

PRINCIPLES OF CODE OF CONDUCT
IN PROVIDING FINANCIAL PLANNER SERVICE
IN A RESPONSIBLE MANNER
INDONESIA FINTECH ASSOCIATION
(AFTECH)

I. FOUNDATION

Considering:

- (a) With the growing number of Digital Financial Innovation (DFI) operators, the innovative credit scoring business model cluster is a form of progress in DFI and growth for the financial technology market in Indonesia,
- (b) As a measure to avoid irresponsible practices, fill the legal absence, as well as to promote and maintain consumer protection in the Financial Services Sector and all related parties, the Indonesia Fintech Association needs to establish Principles of Code of Conduct in Providing Financial Planner Service in a Responsible Manner as an effort to implement and supervise the principles of good market conduct.

In view of:

- 1. Indonesia Fintech Association's Constitution and Bylaws
- 2. Financial Services Authority (OJK) Letter regarding the Appointment of the Indonesia Fintech Association as the DFI operating association.
- 3. AFTECH Code of Conduct for DFI in the Financial Services Sector in a Responsible Manner prepared by Indonesia Fintech Association on [] ("**AFTECH Code of Conduct**").

II. GENERAL STIPULATIONS

1. Definition

Unless otherwise stipulated, each definition and term used in this code of conduct refers to

laws and regulations including OJK regulations which stipulates Digital Financial Innovation (DFI) services and the Code of Conduct for Digital Financial Innovation in the Responsible Financial Services Sector prepared by AFTECH at the date of [].

- a. **"Financial Planner"** is a company or entity that is engaged in financial services in general and in particular provides education, advice and also provides one or more facilities related to financial planning, both digital and semi-digital, which in carrying out its function is always adjusted to the financial needs of each user in particular or society in general.
- b. **"Member"** is a financial service institution and / or limited liability company which meets the criteria as a Financial Planner Operator according to laws and regulations and possesses a proof of Association membership.
- c. Indonesian Fintech Association (AFTECH), hereinafter referred to as the **"Association"**, is an association of business operators officially appointed by the OJK as the official association of DFI organizers.
- d. **"DFI"** or digital financial innovation is an activity to update business processes, business models and financial instruments that provide new added value in the financial services sector by involving digital ecosystem as referred to in the applicable laws and regulations.
- e. **"Financial Service Institution"** are institutions that carry out activities in the banking sector, capital market, insurance, pension funds, financing institutions, and other financial service institutions.
- f. **"OJK"** is the Financial Services Authority.
- g. Principles in the Code of Conduct in Providing Financial Planning Services in a Responsible Manner, hereinafter referred to as **"the Code of Conduct"**, is a set of principles and processes established based on mutual agreement with Operators registered as Members and binding them as an ethical and responsible code of conduct in providing Financial Planner services.

- h. **"Users"** are the party which uses the Financial Planner service from the Operators.
- i. **"Operators"** are DFI operators providing Financial Planner services which are engaged in technology-based financial services offering services with the main objective of increasing financial literacy and financial inclusion.
- j. **"Supporting Operators"** are other electronic service providers that facilitate the provision of services to Operators and Users, including but not limited to electronic signature providers, data center providers, and other supporting service providers.
- k. **"Platform"** is the website or application used by the Operators in providing Financial Planner services.

2. Enforcement

- a. The Code of Conduct is binding to every Member who has been listed or registered as an Operator at the OJK.
- b. In addition to binding to the Operators, the Code of Conduct is also binding other operators who provide support services for Supporting Operators, who bind themselves to this Code of Conduct voluntarily based on the agreement as stipulated in the cooperation agreement and / or other agreements made by and between the Operator and the Supporting Operator.
- c. In relation to article 2 letter b above, Operators are committed to provide or give access to Supporting Operators to the text of the Code of Conduct.

3. Obligation to Submit to the Applicable Laws and Regulations

- 1. Each Member is committed to comply with every applicable laws and regulations in Indonesia.

2. In the case of differences in one or more terms between the laws and regulations and the Code of Conduct, the terms in the laws and regulations will prevail.

4. Plot

1. This Code of Conduct is a tool which consists of regulating provisions of the code of conduct which includes technical guidelines as the implementation of the regulating provisions.
2. In each plot, updates will be carried out gradually and periodically, taking into account the readiness of the industry and external parties who support the implementation of this Code of Conduct.

5. Basic Principles

In providing Financial Planner services, Operators who have become Members of the Association must always be based on the following principles:

- a. integrity and quality of a responsible Financial Planner;
- b. service transparency;
- c. independence; and
- d. security standard.

II. REGULATING PROVISIONS

1. Integrity and Quality of a Responsible Financial Planner

Each Operator is committed to having integrity and applying the principles of good faith in providing financial services through each Operator's Platform.

