

ABSTRACT

Rhamadan, Wisang Bagus. 2013. **The Regulation and Supervision System of Financial Services Sector Based on Law No. 21 of 2011 Concerning Financial Services Authority**. Thesis. Sharia Business Law Department. Maulana Malik Ibrahim Islamic State University, Malang. Advisor: Dr. H. Abbas Arfan, Lc, M.H.

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Nowadays, the supervision system in Indonesian financial industry is held by two different institutions. The Central Bank of Republic of Indonesia (BI) performs the supervision in banking sector while Organization of Capital Market Supervisory Agency and Financial Institutions (Baepam-LK) supervises the activity of capital market and non-banking financial institutions. However, on November 22, 2011 The People's Representative Council (DPR) ratified the Law No. 21 of 2011 concerning Financial Services Authority. Financial Service Authority, shortened as OJK, is an independent institution which is free from other parties' interference. The function, duty, and authority of OJK are to regulate, supervise, examine, and investigate financial services sector in Indonesia.

In this research, there are problems as follow: 1) How is the regulation and supervision of financial services held by OJK based on Law No. 21 of 2011 concerning Financial Services Authority? 2) What are the similarities and differences between OJK in Indonesia and such authority in other countries? This research is a normative law research. Therefore, it employs laws approach, comparison approach and conceptual approach. The data used is secondary data.

The result shows that OJK is an institution which has the authority to regulate and supervise the whole activities in financial service sector. The purposes of its establishment are to achieve regular, fair, transparent and accountable activities in financial service sector; to held a continuous and stabil financial system; to protect the customers' and people's interests. In addition, the establishment of OJK in Indonesia cannot be separated from similar authority in other countries, such as England, Japan, Germany, Korea and Singapore for having the similarity in the implementation of financial services supervision system.