

IMPLEMENTATION OF OJK REGULATIONS AND SUPERVISION IN THE COLLECTION OF DEPOSIT FUNDS AT BANKS

**Fikri Ramadan¹, Intan Mesa Juita², Maulydia Anggraini³, Marina⁴,
Ruri Leria Trisha⁵, Tasya Putri Fadilla⁶, Karen Amelia⁷, Aryani⁸,
Aliyyah Oktadyta⁹**

Universitas Islam Negeri Raden Fatah Palembang^{1,2,3,4,5,6}, Politeknik Negeri Sriwijaya⁷,
Universitas PGRI⁸, Universitas Sriwijaya⁹
E-mail: maulydiaanggraini@gmail.com

ABSTRACT

Collection of deposit funds is an important component in banking activities that supports the expansion of the financial industry by providing stability and confidence to depositors. The process of licensing and registering a bank as a body authorized to collect funds, as well as setting rules related to the interest rate period, and customer protection, are all part of the implementation of the Financial Services Authority (OJK). The purpose of this study is to examine how OJK is used and supervised when banks collect deposit funds at banks. The technique used is a literature review and analysis of regulations related to regulations and guidelines issued by the OJK to regulate and supervise the collection of deposit funds in banks.

Keywords: OJK, Collection of Deposit Funds, Banks

INTRODUCTION

Banking includes everything related to banks, including the organization, business activities, methods and processes for conducting business activities. Bank is an institution that collects money from the public in the form of savings and distributes it to the public in the form of credit and/or other forms in order to improve the standard of living of society as a whole. Communities in developed and developing countries really need banks to carry out financial transactions. In both developed and developing societies, banks are considered as safe financial institutions for carrying out various types of financial activities. (Ismael, 2011:29).

Fundraising at the bank can be in the form of current accounts and time deposits, the collection of deposit funds at the bank provides a stable and reliable source of funds for various economic activities,

To overcome the complexities of global finance in facing the coming crisis, it is necessary to establish OJK. Meanwhile, the establishment of the OJK is the government's commitment to financial sector reform in Indonesia. The government has demonstrated high commitment and fulfilled its mandate to implement financial sector reforms.(hanifah, 2019)According to Law Number 21 of 2021 concerning the Financial Services Authority (OJK Law), one way to carry out regulatory and supervisory duties in the banking sector is to collect deposit funds.(Finance, 2020)The Financial Services Authority (OJK) plays an important role in ensuring that banks carry out deposit fund collection activities in accordance with applicable regulations, based on the principles of prudence and transparency.

At this writing, the introduction will review the implementation of OJK regulations and supervision in collecting deposit funds at banks. First, the background to the importance of regulation and supervision in the collection of deposit funds will be discussed, including the risks and benefits associated with this activity. Next, the role of the OJK as a regulator will be described in maintaining stability and trust in the banking sector. Therefore, the author will describe one by one the formulation of the problem regarding:

1. How is the regulation and supervision of the OJK regarding the collection of deposit funds in banks?
2. What is the impact of OJK supervision on the collection of deposit funds in banks?

RESEARCH METHOD

This study uses the method of literature review and concluding findings. This was done because literature sources were obtained from online media information, accredited journals, regulations and policies related to Supervision and Regulation of Deposit Fund Collection by the OJK, as well as other authentic sources.

RESULTS AND DISCUSSION

1. Application of OJK Regulations and Supervision of Collection of Deposit Funds at Banks

Prior to the formation of the Financial Services Authority (OJK), the objective of Bank Indonesia's banking supervision was to create a stable banking system that fulfilled three aspects: first, protecting the public interest, sound and efficient operations, and the ability to fulfill them. Second, to develop adequate savings and be able to provide the services needed by the Indonesian people, and third, to encourage Indonesia's economic development and support monetary policy control to support economic development and achieve monetary policy. Stability, prudence and compliance with various solvency provisions imposed by Bank Indonesia, as well as risk-based supervision which requires banks to determine the risk profile of all of their operational activities, Bank Indonesia conducts supervision in accordance with the bank's risk profile. In the world of banking, this supervision is usually carried out by a banking supervisory authority which is legally in one hand, namely Bank Indonesia. (business license), regulatory power, supervisory power and sanctioning power.

