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SCHOOL OF POLITICAL AND SOCIAL SCIENCE
Bandar Lampung University, Indonesia

Icon-LBG 2016

The Third International Conference on Law, Business and Governance

PROCEEDINGS

Hosted by
Faculty of Law, Faculty of Economics and Faculty of Social Science
Bandar Lampung University (UBL)



Icon-LBG 2016

THE THIRD INTERNATIONAL CONFERENCE
ON LAW, BUSINESS AND GOVERNANCE 2016

20, 21 May 2016
Bandar Lampung University (UBL)
Lampung, Indonesia

PROCEEDINGS

Organized by:



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PREFACE

The Activities of the International Conference are in line and very appropriate with the vision and mission of Bandar Lampung University (UBL) to promote training and education as well as research in these areas.

On behalf of the Third International Conference on Law, Business and Governance (3th Icon-LBG 2016) organizing committee, we are very pleased with the very good response especially from the keynote speaker and from the participants. It is noteworthy to point out that about 46 technical papers were received for this conference.

The participants of the conference come from many well known universities, among others : International Islamic University Malaysia, Unika ATMA JAYA, Shinawatra University, Universitas Sebelas Maret, Universitas Timbul Nusantara, Universitas Pelita Harapan, Universitas Bandar Lampung, Universitas Lampung.

I would like to express my deepest gratitude to the International Advisory Board members, sponsor and also to all keynote speakers and all participants. I am also grateful to all organizing committee and all of the reviewers who contribute to the high standard of the conference. Also I would like to express my deepest gratitude to the Rector of Bandar Lampung University (UBL) who give us endless support to these activities, so that the conference can be administrated on time

Bandar Lampung, 21 May 2016

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LEGAL STANDING OF FINANCIAL SERVICES AUTHORITY (FSA) AS SUPERVISION OF BANKS INSTITUTIONS IN INDONESIA

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Abstract

The presence of Financial Services Authority (FSA) in the development of the financial sector in Indonesia is expected to help the activities of financial institutions, especially in banking, so that the regulation of financial services activities can be implemented well and have a positive impact for economic development in Indonesia. The weakness of bank supervision is one of the main causes of mismanagement bank that eventually led to bank failures. Bank has a special position as an institution of trust as its main business is to funding from and lend to the public. The problem in this research is how the legal standing of FSA in performing its functions as the National Institute of Banking Supervisors of the economic development of Indonesia? and How Legal Relationship between the FSA and Bank Indonesia as the Central Bank in Indonesia?.The research method used is Juridical Normative and Empirical Approach, The data used is secondary and primary data,analysis of the data used is Juridical Qualitative. Based on the results of research it is known that, Legal Standing of FSA is an Independent Institute, organized regulation and supervision of banking macroprudentialsystem. Regulation and supervision of the institutional, health, aspects of prudential and bank checks is a scope of the regulation and micro prudential supervision of the duties and authority of the FSA. Legal Relationship between the FSA and Bank Indonesia as the Central Bank in Indonesia, perform coordination and cooperation with Bank Indonesia, especially in terms of handling Problem Bank in line with Bank Indonesia function as a lender of last resort, in the case of the FSA indicates certain banks experiencing liquidity difficulties and/or worsen health conditions, FSA inform the Bank Indonesia to take steps in accordance with the authority of Bank Indonesia.

Keywords: FSA, Development and Supervision, Banking Institutions

1. INTRODUCTION

Financial Services Authority (FSA) is a new institution which was established pursuant to Act Number 21 of 2011. This institute was established to conduct supervision on the financial services industry in an integrated manner. In accordance with the contents of Article 1 paragraph 1 of Act Number 21 of 2011, that the FSA is an independent institution and free from interference by other parties, which has the functions, duties, and authority to regulate, control, inspection, and investigation as stipulated in this Act. Furthermore, with the FSA, supervision of all financial services industry are united under one roof, namely banking, capital markets, insurance, pension funds, non-bank financial institutions. The Act only excludes futures trading industry course of supervision the FSA.

