Highlights of Manual for the Implementation of Anti-Fraud Strategies



In compliance with Regulation of the Financial Services Authority No. 39/POJK.03/2019 dated 19 December 2019 on the Implementation of Anti-Fraud Strategies for Commercial Banks, BCA has established and owned a Manual for the Implementation of Anti-Fraud Strategies as mandated by such Regulation of the Financial Services Authority. The policy has been ratified through Decision Letter No. 114/SK/DIR/2021 dated 17 June 2021 on the Adjustment to the Anti-Fraud Strategy Policy. The manual constitutes the embodiment of BCA Management's commitment to preventing fraud by implementing an effective and sustainable fraud control system. This fraud control system provides BCA with directions in determining the measures for preventing, detecting, investigating, and monitoring fraud incidents.

In accordance with the Regulation of the Financial Services Authority, BCA defines *fraud* as an unlawful act or a deliberate act of conniving in such unlawful act to defraud, deceive, or manipulate BCA, the customers, or other parties, which is committed at BCA and/or through use of BCA's facilities, causing BCA, the customers or other parties to suffer losses and/or causing the perpetrator to obtain financial gain either directly or indirectly. The following acts can be classified as *fraud*:

- 1) Fraud.
- 2) Deception.
- 3) Embezzlement of assets.
- 4) Unauthorized disclosure of information.
- 5) Banking Crime.
- 6) Other acts that can be equated with fraud under the applicable laws and regulations.

In preparing and implementing effective Anti-Fraud Strategies, BCA has taken into account the following:

- 1) internal and external conditions;
- 2) complexity of business activities;
- 3) fraud potential, types, and risks; and
- 4) adequacy of the required resources.

To support the implementation of the Anti-Fraud strategies, BCA has also established an Anti-Fraud Bureau, which is charged with carrying out the function of implementing the Anti-Fraud strategies within BCA. The Anti-Fraud Bureau is directly responsible to the President Director and has direct communication and reporting relationships with the Board of Commissioners.

The implementation of the anti-fraud policy at BCA is aimed at:

- Promoting an anti-fraud culture at all levels of the organization within BCA.
- Raising awareness of and concern for fraud risk in BCA operations.



 Reminding those involved in the operations at BCA to always comply with the applicable procedures and regulations.

Pillars and Implementation of the Anti-Fraud Strategies 4 Pillars of the Anti-Fraud Strategies Prevention Investigation, Reporting, Monitoring, Evaluation, Detection and Sanction and Follow-up Digging up Information for the monitoring and evaluating as reducing the potential risk identifying and detecting well as following up on reporting system, and imposition of fraud incidents of fraud incidents of fraud of sanctions on incidents of fraud Anti-fraud awareness Whistleblowing Investigation Monitoring Vulnerability Surprise Audit Reporting **Evaluation** Identification **Know Your Employee** Surveillance System Imposition of Sanctions Follow-up Decision Letter No.114/SK/DIR/2021 dated 17 June 2021 on the Adjustment to the Anti-Fraud Strategy Policy

The anti-fraud strategies constitute part of the risk management, particularly those related to the internal control aspects. The anti-fraud strategies consist of 4 (four) pillars, as described below:

1) Prevention

Containing schemes for reducing the potential risk of fraud, which at least includes antifraud awareness, identification of vulnerability, and *know your employee*.

2) Detection

Containing schemes for identifying and detecting incidents of fraud in BCA's business activities, which at least includes the policies and mechanisms for whistleblowing, surprise audit, and surveillance system.



3) Investigation, Reporting, and Sanction

Containing the measures for investigation, reporting system, and imposition of sanctions on incidents of fraud, which at least includes investigation, reporting, and imposition of sanctions.

4) Monitoring, Evaluation, and Follow-up

Containing the measures for monitoring and evaluating as well as following up on incidents of fraud, which at least includes monitoring, evaluation, and follow-up.

Reporting to the Financial Services Authority (OJK)

For the supervision of the implementation of the anti-fraud strategies, BCA is required to submit the following to the Financial Services Authority (OJK):

- The anti-fraud strategies, no later than 3 (three) months after the operation of the latest Regulation of the Financial Services Authority;
- Any amendment to the anti-fraud strategies, no later than 7 (seven) business days after the amendment is made;
- Report on the implementation of the anti-fraud strategies every semester for positions
 as of the end of June and the end of December, no later than the 15th day of the
 following month after the end of the reporting month; and
- Report on incidents of fraud that have a significant impact, no later than 3 (three) business days after BCA becomes aware of the occurrence of such fraud incidents that have a significant impact.
- Corrections to any data and/or information errors in the report on the implementation of anti-fraud strategies and the report on fraud incidents having a significant impact if such reports have been submitted to the OJK but BCA and/or the OJK later find the errors.

Contact us

For the full version of the manual or further information, please contact

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