

CODE OF CONDUCT

IN PROVIDING AGGREGATOR SERVICE IN A RESPONSIBLE MANNER

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Prepared by:

**Indonesia Fintech Association (AFTECH) and
Aggregator Working Group**

PRINCIPLES OF CODE OF CONDUCT IN PROVIDING AGGREGATOR SERVICE IN A RESPONSIBLE MANNER

INDONESIA FINTECH ASSOCIATION
(AFTECH)

I. FOUNDATION

Considering:

With the expansion of some Digital Financial Innovation (DFI) operators, the business model cluster of financial market-place or aggregator is a form of progress of DFI and growth for the financial technology market in Indonesia.

That as a measure to prevent irresponsible practices, to fill in 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 (AFTECH) needs to establish the Principles of Code of Conduct in Providing Aggregator Services in a Responsible Manner as an effort to implement and supervise the principles of good market conduct.

In view of:

1. The Regulation of Financial Services Authority (Otoritas Jasa Keuangan) Number 13/POJK.02/2018 regarding Digital Financial Innovation in the Financial Services Sector;
2. The Circular Letter of the Financial Services Authority (Otoritas Jasa Keuangan) of the Republic of Indonesia Number 22/SEOJK.02/2019 regarding Appointment of Operating Association for Digital Financial Innovation;
3. The Constitution and Bylaws of Indonesia Fintech Association; and
4. The Code of Conduct for DFI in the Financial Services Sector in a Responsible Manner prepared by Indonesia Fintech Association (AFTECH) on February 2019.

II. GENERAL STIPULATION

1. Definition

Unless otherwise stipulated, each definition and term used in this code of conduct refers to the laws and regulations including the regulations of OJK which stipulates DFI services, and the Code of Conduct for DFI in the Financial Services Sector in a Responsible Manner prepared by Indonesia Fintech Association (AFTECH) on February 2019.

- a. “**Aggregator**” is a website or an application which helps the users to get information about a product and/or a financial service provided by a financial service institution by gathering, filtering and /or comparing product information and services with other financial service institution digitally as well as providing added value to increase financial literacy and inclusiveness for financial service institutions and customers, by keeping other related regulations.
- b. “**Member**” is a financial service and/or limited liability company which meets the criteria as an DFI operator according to the laws and regulations and possesses a proof of Association membership.
- c. Indonesia Fintech Association (AFTECH) hereinafter referred to as “**the Association**” is an association of business operators officially appointed by OJK as the official association for DFI operators.
- d. “**DFI**” or digital financial innovation is an activity to update business processes, business models, and financial instruments which provide new added value in the financial services sector by involving digital ecosystem as referred to in the applicable laws and regulations.
- e. “**OJK**” is the Financial Service Authority (Otoritas Jasa Keuangan).
- f. Principles on the Guidelines of Responsible Behavior in Providing Aggregator Service 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 Aggregator service.
- g. “**Users**” are the party which uses the Aggregator service from Operators.

- h. **“Operators”** are DFI operators providing Aggregator service which has been listed or registered in OJK.
- i. **“Supporting Operators”** are parties that cooperate with Operators to support Operators in providing aggregator service as mentioned in the regulation of OJK and this Behavior Guidelines.
- j. **“Platform”** is a website or an application which is used by Operators to provide Aggregator service.

2. Enforcement

- a. The Code of Conduct is binding to every Member of the Association which is listed or registered as Operators at the OJK.
- b. In addition to binding the Operators, the Code of Conduct is also binding the Supporting Operators with the requirement that the Supporting Operator gives their consent towards the terms to submit to the Code of Conduct as stipulated in the cooperation agreement or other agreements related to providing Aggregator service made between the Operator and the Supporting Operator. Thus, the Code of Conduct is considered in unity with the agreement made between the Operator and the Supporting Operator.
- c. In relation to article 2 letter b above, Operators are committed to provide and give access to Supporting Operators over the text of the Code of Conduct before the Supporting Operator gives their consent to submit to the terms stated in the Code of Conduct.
- d. In relation to article 2 letter b, above, if the Code of Conduct is under an amendment, Operators are obliged to inform Supporting Operators which have given their consent to submit to the Code of Conduct regarding the changes made. Thus, Operators are committed to respect the right of Supporting Operators in relation to their decision to submit to the amendment of terms in the Code of Conduct.

