



OJK's Authority after Law No. 4/2023: A Legal Certainty Perspective

Rosalinda Elsina Latumahina¹, Vera Rimbawani Sushanty²

rimbawani@ubhara.ac.id

¹Universitas 17 Agustus 1945 Surabaya

²Universitas Bhayangkara Surabaya

Info Article

| Submitted: 15 March 2025 | Revised: 16 April 2025 | Accepted: 27 April 2025

How to cite: Rosalinda Elsina Latumahina & Vera Rimbawani Sushanty, "OJK's Authority after Law No. 4/2023: A Legal Certainty Perspective", *Equality : Journal of Law and Justice*, Vol. 2, No. 2, November, 2025, p. 118-134.

ABSTRACT

The financial services sector, which is one of the main pillars in people's lives, has experienced rapid development. However, this progress also brings various challenges, especially related to fundamental problems in the financial sector. Financial problems in society are increasingly diverse so that the law is required to be more adaptive in responding to these problems considering that the law is basically a reflection of the will of the community. Strengthening the role of the Financial Services Authority (OJK) after the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Services Sector (UU P2SK) which includes provisions that every action and decision taken by OJK based on the law cannot be used as an object of lawsuit in state administration. This provision has a direct impact on the financial services industry and society, especially if OJK's decision has negative consequences for them. This study aims to analyze the impact of the P2SK Law on national and state life, especially in relation to the duties and functions of OJK. To achieve this goal, this study uses a literature study method to examine various views related to legal doctrines that affect financial institutions. The results of the study indicate an expansion of OJK's supervisory duties and functions, especially in the field of digital finance and education for the public. This expansion of authority is a challenge for OJK to play a role as a solution in overcoming various financial problems that occur in society.

Keyword: Authority, Financial Services Authority, Legal Certainty

Introduction

Indonesia, like other developing countries, has faced various economic crises throughout its history. Each crisis has its own causes, impacts, and lessons to be learned. The following is a review of several major economic crises that have hit Indonesia along with their consequences for the national economy. At least Indonesia has experienced major economic crises, including the first, the 1998 economic crisis, caused by the monetary crisis in Asia that started in Thailand, the sharp depreciation of the rupiah, high foreign debt, and weak corporate governance. ¹The impacts were soaring inflation, the rupiah plummeted, unemployment increased drastically, and social unrest occurred. Several banks and large companies went bankrupt. ²The second crisis was the 2008 global economic crisis, caused by the global financial crisis triggered by the *subprime mortgage problem*

¹ Waters, H. (2003). The impact of the 1997-98 East Asian economic crisis on health and health care in Indonesia. *Health Policy and Planning*, 18(2), 172–181. <https://doi.org/10.1093/heapol/czg022> .

² Suidarma, IM, Indrawati, Y., Diatmika, IGND, & Anggaradana, IN (2017). Financial System Vulnerability Indicators in Indonesia. *International Journal of Economics and Financial Issues*, 7(5), 299–306. <https://www.econjournals.com/index.php/ijefi/articiew/5393>



in the United States. *Subprime mortgage* is the provision of mortgage funds for people with bad credit scores or low incomes. The impact of this crisis is that economic growth slows, export demand decreases, and financial markets experience high *volatility*. The third economic crisis is the crisis caused by the COVID-19 pandemic in 2020-present. The cause is a global pandemic that disrupts the supply chain, reduces economic activity, and weakens demand which has an impact on economic contraction, increasing unemployment rates, and the health sector experiencing pressure. The lessons that can be learned from the economic crises that have occurred and are still happening are that macroeconomic stability needs to be maintained, the financial system must be strengthened, and transparency in company management must be increased, economic diversification is very important so as not to be too dependent on exports, strengthening the domestic sector needs to be done, economic resilience must be strengthened, digital transformation is a necessity, and cooperation between the government, the private sector, and the community is very necessary.³

The awareness of the importance of anticipating crises and maintaining the stability of the financial system has encouraged various countries to take strategic steps. One of the efforts made is the development of an *early warning system model*, monitoring the condition of the financial system, and analyzing the economy. The experience of crises experienced by various countries in the last few decades has also encouraged economists and researchers to develop theories and models in analyzing the symptoms and patterns of crises. Studying crisis patterns is considered important in order to learn from previous events. By understanding the stages of a crisis, a more in-depth analysis can be carried out, and anticipatory steps can be prepared if similar symptoms appear in the future.⁴

