

**LEGAL POLICY CONCERNING THE SUPERVISION BY THE
FINANCIAL SERVICES AUTHORITY SUPERVISORY BOARD
*KEBIJAKAN HUKUM MENGENAI PENGAWASAN OLEH DEWAN
PENGAWAS OTORITAS JASA KEUANGAN***

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ABSTRAK

Pembentukan Badan Supervisi Otoritas Jasa Keuangan (BS OJK) yang sebagaimana diamanatkan dalam Undang-Undang Nomor 4 Tahun 2023 tentang Pengembangan dan Penguatan Sektor Keuangan (UU P2SK) guna membantu DPR dalam melakukan pengawasan terhadap OJK membuka ruang serta partisipasi publik untuk turut serta aktif dalam memberikan laporan dan/atau masukan mengenai kelembagaan OJK. Dengan menggunakan metode penelitian yuridis normatif, dalam penelitian diharapkan dapat tergambar bagaimana kondisi politik hukum di Indonesia dalam melatarbelakangi pembentukan hukum OJK serta dampak terkait independensi OJK. Hasil temuan dalam studi ini menggambarkan bagaimana latar belakang, peran BS OJK, serta bagaimana pembagian peran pengawasan terhadap OJK antara BS OJK dan Komisi XI Dewan Perwakilan Rakyat (DPR) dari sudut pandang politik hukum. Apakah hal ini dipandang dapat berpotensi menimbulkan *overlapping* pengawasan oleh keduanya.

Kata kunci: OJK, Politik Hukum, Teori Politik

ABSTRACT

The establishment of the OJK Supervisory Board (SB of OJK), as mandated by Law Number 4 Year 2023 concerning the Development and Strengthening of the Financial Sector (Law Number 4/2023), is intended to assist the House of Representatives (DPR) in overseeing OJK while also opening space for public participation by enabling the submission of reports and/or inputs regarding OJK's institutional performance. By employing a normative juridical research method, this study seeks to illustrate the political and legal context in Indonesia underlying the formation of OJK regulations, as well as the implications for OJK's independence. The findings of this study illustrate the background and role of the SB of OJK, as well as the division of supervisory responsibilities over the OJK between the SB OJK and Commission XI of the House of Representatives (DPR) from legal policy perspective. Whether this arrangement is perceived as having the potential to create overlapping oversight between these two bodies.

Keywords: OJK, Legal Politics, Political Theory

A. INTRODUCTION

Law in terms of its values is examined from the perspective of legal philosophy and legal policy.¹ Policies or political expressions of will by state administrators, in order to avoid arbitrariness, must be based on ethics or morality and should not be regarded as absolute truth.²

The political condition and architecture of a country shape the character and the design of its policies as well as their implementation. According to Radjab, the long historical trajectory of legal policies in Indonesia demonstrates a strong grip of the ruling political forces at the time over the produced legal products. For instance, during the New Order era (1966–1998), 32 years span, law was largely associated as an instrument to legitimize the domination and influence of the government, which eventually failed to emplace law as the highest authority (legal supremacy).³

The repressive actions were frequently committed by law force enforcement during New Order era, and peaked, the movement of May 1998 which sought to restore the law as the supreme authority within the Country. The ultimatum for governmental restructuring (reform) was further triggered by the political climate and the economic decline at the end of 1997. The call for the legal supremacy became an essential turning point that brought Indonesia towards the improvement of the due process of law and democratization as well.⁴

Looking deeper back, the background to the establishment of OJK can be traced from the 1997–1998 financial crisis, whereas Indonesia placed greater emphasis on economic growth through the banking sector (*banking-centric*). This condition created systemic impacts on the financial service sectors and triggered financial instability that culminated in the national crisis. The banking supervisory function, which was under the authority of Indonesia Central Bank (BI), was

¹ Yudi Widagdo Harimurti, *Politik Hukum Pembentukan Lembaga Negara yang Tidak Diatur dalam UUD Negara Republik Indonesia Tahun 1945*, Rechtsidee Jurnal Hukum, Vol.8, No.1 (Juni 2013), p.124.

