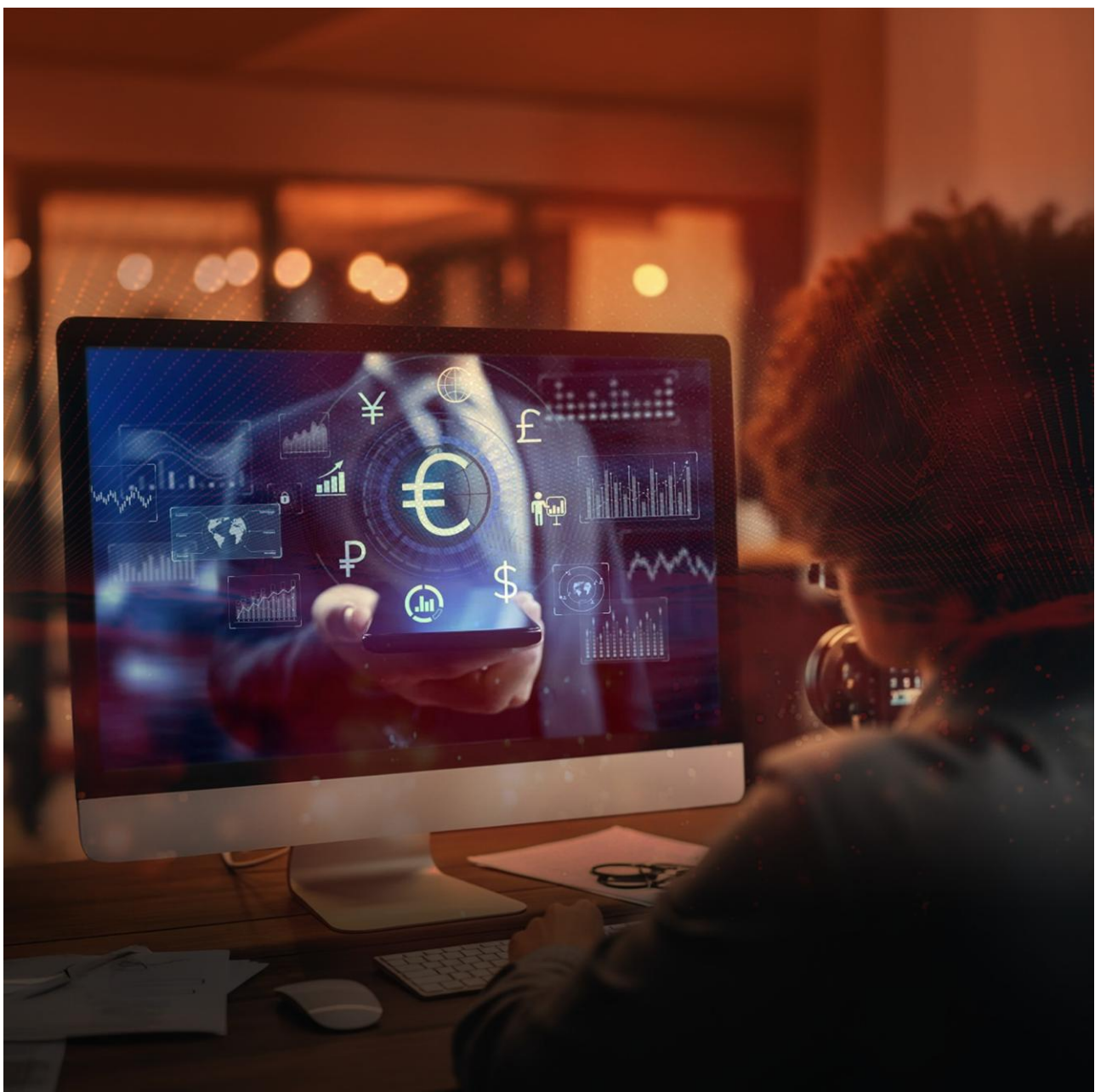


BANKING, FINANCE & PROJECT

What's Changing in P2P Lending? A Look at the Latest OJK Circular Letter



In July 2025, Indonesia's Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**") issued Circular Letter No. 19/SEOJK.06/2025 on Information Technology-Based Joint Funding Services ("**2025 Circular Letter**"), introducing new operational requirements for peer-to-peer ("**P2P**") lending platforms. This Circular Letter replaces Circular Letter No. 19/SEOJK.06/2023 ("**2023 Circular Letter**"), and complements OJK Regulation No. 40 of 2024, which governs the broader framework for P2P lending services.

The 2025 Circular Letter provides a more detailed, practical, and forward-looking regulatory framework for P2P lending organisers ("**Organisers**"). Besides impacting Organisers, the 2025 Circular Letter also affects fund providers and fund recipients, all of whom are required to comply with the Circular Letter's requirements by 1 January 2026.

Some of the key changes under the 2025 Circular Letter are the expansion of permissible business activities, enhanced governance and transparency requirements, the introduction of funding and benefit caps, and stronger risk management obligations. As we will see below, the Circular Letter reflects OJK's commitment to support the continued growth of digital financial innovation while maintaining financial system stability and strengthening user protection.

Fundamental Changes to P2P Lending Activities

The 2025 Circular Letter introduces several foundational updates to the operational scope and governance of P2P lending platforms. While the core structure of Organisers' responsibilities covering, among others, platform management, risk analysis, identity verification, and complaint handling, remain unchanged from the 2023 Circular Letter, the new Circular Letter expands the scope of permissible activities and strengthens user protection mechanisms.

1. Platform disclosure requirements

The 2025 Circular Letter requires Organisers to display key information on their platforms, including the Organiser's legal identity, shareholder composition, governance structure, and licensing status under OJK supervision.