Given Indonesia's vulnerability to economic crises, in addition to the above, an Independent Institution must be formed that aims to integrate all activities in the financial services sector. This institution includes banking, capital markets, non-bank financial industries, and consumer protection in the financial services sector in one container, namely the Financial Services Authority (OJK). more rin c i, objective O J K has at m u a t in P a s a l 4 Invitation - Invitation Number 21 of 2011 concerning the Financial Services Authority (OJK) Which m e n y e mentioned:

“ O J K formed with objective so that to the whole activity in in the sector financial services : a. ters e leng g because s in a way regular, a in l transparent and a k untale; b. ma m pu realize financial system Which grow s in a way b e r to continue And

³<https://www.rri.co.id/lain-lain/1226404/kilas-balik-krisis-ekonomi-di-indonesia-pelajaran-dan-dampaknya> , accessed on March 12, 2025

⁴<https://fiskal.kemenkeu.go.id/files/berita-kajian/file/Pola%20Krisis%20Ekonomi.pdf> , accessed on March 12, 2025

stable ; and c . can protect the importance of consumer food and society " .

The economic crisis that occurred in the past revealed weaknesses in the financial services sector supervision system. One of the impacts was the emergence of the Century case. At that time, Bank Indonesia as the institution responsible for banking supervision was suspected of making a mistake in its policy of providing bailout funds of Rp 6.7 trillion to save PT Bank Century Tbk. The Bank Century case reflects the weak supervision of Bank Indonesia (BI) as the central bank over commercial banks. The Bank Century problem is not only a matter of administration but also a matter of the weakness of BI. According to the provisions, commercial banks are subject to strict supervision from the central bank.⁵

The dissatisfaction of several parties with the supervisory role carried out by Bank Indonesia is one of the reasons for the establishment of the Financial Services Authority (OJK). The establishment of OJK is based on three main factors, namely the growth of the financial services sector in Indonesia, the emergence of cross-sectoral problems in the financial services industry, and the mandate contained in Law No. 3 of 2004 concerning Bank Indonesia.⁶

Microprudential supervision focuses on the stability of the financial services industry and its individual institutions, while macroprudential supervision aims to maintain the stability of the financial system as a whole. Given that the sustainability of each financial services institution's business needs to be monitored continuously and systematically, microprudential supervision has an important role in ensuring the resilience and performance of each financial institution individually.⁷

Before the Financial Services Authority (OJK) was established, supervision of financial services institutions in the capital market sector and non-bank financial industry was carried out by the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) under the Ministry of Finance, while supervision of the banking industry was under Bank Indonesia (BI). The process of transferring supervision from the two institutions to OJK was carried out in stages. The transfer of supervision of the capital market sector and the Non-Bank Financial Industry (IKNB) took place on December 31, 2012, while for the banking sector it was carried out on December 31, 2013. In addition, based on Law Number 1 of 2013 concerning Microfinance Institutions, since 2015 OJK has also been responsible for the development, regulation, and supervision of Microfinance

⁵<https://nasional.kompas.com/read/2008/11/25/17114243/kasus-bank-century-pengawasan-bi-lemah> . accessed on March 12, 2025

⁶Ongkowijoyo, IY, & Setiawan, Y. E, Accountability of Financial Service Business Actors for Debtor Losses Affected by Coronavirus-Disease Caused by Rejection/Neglect of Debtor Restructuring. Jurnal Education And Development , Vol 9, No. 2, 2021, Pg. 78.

⁷Juhro, S. M, Introduction to Central Banking: Theory and Policy-Rajawali Press . PT. Raja Grafindo Persada, Jakarta, 2021, p. 79.