² *Ibid.*

³ Lis Diana Ningsih, dkk., *Politik Hukum dalam Penegakan Hukum di Indonesia*, Indonesia Journal of Law and Social-Political Governance, Vol.4, No.3 (September-Desember 2024).

⁴ Udiyo Basuki, *25 Tahun Reformasi: Mengawal Upaya Mewujudkan Supremasi Hukum dan Meningkatkan Kualitas Demokrasi di Indonesia*, Jurnal Hukum Kenegaraan dan Politik Islam, Vol.3, No.1 (Juni 2023).

heavily questioned, with many considering the crisis to have been caused by the collapse of Indonesia's banking sector.⁵

Asshidiqie stated that supremacy of law becomes one of the twelve essential principles of a constitutional state. Among those twelve essential principles, there is a principle that inhibits the role of a state institution becoming a superpower body (excessively absolute), it is a limitation of power principle.⁶ The limitation of power means as a form of a supervision in a political way as well as check and balance system on every governmental action, in order to embody the legal justice for all citizens, as well as introduced by Montesquieu in his seminal work *L'Esprit des Lois* in his *Trias Politica* Theory.⁷

Three statutory objectives of OJK under Law 21 of 2011 are regulating and supervising the financial services related activities, actively maintaining financial system stability in accordance with its authority, and ensuring the protection of financial services consumers' interests, OJK as an independent institution⁸, although it stands outside the executive branch, it functions within the state's regulatory domain. On the other hand, the DPR holds one of its functions in monitoring the implementation of laws and the State Budget (APBN).⁹ The DPR's supervise of OJK is carried out through Commission XI of the DPR.¹⁰

DPR considers the idea that lies behind of the establishment of a supervisory board to supervise OJK is highly urgent, given that the oversight exercised by Commission XI of the DPR over each policy adopted by the OJK remains very limited, amid the numerous issues affecting the financial services sector (FSS) that required immediate response.¹¹

⁵ Tri Satyo Nugroho dan Bambang Winarno, *Ratio Legis Kewenangan Otoritas Jasa Keuangan dalam Melakukan Pungutan Terhadap Lembaga Keuangan*, Skripsi, Fakultas Hukum Universitas Brawijaya, 2015, p.5.

⁶ *Ibid.*

⁷ Miriam Budihardjo, *Dasar-Dasar Ilmu Politik*, Gramedia, Jakarta, 2002, p.150.

⁸ Indonesia, *Undang-Undang tentang Otoritas Jasa Keuangan*, UU No. 21 Tahun 2011, LN Tahun 2011 No. 111, TLN No. 5253, Ps.1 ayat (4)

⁹ Indonesia, *Undang-Undang tentang Majelis Permusyawaratan Rakyat, Dewan Perwakilan Rakyat, Dewan Perwakilan Daerah, dan Dewan Perwakilan Rakyat Daerah*, UU No. 17 Tahun 2014, LN Tahun 2014 No. 182, TLN No. 5568, Ps.69 & 70.

¹⁰ DPR RI, *Komisi XI*, Accessed from <https://www.dpr.go.id/tentang-dpr/alat-kelengkapan-dewan/11>, accessed on 24 August 2025.

¹¹ Syahrizal Sidik, *Bos BCA Bicara Soal Dewan Pengawas OJK*, accessed from <https://www.cnbcindonesia.com/market/20191128175029-17-118841/bos-bca-bicara-soal-dewan-pengawas-ojk>, accessed on 24 August 2025.

Several studies on the establishment of the OJK Supervisory Board (SB of OJK) have been identified by the author, including those by Shaidatul Aini, who examined the legal review of the relevance of establishing the SB OJK to the independence of OJK, and Bisdan Sigalingging et al., who discussed the independency of OJK.

