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ELECTRONIC MONEY SUPERVISION FOR THE CREATION OF MONETARY STABILITY IN THE DEVELOPMENT OF ECONOMIC LAW IN INDONESIA

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Abstract

This study aims to obtain the concept of electronic money supervision, especially technological risk, including operational risk in applying electronic money policies issued by Bank Indonesia, namely Bank Indonesia Regulation Number 20/6/PBI/2018 concerning electronic money. The legal problem in electronic money is that if a crime occurs in the electronic money transaction technology system, it will harm various parties, one of which is the most disadvantaged by electronic money users. The research method utilized in this study is a normative juridical approach and a descriptive-analytical research specification that investigates secondary data in the form of primary legal materials based on Bank Indonesia Regulation Number 20/6/PBI/2018 concerning Electronic Money. According to the findings of the study, the purpose of issuing electronic money is to build a seamless, fast, safe, and effective payment system. However, electronic money crimes continue to occur in practice. Regulation 20/6/PBI/2018 of Bank Indonesia, changes must be made by adding an article regarding risk management of data backup systems; this is to anticipate when the network, application, or electronic money system is disrupted. From the research, it can also be concluded that the addition of an article regarding risk management of backup data systems in Bank Indonesia Regulation Number 20/6/PBI/2018 aims to reduce the potential risk in the event of a network, application, or electronic money system disruption so that it is beneficial for financial authorities, users, and electronic money providers.

Keywords: supervision, electronic money, payment system, regulation, Bank Indonesia.

A. INTRODUCTION

The 4.0 revolution has a significant impact on global economic competition. The fourth industrial revolution is accelerating the development of highly sophisticated technology that has a substantial impact on human life, such as the internet, big data, and artificial intelligence (artificial intelligence). Increasing technology will have an impact on Indonesia's national economy (Disemadi & Kang, 2021). The national economy has changed significantly and improved. All economic activities in Indonesia can be facilitated and supported by information technology and the digitalization era (Febriyantoro & Arisandi, 2018). Buying and selling can be done online or through e-commerce, as can payment. Money was initially utilized as a medium of commerce in many forms, such as coins and paper money. Nonetheless, as financial technology (fintech) advanced, advances in the implementation of electronic payment transactions occurred (Usman, 2017).

Payments made with electronic money (e-money) payment instruments do not require authorization and are not linked to an account with the issuing bank (Candrawati, 2014). The

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

card is simple to transfer or transfer, and the entire amount of money saved in this Electronic Money is not a deposit as defined by Banking Law. This raises concerns about the level of security and risk that will eventually emerge and harm this Electronic Money (e-money) user (Susanti et al., 2019).

The payment system in financial technology uses payment instruments through an electronic system. One of the means of payment with an electronic or non-cash system is to use electronic money (Sihombing & Ariyani, 2017). Electronic Transactions are regulated in Law Number 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Information and Electronic Transactions (UU ITE). According to Article 1 paragraph (2) of the ITE Law, Electronic Transactions are "A legal act carried out using computers, computer networks, and other electronic media." Through electronic transactions, the process of activities will be easy, fast, safe, and inexpensive to complete (Salami & Bintoro, 2013).

Regarding the non-cash payment system, Bank Indonesia is interested in ensuring that the public's non-cash payment system can operate securely, efficiently, and dependably (Ranadhan & Aminah, 2016). This is a significant issue for Bank Indonesia, as the development of non-cash payments is anticipated to lessen the strain of using cash and increase economic efficiency in society (Ilyasa & Arifin, 2019). To develop this non-cash payment instrument, it is anticipated that the convenience, security, and public's trust in cash will be a barrier (Anam, 2018).

As an innovative and practical means of payment, electronic currency is anticipated to facilitate payments for mass, rapid, and microeconomic activities, thereby facilitating transactions on toll roads in the transportation sector, such as trains and other public transportation, as well as transactions at minimarkets—food courts, or parking. It is anticipated that the development of electronic money will also be used as an alternative non-cash payment instrument that can reach those who previously lacked access to the financial system (Munzil, 2017). It is claimed that the adoption of non-cash transactions provides safer and more efficient benefits to the community (Njatrijani, 2019).