According to the provisions of Law on Bank Indonesia No. 23 of 1999, Article 7-35 affirms, among other things, the following: Bank Indonesia's role is to determine and implement monetary policy. manage and maintain the smooth functioning of the payment system; as well as managing and supervising the Bank. In addition, it was stipulated that Bank Indonesia encourages banking: Expansion, facilitation and management of payment transactions for sight deposits and implementation of interbank settlements. In the world of banking, this supervision is usually carried out by a banking supervisory authority which is legally in one hand, namely Bank Indonesia. (business license), regulatory power, supervisory power and sanctioning power. According to the provisions of Law on Bank Indonesia No. 23 of 1999, Article 7-35 affirms, among other things, the following: Bank Indonesia's role is to determine and implement monetary policy. manage and maintain the smooth functioning of the payment system; as well as managing and supervising the Bank.

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The Financial Services Authority has broad powers, namely making regulations in the field of financial services, granting and revoking permits and other approvals, obtaining periodic reports and information on the financial services industry; impose administrative sanctions, carry out inspections, conduct investigations into violations of laws, provide written directions or orders, appoint statutory managers, require business transfers in order to protect the interests of customers, prevent crimes in the financial sector; and regulate the control of financial institutions. The regulatory and supervisory functions are not fully assigned to the OJK. However, OJK continues to cooperate with BI and has their respective authorities in carrying out regulatory and supervisory functions. Institutional regulation and supervision, health, precautionary aspects, and bank examiners are the scope of microprudential which is the duty and authority of OJK. As for the scope of microprudential regulation and supervision, OJK is coordinating with BI to make a moral appeal to banks.(Antonio, 2007)

In carrying out its supervisory duties, OJK currently implements its supervisory system using two approaches. The first is Compliance Based Supervision (CBS), namely monitoring bank compliance with provisions related to bank operations and management in the past with the aim of ensuring that banks have operated and managed properly and correctly according to prudent principles. -be careful. Supervision of the fulfillment of compliance aspects is an integral part of the implementation of Risk-based Bank Supervision. And the second is Risk Based Supervision (RBS),(Hasanah, 2017)

- a. The legal position of the Financial Services Authority (OJK) is established as an independent institution in carrying out its duties and authorities to oversee the performance of financial institutions, in this case including banking, must be free from interference from other parties. Regulation and supervision of bank institutions, which include:
 1. Permits for establishing banks, opening bank offices, articles of association, work plans, ownership, management and human resources, mergers, consolidations and bank acquisitions, as well as revocation of bank business licenses; And
 2. Bank business activities, among others: sources of funds, provision of funds, product hybridization, and activities in the service sector.
- b. Regulation and supervision regarding bank health which includes:
 1. Liquidity, profitability, solvency, asset quality, minimum capital adequacy ratio, maximum lending limit, loan to deposit ratio, and bank reserves;
 2. Bank reports related to bank health and performance;
 3. Debtor information system;
 4. Credit testing (credit testing); And
 5. Bank accounting standards.
- c. Regulation and supervision regarding aspects of bank prudence, including:
 1. Risk management;
 2. Bank governance;
 3. The principle of knowing your customer.

Except for certain matters which are strictly regulated in Law Number 21 of 2011 concerning the Financial Services Authority (OJK). Article 7 of the Financial Services Authority Law states that, to carry out regulatory and supervisory duties in the banking sector as referred to in Article 6 letter a of the Financial Services Authority Act, the Financial Services Authority has the authority to:

1. Anti-money laundering; And
2. Prevention of terrorism financing and banking crime. The function of the Financial Services Authority as a regulator is to organize an integrated regulatory and supervisory system for all activities in the financial sector. Therefore, all financial services activities (Pikahulan, 2020)

OJK functions in banking regulation and supervision: Licensing for the establishment of banks, opening of bank offices, articles of association, work plans, ownership, management and human resources, mergers, consolidation and bank acquisitions, as well as revocation of bank business licenses Bank business activities, including sources funds, provision of funds, hybridization products, and activities in the service sector Regulation and supervision of bank health which includes: liquidity, profitability, solvency, asset quality, minimum capital adequacy ratio, maximum credit limit, ratio of bank loans to deposits and reserves; bank reports related to bank health and performance; debtor information system; credit testing (credit testing); and bank accounting standards Regulation and supervision regarding aspects of bank prudence, including: risk management; bank governance; know your customer and anti-money laundering principles; and preventing the financing of terrorism and banking crimes; as well as bank checks. (Idris, 2021)

2. The Impact of OJK Supervision on Collection of Deposit Funds at Banks

Deposits are a place for customers to invest in securities. Depositors are called depositors. Each depositor will be rewarded with interest on his deposit. For banks, the interest given to depositors is the highest interest, when compared to current accounts or savings deposits, so that deposits are considered by some banks as expensive funds. The advantage for banks by raising funds through deposits is that the money stored is relatively longer, considering that deposits have a relatively long term and

the frequency of withdrawals is also rare. Thus, the bank can freely reuse these funds for credit channeling purposes.