According to the above explanations, the research problems can be formulated to focus the discussion as follows: What is the urgency of establishing the OJK Supervisory Board (SB OJK) from the perspective of legal policy in Indonesia, whether its establishment grind the independency of OJK? How do different jurisdictions establish and implement oversight mechanisms for their financial services authorities?

This study primarily employs a normative juridical approach through a literature review, drawing on references that obtained by the author both online and offline in the form of books, journals, and/or articles. The outcome of this study is expected to provide an understanding of the function and role of the SB of OJK from legal policy perspective.

B. DISCUSSION

1. Legal Policy Framework

Legal policy refers to the legal policy that has been or will be implemented nationally by the Indonesia Government, as follows: the development of law, focusing on the formulation and renewal on the legal materials which align with society needs, and the execution of existing legal norm, including the reinforcement of institutional functions and development of law enforcement officers.¹²

Legal policy analyses the lawmaking process, demonstrating that legislation constitutes both a legal product formulated by authorized institutions and a political product arising from consensus among parliamentary members representing diverse political parties.¹³

¹² Moh. Mahfud MD, *Politik Hukum di Indonesia*, PT. Pustaka LP3ES, Jakarta, 1998, p.9.

¹³ Fatmawati Chairudin, *Hukum Tata Negara*, Universitas Terbuka, Tangerang Selatan, 2020, p.19.

Under Law Number 4/2023, SB of OJK was also enacted under Article 38A of the Amendment to the OJK Law Number 21 of 2011. The Article stipulates that the BS OJK:

“It functions is assisting the House of Representatives (DPR) in carrying out supervisory functions in specific areas over the Financial Services Authority (OJK) in order to enhance the performance, accountability, independence, transparency, and institutional credibility of the OJK.”

As explained in the commentary on Article 38A paragraph (2), The Supervisory Board of OJK exercises oversight solely on institutional aspects, including governance, resource allocation, and budget execution, without interfering in the formulation or enforcement of financial regulatory and supervisory policies.¹⁴ Further definition of ‘institutional’ as mentioned in above article is organizational support, resources, governance, and the implementation of the operational budget in order to facilitate the achievement of the objectives of the Financial Services Authority.¹⁵

The existence of the newly formed SB of OJK as mandated by Law Number 4/2023 is aimed to prevent OJK from becoming a superpower body institution and to ensure that OJK’s supervisory function continues to operate under the checks and balances principle. In this regard, its budget is still sourced from OJK, thereby creating an ambivalence in the scope of its supervision.¹⁶ In terms of authority, the SB of OJK is vested with the following authority: 1) to request explanations and/or responses from the Board of Commissioners regarding the governance of OJK’s duties and authorities, 2) to receive copies of periodic performance reports as well as OJK’s annual financial statements, and to accept reports from the public and the industry concerning OJK’s institutional performance, 3) to conduct reviews related to the governance of OJK’s duties and authorities as well as its budget, and 4) to request documents in the context of conducting the aforementioned reviews.

¹⁴ Indonesia, *Undang-Undang tentang Pengembangan dan Penguatan Sektor Keuangan (PPSK)*, UU No. 4 Tahun 2023, LN Tahun 2023 No. 12, TLN No. 6476.

¹⁵ *Ibid.*

¹⁶ Shaidatul Aini, *Tinjauan Hukum Relevansi Pembentukan Badan Supervisi Otoritas Jasa Keuangan terhadap Independensi Otoritas Jasa Keuangan*, Skripsi, Fakultas Syariah dan Hukum, Universitas Islam Negeri Sultan Syarif Kasim Riau, 2025, p.73.

