Waiting for Fintech Business Glorious Era

Government Soon Auction Off Frequency 2.1 GHz & 2.3 GHz

Look Out for Internet Banking Fake App

FROM EDITOR

Dear our ICT readers,

The world economy is changing from industrial economy to digital economy. The same thing happens for financial movement, from cash society to less cash society. Financial technology going digital is becoming familiar, and eventually everything is a click or a tap away. Financial technology aka fintech will be our Main Report for ICT Magazine No. 54-2017. We will review fintech development potential and challenge, in this bilingual (Indonesian & English) ICT Magazine.

In addition to fintech, we will also take a look at government's plan to auction off frequency 2.1 GHz and 2.3 GHz, as well as the interested parties and stakeholders' hopes on this auction that will give significant contribution for the country. Although, on the other hand, this auction, particularly frequency 2.3 GHz gets stumbled following lawsuit from one of telecommunication operators granted by Central Jakarta District Court.

From broadcasting, we will analyze the fifth International Conference and Annual Meeting OIC Broadcasting Regulation Authorities Forum (IBRAF) that produced Bandung Declaration about Media Role in Promoting Tolerance and Fighting Terrorism and Islamophobia. All the while, the birth of Blackberry Aurora deserves our attention as this cell phone is launched by local company PT BB Merah Putih that gets license from Blackberry. You can check it out in our Gadget Review.
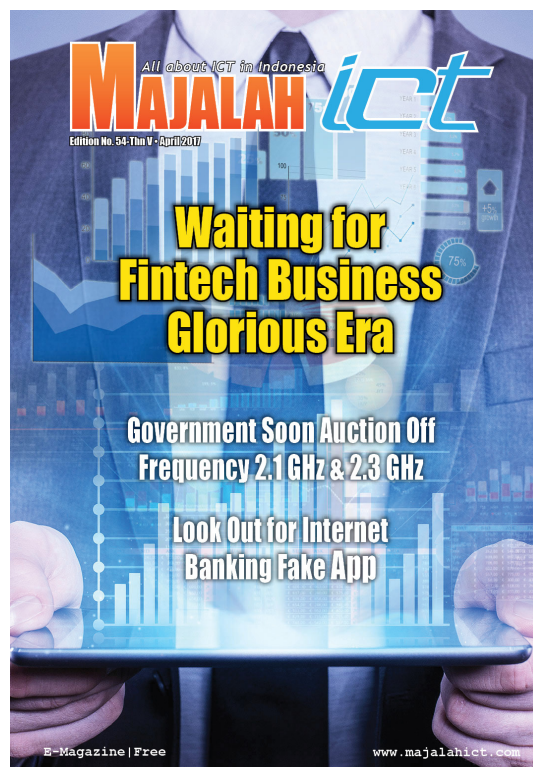
In our e-business article, you can read about Spire Research and Consulting report, a research and global business consultant company, based in Singapore who is collaborating with the leading research and technology business media company, TechnoBusiness Indonesia, in mapping five solid reasons for e-commerce global companies to enter Indonesian market. It is an interesting topic considering Indonesia has been a target for global e-commerce and venture capital companies for the last decade.

Dear readers, we present all this information to update you on the latest news in business, regulation and technology information and communication in Indonesia.

We always welcome your feedback, inquiries and proposal for cooperation through email: redaksi@majalahict.com or by clicking our Editor navigation form at www.majalahict.com

Happy reading and let's wish Indonesia's ICT be more glorious.

• Redaksi

DESAIN COVER: ISA

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FINTECH
GLORIOUS ERA

PricewaterhouseCoopers (PwC) latest report states that there has been a decrease in financial transaction through branch offices and on the contrary there's been a surge on digital financial transaction. It is predicted that banks will invest more in technology for the next 18 months.

PwC Indonesia Financial and Services Industry Leader David conveyed that his office recorded financial transaction through branch offices keep shrinking, based on 2015 survey, 75% bankers respondents said that more than half of their transaction was carried through their branch offices, in 2017, these transactions stood only at about 45%. "There has been a shift in the last two years", he said.

Meanwhile, digital financial transaction surge. Digital financial by phone and internet stood at 27% in 2015, and now the figures reaches 48%. The shift in customers' interest has been predicted by the bankers. According to PwC, 59% global bankers predict their customers will migrate from doing transaction at branch office to digital transaction.

With this condition, financial technology/fintech is considered

important by most of technology market and industry players in Indonesia.

Indonesian Chamber of Commerce and Industry (Kadin) also recorded that investment in fintech has a very good chance in the future. In 2018, fintech investment is projected to surpass US$ 8 billion or Rp. 105.6 trillion. "In 2008, fintech investment was about US$ 900 billion. In 2013, it went up to US$ 3 billion. I'm positive that in 2018 it can reach US$ 8 billion," said Rosan Perkasa Roeslani, Kadin Chairman.

Rosan added, fintech role in global financial industry service was quite significant, especially in creating financial growth inclusion. However,

a proper ecosystem that covers regulations, society, funding, culture and environment is required for this industry to grow as expected.

"It is an inseparable unity. With all being integrated, it can grow healthily. It is true that in Indonesia, fintech is still at initial stage, so it's normal to adjust the regulations," he said.

Jokowi's Request

During Indonesia Fintech Festival & Conference (IFFC), held in mid 2016, Jokowi requested Minister of Finance, Sri Mulyani Indrawati to take acceleration steps to expand bank and formal financial institution service by considering Indonesia's geographical characteristic as island nation.

The President has also made breakthrough to increase public capacity, particularly from non eligible to eligible, unbankable into bankable in getting financial service.

Benefit or digital technology capability should be seen as gold opportunity, particularly to reach those who were untouched by formal financial service.