Institutions (MFIs).⁸

Urban development today is influenced by various factors, with one of the most influential being the growth of the economic sector. This sector plays a role in driving the progress of the business world. In addition, the financial services sector, which is one of the main pillars in people's lives, is also experiencing rapid growth.⁹

With the increasingly complex and dynamic financial sector, legal protection for the community is very important. In accordance with the purpose of its establishment as stated in Article 4 of the OJK Law, the Financial Services Authority (OJK) plays a role in protecting the interests of consumers and the community. OJK has a primary role in maintaining stability, integrity, and consumer protection in the financial industry. This approach is in line with the concept of a "*single regulator*" implemented by Indonesia, which is considered more efficient and effective in carrying out supervision.¹⁰

In order for reforms in the financial sector to run optimally, a legal basis is needed that is in line with the current development of the financial industry. This is done through policy improvements, namely by optimizing laws and regulations comprehensively and integrated into one regulation that regulates the financial sector, namely Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (UU P2SK).

With the enactment of the P2SK Law, the role and authority of the Financial Services Authority (OJK) have undergone significant changes. The P2SK Law, which was passed on January 1, 2023, is an important milestone in the reform of financial sector regulations in Indonesia, providing a new legal basis for OJK in carrying out its duties and functions.

Along with these changes, legal protection for the financial services industry and the public against OJK's actions and decisions is an aspect that needs to be considered in depth. Changes in regulations and authorities stipulated in the P2SK Law have the potential to have a direct impact on the financial sector and the public. Decisions and policies taken by OJK can affect financial stability and investment in the financial services industry. Therefore, legal protection is a crucial element to ensure that OJK's policies and actions remain fair and do not harm the industry or the public, while respecting their rights.

The financial services industry is part of the economic sector that offers a

⁸Financial Services Authority, Getting to Know the Financial Services Authority and the Services Industry Finance, 2020.

⁹ Khamimah, W, The Role of Entrepreneurship in Advancing the Indonesian Economy. Journal Business Disruption, 2021, Vol. 4, No. 3, p. 228

¹⁰ Nachiket Mor and Rupa Rege Nitsure, Organization of Regulatory Functions: A Single Regulator?, Economic and Political Weekly, 2020, Vol. 37, no. 5, 2002, p. 453.

variety of financial services to individuals, businesses, and governments. This sector plays a vital role in a country's economy because it supports capital turnover, investment, and various other financial activities.¹¹

Banking institutions, non-bank financing institutions, insurance companies, investment managers, stock exchanges, microfinance institutions, microcredit, credit card companies, pension institutions, and pension funds are some of the entities that provide financial services. The financial services industry serves as a liaison between parties who have funds, such as lenders and investors, and parties who need funds, such as borrowers and business actors.¹²

This sector plays a role in increasing access to finance, driving economic growth, and protecting people's finances through various products and services offered. However, this industry also faces various challenges, including credit risk, market risk, and operational risk. Therefore, the implementation of strong regulations and effective risk management are essential to maintain the stability and integrity of the financial services sector.¹³

The enactment of the PPSK Law is a significant step in strengthening the foundation of the financial system in Indonesia. This law was drafted in response to increasingly challenging global dynamics, such as economic uncertainty, potential threats of financial crime, and the need to increase the competitiveness of the national financial sector.

The enactment of Law No. 4 of 2023 marks a pivotal moment in the development of financial sector regulation in Indonesia. This law introduces substantial changes to the institutional authority, duties, and coordination mechanisms of the Financial Services Authority (OJK). Given OJK's critical role in supervising and regulating financial institutions, there is an urgent need to analyze its new legal standing and responsibilities to ensure legal certainty, institutional clarity, and public trust in the financial sector. Uncertainty about the legal boundaries and authority of OJK after the new legislation can potentially disrupt regulatory effectiveness, financial market stability, and investor confidence. Therefore, a timely legal examination is essential to address gaps and ambiguities that may arise in the transition period following the law's enactment.

¹¹ Hayati, N., & Yulianto, E, The Role of Sustainable Finance in the Banking Industry in Supporting Sustainable Development Goals: *Journal of Accounting, Business and Economics (JABE)* , 2020, Vol. 6 , No. 1, p. 1633.

¹² Yahya, A., Affandy, A., & Narimawati, U, MSME Development Through the Utilization of Ammana Sharia Fintech Service Model. *Id. @ Is The Best: Accounting Information Systems And Information Technology Business Enterprise* , 2020, Vol. 5, No. 2, pp. 106–120.

¹³ Muhammad, R., & Nissa, I. K, Analysis of Financing Risk and Sharia Resolution in Peer-To-Peer Financing. *Equilibrium: Journal of Islamic Economics* , 2020, Vol. 8, No. 1, p. 63.