3. Obligation to Submit to the Applicable Laws and Regulations

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

- b. 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

The 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.

III. REGULATING PROVISIONS

1. Integrity and the Quality of a Responsible *Aggregator*

Good Faith

- 1) Operators must apply the principles of good faith by equally keeping in mind the interests of all related parties, without diminishing the respect and dignity of Users, as referred to in the terms set out in the Guidelines of Responsible Behavior in Digital Financial Innovation in Financial Service Sector.
- 2) Each Operator must conduct business activities according to the intentions and purposes as an DFI Operator which provides Aggregator service, and has no capability to provide consulting, marketing and/or other forms of service that may influence the Users' decision to buy a financial product from the financial service institution aggregated by the Operator.
- 3) Operators are committed to prevent their administrators, supervisors, and/or employees from behaviors that benefit of oneself or a group by misusing the authority, opportunity, or facility they have due to their position, that can inflict loss upon the Users.
- 4) Each Operator is committed to organize education in order to increase the financial literacy of Users and/or the society.
- 5) Operators must fulfill their obligations toward OJK, including but not limited to the obligation to report, during the course of their business operation.

Risk Management and the Principle of Prudence

- 6) Each Operator must implement an effective risk management and possesses a sufficient risk management system according to the generally acceptable standard in the industry.
- 7) Each Operator is committed to ensure that the principle of know your customer is implemented towards Users by the related financial service institution.
- 8) Each Operator, in providing their Aggregator service, is only allowed to display the financial product/service from financial service institution including official financial technology (fintech) operator (with a status of listed/registered/licensed in the governing institution and/or authority according to the applicable laws and regulations.

Equal Treatment

- 9) Operators must treat every User and Supporting Operator in a fair and equal manner.
- 10) In the event where Operators use a standard agreement, the standard agreement is prohibited to:
 - a) mention a transfer of responsibility or liability from Operators to Users;
 - b) mention that Users submit to a new, additional, continuation and/or amended regulation which is made one-sidedly by the Operator during the period where the Users are still using the service provided by the Operator;
 - c) mention matters that are in conflict with laws and regulations.
- 11) Operators are responsible over Users' direct loss which is resulted from the Operator's errors and/or failures and/or disturbances and/or failures of the electronic system caused by the Operator, as long as it can be proven.
- 12) Operators must inform the Users that the Operators are not responsible over errors or failure of financial service institutions whom the product and/or service are aggregated by the Operators.

2. Service Transparency

Disclosure of Service Information

- 1) Operators submit to the provisions regarding disclosure of information in the Guidelines of Responsible Behavior in Digital Financial Innovation in Financial Services Sector which is arranged by the Association on February 2019.
- 2) Each Operator provides and/or delivers information regarding product and/or service from financial service institution in an accurate, honest, clear, and not misleading manner to the Users.
- 3) The agreement or terms and conditions of use of services between the Operators and the Users must state the rights and responsibilities of the Operators and the Users.

Disclosure of Data Usage Information

- 4) Operators are only permitted to collect data including Users' personal data which are related to the Aggregator service provided by the Operators to the Users.
- 5) Operators inform Users regarding the Users' personal data processed by the Operator related to the delivery the Aggregator service.
- 6) Operators must include the information that Users are able to request the Operators to remove their personal data in the event where Users are no longer using the Aggregator service from the Operator, as is permitted by the laws and regulations.
- 7) Operators must provide the facility to handle Users' complaints, which include but not limited to websites, phone calls, chatbot, or other methods of communication, as well as providing FAQ on their related websites or application.