President Jokowi has released a regulation supporting financial inclusion, such as improving financial service access, mainly for small medium business and
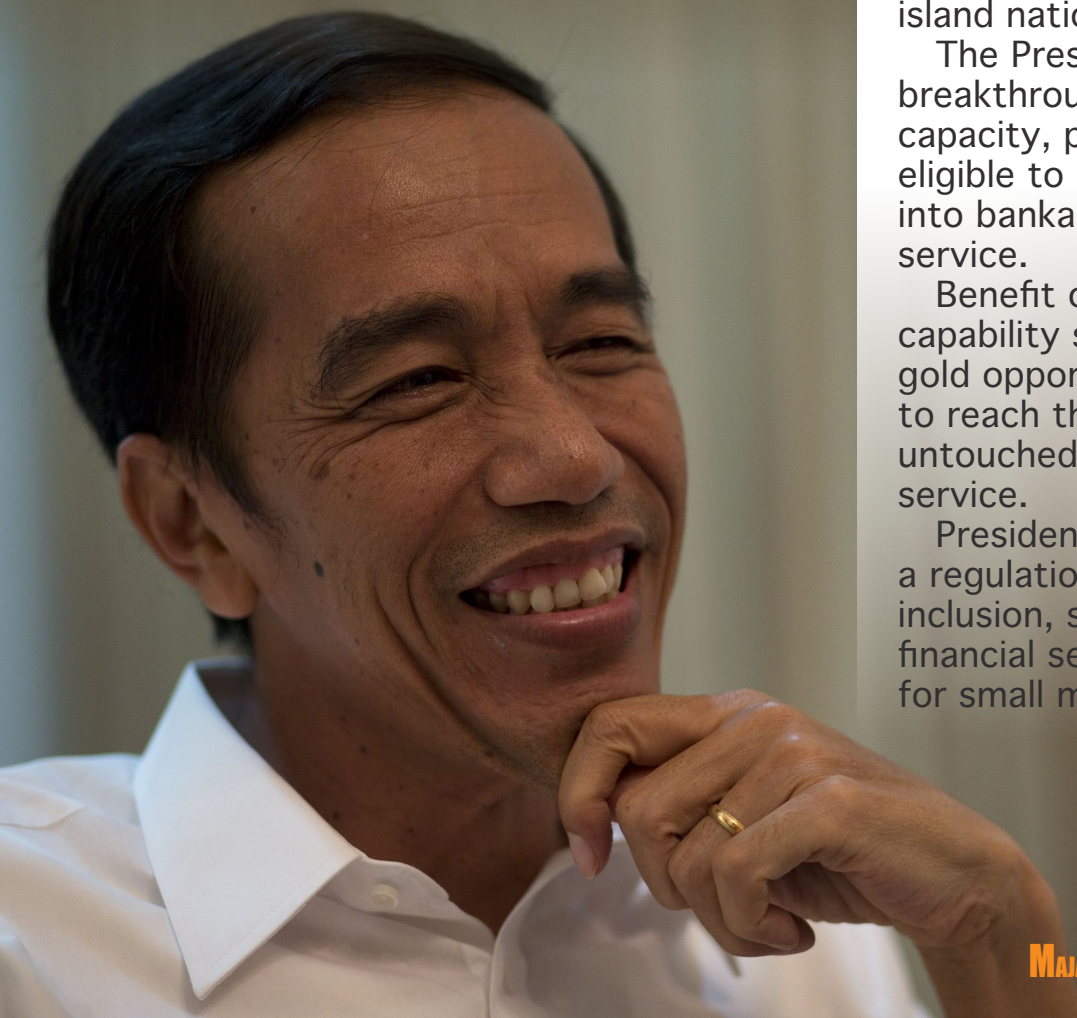
consumer protection that gives security.

Deloitte Consulting in corporation with Indonesia Fintech Association, released Fintech Indonesia Survey 2016.

The survey result says 61% Indonesia start up fintech consider Indonesia's regulations are unclear and slow to adapt with fintech development. This survey was conducted during June-August 2016, involving more than 70 Indonesian fintech companies.

Jokowi's request is important, seeing Survey Fintech result, there were 4 important points related to fintech: regulations, collaboration, talent and financial literacy & inclusion.

Consultant for Deloitte Consulting, Erik Koenen conveys from regulations point of view, 61% respondents consider fintech development in Indonesia is slow and stays in grey area.

According to respondents, at least these 5 points need clarification, i.e.: payment gateway (60%), e-money/e-wallet (58%), Know Your Client mechanism (57%), P2P lending (57%) and digital signature (54%).

Meanwhile, from collaboration point of view, 100% respondents agree that collaboration is a primary point in developing fintech business, with government and financial institutions or with other fintech players. 38% respondents believe that best practice for implementation is the biggest benefit in collaboration while other 25% believe collaboration can improve their competence in using market data.

Lack of talents is also fintech obstacle, mainly related to specific skill in fintech itself. Erik informs with many engineers and developers in Indonesia, it should not be a problem. However, not many engineers or sales person in Indonesia understand well the technology beyond financial services.

Based on survey result, fintech companies of 0-2 years operation, talent in data and analytics is the highest demand (83%). Companies that are in operation for 3 years need talents in back end programming (67%), while those with 4 year and above need risk management talent (90%).

Survey also recognizes that Indonesian fintech companies are facing hindrance to propose financial inclusion due to low financial education level. 36% respondents believe that collaborative training and communications effort are the best way to improve financial literacy from targeted consumers.

Secretary General of Indonesia Fintech Association, Karaniya Dharmasaputra even said that this issue did not happen among public but also among conventional financial industry players.

"Currently we are in the middle of financial innovation, due to rapid technology development. Using this survey, we want to highlight how collaboration among fintech players and regulators can increase public access to financial services, particularly those that benefit from technology," she said.

Bank Indonesia
Constantly Encouraging
Fintech

Bank Indonesia (BI) continues encouraging financial technology (fintech). This effort may increase financial transaction efficiency and ease public to financial access.

According to ICT Institute Executive Director, Heru Sutadi, in Jakarta, through development of fintech and its regulations, Indonesia should be able to compete in the fintech global era.

"Society who uses cash is diminishing. In technology information, many financial sectors have taken advantage from fintech. I think, it should improve banking efficiency," says Heru.

He explains, although development in banking digital technology is not low cost, if Indonesian public is enthusiastic with government and BI to develop and spread fintech all over the country, it will not be a huge cost.

"It is true that technology development is not low cost, but when the users are numerous, and government can maximize fintech use up to rural areas in Indonesia, it will no longer be considered costly.

As long as the users are numerous, and they know it is practical. It is something that we should support so technology use becomes a common thing."

He predicts that up to 2018, banking financial technology growth will reach two digit figures. While for 2017, it will grow around 8%.

PT Bank Permata economist, Josua Pardede sees that fintech in Indonesia can minimize fraud and cyber crime in banking industry. Especially, fintech development is becoming a priority.

"Compared to ASEAN banking, Indonesia is less competitive, therefore, we must encourage fintech development," said Josua.

He added that fintech development brings positive

or fintech peer to peer (P2P) lending as an alternative financing source for public whom had not been served by conventional financial service such as bank, stock exchange, funding companies and venture capital.

This POJK is meant to protect consumers' interest and national's interest, while at the same time, provides room for fintech providers in Indonesia to fully grow and develop, and give contribution to national economy.

Deputy Commissioner Strategic Management 1A OJK, Imansyah, said that in order

impacts to national banking. Among which is to improve banking efficiency. With that, opportunity to expand public financial access is wider. "Banking sector can improve efficiency, especially how technology can be used for financial and banking transactions," Joshua says.