As mentioned above that the background of the establishment of OJK due to the economic crisis that struck Indonesia in 1997. According to Harold Crouch, as cited in Lumbantoruan, there were numerous challenges ahead that the government must address in the post-reform era, as follows: (1) preventing militarism by establish political stability and effectiveness based on democracy; (2) promoting the spirit of unity and cohesion (preventing the disintegration); (3) resolving issues of social and religious conflicts as well as disintegration; and (4) fostering a conducive environment for economic recovery.¹⁷

Economic issues were certainly one of the central concerns that attracted the government's attention at the time. Economic stability was expected to provide as a strong foundation to mitigate the emergence of social conflicts. The economic crisis that struck Indonesia in 1998 appears to have left a "bitter memory" in both society and the government, while at the same time it turns out as a valuable lesson in strengthening the nation's financial system and economy.

The supervision carried out by the SB of OJK, which in this context is understood as "assisting" the DPR in exercising its supervisory function, effectively opens space for public participation by receiving reports from the public and the industry concerning OJK's institutional performance. The representation of society, which has thus far been represented through the DPR, appears to be broadened by the P2SK Law to allow for more direct participation by both the industry and the public.

Hence, the authority is not exclusively centralized within a single institution, however, it is limited according to its respective roles and is subject to both internal and external supervision by society. Every action must be carried out for the best interest of the state, providing direction and purpose in line with the will of the state as mandated by law, so that each party entrusted with such roles and authority is to be regarded as a state administrator.¹⁸

¹⁷ Lumbantoruan, Gunardi SA., *Politik Hukum Pemilihan Kepala Daerah Langsung dan Serentak: Dinamika, Tantangan, dan Prospek Pembaharuannya*, Jurnal Hukum Lex Generalis, Vol.5, No.10 (Oktober 2024).

¹⁸ Bisdan Sigalingging, Ida Hanifah, Zainuddin and Muhammad Syukran Yamin Lubis, *Reformulasi Penguatan Independensi OJK dalam Rangka Mewujudkan Stabilitas Sistem Keuangan*, Jurnal Proceeding International Seminar on Islamic Studies, Vol.5, No.1 (Februari 2024), p.2613.

The democratization pattern through public participation in the supervision of OJK both via Commission XI of the DPR as the people's representative and through the SB of OJK by accommodating reports from the public and the industry hearing is strongly reflected in the Law Number 4/2023, which also serves as the legal basis for the establishment of the SB of OJK.

According to Indonesia Corruption Watch (ICW) in Widiati¹⁹, nearly two-thirds of the 2024–2029 DPR members are business actors, a condition that heightens the susceptibility to regulatory capture. Carpenter and Moss define regulatory capture as a Regulatory authorities may risk being captured or disproportionately influenced by interests that diverge from the public interest, which the regulation is designed to safeguard.²⁰ Conversely, the public interest theory, the regulations are designed to enhance social welfare and protect public interests from the potentially adverse actions of private actors, especially corporations.²¹

There are several measures deal with regulatory capture, for instance warding off the 'revolving door' by monitoring the professional records of directors and managers.²² As Conclude by Moss and Carpenter, outline several steps to prevent regulatory capture, as follows: a) separating power; b) Media Oversight and Journalistic Examination; c) Varied and Autonomous Expert Input; d) Varied Perspectives and Interests; e) Judicial Evaluation of Regulatory Measures; f) Executive Assessment of Regulatory Measures through Cost-Benefit Analysis.²³ One of central aspect of SB of OJK's supervisory scope is organizational support, which could serve and distinct to mitigate the risk of the revolving door phenomenon described above, not only for OJK Board of Commissioner level only,

¹⁹ Ekawestri Prajwalita Widiati, *Regulatory Capture: Tantangan Pembentukan Peraturan Perundang-Undangan yang Baik di Negara Demokrasi*, Konferensi Nasional Asosiasi Pengajar Hukum Tata Negara Dan Hukum Administrasi Negara, Vol.2, No.1 (Desember 2024), p.51-76.

²⁰ Iman Prihandono and Ekawestri Prajwalita Widiati, *Regulatory capture in energy sector: evidence from Indonesia, The Theory and Practice of Legislation*, The Theory And Practice Of Legislation, Vol.11, No.3 (Agustus 2023), p.207-231.

