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A New Era for Financial Conglomerates:
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Vietnam

Re-organization of Vietnamese Government

ベトナム共産党の中央委員会は、政府の組織構造に権限の重複をはじめとした非効率が存在するとして、2017年10月25日付の決議で、政府関係部局に行政改革に向けた調査及び必要な措置を講じるよう指導していたが、2024年後半になり、その実施に向けた取組が内務省を中心に急ピッチで行われ、本年に入り、具体的にその内容が明らかになってきた。本稿では、中央政府・地方政府それぞれのレベルで現在企図されている行政改革の概要について紹介する。

Introduction

In around 2017, the Communist Party of Vietnam considered that the organizational structure of the central Government and the local authorities is problematic. The powers and authority of governmental agencies had been overlapping, resulting in their operation being inefficient and inappropriate for the development of Vietnam. On this basis, under its Resolution 18-NQ/TW dated 25 October 2017, the Central Committee of the Communist Party directed the relevant authorities to conduct thorough research and take appropriate steps to implement necessary reforms, as soon as possible. The reform process started in late 2024 and the Ministry of Internal Affairs had been assigned to take the leading role in the re-organization process and as the result, certain changes to the structure of the Government of Vietnam took place during February 2025 and came into effect from March 1, 2025.

Changes to ministerial agencies

On 18 February 2025, the National Assembly passed the Law on Government Organization No. 63/2025/QH15 which is the basis for re-organization of the central Government. On the same day, it also passed Resolution 176/2025/QH15 on the structure of Government of Vietnam which comprises 14 ministries (reduced from 18) and 3 ministerial equivalent agencies (reduced from 4) and Resolution 177/2025/QH15 on 18 February 2025 regarding members of the Government. In particular, the following ministries have been established by consolidating some of the previous ministries:

- The new Ministry of Finance is the consolidation of the Ministry of Finance and the Ministry of Planning and Investment
- The new Ministry of Internal Affairs is the consolidation of the Ministry of Internal Affairs and the Ministry of Labour, War Invalids and Social Affairs
- The new Ministry of Construction is the consolidation of the Ministry of Transportation and Ministry of Construction

- The new Ministry of Science and Technology is the consolidation of the Ministry of Information and Communication and the Ministry of Science and Technology
- The new Ministry of Agriculture and Environment is the consolidation of the Ministry of Agriculture and Rural Development and the Ministry of Natural Resources and Environment

Other ministries such as Ministry of Defense and Ministry of Public Security remain (though functions of certain unchanged ministries were amended).

In addition, departments under ministries were also restructured. For example, under the Ministry of Finance, the General Department of Taxation now has 12 divisions and 20 regional tax departments (instead of 63 provincial tax departments¹), and the General Department of Customs now has 12 divisions and 20 regional customs departments (previously, there were 35 regional customs departments).

Changes to certain local authorities

Given the changes to the ministerial agencies, in late February 2025, new departments in 63 provinces and equivalent cities² were established resulting from the consolidation of certain ministries and they started their operation from March 1, 2025. For example, the new Department of Finance and new Department of Natural Resources and Environment³ of Ho Chi Minh City were established on 20 February 2025. The new Ministry of Finance also issued decisions on the establishment of relevant regional tax departments and regional customs departments.

Current and Future Effects

At this moment, while we have seen a certain delay in issuance of a few types of business licenses and completion of certain administrative procedures, the re-organization does not seem to have caused negative impact on major licensing procedures regarding M&A and real estate investment transactions so far. Although the current authorities may have new names, they basically are operating in accordance with the current procedures⁴.

On 12 April 2025, the Central Committee of the Communist Party issued Resolution 60-NQ/TW to decide certain issues on reorganization of local authorities. Accordingly, the number of provinces will be reduced from 63 to 34 by consolidation of certain provinces (e.g. while Hanoi City is unchanged, the new Ho Chi Minh City will be the consolidation of Ho Chi Minh City, Binh Duong and Ba Ria Vung Tau Provinces). In addition, the authorities at the district level will be removed⁵ and the number of authorities at ward level will be reduced by 60%-70%. The reorganization of local authorities is expected to be implemented in July and August 2025. At that time, there is a possibility that there may be some delays and amendments in licensing matters and administrative procedures during the transitional period due to the change to geographical areas, the personnel in relevant authorities as well as the inconsistency among laws. It is expected that the Government will consider appropriate actions to mitigate the impact of the reorganization of local authorities on the licensing and administrative procedures and provide necessary support to investors during the transitional period.