Meanwhile, Financial Service Authority (OJK) at the end of last year, issued regulations No. 77/POJK.01/2016 concerning money borrowing and lending service based on Technology Information (LPMUBTI). This regulation is expected to encourage LPMUBTI industry

to support National Financial Inclusion Strategy (SNKI), fintech P2P lending providers are hoped to open access to fund lending, both domestically and from overseas to public who need it.

Fintech P2P lending providers are also expected to improve equality and accelerate fund distribution for small and medium business across the nation.

"This POJK is in line with Regional Financial Access Acceleration Team (TPAKD), Nawacita, 1,000 start up program and 14th Economy Policy Package, proposed by the

government," said Imansyah.

Fintech P2P Lending providers in this POJK are categorized as other financial service, supervised under non bank financial industry sector (IKNB).

Other than overseeing the implementation of LPMUBTI or fintech P2P Lending, this regulation also stimulates the overall establishment of fintech ecosystem comprising of Fintech 2.0 (fintech for banking, stock exchange, insurance, pension fund, micro financial institutions, funding institutions, pawnshop, underwriter and payment) and

regulatory sandbox spirit as implemented in Fintech start up management in many countries, this regulation will apply provisions on registration and license.

Providers must register before applying to get license.

During registration period, providers can fully operate, guided by OJK, who will continuously evaluate them. Latest one year after registration, providers must apply to OJK in order to get license.

To protect consumer's interest,

Fintech 3.0 (Fintech big data analytic, aggregator, robo-advisor, blockchain, etc).

Fintech providers start ups have tripled from around 51 companies in 1stQ 2016 to 135 companies in 4thQ 2016.

This rapid growth should be anticipated to protect consumers' interest pertaining to their fund and data security and national interest pertaining to money laundering prevention, terrorism funding, and financial system stability.

With regard to adopting

providers must prepare, for example, escrow account and virtual account at conventional bank and place their data center within Indonesia. In order to protect national financial system stability, lending amount is limited up to max Rp. 2 billion.

By this regulation, OJK also facilitates support for the development of digital economy innovation in the future by preparing infrastructure such as Fintech Incubator Centre.

BANKING Should Integrate with Fintech

Indonesian banking must formulate new business model based on technology, as conveyed by Minister of Communication and Information, Rudiantara. "Indonesian banking, it's a matter of time, must formulate a new business model particularly for consumer banking. Banking management must think how to integrate themselves with the new banking technology, that is financial technology (fintech)," said Minister Rudiantara.

Technology implementation in banking is various. Therefore, Minister hoped banking can understand consumers' characteristic. "There are many types of fintech, but the ones that are familiarly developed are virtual landing related to consumer banking. Why people prefer fintech than bank to borrow money?

The main reason is time, thanks to speedy process," explained Rudiantara.

He mentioned that currently

there are 140 fintech facilities services that are registered. "The interest is higher than conventional banking but better than loan shark. It shows that small medium business that borrow from them can calculate despite higher interest rate, they get more chance of getting loan quicker to develop their business," he explained further.

In the future, according to Rudiantara, fintech will be used as financial inclusion, as an impact from cell phone utilization in Indonesia.

"In Indonesia, there are 170 million people who at least own mobile phones and 130 million people with internet access and 100 million with internet access through their phones. But, only 90 million Indonesians who own bank account, seeing the financial inclusion rate from Bank Indonesia. 80 million who own the mobile phones don't have

financial nor banking access. Amazing!"

He also addressed that financial technology implementation bank and syariah bank must immediately execute it. "I suggest to immediately implementing financial technology. To do it, they can acquire or collaborate, since this is unavoidable. Sooner or later, it only depends on the regulator," said Chief RA. Fintech implementation for syariah banking will depend on two financial authorities, i.e.: OJK and Bank Indonesia.

Fintech itself, is often analogized to start up company, by President Director of Indonesia Credit Assurance (Askrindo) Pribadi. "What I notice is fintech is not related to syariah. Only conventional banking is related to fintech. And so syariah wants to make a breakthrough in fintech implementation," said Pribadi.

Allocation Frequency 2.3 GHz without Auction Misjudged by Court, Smartfren Frequency now Threatened

Lawsuit of PT Internux, license holder of BWA frequency 2.3 GHz to Ministry of Communication and Information (Menkominfo) as defendant, is granted by judges at Central Jakarta District Court. In their decision, they state that Ministry of Communication and Information has violated law No. 36 year 1999 concerning telecommunication due to negligence in supervising and managing the winner of frequency 2.3 GHz who did not implement network (not roll out) thereby Internux cannot carry out their national service.

"Stating that the defendant has violated law no 36 year 1999 concerning telecommunication due to permitting monopoly activity that operates nationally by user of frequency 1.9 GHz user, reallocated to 2.3 GHz without selection/auction process" conveyed the Judges about compensation case no. 178/Pdt.G/2016/PNJKT.PST.

Furthermore, it was also stated that Ministry of Communication and Information has violated law no. 36/1999 on telecommunication due to negligence in guaranteeing legal security by permitting users of frequency 1.9 GHz, reallocated to frequency 2.3 GHz operating directly without auction process.

"Punishing the defendant for giving permit utilization of bandwith 3.0 Mhz at frequency 2.3 GHz with national coverage. Punishing the defendant to give permit to plaintiff to provide voice service, numbering and access code, and to carry out their service nationally and internationally.

Punishing the defendant to permit plaintiff as the valid holder of Local Fix Network Organizer based on Switched Package in using frequency 2.3 GHz based on decision of Minister of Communication and Information no. 237/KEP/M.KOMINFO/07/2009 dated July 27, 2009 to collaborate and/or combine frequency with other operator based on agreement to be able to operate at band frequency 30Mhz," explained the Judges in their statement.

As known, to shift PT Smartfren Telecom from position PCS 1 900 to 2.3 GHz, Menkominfo issued permit to give frequency 30 Mhz to Smartfren Telecom without auction. Smartfren Telecom got frequency allocation 15 Mhz.

Frequency 2.1 GHz and 2.3 GHz will be Put in Limited Auction for Existing Telecommunication Operators

Ministry of Communication and Information Rudiantara has informed that auction for frequency 2.1 GHz and 2.3 GHz will be carried through in mid 2017. He hopes, by end of 2017, the winning operator will be in operations. Auction for both frequencies will be done at same time and limited to existing telecommunication operators.

"Frequency 2.1 GHz and 2.3 GHz will be auctioned at same time. The winner should be fixed by mid-year because re-farming process would be required then after. We want by end of this year, everything is finalized," he said.