FSA has a purpose, functions, duties and authorities in performing his duties as an institution that regulates and oversees nearly all of the financial services sector in Indonesia. Article 4 of Act FSA stating the purpose of the establishment of the FSA is to the overall activities in Indonesia in the financial services sector can:organized regularly, fair, transparent, and accountable; able to realize a financial system that grows in a sustainable and stable and capable of protecting the interests of consumers and the public. Through these objectives, the FSA is expected to support the national interests of the financial services sector so as to improve national competitiveness. In addition, the FSA should be able to safeguard national interests, include the following human resources, management, control, and ownership

in the financial services sector, especially banking services, taking into account the positive aspects of globalization.

Banking Condition which is not good are usually also supported by several weaknesses of internal factors of banking institutions among others, the interference excess of bank owners, poor management of the bank and the neglect of the prudential banking principles by the businesses in banking institutions. Bank capital has worsened due to continuous losses of the banks as a result of the negative spread and the continuing decline in the quality of bank assets. In addition, the liquidity of banks also were in poor condition as a result of a recovery yet public confidence in the national banking system that has led to the dependence of banks on the Bank Indonesia Liquidity Support.

Consider the impact and losses of such large about the economy of a country as a result of the instability financial system as well as steps to the crisis resolution that takes a long time, then the stability of the financial system including banking institutions, its function is optimized and the necessary effective and comprehensive coordination. Conditions and problems that exist today in Indonesia, among others, not maximal concepts of thought in legal and institutional framework of each of the institution and overall responsibility in maintaining the stability of the financial system, especially the banking institutions.

The practice of banking business is based on trust. In addition, banking institutions in the operational activities are based on the *prudential banking principle*. The provisions on *prudential banking principle* at this time referring to international standards, and to encourage the development of banking since 1995 to implement a policy of self-regulatory banking. Under the policy, the banking institution that is given the authority and responsibility to establish internal operational policies and procedures based on *prudential banking principle*.¹

The banking system is a system that are inextricably linked to one another. The failure of a bank is not only causing problems in individual banks only. However, bank failures can cause a domino effect in the banking industry. Because the bank provides a means of payment, then the failure in the banking sector (bank failure) in turn will cause a failure in the corporate sector (corporate failure) where there is a bottleneck in the settlement of payments (payment settlement).² As a result of failures in the sector can have a negative impact on the entire system (systemic risk), then the failure of a bank can cause problems in the banking system as a whole and can lead to the withdrawal of massive funds to healthy banks.

In the existing rules, the authority to declare a troubled bank and eventually became a fails bank, although it has been repeatedly rescued, carried out by the FSA in coordination with Bank Indonesia as the Central Bank also with the Indonesia Deposit Insurance Corporation (IDIC). As the banking authorities, the FSA is now also eligible declare a failed bank should be saved or off course. In the event that the bank fails to be saved, then the systemic criteria must be met. That is, if the bank made "complete failure", then the impact would be enormous.

2. ISSUES

Issues of this research are:

- a. How the Legal Standing of the Financial Services Authority (FSA) to perform its function as the National Institute of Banking Supervisors of the economic development of Indonesia?
- b. How Legal Relationship between the Financial Services Authority (FSA) with to the Bank Indonesia as the Central Bank in Indonesia?

3. METHOD

3.1. Approach Of Problems

This Research Uses Normative Juridical Approach That Approach Is To Examine The Rules, Norms, Rules, Related To The Problem To Be Studied. The Approach Was Made By Means Of A Library Research, To Collect A Variety Of Legislation, Theories And Literature Are Closely Related To The Issues To Be Examined. Then Used Also Approach Empirically, The Approach To See, Learn, And Understand The Reality And Practice In The Field Within The Scope Of Banking Law, Then Research Through Observation And Interviews With Resource Persons On The Object Of Research Related To The Legal Standing Of The Financial Services Authority (Fsa) As An Institute National Banking Supervisors In Indonesia.