¹ Vietnam currently has 63 provinces and will be reduced to 34 provinces and equivalent cities as further discussed below.

² It is planned that the number of provinces will be significantly reduced after the re-organization is completed.

³ Ho Chi Minh City does not use the name of Department of Agricultural and Environment as the People's Council of Ho Chi Minh City believed that the current name (i.e. Department of Natural Resources and Environment) will avoid amending prescribed administrative forms as much as possible.

⁴ It should be noted that the current operation of newly established authorities seems inconsistent with the law as the relevant laws have not been updated to reflect the results of the recent reorganization. For example, under the Law on Enterprise 2020 and Law on Investment 2020, the competent authority of certain procedures is the Ministry of Planning and Investment (but not the Ministry of Finance) and therefore, the Ministry of Finance which was recently established should not have authority on foreign investment procedures while the Ministry of Planning and Investment ceased to exist.

⁵ The local authorities are currently organized in three levels, i.e. provincial, district and ward/commune level.

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Indonesia

A New Era for Financial Conglomerates: Key Highlights from OJK Regulation No. 30 of 2024

インドネシア金融庁は、金融コングロマリットに関する規則を改正しその監督体制を刷新しました。今回の大きな改正点としては、金融コングロマリット持株会社制度の導入が挙げられ、一定の資産規模と複数の金融セクターで活動する金融グループ会社の数に基づいて、持株会社制への移行が義務付けられています。本稿では、持株会社制の導入の背景や狙いを中心に新規則について概説します。

Introduction

Indonesia's financial services sector just entered a new chapter. With the issuance of OJK Regulation No. 30 of 2024 ("**POJK 30/2024**"), the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") has officially overhauled the framework for supervising financial conglomerates. Replacing OJK Regulation No. 45/POJK.03/2020 on Financial Conglomeration ("**POJK 45/2020**"), POJK 30/2024 introduces a fresh approach, with broader definitions and stricter oversight – all aligning with the government's bigger push to strengthen the financial sector under the Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (also known as PS2K Law).

What does this mean in practice? The most immediate change is the introduction of the Financial Conglomerate Holding Company (*Perusahaan Induk Konglomerasi Keuangan* – "**PIKK**"). The concept of "Main Entity" (*Entitas Utama*) under POJK 45/2020 model has been retired. The OJK now requires qualifying financial group companies to appoint a PIKK to sit at the top of the structure. This PIKK will take the lead in shaping the overall strategy, coordinating risk management, and making sure that all group entities are compliant. Depending on how the group is set up, the PIKK could be an existing licensed financial institution or a non-operational holding company.

Who is impacted?

Financial Conglomerate (*Konglomerasi Keuangan*) under the POJK 30/2024 is defined as a group of financial services institutions that operate under common ownership and/or control.

POJK 30/2024 introduces a clear requirement for controlling shareholders (*Pemegang Saham Pengendali*) and/or ultimate controlling shareholders (*Pemegang Saham Pengendali Terakhir*) of a Financial Conglomerate to establish a PIKK if the group meets one of the following thresholds:

- (a) The total consolidated assets of the financial group are at least IDR 100 trillion, and it includes at least two financial institutions (*Lembaga Jasa Keuangan* – "**LJK**") operating in two different financial sectors; or
- (b) The total consolidated assets of the financial group are between IDR 20 trillion and IDR 100 trillion, and it includes at least three LJKs operating in three different financial sectors.