Organisers must also publish funding performance data, covering at least:

- the total value of funds disbursed;
- the number of lenders;
- the number of borrowers; and
- loan quality levels (including repayment performance).

In addition, the platforms must provide clear and accessible risk warnings to ensure that users understand the potential risks associated with technology-based financial services.

Financial and Operational Provisions

The 2025 Circular Letter introduces more structured financial thresholds and operational safeguards for P2P lending platforms. While some provisions build on the 2023 framework, others reflect a shift toward clearer, more enforceable standards.

1. Maximum funding limits

Consistent with OJK Regulation No. 40 of 2024, the 2025 Circular Letter sets a base funding limit of IDR2 billion per recipient for both consumptive and productive loans. However, Organisers may extend productive funding up to IDR5 billion if they meet the following conditions:

- They maintain a non-performing loan rate of 5% or less over the past six months; and
- They are not subject to any business restriction or suspension sanctions from OJK.

The 2025 Circular Letter also introduces a new rule on affiliated-party funding. Organisers must ensure that the total funding provided to affiliated parties remains within the established limits that apply to other borrowers. This helps prevent overexposure to related parties and ensures a healthier and more balanced loan portfolio.

2. Maximum economic benefit

The 2025 Circular Letter continues to cap the total economic benefit that Organisers may charge. This is calculated as the sum of:

- Interest, margin, or profit-sharing under the funding;
- Administration, commission, or platform fees; and
- Other costs (excluding late penalties, stamp duty, and taxes).

The 2025 Circular Letter refines this framework by introducing fixed caps based on loan type, value, and tenor, replacing the gradual rate reduction model used in the 2023 Circular Letter.