¹ William A. Lovett & Joseph Merrick Jones, *Banking and Financial Institutions Law*, In A Nutshell, Third Edition, West Publishing, St. Paul, Mian, 1992, pg. 47.

² Sunarsip dan Suyono Salam, *Analisa atas Deregulasi, Krisis, dan Restrukturisasi Perbankan Di Indonesia*, Jurnal Keuangan Publik Volume I/Nomor 1 – September 2003, Badan Pendidikan dan Pelatihan Keuangan, Departemen Keuangan Republik Indonesia.

3.2. The Source And Types Of Data

The Data Used In This Research Include Secondary And Primary Data :

- A) Secondary Data, Is : The Data Obtained Through Library Research. This Data Was Obtained By Studying, Reading, Quote; Analyze Literature, Principles And Theories Teoti Laws And Regulations Relating To The Subject Matter Of This Research. Furthermore, Secondary Data In This Study Consists Of Three (3) Legal Materials, Is :
1. Primary Law Material : Is A Binding Legal Materials In The Form Of Regulations. In This Paper The Primary Legal Materials Used Are:
 - a. The Act Number 7 Of 1992, As Most Of The Articles Have Been Changed And Added By Act Number 10 Of 1998
 - b. The Act Number 23 Of 1999 As Amended And Supplemented By Act Number 3 Of 2004 And Last Amended By Act Number 6 Of 2009 Concerning Bank Indonesia (Bi)
 - c. The Act Number 21 Year 2011 On The Financial Services Authority (Fsa)
 - d. The Financial Services Authority Regulation Number 1/ P.Ojk.07 / 2013 On Consumer Protection Financial Services Sector
 2. Secondary Law Materials, Are : Legal Material Which Provides An Explanation Of The Primary Legal Materials Such As Literature And Scientific Papers Related To Research Problems.
 3. Tertiary Law Materials, Are : Legal Materials That Provide Instructions And Explanations Of The Primary And Secondary Law Materials.
- B) Primary Data, Namely: Primary Data Is Data Obtained Directly From The Field. Acquisition Of Primary Data From Field Research Conducted By Observation, An Interview, As Well As The Submission Of A List Of Questions To The Resource. The Primary Data Is Supporting To Complete The Secondary Data.

3.3. Collection And Processing Data Procedures

1. Collecting Data Procedures

To Complete The Data In Order To Test The Results Of This Study, Collection Data Procedures Used Secondary And Primary Data. Secondary Data Collection, Done By Organizing A Library Research. Literature Study For The Purpose Of Obtaining The Direction Of Thought And Purpose Of The Research Done By Reading, Quoting, And Literature Analyzes And Legislation As Well As Reading Materials Other Scientific Related Issues To Be Discussed.

While The Primary Data Collection, Done By Conducting Interviews Using A Questionnaire Which Is Open. Interviews Using Purposive Sampling Technique, Which Determines The Resource Persons Who Will Be Interviewed Related To The Object Of Study And Understand The Problems Of Research. With Research Sites In Bank Indonesia Representative Office Of Lampung Province, Financial Services Authority (Fsa) Representative Office Of Lampung Province.

2. Processing Data Procedures

After The Data Is Collected, The Next Step Doing Processing Activities Data, Ie Activities Trims The Data From The Data Collecting Secondary And Primary Data, So It Is Ready To Be Analyzed. This Activity Is The Data Selection, Data Classification Or Grouping Of Systematically Data.

3.4. Data Analysis

The Process Of Data Analysis Is A Follow Up Of The Data Processing In Which All The Data Collected On The Whole In The Form Of Literature Study And Field Study, Then Analyzed By Juridical Qualitative, Is Describing The Problem Based Research And Discussion In The Form Of An Explanation Or Description Of Sentence By Sentence Arranged Systematic, Subsequent Conclusions Drawn Deductively To Answer The Research Problems.