Although there are many perceived benefits to electronic money, electronic money also has risks. There are still people who refuse to use electronic money because there are problems of uncertainty and security (Nababan, 2019). The increasing use of electronic money, the more the crime of electronic money looming over. In the electronic money system, the value of money is stored in data bits (Pelealu, 2018). These bits of data flow through computer networks are processed in processors, stored in database servers, etc. As in the currency system, these data bits can be attacked by unauthorized people and then manipulated so that that person can produce fake electronic money (in the form of counterfeit data bits) (Akbar, 2006).

Examples of misuse of electronic money in Indonesia include the singer Aura Kasih lost Rp. 11 million stored in Gojek's online via transportation application account. Aura Kasih's GoPay was hacked, and Go-Jek regrets the fraud case on behalf of Go-Jek. "As a result of this, Gojek urges users not to disclose the OTP code received via SMS and PIN code to

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

anyone, including those claiming to be from Gojek, in addition to the aura of love for the ig@oshb_ account owner who claims to have lost Rp. 3, 4 million, while the Ferra kw account claimed to have lost Rp. 2.5 million an official of the ministry of communication and information lost Gopay balance of Eight hundred thousand rupiahs of this incident occurred when ordering Gofood, the incident of the loss of Gopal balance began when Sukmanto had finished completing his go food order to buy steak, the status of the food order had been delivered and was successful, Rp deducted the Gopay balance 800 thousand even though the order has not arrived at all. And there are many other cases of electronic money crimes.

Bank Indonesia's supervisory system for electronic money is a significant task and responsibility to create a sound and safe financial payment system in the context of monetary stability in Indonesia (Shara, 2021). Bank Indonesia, as the central bank, has the task of controlling the economy; BI has the mandate to maintain price stability in the value of money or what is known as monetary stability (monetary stability). Regulations regarding the supervisory system made by the authorities must protect all Indonesian people, be practical, and provide justice, legal certainty, and public welfare as the Indonesian economic democracy system (Suhartono, 2009).

This important study aims to persuade Bank Indonesia, as the financial authority, to immediately add articles to Bank Indonesia Regulation Number 20/6/PBI/2018 regarding technology risk management and data backup operations, so that the process of implementing electronic money will minimize the occurrence of crime on the transaction system. According to the author, a study on Electronic Money Supervision for the Creation of Monetary Stability in the Development of Economic Law in Indonesia must address the issue of electronic money. It is anticipated that the findings of this study will contribute to the advancement of legal science, particularly in the area of banking law, namely the electronic money supervisory system. Regarding the concept of a supervision system on electronic money, particularly the tracking of the issuance of unlawful electronic currency, they can serve as input and evaluation for regulatory decision-makers. In addition, this research makes it possible to collect the Electronic Money Payment Supervision System Bill's stipulations into an academic document.

B. METHOD

The research method that was employed was normative juridical, and the research specifications that were used were descriptive-analytical. The method of normative juridical research is an approach method that involves studying legal norms in primary legal documents based on PBI Number 20/6/PBI/2018 concerning Electronic Money. This method was developed in Indonesia. While the purpose of analytical descriptive research is to analyze the object of research by describing the situation and problems in order to obtain an overview of the situation and circumstances, by exposing the data obtained as they are then analyzed to produce conclusions, the analytical descriptive research method has its own specific purpose. (Soekanto, 2008). The researcher will turn to the practice of researching in libraries in order to collect the necessary information for this study (library research). The purpose of

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

conducting research on literature is to investigate, explore, and track down secondary facts in legal publications (Barus, 2013). Legal materials are normative-perspective and are used primarily to examine legal issues related to the substance of the favorable legal regulations (ius constitutum) that regulate electronic money's supervision; based on their binding power, they are classified as primary, secondary, and tertiary legal materials, respectively. Legal materials are a normative-perspective and are used to examine legal issues related to the substance of the favorable legal regulations (ius constitutum) that regulate electronic money's supervision.

C. RESULT AND DISCUSSION

1. Regulation of Issuing Electronic Money Based on Economic Democracy

The national economy must be established on the basis of economic democracy, with togetherness, efficiency, justice, sustainability, environmental understanding, independence, and the preservation of a balance between progress and national economic unity. Economic democracy is a business activity that promotes the values of justice, cooperation, equity, and benefit to the Indonesian people (Muhlizi, 2017). It is envisaged that electronic money regulation and monitoring will enable Indonesia to achieve economic democracy. This is done by regulating the operationalization of institutional functions to collect and distribute public funds. The target for establishing electronic money regulations is to realize a national economy organized based on economic democracy (Risdiarto, 2017). Through Economic Democracy, it is more or less meant to be an economy in which the broadest possible number of people can participate and make decisions through a fair and open market mechanism, can taste the fruits of the economy broadly, evenly, and fairly welfare and prosperity (Isdiyanto, 2018).