²¹ *Ibid.*

²² *Ibid.* It's a situation when an individual who has previously worked in an industry assumes a position within the regulatory agency governing that sector, and eventually re-enters employment with the regulated entity.

²³ Daniel Carpenter and David A. Moss, *Preventing Regulatory Capture Special Interest Influence and How to Limit It*, Cambridge University Press, Cambridge, 2014, p.458-464.

but also for low entry managerial in OJK. The supervision of organizational support aspects by the SB of OJK can serve as an entry point to prevent the spread of regulatory capture within OJK's oversight. In the United States, particularly at the United States Patent and Trademark Office (USPTO), research findings indicate the presence of regulatory capture.²⁴ Furthermore, Baxter also spotlights the occurrence of "deep capture" within the financial regulatory system in the United States of America (USA), characterized by a highly visible revolving door between the SEC, other financial regulators, and the industry.^{25, 26} It is unrealistic to expect regulators to be entirely free from industry influence. Dahl's theory of economic democracy suggests applying participatory democratic principles to economic activity to achieve a balance between liberty and equality within corporate capitalism. This concept is pertinent because one condition fostering regulatory capture is the systematic exclusion of key stakeholders such as consumers, taxpayers, smaller financial institutions, and other dispersed interests from the policymaking process.²⁷

Four of the nine SB of OJK members come from academic backgrounds from various universities, while the remaining five are professionals from various financial sectors,²⁸ this also as set under Law Number 4/2023 which stated that 'membership of the Supervisory Board of the Financial Services Authority comprises representatives of government, academic institutions, and society'. This aligns with the conclusion of Moss and Carpenter, who assert that dividing the authority, diffused the interest, and varied and autonomous expert input can help prevent regulatory capture.²⁹

²⁴ Tabakovic, Haris dan Wollmann, Thomas, *From Revolving Doors to Regulatory Capture? Evidence from Patent Examiners* (May 2018). NBER Working Paper No. w24638, accessed from SSRN: <https://ssrn.com/abstract=3185893>. The data connecting examiners to firms based on the decisions they made during their tenure at the USPTO and their subsequent employment after leaving the agency.

²⁵ Baxter, Lawrence G., *Capture in Financial Regulation: Can We Channel It toward the Common Good*, Cornell Journal of Law and Public Policy, Vol.21, No.1 (Mei 2011).

²⁶ David S. Hilzenrath, *SEC Staffs 'Revolving Door' Prompts Concerns About Agency's Independence*, accessed from www.washingtonpost.com/business/economy/sec-staffs-revolving-door-prompts-concerns-about-agencys-independence/2011/05/12/AF9FOflGstory.html.

²⁷ *Ibid.*

²⁸ JDIH DPR RI, *Sembilan Anggota Badan Supervisi OJK di Sidang Paripurna Ditetapkan*, Accessed from <https://jdih.dpr.go.id/berita/detail/id/47964/t/javascript>, accessed on 2 October 2025.

²⁹ Daniel Carpenter and David A. Moss, *Preventing Regulatory Capture Special Interest Influence and How to Limit It*.

In this regard, to provide parity the policy-making process, scholars have called for enhancing the power of weaker interest groups within the "iron triangle."³⁰ Other than that, Ayres and Braithwaite suggest a "tripartism" model.³¹ A frequently used measure to manage the revolving door phenomenon is the implementation of "cooling-off" periods for officials departing public office.³² This raises another question: to what extent are lobbyists effective in shaping public policy, and in what conditions does their influence prove successful?³³ Further investigation is necessary to assess how successful lobbyists, as revolving-door actors, are at shaping regulatory policy.

Therefore, the supervisory function over the OJK, whether exercised by the DPR or by the SB of OJK, could be performed in a *double-track* mechanism that operates in parallel. In exercising their function, the SB of OJK may delineate their supervisory scope in relation to that exercised by the DPR, as a result, ensuring that the overall quality of supervision remains both substantive and effective. The author believes that the iron triangle and tripartism mechanisms are considered effective frameworks for bridging the "public interest" agenda between OJK and DPR.