This article offers a novel perspective by focusing specifically on the legal position of the Financial Services Authority (OJK) post-Law No. 4 of 2023, using the lens of the legal certainty principle. While much of the discourse has focused on the broader impact of the law on the financial sector, few studies have analyzed the institutional shift from a legal theory and doctrinal standpoint.

The novelty also lies in its focus on mapping the institutional transformation of OJK and identifying potential overlaps or conflicts with other regulatory bodies, particularly Bank Indonesia (BI) and the Deposit Insurance Corporation (LPS), in light of the new legal framework. It aims to contribute to the legal scholarship by clarifying the scope of authority, hierarchy of norms, and interpretive challenges posed by the new provisions.

Research Methodology

This study applies a normative approach with a literature study method, using sources from journals that discuss financial services in the context of positive law in Indonesia as the unit of analysis. The journals were selected based on the perspective of law as a factor that influences social reality in the financial services sector. Data processing was carried out through three main stages, namely data presentation, data reduction, and drawing conclusions. This study follows the following procedures: topic selection, information exploration, determining research focus, collecting data sources, preparing data presentation, and compiling reports. The content analysis method is used to sort, compare, and combine various findings from previous studies regarding the impact of law on the financial services sector. After all data has been collected, the next stage is to analyze the information in order to draw conclusions. To ensure accurate results, data analysis is carried out through an in-depth discussion of the contents of written information contained in the journal. This content analysis aims to review various studies that discuss the impact of law on the financial services sector. The entire analysis process is carried out to answer the formulation and objectives of the study, namely to understand the impact of law on the financial services sector in Indonesia.

Result and discussion

1.1 Supervisory Function and Independence of the Financial Services Authority after the Enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (PPSK Law)

This article is based on the theory of legal certainty, which is a fundamental principle in the rule of law. Legal certainty ensures that laws are clear, predictable, and consistently applied, so individuals and institutions can understand their rights and obligations. The legal certainty theory, as articulated by legal scholars such as

Gustav Radbruch and Hans Kelsen, emphasizes that legal norms must be formulated in a clear and unambiguous manner to avoid arbitrary interpretation and enforcement. It also underscores the importance of legal stability, coherence of norms, and the existence of an authoritative legal structure that supports the implementation of law in a fair and consistent way.

In the context of the Financial Services Authority (OJK), this principle is essential to assess whether the changes introduced by Law No. 4 of 2023 provide clear, predictable, and enforceable provisions regarding OJK's authority, responsibilities, and institutional position in relation to other financial regulators such as Bank Indonesia (BI) and the Indonesia Deposit Insurance Corporation (LPS). The article applies this theory to examine whether the reform of the financial legal framework strengthens or weakens legal certainty with regard to regulatory functions, inter-agency coordination, and the safeguarding of financial stability.

Changes in regulations related to the function of the Financial Services Authority (OJK) indicate an expansion of its role, namely not only as a supervisor, but also as a guardian of the stability of the financial system and a protector of consumers and the public. This places OJK in a more strategic position than before, because the additional function has a direct impact on the various activities it carries out. In addition, OJK's duties in regulation and supervision have also expanded, covering aspects such as derivative finance, digital financial assets, crypto assets, consumer education and protection, and assessment of the systemic impact of financial conglomerates. This development reflects OJK's response to the dynamics of modern finance, especially those related to digitalization. In addition, OJK is also increasingly active in providing education to the public. This regulatory change confirms that OJK's role and authority are now broader in carrying out its duties.