The impact of electronic money on monetary stability in Indonesia demonstrates that electronic money has a positive and significant impact on the money supply (currency, demand deposits, and non-cash payments) while harming interest rate indicators and having no effect on money circulation or inflation rates. In general, the public's use of electronic money has an indirect impact on monetary stability (Lintangsari et al., 2018).

The transition from cash to non-cash instruments has various advantages, including increased cash handling efficiency, greater practicality, broader access, greater transaction transparency, and more precise identification of economic planning. Electronic currency is among the non-cash payment methods (Lukito, 2017). Electronic money is governed by Bank Indonesia Regulation Number 11/12/PBI/2009 Regarding Electronic Money, which was modified to PBI Number 18/17/PBI/2016, and subsequently PBI Number 20/6/PBI/2018 Regarding electronic money. The introduction of electronic currency into society tries to slow the growth of cash use. specializing in micropayments and retail (Andari, 2020).

In order for neither party to feel disadvantaged, payment system laws strive to provide the public with the security and convenience they need to conduct buying and selling transactions (Abidin, 2015). Following the ideals of economic democracy, the adoption of electronic

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

money transactions must be founded on prudence, risk management, and fair commercial competition. In addition to posing no systemic risk, functioning under sound financial conditions, bolstering consumer protection, and being advantageous to the Indonesian economy, the operation of electronic money is a central priority (Rohman, 2021). The regulations must adhere to the ideals of economic democracy, including togetherness, efficiency, justice, sustainability, environmental awareness, independence, and the maintenance of a balance between progress and national economic unity (Zaini, 2015).

Initially, Bank Indonesia Regulations and Bank Indonesia Circular Letters categorized ATM cards, debit cards, credit cards, and prepaid cards (electronic money) as card payment devices (CPD). Since the implementation of PBI Number 11/11/PBI/2009 regarding CPD and PBI Number 11/12/PBI/2009 regarding Electronic Money, which was later revoked and replaced with PBI Number 20/6/PBI/2018 regarding Electronic Money, there has been a change in the classification of ATM card products, debit cards, and credit cards as CPD. Electronic money is classed as prepaid cards.

Background Changes because electronic money is issued not only by banks but also by institutions other than banks, as stated in PBI Frequently Asked Questions No. 11/12/PBI/2009 regarding Electronic Money, electronic money as a means of prepayment from the holder to the issuer of electronic money prior to the holder using it for payment transactions. The holder's funds are electronically kept on a chip or a media server operated by the issuer. With chip storage media, electronic money is not necessarily in the form of cards; therefore, classifying electronic money as a Card-Based Payment Instrument is inappropriate (Herkuncahyo, 2014).

Bank Indonesia reissued PBI No. 20/6/PBI/2018 and revoked PBI No. 11/12/PBI/2009 concerning Electronic Money because electronic money is not only issued by Banks but also by Institutions Other than Banks (Telecommunication Companies); Technological innovations that are increasingly developing encourage many business actors to enter the electronic money industry so that there is a need to strengthen institutional aspects to choose credible electronic money providers, benefit the national economy, be sustainable and provide protection to electronic money users as the goal of economic democracy (Manurung et al. 2020).

Bank Indonesia needs to reissue regulations regarding Electronic Money for the following reasons; first, technological innovations that are increasingly developing are encouraging more and more business actors to enter the electronic money industry, so institutional aspects are needed to strengthen electronic money providers that are credible, beneficial to the economy national, sustainable and provide protection for users of electronic money PBI No. 20/6/PBI/2018 concerning Electronic Money in Chapter III regulates Licensing and Approval for the Operation of Electronic Money. Article 4 paragraphs (1) and (3) state that each party acting as the operator must first obtain permission from Bank Indonesia as the Central Bank. And must meet the general requirements and aspects of feasibility.