4. Discussion

4.1. Legal Standing Of Financial Services Authority (Fsa) Undertaking Function As The National Institute Of Banking Supervisors Of The Indonesian Economic Development

The Intermediation Function Held By Various Financial Service Institutions, Especially The Institute Of Banking In Its Development Has Contributed Significantly In The Provision Of Funds For Financing The Construction Of The National Economy. Therefore, The State Continues To Give Serious Attention To The Development Activities Of The Financial Services Sector, By Seeking The Establishment Of The

Regulatory Framework And Supervision Of The Banking Services Sector Integrated And Comprehensive.

The Process Of Globalization In The Banking System And The Rapid Advances In The Field Of Information Technology And Financial Innovation Has Created A Banking System That Is Highly Complex, Dynamic, And Interconnected Between-Sectors Both In Terms Of Financial And Institutional Products. In Addition, The Financial Services Institutions In The Banking Sector Which Has Ownership Ties In Various Subsectors Of Financial (Conglomerate) Has Been Added To The Complexity Of The Transaction And Interaction Among Institutions Of Banking Services In The Financial System.

The Number Of Cross-Cutting Issues In The Banking Services Sector, Which Includes Acts Of Moral Hazard, Not Optimal Protection Of Consumers Of Banking Services, And Disruption Of The Stability Of The Financial System Increasingly Pushing The Need For The Establishment Of Supervisory Agencies In An Integrated Financial Services Sector. Supervision In The Banking Field Is Necessary Because Of The Potential Moral Hazard (Misappropriation/Misuse) By The Banking Agents Which Can Have A Negative Impact On The Economy. The Economic Theory Shows That The Moral Hazard Caused By Asymmetric Information. The Asymmetric Information Is A Condition In Which The Information Is Not Distributed Evenly Among Economic Actors. *Asymmetric Information Causes Two Things, Ie Moral Hazard And Adverse Selection.*

Financial Services Authority (Fsa) Is A New Agency Established Under Act Number 21 Of 2011. This Institute Was Established To Supervise The Financial Services Industry In An Integrated Manner. The Act Of Fsa Basically Contains Provisions Concerning The Organization And Governance Of The Agency That Has Regulatory Authority And Supervision Of The Financial Services Sector. Whereas The Provisions On The Types Of Financial Products, The Scope And Limits Of The Activities Of Financial Institutions, The Qualifications And Criteria For Financial Services Institutions, Soundness And Setting Prudential As Well As The Provision Of Supporting Services, Financial Services And Others Concerning Transactions Financial Services Regulated In Separate Sectoral Act, Is The Law On Banking, Capital Markets, Insurance Business, Pension Funds, And Other Legislation Related To Other Financial Services.

Fsa Was Formed With The Aim That The Overall Activity Of Financial Services In The Financial Services Sector Held Regularly, Fair, Transparent, And Accountable, And Able To Realize A Financial System That Is Growing In A Sustainable And Stable, And Capable Of Protecting The Interests Of Consumers And The Public. With These Objectives The Fsa Is Expected To Support The National Interests Of The Financial Services Sector So As To Improve National Competitiveness. In Addition, The Fsa Should Be Able To Safeguard National Interests, Among Others, Human Resources, Management, Control, And Ownership In The Financial Services Sector, Taking Into Account The Positive Aspects Of Globalization.

Fsa Was Formed And Based On The Principles Of Good Governance, Which Includes The Independence, Accountability, Responsibility, Transparency, And Fairness. Institutionally, The Fsa Is Outside The Government, Which Meant That The Fsa Is Not Part Of The Power Of The Government. However, Do Not Close The Possibility Of The Existence Of The Elements Of Representative Government Because Essentially The Fsa Is An Authority In The Financial Services Sector That Has Strong Relationships And Linkages With Other Authorities, In This Case The Fiscal And Monetary Authorities. Furthermore, The Explanation Of The Fsa Act States That The Fsa In The Performance Of Its Duties Outside Of Government. So, Should Not Be Affected By The Government (Independent). Thus, It Shows That The Institutional Status Of The Fsa Is An Independent Institution In Carrying Out Its Duties And Authorities, Thus Legally Free From Interference By Other Parties, Except For The Things That Are Not Explicitly Regulated In Fsa Act.