Consumer education and protection are important parts of efforts to protect consumer rights. Both aspects aim to increase public and consumer understanding of financial services institutions, including the products and services they offer.¹⁴

A better understanding of financial products and services in Indonesia can increase public trust and use of financial services. However, there are still obstacles in the interaction between the public and Financial Services Institutions (LJK), such as a lack of consumer understanding and minimal transparency of information related to financial products and services. To overcome this, the Financial Services Authority (OJK) divides consumer education and protection efforts into two main categories, namely preventive measures in education and regulation and implementation in consumer protection. Education is carried out through various media and methods to provide basic understanding to consumers, including

¹⁴ Bakhri, B. S, ASEAN Economic Community (AEC) and Review from the Perspective of Islamic Economics. *KIAT Economic Journal* , 2015, Vol. 26, No. 2, p. 63.

students, the general public, and certain communities. As part of consumer services, OJK also provides an education portal containing various financial literacy materials such as books, brochures, magazines, articles, infographics, and videos that are updated regularly and can be accessed for free. In addition to education, OJK ensures that LJK products and services comply with the five principles of consumer protection, namely transparency, fair treatment, compliance with regulations, protection of consumer data and information, and efficient and wise complaint and dispute resolution mechanisms.¹⁵

OJK implements preventive and punitive measures to encourage financial inclusion and maintain the stability of the financial system. In carrying out its role in consumer education and protection, OJK aims to increase public trust in financial products and services while creating fair competition in this sector. The sustainability of financial stability, growth, efficiency, and innovation in the long term is highly dependent on consumer confidence and trust in financial markets that operate optimally. The latest regulation expands the authority of the Financial Services Authority, allowing this institution to set new regulations in the financial services sector, grant and revoke permits according to agreements, and access periodic reports and notifications from industry players by imposing administrative sanctions. In addition, OJK has the authority to conduct inspections and investigations into violations of the law, issue written directives, appoint processors according to statutory provisions, and require every business transfer to ensure the protection and integrity of customer data.¹⁶

The Financial Services Authority (OJK) is an institution established by the state to independently supervise the financial services sector.¹⁷ The existence of OJK is becoming increasingly important in facing the dynamics of the increasingly complex and competitive financial services industry. Therefore, the government decided to transfer the task of supervising the financial services sector, which was previously under Bank Indonesia (BI) to OJK.¹⁸

This change has a positive impact on BI, allowing the institution to focus more on monetary policy,¹⁹ while also confirming that the establishment of the OJK was

¹⁵ Financial Services Authority, *Getting to Know the Financial Services Authority and the Services Industry Finance*, 2020.

¹⁶ Mochammad Rizaldy Insan Baihaqqy, *The Impact of Law Number 4 of 2023 Concerning the Development and Strengthening of the Financial Services Sector (P2SK) on the Duties and Supervisory Functions of the Financial Services Authority Co-Value: Journal of Economics, Cooperatives & Entrepreneurship*, 2023, Vol. 14, No. 6, p. 5.

¹⁷ Surti Yustianti, *Banking Regulatory and Supervisory Authority by Bank Indonesia and the Financial Services Authority (OJK)*, *Acta Diurnal Journal of Notary Law and PPAT-An 1*, 2017, No. 1, p. 98.

¹⁸ Yulia Hesti, *Legal Analysis of the Objectives and Authorities of the Financial Services Authority (OJK) in Banking Institutions in Indonesia*, *Pranata Hukum*, 2018, Vol. 13, No. 2, p. 170.

¹⁹ Agustin Leni Magdalen Rohi Riwu, *Transfer of the Supervision Function of Bank Indonesia to the Financial Services Authority*, *International Journal of Latest Engineering and Management Research (IJLEMR)*, 2023, Vol. 8, no. 8, p. 7.

the right step. The supervision carried out by the OJK also includes legal protection as regulated in laws and regulations, which ensures that the rights of individuals and financial services sector actors are procedurally protected.²⁰ Thus, the function of law in protecting society from actions that disrupt order, whether by individuals, state officials who abuse their authority, or foreign parties, can be realized effectively.²¹

The establishment of the Financial Services Authority (OJK) as regulated in Law No. 21 of 2011 confirms the existence of institutional independence in carrying out governance and supervision of the financial services sector. This regulation shows that the financial services sector has a strategic role as a catalyst in driving economic development. The large contribution of the financial services sector also has a significant effect on the growth of the industry as a whole.²²

The role of the financial services sector that contributes to the growth of various industries makes OJK supervision an important element in ensuring the stability of activities in the sector.²³ In carrying out its supervisory function, OJK is guided by the principles of independence, responsibility, fairness, accountability, and transparency.²⁴

Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Services Sector was issued as a government response to the increasing challenges in the increasingly competitive financial services sector. The rapid development of the financial services industry, driven by advances in information technology, places the OJK as the main pillar in maintaining the stability of microprudential aspects in this sector. This regulation aims to strengthen the industry, institutional stability, and the financial system through regulatory updates that optimize the supervisory and regulatory relationship between institutions in the financial services sector, especially between the OJK and other institutions. However, Law No. 4 of 2023 also presents various challenges for the OJK in its supervisory mechanism. Indirectly, this law highlights the importance of the consultation aspect between the OJK and the House of Representatives (DPR), which is a sensitive issue in interpreting the role and independence of the OJK in supervising the financial services sector. Given that the DPR has a role in drafting

²⁰ Rizki Ramadani, *Independent State Institutions in Indonesia in the Perspective of the Concept of Independent Regulatory Agencies*, *Ius Quia Iustum Law Journal*, 2020, Vol. 27, No. 1, p. 75.

²¹ SE Utrecht and Moh. Saleh Djindang, *Introduction to Indonesian Law*, PT Grasindo, Jakarta, 1983, p. 123.

²² Javier Inkiriwang, *The Relationship of the Financial Services Authority (OJK) as an Independent Institution with the Banking Sector*, *Lex Privatum*, 2016, Vol. 15, No. 2, p. 56.

²³ FT M a m u a y a, Olga A. P a n g k e r e g o, and R o y V. When you are here, K e s i t k a n And Function Authority Service Finance in l a m S i s t e m Finance d i Indonesia, *Lex Privatum*, 2022, Vol. 5, No. 9, p. 97.

²⁴ Hengki Heriyadi, *Legal Review of the Role and Function of the Financial Services Authority (OJK) in the Financial System in Indonesia*, *Jurnal Hukum Progresif*, 2023, Vol. 11, No. 1, p. 36.

this regulation, in the technical aspect of designing regulations at the OJK, it has the potential to give rise to various interpretations, especially regarding independence in the preparation of policies and regulations implemented by the OJK. Challenges in the implementation of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Services Sector is also seen in the aspect of institutional coordination, especially with the emergence of new industries such as carbon trading. This development has an impact on the division of authority in regulating trade, including the development of financial derivative products, which were previously under the Commodity Futures Trading Supervisory Agency (Bappebti). In addition, coordination of supervision with various institutions is also a challenge in ensuring optimal protection for public investors and industry players. This shows that the process of drafting derivative regulations is a crucial factor for the OJK, considering the large potential involvement of various institutions in supervising the financial services sector as mandated in Law No. 4 of 2023.²⁵

With the enactment of the PPSK Law, OJK is further strengthened as an independent institution tasked with supervising the financial services sector in Indonesia. OJK's position in the financial system is now clearer with a more structured role in regulating, supervising, and enforcing regulations in various sectors, including banking, capital markets, and the non-bank financial industry (IKNB). The PPSK Law also emphasizes closer coordination between OJK, Bank Indonesia (BI), and the Deposit Insurance Corporation (LPS) in maintaining the stability of the financial system.

OJK's Authorities Post-PPSK Law The PPSK Law provides various additional authorities to OJK to strengthen supervision and regulation of the financial sector, including:

1. Strengthening OJK's Integrated Supervision
Given broader authority to carry out integrated supervision of financial services institutions, including the ability to coordinate risk mitigation measures across various financial sectors.
2. Stronger Law Enforcement of the PPSK Law
Providing a clearer legal basis for OJK in taking action against violations of the law in the financial sector, including imposing administrative sanctions, revoking business licenses, and recommending criminal legal action.

²⁵ Upita Anggunsuri and Zahara, Independence of the Financial Services Authority (After the Enactment of Law Number 4 of 2023 concerning the Strengthening and Development of Financial Services), *Ius Quia Iustum Law Journal*, 2024, p. 313.

3. Better Consumer Protection OJK

Strengthened in carrying out its function as a protector of financial service consumers through various new, stricter regulations related to financial product transparency and dispute resolution.

4. Financial Crisis Management in Maintaining Financial System Stability

OJK is given a more strategic role in managing financial crises, working with BI and LPS to prevent and handle potential disruptions in the financial sector.

