



OJK's New BNPL Rulebook: What Banks and Finance Companies Must Do Now

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On 5 December 2025, Indonesia's Financial Services Authority (*Otoritas Jasa Keuangan* - "**OJK**") issued a regulation which aims to strengthen the legal certainty and governance of Buy Now Pay Later ("**BNPL**") financing, while reinforcing prudential principles, and consumer and personal data protection.

This advisory summarizes the key requirements and practical implications for banks, finance companies, and BNPL ecosystem partners, including e-commerce and merchants, under OJK Regulation No. 32 of 2025 on the Administration of BNPL ("**POJK 32/2025**").

1. Definition of BNPL under POJK 32/2025

BNPL is defined as a financing facility provided by a financial services institution through an electronic system to finance purchases of goods and services.

A financing facility marketed as "BNPL" must meet the following characteristics: (a) it finances non-cash purchases of goods and services by a debtor; (b) it is unsecured; (c) it has a defined limit or ceiling; (d) it is repaid via an agreed installment structure (principal and interest/margin/return/service fee); (e) it is approved electronically, either via electronic face-to-face (e.g., video call) or electronic non-face-to-face (app or website without video call); and (f) it is completed through an electronic system.

POJK 32/2025 clarifies that BNPL is only for non-cash purchases and does not include credit cards, and the BNPL limit is not a credit card limit.

2. BNPL Providers

POJK 32/2025 limits providers of BNPL to: (a) Commercial Banks (*Bank Umum*); and (b) Finance Companies (*Perusahaan Pembiayaan*).

Banks administer BNPL by referring to the laws and regulations applicable to banks, which include OJK rules on commercial bank product administration. Meanwhile, for Finance Companies, they may administer BNPL only after obtaining an OJK approval.

For e-commerce players and other non-licensed parties, POJK 32/2025 allows their participation in BNPL activities through cooperation with a bank or finance company.

3. Conventional and Sharia BNPL

BNPL may be administered conventionally or according to Sharia banking principles. Sharia BNPL must comply with the applicable Sharia regulatory framework for banks and finance companies. In this case, Sharia BNPL should ensure contractual documentation and pricing components, like margins and *ujrah* (service fees), align with Sharia governance and OJK Sharia requirements.

4. Prudential principles, risk governance, and creditworthiness policy

BNPL providers must comply with the prudential requirements applicable to their institution type. These include governance, risk management, anti-money laundering and counter-financing of terrorism (AML/CFT) programs, and anti-fraud measures.

Since BNPL is processed through electronic systems, BNPL providers should align their operational controls, fraud management, and customer onboarding with applicable OJK requirements on prudential oversight and technology risk management for their sector.

POJK 32/2025 also allows providers to adopt a special policy for BNPL creditworthiness assessment but requires written guidelines for that assessment. This is also tied to the provider's risk appetite and repayment capacity analysis.

5. Consumer protection and personal data protection

BNPL providers must implement consumer protection principles by reference to OJK consumer protection regulations, i.e. OJK Regulation No. 22 of 2023 on Consumer and Public Protection Within the Financial Services Sector.

They must also apply personal data protection principles for customers and debtors in accordance with applicable laws, among others, Indonesia's Personal Data Protection Law (*Undang-Undang Pelindungan Data Pribadi*) and OJK consumer protection regulations.

6. Mandatory system-based disclosures and sanctions (high enforcement risk)

BNPL providers must provide important information on the electronic system with which they use. The information includes: (a) funding source if BNPL uses joint financing, channeling, or

has been transferred to another party; (b) amount and frequency of installments; and (c) other possible information determined by OJK.

Non-compliance with the above exposes the provider to administrative sanctions, including written warnings, limitation and suspension of products or business activities, management removal, administrative fines, revocation of product approval, and potential business license revocation. Fines may be up to IDR15,000,000,000, and certain sanctions may be imposed with or without prior written warning.

7. Collections, reporting, and possible discontinuation

BNPL collection mechanisms must comply with OJK consumer protection regulations.

BNPL providers must prepare and submit BNPL administration reports to OJK following their sectoral reporting rules.

BNPL may be discontinued by the initiative of the provider or as instructed by OJK. OJK may order impose a discontinuation where there are violations, unmitigated risk profile increases, and unresolved spikes in consumer complaints. Finance companies need OJK approval to discontinue BNPL voluntarily.

8. Additional points to monitor: economic benefit cap and OJK discretion

OJK may set a maximum “economic benefit” limit for finance companies in BNPL administration, with implementing provisions to follow which should be anticipated by the BNPL providers as it may affect the pricing.

OJK may also adopt policies different from POJK 32/2025 based on certain considerations, e.g. national policy, public interest, industry growth, and fair competition. Accordingly, BNPL providers should closely monitor the OJK guidance and implement rules as they develop.

9. Transition period

Existing BNPL financing agreements and BNPL cooperation agreements signed before POJK 32/2025 takes effect, i.e. 15 December 2025, remain valid until their expiry date. BNPL providers already operating BNPL must adjust to the product characteristics in POJK 32/2025 within six months of the enactment of POJK 32/2025 (i.e. 15 June 2026). Any amendments to pre-existing BNPL financing and cooperation agreements must comply with POJK 32/2025.

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