

## Updates



October 2016

### Updates - Circular Letter of Financial Services Authority No. 44/SEOJK.05/2016 on Criteria of Appointment and Determination of the Usage of Statutory Manager, and Termination and Replacement of Statutory Manager for Insurance Companies, Sharia Insurance Companies, Reinsurance Companies and Sharia Reinsurance Companies

The Financial Services Authority ("**OJK**") issued this circular letter on 4 October 2016 as an implementation of Article 2 paragraph (6) and Article 12 paragraph (3) of OJK Regulation Number 41/POJK.05/2015 on Appointment Procedure of Statutory Manager in Financial Services Institutions. We set out below a brief summary of the circular letter.

The OJK may determine and appoint statutory manager for a company if the company meets one of the conditions provided in the circular letter, e.g., the financial condition of the company could be detrimental to the interests of the consumers, the financial services sector and/or shareholders. The appointed statutory manager, which can be an individual or a legal entity that fulfils the requirements, will prepare a work and budget plan to execute their duties. The use of statutory manager will be terminated if the OJK decides that the usage is no longer necessary or if the business license of the company is revoked.