The reason the auction is limited to existing operators only, is due to the fact that they need additional frequency. Their frequencies at big cities are already full and crowded.

"Jakarta, Bandung, Semarang, Yogjakarta and Surabaya have crowded frequencies. So they need additional ones.

The existing operators are in desperate need for additional frequencies," he added.

In the meantime, Rudiantara also conveys that Minister Regulation (Permen) related to that auction process will be released sometime by the end of March 2017. Auction will be carried out in mid year to enable the winner to immediately re-farming. So they can start operations before end of this year.

For frequency 2.1 GHz, two blocks are auctioned, block 11 and block 12. Frequency 2.1 GHz auction will later give 2 winners, since that frequency only has two empty blocks of each 5 Mhz FDD.

While frequency 2.3 GHz has total band 100 Mhz TDD, comprises 30 Mhz, already owned by Smartfren, 30 Mhz owned by regional operator Broadband Wireless Access (BWA), 10 Mhz for Universal Service Obligation (USO) and the remaining 30 Mhz of national license have not been used.

Tri and XL are Interested

In respond to government's plan, Vice President Director Hutchison Tri Indonesia, Danny Buldansyah is interested and doesn't have objection to the frequency 2.1 GHz auction process.

According to him, Tri still requires additional frequency to add their capacity in big cities. "We are very interested. We have no objection to auction scheme, even now, the price is already expensive. The auction will be based on evaluation. Obviously, operator who is in desperate need is clear, for us it's easier," said Danny.

Positive response also conveyed by telecommunication operator, PT XL Axiata. Due to increase data utilization, both in 3G and in 4G, requires XL to add their frequency spectrum at 2.1 GHz.

"Additional frequency 2.1 GHz will be used to support 3G and 4G service. We have prepared budget for this tender, apart from 2017 budget," said Vice President LTE XL Axiata, Rahmadi Mulyohartono.

He explained, increase in data utilization would increase their income from data service in this year. Data service income for 4thQ 2016 was increased by 50% from total company profit, or bigger from previous year's 31%. Although overall XL has decreased profit in 2016.

Rahmadi added that XL 4G service has covered almost 100 cities in Indonesia, with more than 8,200 4G BTS. Construction of 4G LTE network is also balanced with 3G networks in frequency 900 Mhz (U900), that has successfully improved 3G service significantly outside Java island. In 2017, XL is sure to expand their 4G LTE service to 100 other cities, in Java and other big islands.

Indonesia Telecommunication User Group (IDTUG)

Wants Frequency Auction Open to Many Operators

Indonesia Telecommunication User Group (IDTUG) as society group service and tool telecommunication users in Indonesia gives important feedback to government's plan in auctioning frequency 2.1 GHz and 2.3 GHz. According to IDTUG, the more operators participate in the auction, the better. Other than that, IDTUG wants no collusion practice among auction participants and final auction price should show the economy value of the spectrum.

IDTUG Chairman Nurul Yakin Setyabudi conveys that his party responds well the intention of Menkominfo to handle operators' service quality problem.

"With upcoming selection, we hope data service quality will improve significantly to fulfill data consumers' expectation that have growth rapidly and we can say that we often receive complaints on bad data service quality in Indonesia, particularly in the regions," said Nurul.

He also adds that based on his observation, data service problem in the regions should have been overcome with Presidential Regulation (Perpres) No. 96/2014 on broadband target, planned by President Jokowi. Based on that target, in 2019, connectivity 1 Mbps per customer can be reached 100% in populated regions for cellular providers.

"Few things that have come to our attention is inequality of operator infrastructure so a breakthrough policy is required to accelerate broadband achievement by Indonesian operators for the sake of all telecommunication users in Indonesian big cities," he added.

Meanwhile, Secretary General IDTUG, Muhammad Jumadi said, ideally frequency as limited resources should be controlled by the government and according to 1945 Constitution, the frequency utilization and management should be prioritized for public interest. "Unequal infrastructure, uncontrolled tariff war will impact to bad service quality, plus majority operator concentrated in big cities is customers' loss at national level. We hope the policy can prioritize customers everywhere," said Jumadi.

For the sake of equal high speed cellular network infrastructure, badly required by customers, IDTUG wants Ministry of Communication and Information to oblige all auction participants' to immediately build network to give data service quality in all big cities as per broadband target, which is the goal for operators' additional frequency.

"This build network commitment requirement, particularly for frequency 2.3 GHz, because LTE technology is meant for this frequency. For frequency 2.1 GHz, only as additional frequency, may not be necessarily required, because building commitment for this frequency was required in previous selection," confirmed Jumadi.

In order to get serious winner in fulfilling government's broadband target, IDTUG hopes all operators may follow and winner of both frequencies are hoped to get good selection according to ITU guidance.

"From customers' point of view, we hope the winner is operator who is willing and has ability to give quantity and service quality in all Indonesian cities, so customers' economy is helped through e-commerce,".

He also mentions that considering frequency width, planned at frequency 2.3 GHz, he hopes Menkominfo will give same treatment to all operators by allocating same band width as Smartfren, who currently holds 30 Mhz at 2.3 GHz.

"We don't want customers to taunt and protest the operator quality due to government unfair policy," ended IDTUG Secretary General, Jumadi.

Coordinating Ministry for Maritime

Affairs along with Radio Republic Indonesia (RRI) Officially Launch Radio Theater "Dapunta"

Coordinating Ministry for Maritime Affairs (Kemenko Maritim) along with Radio Republic Indonesia (RRI) officially launch Radio Theater "Dapunta". "Dapunta" launching was held in nationality concert dubbed "Love Indonesia" in auditorium Yusuf Ronodipuro RRI, Jakarta.

At the joint venture signing,

Minister of Kemenko, was represented by Deputy Coordination Human Resources, Science & Technology and Maritime Culture, Safri Burhanuddin with Training and Education Centre (LPP) RRI by President Director LPP RRI, Mohammad Rohanuddin.

Safri Burhanuddin conveys, "Dapunta" is Kemenko Maritim's effort to instill maritime culture to young generation.

"From its name, Dapunta is easy to remember and memorable. Dapunta originates from Sriwijaya's first king, so it can be quickly socialized," says Safri after launch event of "Dapunta".

"We want to revive Indonesia as a big maritime nation. Our community sees and loves sea so they will take care of the sea. Our sea will be more sustainable and healthier," he adds.

Kemenko Maritime is collaborating with LPP RRI in making the radio drama "Dapunta" to socialize Clean Indonesia Movement.