³⁰ Baxter, *Capture in Financial Regulation: Can We Channel It toward the Common Good*. The term "iron triangle" is used to refer to the political interaction between "three key participants in a clearly delineated area of policy-making: the Federal bureaucracy, the key committees and members of Congress, and the private interest." Gordon Adams, *The Iron Triangle: The Politics Of Defense Contracting* 24 (Nancy Sokoloff ed., 1981).

³¹ *Ibid.* Tripartism "defined as a regulatory approach that promotes the involvement of public interest groups in the regulatory process. Under this model, these groups would have complete access to regulator information, a seat at the negotiation table during deal-making, and equal legal standing to sue or enforce regulations."

³² Blanes i Vidal, Jordi, Mirko Draca and Christian Fons-Rosen, *Revolving Door Lobbyists*, *The American Economic Review*, Vol.102, No.7 (December 2012), p.3731–48.

³³ Lee Drutman, *The Business of America is Lobbying: How Corporations Became Politicized and Politics Became More Corporate*, *Studies in Postwar American Political Development*, New York, 2015. Drutman explains "[Lobbying] influence is unpredictable . . . contingent on so many confounding factors". Drutman says that the uncertainty of having an impact—the messy contingent nature of policymaking in Washington, which, he says, has increased over time—causes companies to hire more lobbyists, both to strike for gold in lobbying and also to protect their interests from various predators in a highly uncertain environment. According to him, the ratio, pattern, and motives of corporate lobbying are constantly evolving in Washington, D.C., reflecting the conditions and atmosphere inside of the executive agencies.

Sandhi Bagus Permana
*Legal Policy Concerning the Supervision by the Financial Service Authority
Supervisory Board*

A further discussion is whether the supervisory role that should be exercised by DPR – but then it has “assisted” by the SB of OJK, ultimately reduces the DPR to be a mere ‘*rubber-stamp legislature*’ institution. Should this condition persist over time, the ethical and philosophical dimensions of legal politics would be devastated.³⁴ Another perspective from the Nondelegation Principle, the question is whether the supervisory actions undertaken by the SB of OJK have exceeded the boundaries of that principle. The principle that authority granted to an agent based on their competence and the trust placed in them cannot be delegated to another is a generally accepted rule. Legislatures hold this same position in relation to the people they represent.³⁵ Scholars who advocate for the enforcement of the nondelegation principle have raised several concerns. Some of these are rooted in the concept of separation of powers, as concentrating both the authority to make laws and the authority to enforce them in the same hands may pose a threat to individual rights.³⁶

³⁴ Ismi Ajeng Fajriyah, Lailatul Riskiyeh dan Khoirul Mufid, *Politik Hukum di Era Prabowo: Antara Demokrasi dan Sentralisasi Kekuasaan*, Jurnal Hukum dan Kewarganegaraan, Vol.13, No.9 (Juni 2025).

³⁵ Sean P. Sullivan, *Powers, But How Much Power? Game Theory and the Nondelegation Principle*, Virginia Law Review, Vol.4, No.7 (November 2018). Related to the agency-law maxim *delegata potestas non potest delegari*, meaning that delegated authority cannot be delegated further. Secara konteks, di Indonesia berdasarkan Article 13 Law Number 30 of 2014 concerning Government Administration (UU AP), delegation can be granted to a government body and/or official at one administrative level below, and it means “no further delegation”.

³⁶ Littlestone-Luria, Adam, *Nondelegation's Two Faces*, Journal of Legislation & Public Policy 397, Vol.26 (Maret 2024).