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

Second, the strengthening trend of business integration within the same chain (vertical integration) and the trend of business conglomeration (horizontal integration) require policies to ensure fair business competition, prevent fragmentation in the Electronic Money industry, and preserve national economic competitiveness. Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition prohibits unfair competition in Indonesia. Even though vertical integration might provide low-cost goods and services, it can result in unfair corporate competition that erodes the economic basis of a community.

Thirdly, regulations governing the implementation of risk management and electronic money security standards, as well as a strengthening of supervision over the administration of electronic money, must be enacted to prepare for the rising risk associated with the growth of the electronic money industry. Risk is the possibility of an unfavorable outcome, hence risk is only connected with situations that let unfavorable consequences to occur and is tied to forecasting these unfavorable effects (Umar, 2001). By finding, evaluating, assessing, controlling, and avoiding, minimizing, or eliminating undesirable risks, investors and fund managers engage in risk management (Irdawati et al., 2021).

The government, through Bank Indonesia, issued the latest Bank Indonesia Circular Letter related to the implementation of PBI No. 20/6/PBI/2018 concerning Electronic Money, where this regulation further strengthens the institutional aspects for choosing credible electronic money providers, beneficial for the national economy and providing legal protection to electronic money users. In this regulation, the Government of Indonesia tightens the application of rules regarding the prohibition of monopolies and unfair business competition because unfair business competition shows that a country cannot guarantee the welfare of its citizens. The rules regarding the application of risk management are contained in article 35. Aspects of supervision and security standards for the operation of electronic money are expected to be further regulated to prevent any risk of transactions using electronic money. In addition, PBI No. 20/6/PBI/2018 regarding electronic money does not regulate supervision for unauthorized or illegal issuers, only regulates management for legitimate issuers. To increase trust, smoothness, and security for all parties in the operation of electronic money, a complete regulation is needed.

2. Supervision system carried out by the Financial Authority to anticipate the crime of issuing electronic money in the digital financial system in Indonesia.

The aspect of supervision is one of the essential factors that can indicate whether the activities of the financial services sector can run properly and correctly. Who supervises whom? That is often a problem in carrying out the functions of supervisory agencies, especially in Indonesia. As a supervisory agency for the financial services sector that is independent and professional, of course, it has many duties and authorities related to supervision or supervision, in particular overseeing the Electronic Money issuance business carried out by Electronic Money Issuers, which currently has quite a number and use in Indonesia. This happens over time and is in line with rapid technological developments (Salsabilla & Sulistiyono, 2019).

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

The Transfer of Regulatory and Supervision Functions from BI to OJK demonstrates the collaboration between Bank Indonesia and OJK as the financial authority in monitoring the first Electronic Money Issuer. Prior to the formation of OJK, the supervisory authority was BI for the banking industry and the Capital Market and Financial Institution Supervisory Agency (FISA) for the Non-Bank Financial Industry (NBFI). This is stated in Article 24 of Law No. 23 of the Republic of Indonesia regulating Bank Indonesia. Bank Indonesia Regulation Number, 20/6/PBI/2018 on Electronic Money is insufficient to govern the functioning of Electronic Money. Given that OJK is a form of unification of regulation and supervision of the financial services sector, where previously the regulatory and supervisory authority was carried out by the Ministry of Finance of the Republic of Indonesia, Bank Indonesia (BI), and the Capital Market and Financial Institution Supervisory Agency (FISA), the Financial Services Authority is regulated in sufficient detail in Law No. - RI Law Number 21 of 2011. (Pikahulan, 2020).

Electronic money issuers in the form of non-financial services institutions are subject to supervision. The supervisory job is carried out by BI. This is in contrast to Article 18 paragraph (6) of Republic of Indonesia Law Number 8 of 2010 on the Prevention and Eradication of the Crime of Money Laundering, which specifies that supervisory institutions control the principle of identifying service users and their oversight. If no Supervisory Agency exists, the supervisory function is returned to the applicable original agency. Thus, because no supervisory agency is particularly constituted to monitor Electronic Money Issuers in the form of Non-Financial Services Institutions, Bank Indonesia (BI) can also adhere to the same rules as the Center for Financial Transaction Reports and Analysis (FTRA). Because OJK lacks the jurisdiction to supervise Non-Financial Services Institutions or Non-Financial Institutions, the authority to supervise Electronic Money Issuers in the form of Non-Financial Institutions returns to Bank Indonesia (BI) (Lestari, 2012). OJK is exclusively authorized to supervise enterprises in the financial services sector. This is due to Bank Indonesia Regulation Number 20/6/PBI/2018 on Electronic Money, which allows nearly any form of company or business entity to be used as an Electronic Money Issuer as long as they follow the requirements established by Bank Indonesia (BI) through this regulation.