Dapunta itself is a radio theater, whizzed to revive radio theater golden era. Dapunta character is inspired by Dapunta Hyang, founder of Sriwijaya kingdom who once said "Whoever can overcome ocean, can overcome the world".

President Director of LPP RRI, Mohammad Rohanudin, in his speech says, "Dapunta drama is the first radio drama to ever take the spirit of Sriwijaya's first king, whoever can overcome the ocean, can overcome the world. This is Indonesia's spirit that occurs since Dutch colony up to now."

His office together with Kemenko Maritim determine passing this spirit to young generation so they are more familiar with togetherness and unity of Indonesia Bhinneka Tunggal Ika among pluralism and diversity in Indonesia.

Dapunta tells story of a girl named Dapunta (Mila Nurul Aprilia) adventure, with a magic book taking her to time travel. In her adventure, Dapunta finds many historical events and facts that Indonesia is a strong maritime country. But, in the midst of her travel, she's always bothered by giants from Dwipantara who can transform shape to captain named Mentawe (Dompak Halomoan Tambunan). Dapunta also meets with good giants in Dwipantara named Dwarapala (Yudhi Bayong Purwanto), assigned by King of giants to protect the magic book.

After their meeting, they agree to travel through sea together to finish various missions, in an amazing adventure.

IBRAF Ended, Giving Birth to Bandung Declaration in Fighting Terrorism and Islamophobia

International Conference and the 5th Annual Meeting of OIC Broadcasting Regulation Authorities Forum (IBRAF) were closed. From several day meeting, Bandung Declaration was produced, about Media Role in Promoting Tolerance and Fighting Terrorism and Islamophobia.

According to IBRAF President, who is also Chairman of Indonesia Broadcasting Commission (KPI), Yuliandre Darwis, current dominant media issue is about Islamophobia and terrorism. "Media is responsible for their issues and news content. This forum hopes those issues can be objectively conveyed, not framed," he said.

He also added how now, media convergence is happening, but public literacy is not well. This is every nation's homework.

IBRAF also produced Bandung Declaration on Media Role in Promoting Tolerance and Fighting Terrorism and Islamophobia.

The content of the declaration is as follows:

Members of Islamic Cooperation Organization (OKI) Broadcasting Supervisory Forum Agency.

• Commemorating Islamic Organization Cooperation Charter and its goal to strengthen cooperation and general understanding among country members, always respecting sovereignty, territorial integrity, stability and safety and does not intervene with their national internal affairs

• Commemorating Islamic Cooperation Organization (OKI) Convention in fighting International Terrorism (1999) and all adopted documents during 11th Islamic Conference Minister Information Assembly on December 21st 2016 in Jeddah, notably Strategy Media in Fighting Islamophobia and Implementation Mechanism.

• Taking into account Ethical Codes for members of Islamic Cooperation Organization (OKI) countries on Eradication of International Terrorism.

• Aware of culture diversity, beliefs and traditions among the countries and highlighting the need to improve original dialogue and

peaceful culture, nationally and internationally, and respecting sacred sites and religious symbols.

• Committed to promote human rights and fundamental freedom, good governance, law enforcement, democracy and accountability according to constitutional system of each country member.

• Aware of increase of violence, terror and extremism, hatred, racism, xenophobia and Islamophobia all over the world.

• Believe that life is a gift and bestowment for every person and has priority in human rights, as quoted from Al Quran 05:32, "if a person murders another person, it is as if he murders all human race: whoever keep life, it is as if he saves everyone's life on earth."

• Considering the fact that terrorism is a severe human right violation, notably right for freedom and security, and an obstacle for freedom institutional function and socio economy development.

• Willing to guarantee and improve right to freedom of expression and information related to media coverage from terrorism and threat by ensuring responsible practice from media especially in promoting good adopted practice through ethical code.

• Highlighting media important role in fighting Islamophobia by presenting the true Islam image and emphasizing that Islam is a peaceful religion, brotherhood and tolerance.

• Reminding that message, voice and pictures in media reports about terrorist acts and threats accidentally function for temporary terrorism has bad impact to people psychology through emotional reactions such as fear, anger, sadness and despair.

• Observing that media public service is the most effective tool in disseminating information and form public opinion and source of accurate and right information.

• Keeping in mind that social media is an inter-alia that becomes more as a communication environment to circulate information on terrorist act as it disemminates information wide and fast.

• Highlighting the importance of cooperation with other international organizations in fighting terrorism and Islamophobia.

• Believing that war against terrorism is state responsibility in adopting comprehensive strategy by considering that the act of limiting freedom of expression and media freedom must be in accordance with international document on human rights, notably article 19 of UN convention on Civil Rights and Politic and strict in complying with legality principles, needs and proportionality and are carried according to the law.

License for Broadcasting Requires Reliable Data Base

To welcome the e-broadcasting commencing in March 2017, Ministry of Communication and Information (Kominfo) along with Indonesian Broadcasting Commission (KPI) will maintain their coordination to update license data for principle broadcasting license (IPP) and TV and radio. The update of the license data is crucial to ease public service.

According to Deputy Chairman KPI Central, Sujarwanto Rahmat Arifin, the data license is a must because public needs quick, transparent and reliable information. The speed and transparency are a must and is state's responsibility to public. "KPI and Kominfo always improving the current system," he said during meeting in Ciputat, South Jakarta.

Besides that, the coordination meeting held at National TIK Central Kominfo Ciputat also discussed data synchronization, owned by both institutions.

Rahmat said, IPP data matching between KPI and Kominfo will provide a reliable data source, to become a reference for policy made by Government and regulator, as well as data reference for public.

Coordination between KPI and Kominfo is now a monthly agenda until a complete and good data source is produced.

Grab, Supported by 10 Indonesian Heartthrobs Campaigning

"Choose Safety"

GrabBike, an on demand ojek from Grab, a leading vehicle service reservation platform in South East Asia, just launch the next step of "Choose Safety" campaign. Grab is aware in promoting road safety standard in Indonesia.

Mau aman & dijemput artis?
Pesan GrabBike!

Since its establishment, Grab always presents many initiatives that stress on safety aspect of their service. And so, through campaign "Choose Safety" launched last year and always resounded, Grab hopes to raise and improve Indonesian public for their safety and they also call for improvement of ojek safety standard in Indonesia.

In 2016, under "Choose Safety" campaign, Grab held free training safety riding to 1,000 motorcycles riders in Jabodetabek. Now with the support of 10 Indonesian heartthrobs for "Choose Safety" campaign, GrabBike invites Indonesian people to prioritize safety aspect and to be more proactive in doing many safety initiatives as prevention from ojek service provider that they're using.