Another definition of a time deposit is a third party deposit at a bank where withdrawals can only be made after a certain period of time according to an agreement between the third party and the relevant technical bank. Generally, when people refer to deposits, they mean term deposits. These time deposits are issued on behalf of certain depositors so they cannot be transferred or traded. Each time deposit has a definite term, generally 1 month, 3 months, 6 months, 12 months. Each of these time periods has a different interest rate according to the implementing bank's policy. In accordance with the above deposit restrictions, deposits cannot be disbursed before the maturity period. However, if the depositor has an urgent need, (Latumaerissa, 2011)

The deposit function is one of the tools to collect funds from the public and is very useful for the use of credit for banks. So the deposit function has an important role, this is because deposits are a means for banks to mobilize funds from the public. Where later the bank will reuse it and distribute it in the form of credit to the public or in the form of other bank products. This means that deposits are also a way to regulate economic life.

The Financial Services Authority (OJK) is the institution responsible for supervising and regulating the financial services sector in Indonesia, including banking. OJK has had a significant impact on banking in several aspects, including: (Haryono, 2017)

1. Supervision and Regulation:

OJK plays an important role in the supervision and regulation of Indonesian banking. They set policies and regulations that domestic banks have to comply with. The aim is to ensure financial system stability, protect customer interests and prevent risks that could damage the banking system.

2. Licensing Administration:

OJK is responsible for granting business licenses to banks that meet the specified requirements. This licensing process includes assessing capital adequacy, risk management, corporate governance and banking feasibility.

3. Risk management:

OJK encourages banks to implement effective risk management

practices. They provide guidelines and standards for managing risks such as credit risk, market risk, and operational risk. OJK also assesses and monitors banks to ensure their compliance with established risk management standards.

4. Consumer protection:

OJK plays an important role in protecting the interests of bank customers. They encourage customers to have clear and transparent information about the banking products and services they offer, the fees charged and their rights. OJK also has a dispute resolution mechanism between customers and banks.

5. Development of financial inclusion:

OJK aims to increase financial inclusion in Indonesia by ensuring broad access to financial services, including for underserved communities. OJK partners with banks to develop financial products and services that meet the needs of the community and encourage the use of financial technology (fintech) to increase the accessibility of financial services.

The Financial Services Authority is a government institution established under Law Number 21 of 2011 which has the objective of implementing an integrated regulatory and supervisory system for all activities in the financial services sector. OJK is in charge of regulating and supervising financial service activities in all sectors, one of which is regulation and supervision of the collection of deposit funds at banks, therefore OJK supervision of the collection of deposit funds from banks has a significant impact. Some of the impacts are listed below:(Buchori, 2017)

1. Increasing public trust:

OJK supervision gives public confidence that banks that collect deposit funds function properly and can be trusted. This increased public confidence in the banking system and encouraged the public to save their money in banks in the form of deposit funds.

2. Protecting Customers

OJK protects bank customers or consumers by monitoring the collection of deposit funds. OJK monitors the proper use of deposit funds by banks and ensures that banks adequately protect customer funds in accordance with applicable regulations.

3. Promote transparent and fair practices:

OJK supervision encourages banks to apply transparent and fair practices in collecting deposit funds. OJK regulates information obligations that need to be conveyed to customers such as interest rates, time periods and risks associated with deposit funds. This protects customers and ensures they have the information they need to make informed decisions.

4. Risk management:

OJK plays a key role in managing the risks associated with receiving deposit funds from banks. OJK monitors the minimum capital requirements that must be met by banks and conducts regular risk assessments. This helps prevent bank failures and maintains stability in the banking sector.

5. Maintain financial system stability:

OJK supervision of the collection of deposit funds in banks also aims to maintain overall financial system stability. OJK monitors banks and takes preventive measures when there are signs of instability that could affect the health of the banking system and financial system in general.

CONCLUSION

The Financial Services Authority has broad powers, namely making regulations in the field of financial services, granting and revoking permits and other approvals, obtaining periodic reports and information on the financial services industry; impose administrative sanctions, and carry out inspections. Institutional regulation and supervision, health, prudential aspects, and bank examiners are the scope of microprudential which is the duty and authority of the OJK.

Overall, OJK's regulation and supervision of the collection of deposit funds in banks aims to maintain banking sector stability, protect customer interests, and encourage sound banking practices. With clear regulations and strict supervision, it is hoped that the banking system can operate more safely and reliably for the public.

As well as the impact of OJK regulation and supervision on the collection of deposit funds in banks, namely increasing public trust, protecting customers, promoting transparent and fair practices, risk

management, and maintaining financial system stability.

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