The scope of supervision carried out by Bank Indonesia (Mongid, 2010) is firstly related to the payment system; if there is a disturbance to the design and it is not accompanied by adequate protection, it can cause systemic disturbances that have an impact on the financial system at large (systemically essential payment systems). Such as the BI-RTGS system (real-time gross settlement). Second, payment systems that are not included in the category of systemically important payment systems, but are used by the wider community, so that if there is a disturbance, it can reduce the trust and comfort of the people who use the payment system (system-wide critical payment systems), such as the check/billet giro clearing system and the system-wide important payment system. Operation of payment instruments using cards (APMK). The third is the securities transaction settlement system, administered by Bank Indonesia or other parties. The securities transaction settlement system is a system that

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

is very influential on the stability of the financial system because the transactions involve many parties, and the overall transaction value is quite significant.

Because of OJK's role as a supervisory agency for the Indonesian financial services sector, Electronic Money Issuers have a reciprocal relationship with them. Bank Indonesia, on the other hand, has the jurisdiction to grant and/or revoke licenses to create Electronic Money Issuing Companies (BI). OJK will continue to monitor the continuity of its commercial activities. Based on the previous discussion of the OJK's functions, particularly in Article 6 of the Law of the Republic of Indonesia Number 21 of 2011, which mentions the task of regulating and supervising the OJK, the OJK's regulation and supervision shall apply to the following matters, including financial service activities in the financial sector. Banking, financial services in the capital market sector, and financial services in the insurance sector, pension funds, financing institutions, and other financial service institutions are all examples of financial service institutions (Solahudin, 2015).

The methods of supervision used by OJK are divided into two groups based on the classification of Electronic Money Issuers. First, electronic money issuers in the form of banks are subject to supervision. Article 6 letter a and Article 7 of Law of the Republic of Indonesia Number 21 of 2011 concerning the Financial Services Authority jo. Financial Services Authority Regulation Number 41/POJK.03/2017 concerning Requirements and Procedures for Bank Audit provide the legal basis for OJK in supervising Electronic Money Issuers in banks. Article 6 states that (OJK) has the authority to regulate and supervise financial service activities in the banking sector, which is expanded on in Article 7, letter a number 2, namely, OJK has the authority to regulate and supervise bank business activities, including sources of funds, provision of funds, hybrid products, and service sector activities.

Second, Supervision of Electronic Money Issuers in the Non-Bank Financial Industry (NBFI). The Financial Services Authority Regulation Number 11/POJK.05/2014 concerning Direct Examination of Non-Bank Financial Services Institutions governs the legal framework for non-bank financial institution supervision. Direct examination of Electronic Money Issuers in the form of Non-Bank Financial Industry (NBFI) is a series of activities conducted at the office of Non-Bank Financial Industry (NBFI) and in other places that are directly or indirectly related to the activities of Non-Bank Financial Services Institutions.

3. Electronic Money Issuance Supervision System Concept to Realize Monetary Stability.

The aspect of supervision is one of the essential factors that can indicate whether the activities of the financial services sector can run correctly and adequately (Shara, 2021). In this challenging era, electronic money supervision needs to continue to evolve to remain relevant, responsive, and anticipate and mitigate potential problems. Regarding the management of the operation of the electronic money payment system in Indonesia, it currently needs to be evaluated because there are still many problems and crimes in the use of electronic money transactions. In preventing cases of electronic money crimes, there needs to

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

be more intensive supervision carried out by financial authorities, whether in policy regulations or actual actions (Ridayati et al., 2020).

