

NEW BANK INDONESIA REGULATION ON FOREIGN EXCHANGE DERIVED FROM EXPORT TRANSACTIONS AND OFFSHORE LOAN

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On 27 December 2012, Bank Indonesia issued Bank Indonesia Regulation No. 14/25/PBI/2012 regarding Foreign Exchange Derived from Export Transactions and Offshore Loan Drawdowns ("PBI 14/25") which revokes a previous Bank Indonesia Regulation. PBI 14/25 requires foreign exchange derived from export transactions to be received through a licensed foreign exchange bank in Indonesia ("FX Bank"). Foreign exchange derived from offshore loan drawdowns must also be disbursed by the debtor through an FX Bank. The Regulation came into effect on 1 January 2013 and is intended to optimize the use of foreign exchange in export transactions and offshore loan drawdowns.