

Hendar: Increasing cooperation between Indonesia's central bank and state police

Speech by Mr Hendar, Deputy Governor of Bank Indonesia, at the Signing of Work Guidelines between Bank Indonesia and the State Police of the Republic of Indonesia concerning Procedures for Implementation of Securing Bank Indonesia and Escorting State-owned Valuables, Jakarta, 23 February 2015.

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The Honorable,

- Head of Baharkam Polri, Komjen Pol Drs. Putut Eko Bayuseno, SH
- Head of Korps Brimob Polri, Irjen Pol Drs. Robby Kaligis
- Kadivkum Polri, Irjen Pol Drs. Moechgiyanto, SH, Mhum
- Departments' Heads of Bank Indonesia, attendees and guests

Assalamualaikum warahmatullahi wabarakatuh,

Good day and Greetings to us all,

1. First of all, I would like to ask us all to praise our gratitudes to Allah SWT, God the Almighty, for His grace we could attend this ceremony of the Signing of Work Guidelines between Bank Indonesia and the State Police of the Republic of Indonesia (POLRI), in this case the *Brimob* (Mobile Brigade) Corps, concerning "Procedures for Implementation of Securing Bank Indonesia and Escorting State-owned Valuables".
2. The signing of this Work Guidelines is a follow-up of the Memorandum of Understanding signed between the Head of the State Police of the Republic of Indonesia and the Governor of Bank Indonesia on "Cooperation in Order to Support the Duty Implementation and Authority of Bank Indonesia and the State Police of the Republic of Indonesia" on 1 September 2014, particularly which governs "cooperation in the field of securing Bank Indonesia and escorting state-owned valuables".
3. The signing of this Cooperation Agreement constitutes part of a series of intensive discussions processes at technical level which took place earlier. Hence, on behalf of the Board of Governors, we would like to express our thanks for the support of Polri, so that the signing of this Work Guidelines can be realized. This cannot be separated from the high commitment and support of Polri for the implementation of duty and function of Bank Indonesia.

The importance of Security Aspect for BII

Attendees, Ladies and Gentlemen,

4. ***As we all know, as a strategic state institution, Bank Indonesia has an important function in the national economy.*** To run its function, Bank Indonesia owns a variety of important assets both in the form of hardwares and softwares which securities have to be assured.
5. In implementing the function of cash payment system, Bank Indonesia has money storage treasury that highly needed for ensuring the availability of cash in sufficient nominal amounts as well as fractions to meet the public needs. This treasury is also

highly required for storage of the State foreign exchange reserves in the form of gold.

6. Meanwhile, to support non-cash payment system, Bank Indonesia also has various vital payment system instruments such as Real Times Gross Settlement (RTGS) system, *Sistem Kliring Nasional-SKN* (National Clearing System) and data centre which must function safely, smoothly and efficiently.
7. How important the roles of the various assets or system can be seen, among others, from the value of the transaction or money deposited. The RTGS system currently serves transaction settlements with an **average value of Rp 469 trillion** per day and **SKNBI** serves banking clearing transactions with an **average value of Rp 11 trillion** per day. Meanwhile, the amount of cash money ready for circulation both in the treasuries of Bank Indonesia's head office and representative offices in the regions in the month of January has reached approximately 222 trillion.
8. **Another important activity of money circulation that requires escorting is the distribution of money.** This activity includes among others the delivery of money fit for circulation from Peruri to Bank Indonesia's Head Office and delivery of money from Bank Indonesia to the centres of public economic activities such as clean money policy program or money distribution in order to maintain the availability of cash money in remote areas.
9. Disruption and threats against various assets, system and smooth distribution of money, which naturally can harm the economy in the Republic of Indonesia.
10. Therefore, Bank Indonesia requires personnel support from the State Police of the Republic of Indonesia that capable to implement the duties of securing and escorting with qualification and competency in confronting disturbances and threats of security with high intensity, which in this case owned by the Brimob (Mobile Brigade) Corps of Polri.
11. This good cooperation and coordination needs to be poured into a clear and transparent mechanism, in accordance with the duty and authority of BI and Polri, and shall refer to the applicable laws and regulations by considering the principles of justice, benefit and legal certainty.
12. We welcome the signing of the Work Guidelines concerning the "Procedures for Implementation of Securing Bank Indonesia and Escorting State-owned Valuables". This work guidelines implementation will also be follow-up through cooperation between Bank Indonesia Representative Offices with the local Regional Police.

BI Efforts in the Strengthening of Security System

Ladies and Gentlemen,

13. We are aware that as a strategic institution, we must have a security system that can integrate and utilize both internal and external resources to ensure the smooth implementation of Bank Indonesia duties. At this time we continue to strengthen the security system of Bank Indonesia, commonly called Sispambi.
14. Several security efforts referred to, among others are in the form of the division of security area classification, i.e.: limited, very limited, prohibited and closed areas. We restrict access to those areas both by access rights and escort officers. Gradually, we have modernized security system devices integrated with the building security.
15. Related to HR, we also continue to improve their quality and skills through various training such as Reskrim/Intelkam (Detectives & Criminal / Intelligence & Security),

SAR, Fire Fighters, Security for VIP, and other various training which frequently conducted in cooperation with Polri.

Expectation with the Signing of the Work Guidelines

Attendees, Ladies and Gentlemen

16. The signing of the Work Guidelines today should be able to become a good communication adhesive, an intensive coordination, and also a synergic collaboration between Bank Indonesia and POLRI, specifically Korbrimob, both at central level and regional levels. We also are convinced that securing Bank Indonesia and escorting state-owned valuables can be run more smoothly and effectively.
17. Thus this speech, may Allat SWT be with us always, to bless and ease our step in the future.

Wassalamualaikum Wr. Wb.