
Newsletter

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Indonesia's New Payment System Industry Regulations – Key Insights and Considerations



Abi Abadi Tisnadisastra
Partner
abadi.t@morihamada.com



Prayoga Mokoginta
Counsel
prayoga.m@morihamada.com

Introduction

On 24 December 2025, Bank Indonesia issued new regulations governing the payment system industry: Bank Indonesia Regulation No. 10 of 2025 concerning Payment System Industry Regulation ("**Regulation 10**") and Bank Indonesia Board of Governors Member Regulation No. 32 of 2025 concerning Payment System Industry Regulation ("**PADG 32**") to implement it. Both regulations will become effective on 31 March 2026.

The new regulations significantly overhaul Indonesia's payment system framework and introduce various changes relevant to Payment System Providers (*Penyelenggara Sistem Pembayaran* - "**PSP**"), which include Payment Service Providers (*Penyelenggara Jasa Pembayaran* - "**PJP**") and Payment Infrastructure Providers (*Penyelenggara Infrastruktur Pembayaran* - "**PIP**"). Given the breadth of the changes, this edition provides a high-level overview of the key provisions, with more detailed analysis to follow in subsequent editions. Below, we highlight the notable items under both regulations:

- **TIKMI-based Assessment**

Under the new regulations, PSPs will be assessed and classified by Bank Indonesia based on the TIKMI framework (which stands for Transaction, Interconnection, Competency, Management Risk, and IT Infrastructure in Indonesian).

Based on the TIKMI assessment results and other criteria determined by Bank Indonesia, PSPs will be classified as either Primary PSPs (*PSP Utama*) or Non-Primary PSPs (*PSP Selain PSP Utama*). This classification will be used by Bank Indonesia to assess the entire lifecycle of a PSP and will influence the types of activities that PSP can conduct (which is more apparent for PJPs), as well as the level of regulatory requirements applicable to it. Notably, TIKMI will now factor in the calculation methodology for a PSP's ongoing capital requirements as well.

Key implementation timelines:

- First TIKMI assessment results will be determined by Bank Indonesia **no later than 1 April 2027**.
- PSP classification will be established for the first time no later than one year since the effective date of Regulation 10.

- **SBP and RBSP Submission Obligations**

The new regulations introduce a mandatory business planning framework for all Payment System Providers (PSP) through two key documents:

- The Strategic Business Plan (SBP) is a medium term (three-year) strategic plan, covering at minimum: vision, mission, and strategic direction; environmental analysis; management policies and strategies; risk management implementation; strategic business and development plans; and financial projections. The SBP serves as the overarching roadmap for a PSP's payment system operations and development initiatives.
- The Annual Business Plan (RBSP) is a short-term (one-year) business plan, covering supervisory board oversight results; directors' accountability report; any changes to the SBP; realization of the previous RBSP; and business and development plans for the year. Unlike the SBP, the RBSP requires Bank Indonesia approval. This document becomes a governing reference for the PSP's operations during the period: cooperation arrangements and other developments must be included in the RBSP, and Bank Indonesia's approval of the RBSP constitutes approval of the items contained therein.

- **Reorganisation of PJPs' Business Activities and Introduction of Activity Bundling**

Under the new regulations, the business framework governing PJPs undergoes the following overhaul:

- PJPs' business activities have been reorganized as follows:
 - Source of Funds Administration – which covers e-money issuance, card issuance, and payment account management; and

- Payment Transaction Forwarding – which covers payment gateway, acquiring, data forwarding, and remittance services.
- Notably, for fund transfer/remittance activities, the new regulations explicitly differentiate digital from non-digital fund transfer forwarding.

Using the new grouping, Regulation 10 and PADG 32 then introduce the following activity bundling approach for PJP licensing (replacing the previous three-tier licensing categories, i.e., Category 1, 2, and 3):

- Bundle 1 (1A/1B): Source of Funds Administration + Payment Transaction Forwarding (all sub-activities, including digital and non-digital fund transfer);
- Bundle 2: Payment Transaction Forwarding only (data/payment order forwarding + digital and non-digital fund transfer); and
- Bundle 3: Non-digital fund transfer forwarding only.