The Independence Of The Fsa Is Reflected In The Leadership Of The Fsa. In An Individual, The Fsa Leaders Have The Assurance Of Tenure And Can Not Be Dismissed, Except Under Grounds Expressly Provided In This Act. In Line With The Principles Of Governance And The Principles Of Transparency And Accountability, The Fsa Has A Structure With The Principle Of "Checks And Balances". It Is Manifested By A Clear Separation Between The Functions, Duties, And Powers Of Regulation And Supervision. Functions, Duties, And Authority To Regulate And Oversight Carried Out By The Board Of Commissioners Through A Clear Division Of Tasks For The Attainment Of The Fsa. Furthermore, The Fsa Has A Purpose, Functions, Duties And Authority In Performing His Duties As An Institution That Regulates And Oversees Nearly All Of The Financial Services Sector In Indonesia. Article 4 Of The Act Fsa Stating The Purpose Of The Establishment Of The Fsa Is To The Overall Activities In Indonesia In The Financial Services Sector Can :

- a. Held Regularly, Fair, Transparent, And Accountable.
- b. Able To Realize A Financial System That Grows In A Sustainable And Stable.
- c. Capable Of Protecting The Interests Of Consumers And Society.

Through These Objectives, The Fsa Is Expected To Support The National Interests Of The Financial Services Sector So As To Improve National Competitiveness. Article 5 Of The Act Fsa Explained The Function Of The Fsa Hosting The Regulatory And Supervisory System That Is Integrated To The Overall Activities In The Financial Services Sector. Further Provisions Of Article 6 Of The Fsa Act States That, Fsa Regulation And Supervision Duties To:

- a. Financial Services Activities In The Banking Sector.
- b. Financial Services Activities In The Capital Markets Sector.
- c. Financial Services Activities In Insurance, Pension Funds, Financial Institutions, And Other Financial Institutions.

One Role Of The Fsa Against Financial Sector Regulation And Supervision Of Financial Services In The Banking Sector, To Carry Out The Task Of Managing And Supervising Activities Of Financial Services In The Banking Sector, The Fsa Has The Authority In Terms Of Regulation And Supervision Of The Institutional, Health, As Well As Prudential Bankaspects. Fsa Relevant Authority In The Regulation And Supervision Of The Institution Is A Bank, Include:

- a. Licensing For The Establishment Of Banks, Opening Bank Offices, The Basic Budget, Work Plan, Ownership, Management And Human Resources, Mergers, Consolidations And Acquisitions Of Banks, As Well As The Revocation Of The Business License Of The Bank.
- b. The Business Activity Of Banks, Among Other Sources Of Funds, Provision Of Funds, Hybridization Product, And Activity In The Services.

Provisions Of The Fsa Authorized The Regulation And Monitoring Of The Health Of Banks Include:

- a. Liquidity, Profitability, Solvency, Asset Quality, Capital Adequacy Ratio Minimum, Lending Limits, The Ratio Of Loans To Deposits, And Bank Reserves.
- b. The Bank Statements Related To The Health Of The Bank's Performance.
- c. Debtor Information System.
- d. Testing Credit.
- e. Bank Accounting Standards.

Fsa Authorized In Terms Of Regulation And Supervision Of The Prudential Aspects Of Banks Include:

- a. Risk Management.
- b. Governance Of The Bank.
- c. The Principle Of Know Your Customer And Anti-Money Laundering.
- d. Prevention Of Terrorism Financing And Banking Crimes
- e. Bank Examination.

