HHP Law Firm.

Client Alert

August 2025

Indonesia: OJK issues SEOJK 19/2025 - Sharpening P2P oversight

In brief

On 31 July 2025, the Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") issued OJK Circular Letter No. 19/SEOJK.06/2025 on the Implementation of Information Technology Based Collective Funding Services ("**SEOJK 19/2025**"). SEOJK 19/2025 replaces SEOJK 19/2023, which previously governed peer-to-peer ("**P2P**") lending operations. OJK frames SEOJK 19/2025 as the detailed operationalization of mandates in OJK Regulation No. 40 of 2024 on Information Technology Based Collective Funding Services ("**POJK 40**")[1], intended to bring clearer standards to day-to-day Information Technology Based Collective Funding Services (*Layanan Pendanaan Bersama Berbasis Teknologi* - LPBBTI) operations.

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1. **General meeting of funders (*rapat umum pemberi dana*)**

- SEOJK 19/2025 formalizes the general meeting of funders as a forum used for transparency, oversight, and specific decision-making in the P2P ecosystem. The concept is expressly defined in the circular's general provisions, underscoring OJK's intent that platforms have a structured mechanism to surface issues and take collective decisions where appropriate.
- A meeting may be convened whenever needed at the initiative of the operator, any funder, and/or a recipient (borrower), ensuring that decision-making is not monopolized by the platform and that affected parties can prompt a formal process when circumstances demand it.
- Operators must adopt a written guideline for convening and conducting the meeting. At a minimum, that guideline must set out:
    - Procedures that confirm lenders' rights to attend and vote; allow recipients to attend if needed; enable in-person or electronic meetings; require prior notice within an adequate period; and mandate advance disclosure of the agenda.
    - Mechanics covering the appointment of a meeting chair, the stages of the meeting, and a fair decision-making method.
    - Administrative rules including how meetings are proposed (by operator, lender, or recipient), documentation of proceedings and decisions, cost allocation to the operator, and how the chair is selected and appointed.

2. **Mandatory risk acknowledgment**

Both funders and recipients must now sign standardized risk acknowledgment statements before any transaction can proceed. These templates, provided by OJK, are intended to ensure that all parties fully understand the risks inherent in P2P lending. This is more than a formality. It is a compliance obligation that underscores OJK's emphasis on transparency and informed consent.

[1] Previously, we issued a client alert for POJK 40 which is accessible through this link.

3. **Stricter eligibility and risk controls**

SEOJK 19/2025 introduces a distinction between professional and non-professional funders. Professional funders (those earning more than IDR 500 million annually) may allocate up to 20% of their yearly income to a single platform. Non-professional funders, with income at or below IDR 500 million, face a tighter cap of 10%. On the recipient side, individuals must now demonstrate a minimum monthly income of IDR 3 million and complete the funding process using their own device.

A significant change is the introduction of repayment capacity thresholds for consumptive loans: total obligations cannot exceed 40% of a recipient's income in 2025, and this limit will tighten to 30% starting in 2026. These measures aim to curb over-indebtedness and promote responsible lending practices.

4. **Aggregate limit for related recipients**

- OJK sets a baseline cap of IDR 2 billion on the total funding that can be extended to each recipient across a platform, covering both consumptive and productive facilities. For productive funding, this cap may be increased to IDR 5 billion provided the operator meets defined prudential conditions (e.g., maximum "loss (*macet*)" ratio of 5% over the last six months and no active business-activity sanctions).

- When a platform lends to multiple recipients who are related, the aggregate amount disbursed to all of those related recipients must still respect the same cap (i.e., IDR 2 billion (or up to IDR 5 billion if the productive-funding conditions are satisfied)). Recipients are deemed "related" in two scenarios: (i) they rely on a common income or cash-flow source to service the facilities, or (ii) they have an affiliation relationship as defined by SEOJK 19/2025.