3. Independence

- 1) Operators determine the service delivery in an objective and transparent manner.
- 2) In the event where the Operators' service includes processing a flow of funds from and/or to Users in connection to the product or service of the financial service institution aggregated by the Operators, Operators must open an escrow account and virtual account on behalf of the Operators to facilitate the flow of funds and separate it from the operational account of the Operators.
- 3) Operators with a service that processes a flow of funds from and/or to Users, must ensure their compliance towards anti-money laundering and terrorism financing prevention and must submit to the reporting and compliance required by OJK, Reporting Center and Financial Transaction Analysis (PPATK), governing institution and/or authority according to the applicable laws and regulations.
- 4) Cooperation between an Operator and a Supporting Operator must be made in writing and include the limitations, authority and responsibilities of each party.
- 5) Operators must take required measures to ensure the capacity of the Supporting Operators to conduct a cooperation with the Operators.
- 6) Operators are committed that they act based on their business license, agreement or other form of authorization given by the government to the Operators.

4. Security Standard

Reliable and Safe Electronic System

- 1) Operators must place a data center and disaster recovery center in the territory of Indonesia according to the applicable laws and regulations.
- 2) In the event where the Operators use a data center and disaster recovery center provided by a third party, Operators must ensure the reliability and

safety of the data center and the disaster recovery center, as well as ensure the guarantee of service availability based on a service level agreement, to ensure the continuity of the service and operation from the Operators.

- 3) Each Operator must register themselves and their electronic system to the Ministry of Communication and Information Technology according to the applicable laws and regulations, as well as meeting the standards and certifications which may be required from time to time by the aforementioned ministry.
- 4) The hardware used by the Operators must:
 - a) Meet the aspect of legality according to the applicable laws and regulations in Indonesia;
 - b) Meet the aspect of security, interconnectivity and compatibility with the system used;
 - c) Possess a service of technical support, maintenance, and/or after service from the seller or provider; and
 - d) Have a guarantee of service continuity.
- 5) The software used by the Operators must:
 - a) Meet the aspect of legality according to the applicable laws and regulations in Indonesia;
 - b) Be guaranteed of its operational security and reliability as it should be; and
 - c) Ensure the service continuity.
- 6) Operators must put in place experts who are competent in the field of electronic system or information technology to maintain and upgrade the operation of electronic system.

Personal Data Processing

- 7) Operators must respect personal right of each individual in relation to the personal data they manage.
- 8) Any form of gathering, using, processing, storing, disclosing, delivering, and removing personal data conducted by the Operators in order to provide

services to the Users, must be based on a clear and valid consent from the related personal data owners, unless stipulated otherwise by the laws and regulations.

- 9) Personal data collection related to the operation of Aggregator service by the Operators is limited only to appropriate personal identity data based on the applicable industry standard, needed only for the Operators to provide their service.
- 10) Operators must provide a privacy policy or a personal data protection which should at least include and/or explain:
 - a) Statement of agreement from personal data owners;
 - b) How the operators collect personal data;
 - c) Purpose of personal data collection;
 - d) Types of personal data collected and used;
 - e) Types of process conducted in order to provide service to the Users;
 - f) Act of disclosure conducted and the parties receiving the disclosures;
 - g) Technical and organizational measures applied to keep the safety and confidentiality of personal data;
 - h) Procedure of storing personal data;
 - i) How the personal data owners request objection, changing, update, removal, and/or request regarding the act of data processing conducted in relation to their personal data.
- 11) Operators must remove electronic information and/or electronic documents under their control which is no longer relevant over the requests of Users or other related people, as is permitted by the laws and regulations.

IV. SANCTIONS

1. Operators who fail to comply with the provisions set out in the Code of Conduct will be subject to administrative sanctions based on the Guidelines of Responsible Behavior in Digital Financial Innovation in Financial Services Sector, which are:
 - 1) Written warning;
 - 2) Publication of the Member's name and the provision violated to OJK and the public;

- 3) Temporary suspension from the Association membership; and/or
 - 4) Permanent termination from the Association membership.
2. Sanction is determined in accordance with the procedure of imposing sanctions by the Ethics Committee of the Association based on the Constitution and Bylaws of the Association.
3. Sanction is given based on the consideration of the Ethical Committee of the Association according to the following factors:
 - 1) the violation done by the Operator has received 3 written notices;
 - 2) the impact caused by the violation committed by the Operator;
 - 3) element of willfulness and negligence; and
 - 4) other factors deemed relevant by the Ethical Committee of the Association, including the scale of business of the Operator.
