign capital, their ownership is capped at 10% of the total shares in the Digital Asset Exchange.⁸ Additionally, foreign capital participation across all PT shareholders cannot exceed 40% of the total shares.⁹

In addition to the financial and ownership requirements, operational and governance standards are integral to the legal framework for Digital Asset Exchanges. The exchange is required to employ at least one Certified Information Systems Auditor (CISA) and one Certified Information Systems Security Professional (CISSP) to oversee and secure Digital Financial Asset transactions.¹⁰ The exchange must also establish a monitoring and reporting system to ensure proper documentation and oversight of trading activities. Furthermore, the exchange must create and implement rules governing its operations and form a digital financial asset market committee.¹¹

Governance structures are similarly regulated, with the Board of Directors required to consist of no fewer than three and no more than seven members.¹² The Board of Commissioners must have at least two members, and its size cannot exceed that of the Board of Directors.¹³ All members of both boards must be approved by the Financial Services Authority (OJK),¹⁴ and they are appointed for a term of up to five years, with the possibility of re-election for one additional term.¹⁵

Any changes to the composition of the Board of Directors or Commissioners must be submitted to OJK for approval.¹⁶

Further to the requirements outlined in POJK No. 27/2024 for the establishment of a crypto exchange, the regulation also governs the transition of supervisory authority from the Commodity Futures Trading Supervisory Agency ("**Bappebti**") to the OJK, specifically concerning the licensing and regulatory requirements applicable to exchanges as entities facilitating digital asset trading. Based on POJK No. 27/2024, Futures Exchanges that facilitate crypto asset trading and have obtained licenses, approvals, or registrations from Bappebti shall be recognized as licensed Digital Asset Exchange.¹⁷

However, Digital Asset Exchange license holders must implement certain adjustments to comply with POJK No. 27/2024. These adjustments primarily concern capital requirements and governance structures.

With respect to capital requirements, Bappebti Regulation 8/2021 previously stipulated that a newly established Futures Exchange may initially deposit a minimum capital of IDR 500,000,000 (five hundred million Rupiah).¹⁸ Therefore, if there are any Futures Exchange that has not yet met the IDR 1,000,000,000,000 capital threshold at the time POJK No. 27/2024 comes into effect, then the related Future Exchange must adjust its paid-up capital to comply with the OJK 27/2024 capital requirement of Digital Asset Exchange.

Lastly, with regard to governance, as Bappebti Regulation No. 8/2021 does not set out specific governance structure requirements, it must be noted that the composition of the Board of Directors and Board of Commissioners must align with the stipulations outlined above. Additionally, any changes to the composition of the Board of Directors or Board of Commissioners must be submitted to the OJK for approval.

Clearing

A Clearing and Settlement Guarantee Institution for Digital Financial Asset Trading, often referred to as the Clearing and Settlement Guarantee Institution, is a business entity that plays a crucial role in the digital asset, including cryptocurrencies, trading ecosystem and provides services for the settlement of digital financial asset trading transactions and guarantees completion of

⁵ Article 19 paragraph (3) of POJK No. 27/2024

⁶ Article 19 paragraph (1) of POJK No. 27/2024

⁷ Article 23 paragraph (2) of POJK No. 27/2024

⁸ Article 23 paragraph (4) of POJK No. 27/2024

⁹ Article 23 paragraph (5) of POJK No. 27/2024

¹⁰ Article 20 paragraph (1) point a of POJK No. 27/2024

¹¹ Article 20 paragraph (1) point b to d of POJK No. 27/2024

¹² Article 24 paragraph (1) of POJK No. 27/2024

¹³ Article 24 paragraph (2) of POJK No. 27/2024

¹⁴ Article 24 paragraph (4) of POJK No. 27/2024

¹⁵ Article 24 paragraph (5) of POJK No. 27/2024

¹⁶ Article 24 paragraph (6) of POJK No. 27/2024

¹⁷ Article 1 number 9 of POJK No. 27/2024

¹⁸ Article 5 paragraph (2) point a Bappebti 8/2021

these transactions.¹⁹ A Clearing and Settlement Guarantee Institution is responsible for ensuring the settlement of Digital Financial Asset transactions is carried out in an orderly, fair, transparent, and efficient manner.