Passengers should not worry about their safety when riding with GrabBike, as 100% of GrabBike drivers have license. On top of it, name, photo, type of vehicle and plat number information is available in the app.

Grab provides Share My Ride feature that enables passengers to share their travel information through GPS, and they can also enjoy safe communication with drivers using GrabChat feature from Grab app, without using their phone credit.

At this stage, all Grab users can meet, ride or dine with 10 Indonesian heartthrobs, Kevin Julio, Samuel Zylgwyn, Derbi Romero, Ali Syakieb, Denny Sumargo, Hito Caesar, Tara Budiman, Omesh, Oka Antara and Chand Kelvin, only by putting one of those names in promo code column before doing reservation.

"Starting February 27-March 10, 2017, all Grab users can include promo code, such as, PILIHHITO, to win chance to meet and dine with Hito Caesar. The more often they reserve using the promo code, the bigger their chance to win. It's very easy, for sure, we hope with this fun contest, more Indonesian people are aware and care about how they ride," conveyed Mediko Azwar, Grab Indonesia Marketing Director.

Further, he explained that all ten idols who involve in the campaign have passed safe riding test, by theories and practice, before they were allowed to take passengers.

"We should put thump up to those ten idols because they pass the strict selection process as per Grab's standards. On top of passing the document verification such as valid driving license type C, ID, plate license (STNK) and police clearance letter (SKCK), they also had to follow the more comprehensive selection process. Their safety riding skill and knowledge of traffic regulations were tested both in theory and practice, including slalom course, bumpy surface, cornering and braking techniques, motorcycle checking and training," explained Mediko.

Verification process for Grab's partners was always rigorous. Screening, monitoring and actions taken on rider partners who violate the ethical code are fair and balanced, systematic and consistent for all parties. Every incident is reported at regional level and investigated with main cause analysis and corrective actions.

Grab is number one vehicle reservation in the world, recognized for its reputable and solid quality management. Grab keeps implementing the best standard for the growing vehicle reservation industry, with the same operational, even tougher standards from traditional taxi and public transportation providers.

5 Reasons Global E-Commerce Companies should Enter Indonesian Market

In the last decade, Indonesia has been a target for global e-commerce and venture capital enterprises. Those companies enter Indonesia doing many business models, such as venture capital, joint venture, representative, etc.

The question here is why they target Indonesia? Spire Research and Consulting, a global research and business consultant company, based in Singapore, together with a research and leading media business technology, TecnoBusiness Indonesia, have mapped five reasons why global e-commerce companies should enter Indonesian market.

In their report, Spire Research and Consulting and TechnoBusiness Indonesia, see that Indonesia is a potential market. Indonesian population, according to National Statistic Agency, BPS has reached 254.9 million, which is a huge market.

Not just a huge market, Indonesians is considered consumptive aka like to shop. World e-commerce retail sales stood at US$ 1,336 trillion in 2014 and surged to US$ 2,050 trillion in 2016, mostly contributed by Asia Pacific, including Indonesia.

In 2016, as mentioned by eMarketer, Asia Pacific contributed e-commerce

transaction of US$ 1,152.21 trillion while Indonesia alone contributed US$ 5.29 trillion. Indonesia e-commerce increased from US$ 1.94 billion in 2014 and is expected to grow up to US$ 8.21 billion this year or US$ 13.16 billion in 2019.

Moreover, for Indonesian market, e-commerce is "a new thing". It came 10 years later than other developed countries such as the US, Japan and other European countries.

So it is natural that many Indonesians hesitate to shop online.

"Because it's a new thing, it could become a big opportunity for global e-commerce players to invest in many ways as early as possible in Indonesia," said Jeffrey Bahar, Deputy CEO Spire Research and Consulting Group.

Indonesia is also an extensive country and divided in thousands of islands. For that, logistic has become a problem. The price in East Indonesia can be twice or three times more expensive than in West Indonesia.

With e-commerce offering one price from anywhere, plus free delivery promo, it is very beneficial for the public that it's easy to shift to online

shopping. It means such typical market characteristic is a great support for e-commerce system to grow rapidly.

Besides, local e-commerce players stumble upon many challenges, especially funding. This new type of business model makes founder face difficulties to get capital to develop their own e-commerce.

Money owner and local companies have conventional way of thinking and questioning "Can we get profit return?" "And so, local e-commerce can become soft target for global e-commerce through funding or acquisition to get to the available market," explained Jeffrey.

Due to limited fund, automatically local e-commerce faces difficulty in developing their technology, while it is the main support in doing e-commerce business. For example, thanks to sophisticated technology, cash payment can turn into 24 installment using credit card, as if shopping offline.

Online payment gateway that enables safe transaction is highly required. "Who knows those e-commerce tech? The global giant e-commerce companies," said Purjono Agus Suhendro, e-commerce observer, who is also the TechnoBusiness Indonesia's CEO.

SAFE HARBOR POLICY:

Platform Provider can Escape

their Responsibility in E-Commerce

Legal protection for platform providers, merchants and users to assure limitation and responsibilities in e-commerce is set in Circulation Letter Minister of Communication and Information No. 5 year 2016 on Limitation and Responsibilities of Platform Providers and Merchants via Electronic Commerce in the form of User Generated Content or known as Safe Harbor Policy.

Minister Rudiantara explains that we should have strategy to develop e-commerce in digital economy context. "In goods or service transaction, we should concern in protecting consumers' interest. E-commerce should have limitations and responsibilities especially for goods and service transaction delivered via User Generated Content (UGC), the responsibilities must be clear," he conveyed during Press Conference Safe Harbor IdEA in Anantakupa Room, Kominfo, Jakarta, sometime ago.

In case of food and drugs, it's managed by National Agency for Food and Drug (BPOM). But for a wider trade transaction context, we must set the limit. "We cannot let all responsibilities borne by marketplace, which is why we make regulations by providing general rules on platform with UGC base," he added.

Further, the Minister hoped this circulation letter will one day be converted to a Minister Regulation as a form of protection for public and set direct responsibilities to marketplace and e-commerce providers, whose user are based on User Generated Content (UGC).

During the same event, Director General Application Information Semuel Abrijani Pangerapan requested platform owners to help when problem occurs by providing reporting tool and taking action. Also, in doing online activities, we must prioritize secure, safe and trusted elements.

BNI INTERNET BANKING CLAIMED TO BE SAFE,

BUT RECOMMENDS NOT TO USE BNI INTERNET APPLICATION

PT Bank Negara Indonesia (Persero) Tbk (BNI) has claimed transaction internet banking is safe. Their app "BNI Internet Banking" or "BNI Internet" that is available at Play Store or app store for Android base smartphone, does not interrupt internet banking at BNI.