Funding Type	2023 Circular Letter	2025 Circular Letter
Productive funding up to IDR50 million	0.1% daily (2024-2025), 0.067% daily (from 2026)	0.275% daily for loans up to six months, 0.1% daily for loans over six months
Productive funding above IDR50 million	Same as above	0.1% daily, regardless of tenor
Consumptive funding	0.3% → 0.2% → 0.1% (step-by-step reduction that is applied annually)	0.3% daily for loans up to six months, 0.2% daily for loans over six months

As seen in the table above, the 2023 Circular Letter capped economic benefits by gradually lowering daily rates over time. In contrast, the 2025 Circular Letter sets fixed caps upfront, based on loan value and tenor. While the earlier approach focused on reducing short-term consumer loan rates year by year, the new framework aims to protect borrowers while offering more certainty for platforms, especially those serving small and medium enterprises.

3. Utilisation of outsourced manpower

Like the 2023 Circular Letter, the 2025 Circular Letter maintains the prohibition on outsourcing core functions, such as funding feasibility assessment and IT operations. However, it introduces a more flexible approach to IT development.

Organisers are now permitted to outsource IT development under strict conditions, including:

- Retaining ownership of the application source code and server access; and
- Prohibiting outsourcing during deployment and production maintenance phases.

This revision offers greater flexibility while ensuring that Organisers maintain control over critical infrastructure and data security.

Enhanced Risk Management and User Protection

1. Categories of lenders and borrowers and limitations

For the first time, the 2025 Circular Letter distinguishes between professional and non-professional lenders, based primarily on annual income:

- Professional lenders (income above IDR500 million) may allocate up to 20% of their annual income per platform.
- Non-professional lenders (income below IDR500 million) are limited to 10% of their annual income per platform.

To further mitigate risk, the 2025 Circular Letter also caps the total outstanding funding from all non-professional lenders at 20% of a platform's total outstanding funding.

On the borrower side, eligibility is limited to:

- Indonesian citizens aged 18 or older (or married), with a minimum monthly income of IDR3 million; and
- Indonesian legal entities.

These requirements, which were not present in the 2023 Circular Letter, reflect OJK's stronger focus on aligning platform activity with investor profiles and borrower capacity.

2. Credit scoring for borrowers

The 2025 Circular Letter simplifies the rules around credit scoring, which remains a key tool for assessing a borrower's ability to repay. While the methodology is left to each Organiser, the 2025 Circular Letter sets clearer thresholds for maximum repayment ratios, helping platforms better manage default risk and protect fund providers.

Importantly, the Circular also specifies permissible data sources that Organisers may leverage in conducting credit scoring, namely:

- Internal data held by the Organiser;
- Information services providers registered or licensed by the relevant authority;
- Government institutions or state/region-owned enterprises; and
- Other registered or licensed institutions.

The updated framework also reduces complexity by consolidating the repayment ratio schedule into fewer tiers compared to the 2023 Circular Letter.

3. Publication of funding performance

The 2025 Circular Letter replaces the previous Successful Payment Rate (*Tingkat Keberhasilan Bayar* or "TKB") system with a new classification called Funding Quality Level (*Tingkat Kualitas Pendanaan*). This new system aligns more closely with banking-sector collectability standards and provides a more comprehensive view of loan performance.

Below is a comparison of the two systems:

2023 – TKB	2025 – Funding Quality Level
TKB0	Performing
TKB30	Under Special Attention
TKB60	Substandard
TKB90	Doubtful
N/A	Non-Performing (90+ days overdue)

The new Non-Performing category marks a shift from simply focusing on repayment delays to evaluating overall credit quality. This change is intended to improve transparency and give fund providers a clearer picture of platform performance.

Key Takeaways

The 2025 Circular Letter, effective since 31 July 2025, marks a major shift in Indonesia's P2P lending landscape. Replacing the rigid, one-size-fits-all approach, the new rules raise compliance standards while offering greater clarity and flexibility for platform operations.

With full implementation required by 1 January 2026, P2P Organisers should begin reviewing and updating their operational procedures, internal policies, and system settings. Particular attention should be paid to several key areas including proper handling and verification of emergency contact information, monitoring of funding caps for both professional and non-professional lenders, and structuring of outsourcing arrangements in line with the new safeguards.

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