1.2. Legal Protection for the Financial Services Industry and the Community Based on the UUP2SK

As an independent institution, OJK is indirectly included in the category of Government Agencies and/or Officials as regulated in Law Number 33 of 2014 concerning Government Administration. This is reflected in the phrase "other state administrators" contained in the law. Furthermore, the definition of state administrators is emphasized in Law Number 28 of 1999 concerning State Administrators Who Are Clean and Free from Corruption, Collusion, and Nepotism.

In addition, OJK funding sourced from the State Revenue and Expenditure Budget (APBN) and levies from entities operating in the financial services sector, as regulated in Article 34 paragraph (2) of Law Number 21 of 2011 concerning the Financial Services Authority, further clarifies that OJK is part of a state institution that carries out government functions as referred to in Article 1 number 2 and number 3 of Law Number 33 of 2014. Furthermore, the P2SK Law also confirms that OJK's budget is included in the State Treasury Budget Section in the APBN, and includes levies as regulated in the provisions of the following article.

In carrying out actions and making decisions, OJK adheres to several fundamental principles, namely:

1. The principle of independence, namely the freedom to make decisions and carry out the functions, duties and authorities of the OJK, remains within the corridor of applicable laws and regulations.
2. The Principle of Legal Certainty, namely upholding the supremacy of law by prioritizing the basis of statutory regulations and justice in every policy taken by the OJK.
3. The principle of public interest, namely oriented towards protecting and defending consumer and community rights, with the aim of improving public welfare.
4. The principle of openness, namely providing access to the public to obtain accurate, honest and non-discriminatory information regarding OJK activities,

while maintaining protection of individual and group rights and state confidentiality in accordance with applicable regulations.

5. The principle of professionalism, namely prioritizing expertise in carrying out the duties and authorities of the OJK, based on the code of ethics and applicable legal provisions.
6. Integrity Principle, namely ensuring that every decision and action taken adheres to strong moral values in carrying out OJK's duties.
7. The principle of accountability, namely ensuring that all OJK activities and work results can be accounted for transparently to the public.

After the enactment of the P2SK Law, especially as regulated in Article 45A Chapter IV Part Two concerning Banking, there are several important provisions, namely:

1. The Chairman of the Board of Commissioners, Deputy Chairman of the Board of Commissioners, members of the Board of Commissioners, as well as officials and employees of the Financial Services Authority (OJK) who carry out their duties based on this law cannot be subject to civil or criminal prosecution, as long as their actions are based on good faith and in accordance with applicable legal provisions.
2. All actions, including decisions taken based on this law, cannot be made the object of a lawsuit in state administrative courts.

The provisions in this article indicate that OJK now has legal protection in every decision and action issued against financial services industry players and the public. This is because both types of activities cannot be the object of lawsuits in state administrative courts. In addition, OJK officials, from the Chairman of the Board of Commissioners to employees, cannot be sued civilly or prosecuted criminally, as long as they carry out their duties in good faith and in accordance with applicable laws and regulations.

The OJK's very strong authority on the one hand is an important tool in implementing supervision and formulating regulations for the financial services sector. However, on the other hand, this can also cause problems or negative impacts. Excessive authority risks increasing the potential for corrupt practices and does not guarantee increased performance, effectiveness, or stability of the OJK itself. In addition, from the perspective of the community and business actors in the financial services sector who feel disadvantaged by OJK's decisions or actions, there is no mechanism that allows them to file objections. This condition reflects a violation of the general principles of good governance, as well as the basic principles

that should be upheld by the OJK in every action and decision made, which have basically become legal norms.²⁶

With limited access for the public and business actors to submit objections or file legal actions against actions or decisions taken by the OJK, it is necessary to consider an alternative mechanism to accommodate this. Based on practices that have been implemented in various institutions, it is possible to establish a special institution that functions as a forum for the public and business actors to submit their objections. For example, the Trademark Appeal Commission is an independent body within the ministry and in the context of administrative law is known as part of an administrative effort or tribunal that carries out quasi-administrative judicial functions. Interestingly, this institution is not related to the administrative justice system under the State Administrative Court (Peratun), but rather has a relationship with the Commercial Court which is within the scope of the General Court. A model like this can be a reference in designing a similar mechanism that aims to accommodate objections to OJK decisions without having to go through the state administrative court.²⁷