This aim of BI to issue this new bundling approach is to allow more flexibility to the activities which can be engaged by payment system providers and to be more aligned with international payment system industry practice.

- **Enhanced Supervision over Supporting Providers and Third Parties**

The new regulations introduce a more comprehensive framework for oversight of third-party cooperation. We highlight the notable items below:

- PSPs may cooperate with other PSPs, Supporting Providers,¹ and other parties (including ministries/institutions, affiliates, and/or goods/service providers);
- The new regulations recognize cooperation between PSP and Supporting Providers as outsourcing functions that support payment transaction processing (technical function and IT functions);
- Bank Indonesia will now categorize Supporting Providers “critical”, “important”, and “standard”. Supporting Providers that are categorized as “critical” and “important” must be registered with Bank Indonesia;
- RBSP obligations replace prior risk-based self-assessment for cooperation affecting processing stages: arrangements within a BI-approved RBSP can proceed immediately (subject to TIKMI threshold); arrangement outside requires separate Bank Indonesia approval;

¹Non-exhaustive examples for Supporting Providers provided under Regulation 10 are: (i) provision of technology for payment transaction processing (managed services) which includes the provision of technology services, systems, and/or platforms used by PSP in the implementation of payment transaction processing at the initiation, authorization, clearing, and/or final settlement stages; and/or (ii) provision of technology services for payment transaction processing which includes the provision of authentication features for payment transaction authorization, provision of fraud management technology (fraud management system), provision of cloud computing technology, and provision of card management system.

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- Cross-border cooperation remains subject to Bank Indonesia approval criteria under Regulation 10 (reciprocity, equivalence risk standards, and Indonesian economic benefit; and
 - Other items includes: mandatory contract terms, PSP counterparty due diligence; For PJP-Supporting Provider cooperation, PJP assessment and full responsibility for secure/reliable processing (ongoing monitoring and risk management) and ensuring Bank Indonesia access; and Bank Indonesia's right to request the termination of cooperation.
- **Key Transitional Provisions and Required Adjustments for Existing PSPs**
- The new regulations introduce comprehensive transitional provisions for existing PSPs. The following is a round-up of the key dates, deadlines, and actions required for compliance:
- **Existing License and Evaluation:** Existing PJP licenses and PIP designation will continue to be recognized, although new business development and cooperation will require further approval.
 - **Classification and Bundling:** Bank Indonesia will evaluate a PSP's existing activities/operations and its classification as a basis to determine adjustments to the activity bundling and PSP classifications. The result will be notified to the PSP no later than one year since the effective date of Regulation 10 (i.e., **by 31 March 2027**);
 - **TIKMI Compliance:** Based on Bank Indonesia's TIKMI assessment, existing PSPs that remain non-compliant with the new licensing requirements or TIKMI thresholds must achieve compliance within three years since the effective date of Regulation 10 (i.e., **by 31 March 2029**). Bank Indonesia may grant an additional two-year extension based on certain considerations;
 - **Ongoing Capital Requirements:** Existing PSPs must adjust their ongoing capital calculations to reflect the new TIKMI-based methodology once TIKMI assessments are finalized; and
 - **SBP and RBSP Submission:** The first submission deadline is **30 April 2026**. Until a PSP's RBSP is approved by Bank Indonesia, new activities, product development, and third-party cooperation with third parties remain subject to Bank Indonesia approval requirements.

KEY TAKEAWAYS

Regulation 10 and PADG 32 represent a significant transformation of Indonesia's payment system regulatory framework. PSPs should conduct immediate assessments of their current operations against the new requirements, particularly the TIKMI assessment, business activities (particularly for PJPs, in relation to the newly reorganized business activities and activity bundles), and existing operations in general. PSPs should also keep in mind the implementation timeline of various rules introduced by the new regulations.

Although it may seem like Regulation 10 and PADG 32 replace the previous framework (specifically, Bank Indonesia Regulation No. 22/23/PBI/2020 and Bank Indonesia Board of Governors Member Regulation No. 24/7/PADG/2022), it is important to keep in mind that the existing Bank Indonesia regulations related to PJPs and PIPs remain in effect as long as they do not conflict with the provisions under the new regulations.

If you have any questions in relation to the topic raised in this briefing, please contact the authors listed herein.