When downloaded, that BNI Internet app will be connected to BNI official website. So this app only functions as bridge or gateway to official BNI site. However, BNI does not recommend using that BNI Internet app as it was not officially prepared by BNI.

As conveyed by BNI Corporate Secretary, Suhardi Petrus, in Jakarta, in responding to questions about BNI Internet Banking app.

According to Petrus, as of now, BNI only launches few official apps at Play Store, which are: BNI Experience, BNI SMS Banking and BNI Mobile Banking. BNI customers can access BNI internet banking via web, www.bni.co.id

BNI welcomes if public find anything strange at their apps that appear at online apps store. "If you hesitate, call us at 1500046 (BNI Call)," he suggests.

Petrus reveals that BNI is coordinating with Google as Play Store app manager to discipline unofficial apps. Public should not worry about BNI Internet app as BNI is ready at all time to ensure transaction security.

"That app does not jeopardize people fund. So keep doing transaction with BNI," he ends.

Ministry of Education and Culture (Kemendikbud)

and National Encryption Agency (Lemsaneg)

Collaborate in Securing Technology Information and Communication

Ministry of Education and Culture (Kemendikbud) and National Encryption Agency (Lemsaneg) signed an MoU as their mutual deal to support quality improvement of encryption in securing technology, information and communication (TIK) that is Kemendikbud's task and function.

That MoU was signed directly by Minister of Education and Culture, Muhadjir Effendi and Lemsaneg Chairman Djoko Setiadi, at Kemendikbud office in Senayan, Jakarta.

"This MoU is our initiative to cooperate with Lemsaneg to manifest work effectiveness, integrated work pattern, controlled and sustainable in the process of organizing encryption to secure TIK at Kemendikbud," he explained in his speech.

There are five points in the MoU that consist of encryption and securing TIK at Kemendikbud, security protection through implementation of electronic certification information system, used in Kemendikbud and security protection to

implementation of National Test System (UN).

"The most urgent encryption is for implementation of National Test. We hope in this short time, we can secure national test," he instructed.

Next, two other cooperation agreement are about utilization, improvement and human resources development, and research and development in encryption. "We hope following this MoU, we can follow up technically with cooperation agreement between the relevant Main Unit at Kemendikbud with relevant Main Unit at Lemsaneg," said the Minister.

In this opportunity, Lemsaneg Chairman admits strategic roles of Kemendikbud in overseeing education and culture to educate Indonesian young generation.

In national education system, implemented by Kemendikbudk said Lemsaneg Chairman, it was fit to apply TIK, such as national test.

"It will improve effectiveness and efficiency in overseeing education. Kemendikbud knows the importance of securing information, in the national test. It can be seen by implementing this MoU as coding support in National Test based on Computer (UNBK) year 2017," explained Lemsaneg Chairman.

With regard to implementation of UNBK, what becomes mutual attention is technology is fully used for national test.

With technology development in cyber era, Lemsaneg hopes to contribute in protecting its implementation, notably in securing information.

"Lemsaneg welcomes this MoU, it has become our determination to implement information security in the fastest, most accurate and maximal way," he said firmly.

Home Affairs Minister Wants BANDUNG to Become Smart City Pilot

Bandung city will become pilot city for other Indonesian cities and regents in terms of city management. As conveyed by Home Affairs Minister Republic of Indonesia, Tjahyo Kumolo, during meeting with Bandung mayor, M. Ridwan Kamil, in City Hall, Jalan Wastukancana, Bandung, on Monday, March 6th.

"Bandung city will become a pilot for other Indonesian cities and regents. Through its Smartcity, Bandung has grown rapidly and the city has effective management," he said.

According to Tjahyo, Bandung has created innovations that are fit with Indonesian government's Mental Revolution spirit.

"We deeply appreciate Bandung city performance, whose major created many innovations," he said. Further, Bandung government hard work in building a good civilization can be seen from its government management that innovate in solving problems that occur in their community.

"Bandung mayor creates many innovations, not just for economy construction, also for social construction such as eradicating poverty and facilitating people in arranging permits," he said.

XL Axiata Organizes
"XL Future Leaders"

XL ambition is strong to participate in preparing Indonesian young generation as leader candidates that are able to compete globally in the future. Continuing their commitment to sustainable social initiatives in education, XL Axiata organizes XL Future Leaders (XLFL) Global Thinking program again in this year. The chance to join this program is open from March 6th – June 6th, 2017. Vice President Corporate Communications XL Axiata, Turina Farouk conveys, "This year, is the 6th year for XLFL Global Thinking Program. There are 5 batches, of which 3 have finished the program. In total, this program will transfer knowledge on leadership and other skills of future orientation for 700 participants. We open the opportunity to Indonesian university students to get many benefits through this very good program."

To join this two year program, the requirements are among others, active university students, of max 21 y/o, at time of registration, they are in their 1st or 2nd year bachelor, open for all majors, and own GPA min 2.8. XLFL program is open for all Indonesian university students. For this year program, total participants accepted are 120 persons, chosen through a very tight selection, organized by XL. No special quota for each province during selection process.

All interested students can join XL Future Leaders program by registration online via web join. xlfutureleaders.com, from March 6th – June 6th, 2017. Those who pass online registration will be announced in July 2017. Then, they will follow the next stage, i.e.: English test and interview in July 2017. Those who pass this stage will be announced in August 2017.

TELKOM Named Most Innovative Company

PT Telkom Indonesia (Telkom), Indonesia was named the Most Innovative Business Award 2017 for the category of Telecommunications organized by Warta Ekonomi in Jakarta, Friday (24/2). This award is given by the Economic News Research Team which assesses Telkom as a company that produced many innovations, such as product IndiHome and T-Cash and 4G networks in subsidiaries, Telkomsel. In addition, Telkom is able to maintain double-digit growth, encourage digital business and expand its business to foreign countries.

Vice President Corporate Communication Telkom Arif Prabowo said that the innovation is something that is important so that the company can be sustainable and lead the competition. "Innovation is an idea to make things happen in new and different products and services by competitors," said Arif Prabowo while receiving the award from the Economic News Founder Fadel Muhammad.

The Indonesia Award for Most Innovative Business Award 2017 was given after the Economic News Research team conducted the study with desk research methods. In the desk research, candidates were selected based on annual reports and monitoring Research Team Warta Ekonomi. The desk research involves no less than 250 companies that were classified as an innovative company that is divided into several categories.

Then the desk research information was exercised by entering criteria such as company history, product and service innovation, as well as the company's strategy in the competition and develop the company. Besides, it also includes the company's financial performance assessment.