2. Comparison of the Supervisory Boards of Financial Sector Authorities in Several Countries

No	Scope Comparison	Indonesia		United Kingdom (UK)	Singapore	Netherlands	
		OJK	Indonesia Deposit Insurance Corporation (LPS)	Indonesia Central Bank (BI)	Financial Conduct Authority (FCA)	Monetary Authority of Singapore (MAS)	Autoriteit Financiële Markten (AFM)
a.	Supervisory Institution and its Characteristic	Supervisory Body of OJK, functions as an external supervisory body.	Supervisory Body of LPS, functions as an external supervisory body.	Supervisory Body of BI, functions as an external supervisory body.	FCA UK operates under the external supervision of Her Majesty's Treasury (HM Treasury), the UK's Ministry of Finance, which oversees public spending, directs economic policy, and promotes sustainable economic growth	MAS is supervised by its Board of Directors (BOD). Essentially, MAS falls under the jurisdiction of the Prime Minister's Office (functions as an internal supervisory body)	Supervisory Board of AFM (SB of AFM), functions as an external supervisory body
b.	Mandate and Jurisdiction	The internal aspect, which pertains to administrative matters.			HM Treasury acts as the UK's principal economic and financial authority, managing public spending and directing policies to ensure sustainable growth.	BOD holds responsibility for formulating policy direction and overseeing the overall administration of the MAS. It provides reports on MAS's regulatory, supervisory, and monetary policies to the Government, and remains ultimately accountable to the Parliament of Singapore through the Minister-in-charge.	The SB of AFM monitors the AFM Board's financial, operational, and compliance policies; provides advice and support in decision-making; and determines remuneration, pension schemes, and reimbursements for the Chair and Board Members.
c.	Source of Operational Fund	Operational Expenditure of the OJK	Operational Expenditure of the LPS	Operational Expenditure of the BI	State Budget	As a central bank of Singapore, its budget is derived from various sources,	Its operations are financed by financial

No	Scope Comparison	Indonesia		United Kingdom (UK)	Singapore	Netherlands
		OJK	Indonesia Deposit Insurance Corporation (LPS)	Indonesia Central Bank (BI)	Financial Conduct Authority (FCA)	Monetary Authority of Singapore (MAS)
					including interest and dividend income, financial instruments at fair value, foreign exchange operations, government grants, and other revenue streams	institutions regulated and supervised by the AFM
d.	Board Membership	The board comprises a minimum of five members and is chaired by one person		12 persons, headed by Chancellor of the Exchequer	13 persons, headed by Chairman	Comprising not fewer than three and not more than five members
e.	Tenure	The term of office is five years and may be renewed once		The duration of service is not fixed, as it corresponds to the political terms of the members serving in the relevant ministries	BOD serves a three-year term. Nevertheless, no definitive information is available as to whether the term may be extended or renewed	Members serve a four-year term and may be reappointed to the same position for a maximum of two consecutive terms
f.	Appointment	Members are selected and approved by the House of Representatives, and officially appointed by a Presidential Decree		Prime Minister	Members of the BOD are appointed by the President, who designates the Chairman upon the recommendation of the Cabinet.	Appointed by the Minister

Table 1. Comparison of the Supervisory Bodies of Financial Service Authorities in Several Countries

Source: Primary and Secondary legal Materials

A comparison of OJK, LPS, and BI supervisory bodies shows similarities in authority, budget, membership, tenure, and board appointment processes.

Based on the mandate and jurisdiction of the Supervisory Boards of Financial Services Authorities across the countries compared above, the authority held by Indonesia's supervisory boards does not compromise the independence of the institutions under their oversight, namely OJK, LPS, and Bank Indonesia.

The oversight that exercised by HM Treasury over the FCA UK, on the other hand, resembles the supervision once carried out by Indonesia's Ministry of Finance over the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) during the period of 2005 to 2012. Accordingly, the FCA UK may be regarded as a unit operating under the organizational structure of the Ministry, in this case, HM Treasury.³⁷ Like the FCA in the UK, the BOD of MAS exhibits similar institutional characteristics in its supervisory role, The BOD's supervision functions as an extension of the Prime Minister's Office policy.