There are several supervisory concepts offered based on the results of the analysis and study, based on the diverse characteristics of Indonesian society and culture, especially for legitimate publishers, including:

a. Multilevel/layered surveillance

Layered supervision is carried out by the organizers, supervision from the central level, every stage starting from the Operator, Supporting the planning, procurement, development, operation, maintenance, users, and community processes. The supervision is expected to coordinate and communicate between elements to achieve the vision. And a mission on electronic money control. Layered supervision is one way of internal security by establishing a procedure for obtaining approval through certain stages involving the approval of two or more people (who are given special authority) to minimize the possibility of fraud or fraud. Activities carried out through electronic media need to be supported by legal instruments to protect the public.

b. System monitoring and operation test

System operation testing can aid in the detection of unexpected activity patterns and the prevention of major system faults, glitches, and attacks. Through deliberate attempts to infiltrate the system outside of conventional procedures, penetration testing identifies, isolates, and confirms weaknesses in the design and implementation of security mechanisms. This is a type of monitoring in which audit software and programs are used to track activity. Surveillance, as opposed to penetration testing, focuses on monitoring regular activities, analyzing anomalies, and evaluating security efficacy by checking compliance with security policies and developing monitoring tools and specific software applications for electronic money.

c. Consolidated supervision

Bank Indonesia and OJK monitor groupings of financial institutions on a consolidated basis, which is an important aspect of supervision. This activity seeks to determine the relationship between group-level hazards and the stability of the institution under supervision. When performing consolidation supervision, Bank Indonesia requires that this risk be appropriately controlled. Consolidated monitoring entails collecting and analyzing pertinent data on the group on a regular basis. The monitored institution (responsible person) shall allow Bank Indonesia access to all material information from subsidiaries and individual branches within the group without the aid of other (foreign) supervisory bodies. Bank Indonesia collaborates with OJK to monitor consolidation, and regularly communicates with the management of critical subsidiaries and branch members of the consolidated group, examining their risk profile and systemic importance when significant risks are detected in these subsidiaries and branches (risks impacting the consolidated group).

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

d. Precautionary Supervision

Bank Indonesia must take corrective action through prudential supervision. The ultimate goal of prudential monitoring is to protect electronic money users and maintain financial stability. To achieve this goal, prudential regulation and supervision ensure that all operators, users, systems, and markets are safe and sound. International prudential standards generally require financial institutions and groups to control and manage their risk and have adequate capital and liquidity to ensure their financial health. The government provides a framework for risk management and corporate governance to ensure the integrity of financial institutions and systems. Although there are no international standards for regulation and supervision, prudential oversight must be proportionate to the risks to users of electronic money and the financial system. The pace of technological innovation in products, services, and delivery channels requires supervisors to understand the risks involved fully and adjust their precautionary requirements. Recognizing the benefits of financial inclusion, policymakers need to consider new approaches to ensure high-quality supervision and regulation and support the safe use of innovative technologies while ensuring that regulation remains proportionate to risks. The ultimate goal of prudential oversight is to protect all involved in electronic money transactions and maintain financial stability. Prudential regulation and oversight pursue safe and sound economic groups, financial systems, and markets to achieve this goal. Prudential supervision must be proportionate to the risks to users of electronic money and the financial system. The pace of technological innovation in products, services, and delivery channels requires supervisors to fully understand the risks involved and adjust their precautionary requirements accordingly. Recognizing the benefits of financial inclusion, policymakers need to consider new approaches to ensure high-quality supervision and regulation and support the safe use of innovative technologies while ensuring that regulation remains proportionate to risks.

D. CONCLUSION

The Bank Indonesia Regulation Number: 11/12/PBI/2009 concerning Electronic Money, which was updated to PBI Number: 18/17/PBI/2016, renewed again to PBI Number 20/6/PBI/2018, however, in PBI Number 20/6/PBI/2018 concerning electronic money, regulation of the issuance of electronic money in Indonesia is regulated. Method of Supervision Used by Bank of Indonesia Bank Indonesia is able to integrate Payment Service Providers (PJP) and their parent companies, subsidiary companies, and other linked parties on the basis of the most recent regulation number 23/6/PBI/2021 addressing PJP. The supervision that was carried out by OJK was the first micro-prudential supervision. This supervision was specifically designed to encourage banks and the Non-Bank Financial Industry (IKNB) to cooperate in sustaining monetary stability and promoting economic expansion. The second type of oversight is known as prudential supervision. This type of supervision is aimed at ensuring that individual banks and the Non-Bank Financial Industry

The Seybold REPORT
ISSN 1533-9211
DOI 10.5281/zenodo.6670351

(IKNB) are able to keep their financial health and continue to serve the community's best interests. Several different supervisory concepts, such as moral supervision, layered supervision, system supervision, operation testing, consolidated supervision, and prudential supervision, has been proposed based on analyses and studies that have been conducted on the basis of the characteristics of the diverse Indonesian society and culture.

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