CTI IT Infrastructure Summit 2017
Introducing Machine Learning Technology

PT Computrade Technology International (CTI Group), infrastructure solution provider for technology information (TI), held a technology information conference and infrastructure exhibition, CTI IT Infrastructure Summit 2017, for hundreds of IT professionals, financial, sales and other from various industries, focusing on Machine Learning solution to improve revenue and business growth.

CTI IT Infrastructure Summit 2017, in its fourth year, was held in Ritz Carlton Ballroom, Pacific Place Jakarta featuring many speakers and leading business practitioners and technology demo & IT infrastructure solution from CTI Technology Center, world tech vendors and CTI Group business partners. Every year, this conference brings the latest technology topic, predicted to become a trend in the following year.

Raising theme "Machine Learning: Capitalizing the Information of Everything to Drive Your Digital Business", CTI IT Infrastructure Summit 2017 featuring Minister of Communication and Information Rudiantara, Vice President (Southeast Asia) Garner Advisory Jonathan Krause and CTO Software and Cognitive Solutions IBM Asia Pacific Shanker V Selvadurai as keynote speakers.

The seminar was getting warmer during panel discussion which elaborated Machine Learning adoption in various industries involving Grab Indonesia Managing Director

Ridzki Kramadibrata, Executive Director Head of DIgibank DBS Indonesia, Leonardo Koesmanto, and Dataspark COO, part of Singtel Group, Ying Shao Wei, moderator by Head of Computer Science University Association (APTIKOM) Prof Richardus Eko Indrajit.

"Machine Learning can work the simple thing such as translating content, preventing cyber attack and fraud, up to elevating society life expectation, through automatic emergency brake innovation that prevents riding accident risk up to 16%.

With that many tasks run by this technology, researchers from Oxford University predicted 47% of field work in the US will be replaced by robot in 2034. Although sounds alarming, with the right and proper implementation, Machine Learning can exist side by side with human without one replacing the other.

Therefore, through the CTI IT Infrastructure Summit 2017, business professionals who attended could learn from the expert speakers on how to adopt Machine Learning properly and open every opportunity, buried under data pile," explained CTI Group Director, Rachmat Gunawan.

BlackBerry Aurora,
Local Cellular Phone Product of Android Base

PT BB Merah Putih, an Indonesian newcomer of smart phone producer, has announced the birth of BlackBerry Aurora. The launch also marked the 1st BlackBerry smartphone launched by BB Merah Putih under new license agreement BlackBerry signed by BlackBerry Limited in September 2016. BlackBerry Aurora is pre-order at Rp. 3,499,000.

Offering the first BlackBerry gadget designed and produced in Indonesia, run by the safest Android version in the world, the customers can expect attractive features and applications, equipped by secure reliable software and BlackBerry mobile solution.

BlackBerry Aurora comes with some unique BlackBerry features. Outside the box, this gadget runs by OS Android 7.0 Nougat, giving users access to the entire Google Play Store and application and will receive regular update notification. This gadget comes with BlackBerry Hub®, integrated incoming message box that combines email, text and social media notifications including

Facebook, Twitter, LinkedIn, BBM, WhatsApp, Instagram, etc.

What really sets this BlackBerry smartphone apart than other Android gadgets is the elevated security feature, built at each gadget from the start.

Stronger operating system (OS) and BlackBerry Limited exclusive technique in creating Root of Trust (RoT) on hardware by adding safety key at processor, BlackBerry Aurora is designed to offer the safest Android smart phone experience.

BlackBerry Aurora comes with application DTEK ® by BlackBerry, pre-loaded, offering security monitoring and continuous protection of OS and your app by giving notification when privacy is exposed and how you can take precaution to repair it.

At glance, you will see overall security level for your gadget and enable users to enhance their security status.

This BlackBerry security application can monitor other application, reminding you if there's an app using camera to take photo or video, activate microphone, and send message or access contact and location.

BlackBerry Aurora is a smart phone packing dual-SIM 4G LTE, running with Android 7.0 Nougat, has 5.5' inch touch screen and 4GB RAM. Combining modern technology with 4G LTE network speed, wide screen HD 720p and 4GB memory, BlackBerry Aurora gives reliable performance to a smart phone.

Other than design and security features that make BlackBerry Aurora stand out, other additional features have reinvented cellular communication for business players with certainty that they get safe and productive continuous cellular access to their office, wherever they are in the world.

At the core of this BlackBerry smart phone, it is equipped with Qualcomm® processor Snapdragon Quad-Core 1.4 GHz with solid battery 3,000 mAh Li-ion that gives this gadget

strong performance and connectivity of 30 hours.

James Cathey, Senior Vice President and President of Asia Pacific & India from Qualcomm, congratulate BB Merah Putih on the launch of BlackBerry Aurora.

"We are very happy to collaborate with our strategic partner, BB Merah Putih, in supporting an important business transformation for Indonesian market via this BlackBerry Aurora launch," said Cathey.

"As innovator who keeps stimulating cellular communication evolution, Qualcomm with BlackBerry and BB Merah Putih, are committed to always contribute in creating user best experience for Indonesian public and to support expansion of local cellular industry."

You can pre-order BlackBerry Aurora @ Rp. 3,499,000 at leading online shops in Indonesia from 3-12 March 2017. During pre-order, customers have chance to win direct and attractive gifts and installment option up to 24 months. BlackBerry Aurora is supported by qualified service network in big cities across Indonesia.

BlackBerry Aurora Local Content Requirement (TKDN) Reaches 30%

The first BlackBerry Android, specifically introduced to Indonesian public was officially launched. Named "BlackBerry Aurora", this cell phone was produced by BB Merah Putih, which is a joint venture company between BlackBerry and Tiphone Mobile Indonesia.

BlackBerry Aurora is a benchmark that Indonesia is able to produce gadget of global standard. BlackBerry Aurora has fulfilled 30% local content requirement.

At BlackBerry Aurora launch event in Jakarta, Minister of Communication & Information, Rudiantara in his speech conveyed his pride on the latest BlackBerry product, that is produced in Indonesia.

The Minister said that in Indonesia, one person at least owns a cell phone, has internet access and one social media account.

He also mentioned that BlackBerry has been long accepted in Indonesian market. Right now, BlackBerry does not only focus to produce handset but they also develop software and security.

One of its features is DTEK, i.e.: security feature to keep your personal data from third person. Other than that, other aspect that also proves BlackBerry is accepted in Indonesian market is the fact that BlackBerry Messenger (BBM) is widely used by 60 million users in Indonesia. BlackBerry can be used for future business opportunity. It is expected that with enhanced features, public will fall for BlackBerry product again.

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