The supervisory roles of the SB of OJK and the SB of AFM are largely analogous, with both operating as external oversight bodies. However, although the SB of AFM operates as an external oversight body and strategic influence, it wields considerably broader authority including the power to determine remuneration, pension schemes, and reimbursements for the Chair and Members of the Board of Commissioners a structure that tends to resemble a superior-subordinate relationship between the AFM and its Supervisory Board. The SB of OJK operates within a limited mandate, as it neither participates in the Board of Commissioners' meetings nor communicates OJK-related information to the public. Its role is primarily oriented toward strengthening governance, accountability, and institutional integrity.

³⁷ Kementerian Keuangan Republik Indonesia. *Keputusan Menteri Keuangan Republik Indonesia Nomor 606/KMK.01/2005 tentang Organisasi dan Tata Kerja Departemen Keuangan*. Ditetapkan di Jakarta pada tanggal 30 Desember 2005. Two echelon I units under the Ministry of Finance namely the Capital Market Supervisory Agency (Bapepam) and the Directorate General of Financial Institutions (Dirjen LK) were merged into a single echelon I unit, Bapepam-LK. The Directorate General of Financial Institutions previously served as the supervisory body for non-bank financial institutions (NBFIs), including insurance companies, pension funds, financing institutions, and guarantee institutions

The supervisory board of financial services authorities in the countries discussed above exhibit distinct characteristics. Such differences are intended to prevent regulatory capture by legislators, thereby safeguarding the public interest and enhancing the effectiveness of regulations and policies issued by financial sector regulators.

The desire for strong authority is an inherent trait of human nature, as narrated by Sartre and Nietzsche. Moreover, according to Nietzsche, human beings are by nature driven by the desire to be influential, powerful, and dominant. In relation to political office, it is this fundamental human inclination that drives individuals to seek political power.³⁸ Political participation, press freedom, and broad-based public oversight play a pivotal role in ensuring the accountability of power.³⁹

In line with this view, Wamsley and Wolf argue that the public should not be positioned merely as the object of service, but more importantly, as active participants in the policy-making process.⁴⁰

C. CONCLUSION

Based on the above discussion, the following conclusions can be stated: First, the pattern of democratization in the establishment of the OJK SB of OJK is clearly visible. This reflects the significant public expectation toward the functions and role of OJK, thereby creating a strong demand for enhanced political oversight of OJK. In addition, there has been a clear separation of scope and jurisdiction in supervision between the SB of OJK and the DPR, intended to prevent overlap and mitigate the risk of regulatory capture by the DPR. The existence of the SB of OJK does not necessarily grind the OJK's independence; otherwise, it can strengthen OJK function, making it more robust and accountable. Second, the supervisory regimes in the Netherlands, Singapore, and the UK are considered to inadequately safeguard the independence boundaries of their respective financial regulatory authorities.

³⁸ Bella Ayu Anzalia, Deo Agung Haganta Barus, Limra GM Nababan, Nur Hidayah Hasibuan and Julia Ivanna, *Analisis Konsep Kekuasaan dalam Teori Politik dan Demokrasi*, Jurnal Mimbar Administrasi, Vol.20, No.2 (Oktober 2023).

³⁹ *Ibid.*

⁴⁰ Irwan Noor, *Deontologi Pemerintahan Daerah di Indonesia (Oase Akuntabilitas Politik dalam Perspektif Partisipasi Politik)*, Jurnal Ilmu Politik Politika, Vol.1, No.2 (Oktober 2010), p.19-31.

It's is also recommended to provide greater clarity regarding the direction and scope of supervision conducted by the SB of OJK in relation to the regulation prohibiting revolving door practices among OJK's Board of Commissioners, particularly since the revision of the P2SK Law is currently being deliberated by the DPR.⁴¹



⁴¹ Ady Thea DA, *Komisi XI DPR Sodorkan 16 Materi Perubahan UU P2SK*, accessed from <https://www.hukumonline.com/berita/a/komisi-xi-dpr-sodorkan-16-materi-perubahan-uu-p2sk-lt68dc76470a301/>, accessed on 9 October 2025.

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