Under POJK 27/2024, there are no significant changes to the regulations governing clearing institutions. The previously established requirement for clearing services generally remains in terms of compliance standards, and regulatory oversight. Futures clearing and guarantee institutions engaged in cryptocurrency trading that have received the necessary approvals previously from Bappepti will still be classified as licensed Clearing and Settlement Guarantee Institutions under POJK 27/2024.²⁰

Here, we outline the detailed requirements for a Clearing and Settlement Guarantee Institution in accordance with POJK No. 27/2024:

Entity: ²¹	PT
Capitalization: ²²	<p>The requirement is to have a minimum paid-up capital of Rp500,000,000,000.00 (five hundred billion Rupiah).</p> <p>It must maintain equity of at least 80% (eighty percent) of the paid-up capital.</p> <p>The source of paid-up capital referred to must not originate from: (i) activities related to money laundering (TPPU), terrorism financing (TPPT), and/or the proliferation of weapons of mass destruction (PPSPM), (ii) loans; and (iii) other activities that violate statutory regulations.</p>
Shareholder: ²³	<p>The shares of the Clearing and Settlement Guarantee Institution may only be owned by individuals, stock exchanges, exchange members, PT, and/or the Government of the Republic of Indonesia.</p> <p>If a PT has foreign ownership, that company is only permitted to own a maximum of 10% (ten percent) of the total shares of the Clearing and Settlement Guarantee Institution.</p>

	The total shares of PT with foreign ownership may not exceed 40% (forty percent) of the total shares of the Clearing and Settlement Guarantee Institution.
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According to Article 32 POJK No. 27/2024 a Clearing and Settlement Guarantee Institution must have a Board of Directors consisting of at least three and no more than seven members. Additionally, the Board of Commissioners must have a minimum of two members, with the total not exceeding the number of directors. Members of the Board of Directors are prohibited from holding concurrent positions as commissioners, directors, or employees in other companies, except for nonprofit organizations or institutions.

Candidates for both the Board of Commissioners and the Board of Directors must be submitted to the Financial Services Authority (OJK) for approval. Each member is appointed for a maximum term of five years and may be reappointed for one additional term. In the event of changes in the composition of the Board of Commissioners or Board of Directors, the institution must submit the new candidates to OJK for approval.

Custodian

A Custodian of Digital Financial Assets, including crypto assets, hereinafter referred to as the Custodian, is a business entity that has obtained a business license from the Financial Services Authority to manage the custody of Digital Financial Assets for the purposes of safekeeping, maintenance, supervision, and/or transfer of Digital Financial Assets.²⁴

Under POJK 27/2024, there are no significant changes to the regulations governing custodians. The existing framework for custodial services remains largely unchanged by continuing the previously existed operational requirements, compliance standards, and regulatory oversight.

Additionally, physical cryptocurrency custodians who have secured business licenses, approvals, registrations, decisions, and/or other recognitions from Bappebti will still be formally recognized as custodians after the regulatory transition to POJK 27/2024.²⁵

¹⁹ Article 1 number 9 of POJK No. 27/2024

²⁰ Article 134 of POJK No. 27/2024

²¹ Article 27 POJK No. 27/2024

²² Article 28 POJK No. 27/2024

²³ Article 31 POJK No. 27/2024

²⁴ Article 1 number 11 POJK No. 27/2024

²⁵ Article 134 POJK No. 27/2024

According to Article 38 of POJK 27/2024, a Custodian may be established and owned by Indonesian citizens, Indonesian legal entities, foreign citizens, and/or foreign legal entities. The custodian must have a Board of Directors consisting of at least three and no more than seven members, while the Board of Commissioners must have at least one member and no more than the total number of directors. Members of the Board of Directors are prohibited from holding concurrent positions as commissioners, directors, or employees in other companies engaged in Digital Financial Asset Trading. Candidates for both the Board of Commissioners and the Board of Directors must be submitted to the Financial Services Authority (OJK) for approval. In the event of changes in the composition of the Board of Commissioners or Board of Directors, the custodian must submit the new candidates to OJK for approval.