Currently In Indonesia, Which Is Required To Be The Focus Of Attention Is To Make Sure That The Fsa Can Answer The Weaknesses In The Supervision Of The Old Models. Judging From Some Of The Reality That Occurs In Various Countries Above, It Can Be Concluded That The Establishment Of Similar Institutions The Fsa In Some Countries Is Not Fully Effective, Even Always Problematic In Terms Of Independence And Coordination For No Good Corporate Governance In The World Of Finance And Banking. There Are Four Main Components Needed In The Concept Of Good Corporate Governance, Namely Fairness, Transparency, Accountability, And Responsibility. The Fourth Component Is Essential For The Implementation Of Good Corporate Governance Principles Consistently Proven To Improve The Quality And Also Can Be A Barrier Performance Engineering Activity That Resulted In Financial Reports Did Not Describe The Fundamental Value Of The Company. In Addition It Should Be Noted Also The Coordination And Sharing Of Information Both Among The Relevant Institutions, It Certainly Needs To Also Be Considered In View Of Much Better Cooperation And Coordination Among The Institutions That Are Responsible For Maintaining The Stability Of The Financial System Will Greatly Affect The Management The Crisis And Also Affect The Achievement Targets Or Monetary Targets To Be Achieved.

4.2. Legal Relationship Between The Financial Services Authority (Fsa) With Bank Indonesia As The Central Bank In Indonesia

Regulation Of Bank Indonesia Mandate Creation Institutions Supervision Of Banking Services Sector (Isbs) At The Latest Carried Out On December 31, 2010, The Establishment Of Institutions Supervision Of Banking Services Sector (Isbs) Is An Implementation Of Article 34 Of The Act Number 3 Of 2004

On Bank Indonesia, Including The Transfer Of Oversight Duties Of Bank Indonesia The Agency That.³ Under The Provisions Of Article 34 Of Act The Regulation Of Bank Indonesia There Is The Division Of Tasks In Carrying Out Banking Supervision, Namely The Task Of Organizing The Bank Implemented By Bank Indonesia, While The Task Of Supervising Banks Is Conducted By Institutions Supervision Of Banking Services Sector (Isbs).⁴ When Viewed From The Systematic Regulation Of Bank Indonesia Article 34 Of The Regulation Of Bank Indonesia Within The Scope Of Chapter Vi Namely About Task Manage And Supervise Bank, While The Scope Institutions Supervision Of Banking Services Sector (Isbs) Not Limited Only To Supervise The Banks, But Also The Supervision Of Other Bodies Which Are Not The Authority Of The Indonesian Banks Such As Insurance Companies, Pension Funds, Securities, Venture Capital, Finance Companies, And Other Entities Operating In The Management Of Public Funds.⁵

In Order To Maintain The Stability Of The Financial Sector, The Fsa Shall Coordinate With Bank Indonesia, The Ministry Of Finance, And The Indonesia Deposit Insurance Corporation (Idic). Coordination Among Relevant Institutions Is Done Of Course To Support The Financial Sector And To Realize The System Is Stable And Sustainable. Diversion The Regulation And Supervision Of Banking Activities Of Bank Indonesia To The Act Fsa Must Raise A Legal Relationship, Cooperation, And Coordination Among Institutions, In This Case The Fsa As A Supervisory Authority With Bank Indonesia As The Central Bank. Forms Of Such Cooperation Could Take The Form Of Data Sharing (Data Exchange), As Well As The Field Of Human Resources.

Regarding The Legal Relationship Between The Fsa And Bank Indonesia, Which In The Case Of Bank Indonesia To Perform The Functions, Duties And Powers And Require Special Examination Of A Particular Bank, Bank Indonesia May Conduct Examination Directly To The Bank By Submitting A Written Notice Prior To The Fsa. Basically, An Examination Of The Bank Authority Is The Authority Of The Fsa. But In The Case Of Bank Indonesia Implements The Functions, Duties, And Authorities Need Information Through Examination Of The Bank, Bank Indonesia May Conduct Examination Directly To Specific Incoming Bank Systemically Important Banks And/Or Other Banks In Accordance With Authority Of Bank Indonesia In The Field Of Macprudentials. To Facilitate The Examination By Bank Indonesia, A Written Notice Shall Contain At Least Intended Purpose, Scope, Duration, And Mechanisms. In The Case Of Bank Indonesia Conduct Such Checks Can Not Provide An Assessment Of The Soundness Of The Bank, An Assessment Of The Soundness Of Banks Fall Under The Authority Of The Fsa.