5. **Economic benefits and penalty caps**

- OJK has overhauled the structure for economic benefits and late payment penalties. Instead of flat rates, the new regime imposes daily percentage caps based on loan type and tenor. For example, productive loans of up to IDR 50 million with a tenor of six months or less are capped at 0.275% per day, while consumptive loans of similar tenor are capped at 0.3% per day. Importantly, the total of all benefits and penalties cannot exceed 100% of the principal amount.

Type of Funding	Financing Details	Max Economic Benefit	Max Late Payment Penalty
Productive Funding	Up to IDR 50 million, tenor ≤ 6 months	0.275% per calendar day	0.275% per calendar day
	Up to IDR 50 million, tenor > 6 months	0.1% per calendar day	0.1% per calendar day
	Over IDR 50 million, any tenor	0.1% per calendar day	0.1% per calendar day
Consumptive Funding	Tenor ≤ 6 months	0.3% per calendar day	0.3% per calendar day
	Tenor > 6 months	0.2% per calendar day	0.2% per calendar day

6. **Funding quality rating**

- If there is a misappropriation in disbursement, for example the funding is disbursed to a fund recipient with fake ID or other ID who does not actually benefit from the funding, the P2P operator must downgrade the facility to 'loss (*macet*)'.

- Where a recipient holds multiple facilities, the operator must apply the same rating across all of the recipient's facilities, using the lowest quality among them. Operators may depart from this rule only if (i) the facility with the lowest quality has been written off, (ii) the aggregate value across facilities is below IDR 2 billion, or (iii) the facilities are serviced from different income/cash-flow sources.

- Separate from assigning ratings, operators must publish performance on the platform's main interface (web/app) including the distribution of facilities by quality tier, formatted as percentages (e.g., *lancar* = xx,xx% … *macet* = xx,xx%) and positioned for clear visibility. This information must be updated at least weekly. SEOJK 19/2025 also sets the calculation basis for each percentage: the end-position of facilities in each aging bucket divided by the total end-position, multiplied by 100%.

7. Assignment of funding portfolios

- SEOJK 19/2025 allows a P2P operator to assign (transfer) its funding portfolio to another licensed operator or to a specially established institution if the operator is (i) subject to an administrative sanction limiting its business activities and/or (ii) unable to undergo recovery. This mechanism is designed to preserve continuity for funders and recipients when the originating operator is constrained or failing.

- The assignment mechanism must be expressly set out in the agreement between the recipient of funds and the funder. At a minimum, the clause must cover: (a) notice to users (funders and recipients) that an assignment will occur; and (b) a process to request the recipient's confirmation of approval or rejection of the assignment to the designated transferee. If the recipient does not provide a confirmation within the time period determined by the operator, the recipient is deemed to have agreed to the assignment.

- For loan/funding agreements executed before SEOJK 19/2025 took effect (31 July 2025), the parties must update those agreements to include the assignment mechanism described above within six months of the circular's effective date (i.e., by 31 January 2026).

8. Implementation timeline

Compliance is phased, with several dates already in motion. SEOJK 19/2025 became effective on 31 July 2025, simultaneously revoking SEOJK 19/2023. By 1 January 2026, operators must implement the new eligibility criteria (including minimum age and income thresholds) and risk-acknowledgment requirements for funders and recipients involved in new fundings or extensions. Also by 31 January 2026, pre-existing funding agreements must be updated to include the portfolio-assignment mechanism. From there, the next milestone is 31 July 2026, when additional collateral becomes mandatory for productive facilities exceeding IDR 2 billion. Finally, on 1 January 2027, the non-professional funders' outstanding ratio cap (maximum 20% of total outstanding) takes effect.

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The issuance of SEOJK 19/2025 marks a pivotal step in strengthening governance and consumer protection in Indonesia's P2P lending sector. By introducing detailed operational standards, ranging from eligibility and pricing caps to disclosure and risk-management obligations, OJK aims to enhance transparency and reduce systemic risk. With phased deadlines and ongoing reporting requirements, early preparation will be critical for operators to maintain compliance.

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