Implementation of Good Faith

1. Providers in providing their services, suggestions and / or recommendations must prioritize Users' interests.
2. The Operator avoids applying terms, conditions, fees, or providing information that contains deception, is irresponsible, or is misleading to Users.
3. The Operator must try its best in a professional capacity and in accordance with applicable regulations to provide Financial Planner services to Users, as well as to provide good knowledge of the services offered to Users.

Personal data security

1. The Operator avoids requesting and / or obtaining personal data that is not related to the services, services offered.
2. The Operator is obliged to maintain the security and confidentiality of the personal data of users / customers in accordance with the laws and regulations related to data security.
3. The Operator is prohibited from forwarding and / or disseminating personal data except with the consent of the User.

Disclosure of Information

1. Operators are required to inform all costs incurred in using the Financial Planner services, including costs related to the purchase of services offered to Users.
2. Operators are required to inform users of the risks in using the Financial Planner service, purchasing services offered to Users.
3. Operators are required to inform the Users of the terms and conditions applicable to the use of Financial Planner services, services offered to Users.

Risk management

1. Operators are required to apply the principles of prudence in offering Financial Planner services, services to Users.
2. Operators are required to do their best in a professional capacity and in accordance with applicable laws and regulations to offer Financial Planner services, services that are in

accordance with the risk profile and needs of the Users.

Know your customers (APU PPT)

1. Operators are required to have a customer identification process (Know Your Customer or KYC) according to the needs and the applicable laws and regulations on Financial Planner services to avoid potential money laundering and terrorism financing.
2. Operators avoid practices that act as potential money laundering and terrorism financing based on the applicable laws and regulations.

Good reputation of the profession and industry

1. Operators are required to do their best in a professional capacity and in accordance with applicable regulations to maintain the good reputation of the profession and industry.
2. Operators are required to have and / or partner with competent resources according to the needs for the services provided by upholding competence and code of ethics of the professions and related certifications.
3. Operators are required to have competency standards and internal governance that aim to ensure the quality of the Financial Planner services provided to Users.

2. Service Transparency

Disclosure of Service Information

- 1) Operators must comply with the provisions regarding disclosure of information in the AFTECH Code of Conduct.
- 2) Each Provider is obliged to provide and / or convey information about services and / or services belonging to financial services institutions that are accurate, honest, clear, and not misleading to Users.
- 3) In the situation that a Provider collaborates with a Financial Service Institution, it is obliged to provide and / or convey information regarding the cooperation and information regarding

services and / or services belonging to a financial service institution that is accurate, honest, clear, and not misleading to Users.

- 4) The agreement or terms and conditions for the use of services between the Operators and Users must state the rights and responsibilities of the Operators and Users.

Disclosure of Data Usage Information

- 1) Operators are only permitted to collect data including Users' personal data related to the Financial Planner services provided by the Operators to the Users.
- 2) Operators inform the Users regarding the Users' personal data processed by the Operator related to the delivery of Financial Planner services.
- 3) Operators must include information that the Users are able to request the Operators to remove their personal data in the event where the Users are no longer using the Financial Planner services from the Operators.
- 4) Operators must provide the facility to handle Users' complaints, which can be done through the website, phone calls or chatbot; as well as providing FAQs on their related website or application.

3. Independence

1. In carrying out the activities of providing Financial Planner services, each Operator is required to apply independence ethics and professional considerations to maintain independence and objectivity in providing advice.
2. Cooperation between Operators and Supporting Operators must be made in writing and include the limitations, authority and responsibilities of each party.

3. Operators must take the required measures to ensure the capacity of the Supporting Operators to cooperate with the Operators.
4. Operators are committed to act only as DFI operators that provides Financial Planner services and does not carry out other business activities that require business licenses, approval or other forms of authorization from the government.

4. Security Standards.

Each Operator is committed to comply with the information system security and feasibility standards in accordance with the applicable laws and regulations and / or as stipulated by the OJK and / or other authorities.

V. SANCTIONS

1. Operators who do not comply with the provisions of the Code of Conduct will be subject to administrative sanctions based on AFTECH Code of Conduct.
2. The types of sanctions that can be applied include:
 1. Written warning;
 2. Temporary suspension from the Association membership; and / or
 3. Permanent termination from the Association membership.
3. Sanction is determined in accordance with the procedure for imposing sanctions by the Ethics Committee of the Association, based on the considerations of the Ethics Committee of the Association which is based on the following factors:
 1. Frequency of violation committed by the Operator;
 2. The impact caused by the violation committed by the Operator;
 3. The element of willfulness and negligence; and
 4. Other factors deemed relevant by the Ethics Council of the Association, including the scale of business of the Operator.