Furthermore, The Achievement Of Monetary Targets, The Fsa Also To A Form Of Coordination Of Cooperation With Bank Indonesia In Terms Of Handling Troubled Banks And Functions Of Bank Indonesia As A Lender Of The Last Resort, In Case The Fsa Indicates Certain Banks Experiencing Liquidity Difficulties And/Or Health Conditions Worsen, The Fsa Informed The Bank Indonesia To Take Steps In Accordance With The Authority Of Bank Indonesia. What Is Meant By Steps In Accordance With Authority Of Bank Indonesia In This Regard Is The Provision Of Short-Term Financing Facility In Bank Indonesia Function As A Lender Of The Last Resort.

Lender Of Last Resort Is The Provision Of A Loan Facility To Banks Experiencing Liquidity Problems And Serves To Prevent A Systemic Financial Crisis. In Carrying Out The Functions Referred To Bank Indonesia May Conduct Examination Of The Bank And Give Notice In Writing To The Fsa. In Conducting The Field Of Banking Regulation And Supervision In Addition To The Fsa Coordination And Cooperation With With Bank Of Indonesia, Of Course, Must Also Perform Some Form Of Coordination With The Indonesia Deposit Insurance Corporation (Idic) In Carrying On The Task Of Regulation And Supervision Performed By The Fsa. Article 41 The Act Of Fsa Numbers (1) Describes The Form Of Coordination Made By The Fsa Conducted With The Indonesia Deposit Insurance Corporation (Idic) In Which The Fsa Inform The Indonesia Deposit Insurance Corporation (Idic) Of The Troubled Banks That Are In The Attempt To Rescue By Fsa. Regarding The Protocol Coordination Fsa With Other Institutions, To Maintain The Stability Of The Financial System, Formed The Coordination Forum Of Financial System Stability With Members Consisting Of The Minister Of Finance, The Governor Of Bank Indonesia, Chairman Of The Board Of Commissioners Fsa, And Chairman Of The Board Of Commissioners Of The Indonesia Deposit Insurance Corporation (Idic) Each Representing Institutions Lead. Decision Making In The Meeting Of The Coordination Forum Of

³Zulfi Diane Zaini, *Independensi Bank Indonesia dan Penyelesaian Bank Bermasalah*, CV Keni Media, Bandung, 2012, pg 157

⁴*Ibid*, pg. 158

⁵*Ibid*, pg. 159

Financial System Stability Based On Consultation And Consensus, The Decisions Are Binding On All Members Of The Forum.

5. Conclusion

Based On The Results Of Research And Discussion That Has Been Described Previously, It Can Be Concluded As Follows : The Legal Status Of The Fsa As A Banking Supervisory Agency In Indonesia As An Independent Institution Hosting The Microprudential Regulatory And Supervisory System. Regulation And Supervision Of The Institutional, Health, Aspects Of Prudential And Bank Checks The Scope Of The Regulation And Microprudential Supervision Of The Duties And Authority Of The Fsa. The Scope Of Macroprudential Regulation And Supervision, The Duties And Authority Of Bank Indonesia. In The Framework Of Macroprudential Regulation And Supervision, The Fsa Help Bank Indonesia To Conduct Moral Suasion To Banks.

Then, The Legal Relationship Between The Fsa And Bank Indonesia Is, Where In The Case Of Bank Indonesia In Carrying Out The Functions, Duties And Powers And Require Special Examination Of The Particular Bank, Bank Indonesia May Conduct Examination Directly To The Bank That Entered Systematically Important Bank, By Giving Notice In Writing Prior To The Fsa. The Achievement Of Monetary Targets, The Fsa Also To A Form Of Coordination Of Cooperation With Bank Indonesia In Terms Of Handling Troubled Banks And Functions Of Bank Indonesia As A Lender Of The Last Resort, In The Case Of The Fsa Indicates Certain Banks Experiencing Liquidity Difficulties And/OR Health Conditions Are Getting Worse, Fsa Informed The Bank Indonesia To Take Steps In Accordance With The Authority Of Bank Indonesia.

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