Here, we further outline the detailed requirements for a Custodian:

Entity: ²⁶	PT
Capitalization: ²⁷	<p>A Custodian applying for a business license from the Financial Services Authority (OJK) must meet the requirement of having a minimum paid-up capital of Rp250,000,000,000.00 (two hundred fifty billion Rupiah). Additionally, the custodian is required to maintain equity of at least 80% of the paid-up capital to ensure financial stability and compliance with regulatory standards.</p> <p>The source of paid-up capital, as referred to in paragraph (1), must not originate from activities related to money laundering (TPPU), terrorism financing (TPPT), and/or the proliferation of weapons of mass destruction (PPSPM). Additionally, the capital must not come from loans or any other activities that violate statutory regulations.</p>

Trader

Traders under OJK Regulation No. 27/2024 are defined as business actors who conduct trading of digital financial assets, whether on their own behalf and/or to facilitate consumers.

POJK 27/2024 sets clear financial and structural obligations for digital asset traders. Traders must operate as a PT with a minimum paid-up capital of Rp100 billion, while maintaining an equity of at least Rp50 billion. However, OJK retains the discretion to impose higher capitalization requirements depending on factors such as market dominance, the number of consumers, transaction volume, and affiliations with other entities that could have a systemic impact. Ownership of trading platforms is also strictly regulated, with shares limited to Indonesian or foreign individuals or entities.

Here, we further outline the detailed requirements for a Trader:

Entity:	PT
Capitalization:	<p>The minimum paid-up capital is Rp100,000,000,000.00 (one hundred billion Rupiah).</p> <p>Traders must maintain an equity of Rp50,000,000,000 (fifty billion Rupiah)</p> <p>Note: the OJK may require a higher capitalization requirement based on the Trader's market dominance, number of consumers, transaction volume and affiliation with other market actors that may have a systemic impact.</p>
Shareholders:	<p>The shares may only be owned by Indonesian or foreign individuals or entities.</p>
Foreign Ownership Restriction:	<p>A foreign citizen or legal entity may only hold shares in 1 Trader in Indonesia.</p>
BOD:	<p>At least 3 directors, the majority being Indonesian citizens and domiciled in Indonesia.</p> <p>The president director must have Indonesian citizenship.</p>
BOC:	<p>At least 2 commissioners with a maximum being the number of directors.</p>

²⁶ Article 35 POJK No. 27/2024

²⁷ Article 36 POJK No. 27/2024

Similar to the requirements under Bappebti, POJK 27/2024 enacts stringent requirements for digital financial asset traders, ensuring that their online trading systems and infrastructure meet specific technical and security standards. Article 46 of POJK 27/2024 mandates that traders maintain an accurate, real-time, and secure trading system compatible with both the Exchange and the Clearing and Settlement Institution. This system must comply with functional standards set by these entities while offering robust protection for consumer transaction and financial data. To guarantee operational resilience, traders are required to implement a business continuity plan, maintain a disaster recovery center located in Indonesia or an internationally certified cloud server, and establish backup infrastructure that mirrors their primary system.

Transaction and financial records must be stored for at least ten years (previously 5 years under Bappebti), while transaction history, balances, and consumer transaction movements must remain accessible for at least six months before being archived. To further enhance system reliability, all trading platforms must undergo audits by an independent institution specializing in information systems, with any deficiencies identified during the audit addressed within three months. Any modifications to the trading system or infrastructure require prior approval from the Financial Services Authority (OJK) to ensure ongoing compliance with regulatory standards.

To ensure transparency and prevent conflicts of interest, the regulation imposes strict limitations on business activities. Digital asset traders are restricted to their designated role and are prohibited from engaging in any business activities beyond those explicitly permitted. According to Article 52, Any partnerships with third parties, including agents or service providers, require prior approval from OJK to maintain oversight of all market participants. A critical safeguard against market manipulation is the prohibition on trading digital assets issued by the traders themselves or their affiliates. Additionally, traders are not permitted to have outstanding receivables with affiliated entities, reinforcing financial independence and accountability.

To further safeguard consumer assets, Article 91 of POJK 27/2024 establishes stringent custody requirements. Traders are responsible for any loss of customer assets under their management and are only permitted to store up to 30% of these assets, with the remaining portion held by a licensed custodian. Of the assets retained by the trader, at least 70% must be kept in cold storage, minimizing exposure to cyber threats. Additionally, customer assets must be segregated from the trader's own funds, ensuring transparency and preventing unauthorized use.

Although traders who have obtain a license from Bappebti will now be formally recognized as a trader under the OJK, and the corporate and operational requirements above remain largely the same as those required under Bappebti, OJK now requires stricter verification processes for traders' customers.

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The article above was prepared by Dentons HPRP's lawyers

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