The principle of legal certainty is one of the fundamental principles in the legal system that ensures that laws and regulations must be clear, unambiguous, and predictable in their application. This principle provides protection for the public and business actors against uncertainty in regulation and legal implementation. The principle of legal certainty refers to the clarity, firmness, and consistency of regulations governing the financial sector, so that it can provide legal guarantees and protection for financial services industry players and the general public. With the P2SK Law, the principle of legal certainty is further strengthened through clearer regulations regarding the role and responsibilities of the OJK. Functions of OJK after Law No. 4 of 2023 :

1. Strengthening Integrated Supervision

With the P2SK Law, OJK has greater authority to supervise all financial services sectors in an integrated manner, including the banking sector, capital markets, and non-bank financial industry (IKNB). This aims to ensure the stability of the financial system as a whole.

2. Consumer and Community Protection Legal certainty

In the financial sector, it is also strengthened by increasing the OJK's function in protecting consumers of financial services. The P2SK Law provides a clearer

²⁶ Arjangga Yustisia Nasution, Strengthening the Role of the Financial Services Authority in Legal Protection for the Financial Services Industry and the Community after the Enactment of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector, *UNES Law Review*, 2024, p. 9590.

²⁷ Abi Harun Arroisi, Guntur Ilman Putra, Firzhal Arzhi Jiwantara, *Regulatory Authority In Case Of Removal Of Registered Marks By The Government*, *Jurnal Cakrawala Ilmiah*, 2022, Vol.1, No.12, p. 3443.

mandate to the OJK to handle consumer disputes, including dispute resolution through more effective and efficient mechanisms.

3. **Improving OJK Supervision of Microfinance Institutions and Fintech**
OJK now has a broader role in overseeing microfinance institutions and the financial technology (fintech) sector. This is important to ensure that rapidly developing financial innovations remain within a clear and safe regulatory corridor for users.
4. **Role in Handling Financial Crisis**
The P2SK Law mandates OJK to play a more active role in supporting financial crisis management policies together with Bank Indonesia, the Ministry of Finance, and the Deposit Insurance Corporation (LPS). This aims to create legal certainty in dealing with potential systemic risks in the financial sector.
5. **Strengthening Sanctions and Law Enforcement**
In an effort to increase legal certainty, the P2SK Law provides additional authority to the OJK in terms of law enforcement against regulatory violations in the financial services sector. The OJK can now impose stricter sanctions, both in administrative and criminal forms, to ensure compliance with applicable regulations.

To ensure legal certainty in the financial sector after the implementation of the P2SK Law, several steps that can be taken include:

1. **Preparation of Clear and Structured Implementing Regulations**
The government and OJK need to immediately issue derivative regulations that are transparent and free from ambiguity to ensure effective implementation.
2. **Provision of Monitoring and Objection Mechanisms for OJK Decisions**
A legal system is needed that allows the public and business actors to file objections to OJK decisions, so that their legal rights remain guaranteed.
3. **Socialization and Counseling Regarding New Regulations**
Increasing public and financial industry players' understanding of the P2SK Law through intensive socialization can help increase compliance and reduce the potential for uncertainty due to misinterpretation or lack of information regarding applicable regulations.

Conclusion

Changes in the duties and functions of the OJK as regulated in Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector reflect the legal ability to adapt in facing various challenges and problems in the financial sector. The expansion of OJK's authority not only broadens the scope of its authority, but also becomes a challenge for this institution in optimizing the implementation of the mandate given by law. The enactment of Law Number 4 of

2023 concerning the Development and Strengthening of the Financial Services Sector presents a challenge for OJK in maintaining its independence in exercising its authority.

After the enactment of the P2SK Law, OJK has been strengthened in terms of authority to supervise and formulate regulations related to the implementation of the financial services sector. However, on the other hand, this has implications for legal protection for the community and business actors in the financial services industry. They have the potential to suffer losses due to actions or decisions taken by OJK, but do not have a mechanism or means that allows them to file objections to these decisions.

Suggestion

To respond to new challenges and authorities, OJK needs to increase information transparency, strengthen accountability, or develop a more effective internal monitoring system. There needs to be a mechanism or regulation that protects their rights, such as the establishment of an independent institution to resolve disputes if the public and business actors experience difficulties in submitting objections to OJK decisions

Expression of Gratitude

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