Although the IDR 100 trillion threshold has been there since POJK 45/2020, the OJK has introduced a "smaller" threshold to cover groups with total consolidated assets less than IDR 100 trillion. Under POJK 30/2024, smaller groups with total consolidated assets between IDR 20 trillion and IDR 100 trillion are also caught if they operate across three different financial sectors. This lower threshold is a big shift, bringing mid-sized groups into scope for the first time. On top of that, the OJK has expanded the definition of LJK to include not just banks, insurance companies, finance and securities companies, but also venture capitals, fintech players like P2P lenders and crowdfunding platforms.

Governance and ownership

Another important change introduced by POJK 30/2024 is the emphasis on clarity of ownership and control within Financial Conglomerates. POJK 30/2024 sets out detailed criteria for determining control and places restrictions on cross-ownership among group entities. While certain exceptions are allowed – such as minority ownership or relationships between parent and subsidiary companies – the overarching objective is to simplify group structures and enhance regulatory visibility.

Governance expectations under POJK 30/2024 have also been elevated. In addition to the existing requirement to

prepare a corporate charter, Financial Conglomerates must now prepare a comprehensive corporate plan. This plan should outline, at the minimum:

- (a) the group's strategic direction;
- (b) assess past performance; and
- (c) define a clear risk appetite.

The PIKK is expected to take an active role in guiding these efforts, ensuring that each entity within the group is aligned with the broader objectives. The shift reflects the OJK's intention to hold larger, more complex financial groups to a higher standard of oversight and accountability.

Implications

For existing financial conglomerates, the transition to the PIKK model will likely require more than a simple adjustment. Some groups may need to establish a new holding company or restructure ownership arrangement to meet the new regulatory expectations. Beyond structural changes, there may also be a need to enhance governance practices – particularly in areas such as group-level coordination.

For groups that did not previously qualify under POJK 45/2020 but now fall within the scope of POJK 30/2024, the transition may present a different set of challenges. These newly qualified groups may not have existing structures in place to support group-level compliance or integrated governance. As a result, the introduction of the PIKK requirement may prompt a need to rethink how responsibilities are allocated across the group, how decisions are coordinated, and how risk is managed holistically.

These groups will need to begin by assessing whether they meet the updated criteria, both in terms of asset size and the number of financial institutions operating across different sectors. Once confirmed, they must determine the most appropriate PIKK structure, whether operational or non-operational. Establishing a PIKK may require not only legal restructuring, but also the development of entirely new governance frameworks, internal controls, and reporting mechanisms. From the OJK's perspective, the regulatory expectation is that all qualifying groups, regardless of size or past regulatory experience, are expected to comply with the new requirements within the prescribed timeline.

Transitional periods

POJK 30/2024 provides a transitional period for companies to adjust to the new requirements. Entities that meet the criteria for a Financial Conglomerate under POJK 30/2024 must submit their application to establish a PIKK no later than 23 June 2025, which is six months from POJK 30/2024's effective date. POJK 30/2024 also prescribed that qualification assessments will be based on financial reports as of 30 June 2024, giving institutions a clear reference point for determining whether they fall within scope.

Following the OJK's approval of a PIKK application, Financial Conglomerates will have up to one year to complete any necessary restructuring to comply with the new framework, unless a longer period is granted by the OJK. This may include adjusting ownership structures and/or updating governance arrangements to align with POJK 30/2024.

Conclusions

POJK 30/2024 marks a decisive move in Indonesia's ongoing efforts to strengthen the regulatory foundation of its financial sector. By redefining what constitutes a financial conglomerate and mandating the establishment of PIKK, the OJK aims to promote greater transparency and more consistent supervision across financial groups that operate under shared control or ownership. For many institutions, the transition to the new framework will involve more than compliance. In some cases, this may include establishing a new holding entity and revisiting existing shareholder arrangements.

POJK 30/2024 also brings into scope a broader range of financial groups that were not previously classified as conglomerates under the earlier framework. These newly captured groups should carefully assess whether they now meet the updated thresholds and, if so, begin evaluating the most appropriate structure for establishing a

PIKK. More broadly, POJK 30/2024 encourages more coordinated implementation of risk management, governance, capital planning, and other key aspects across the financial conglomerate.

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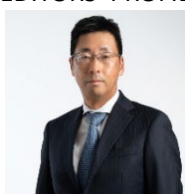


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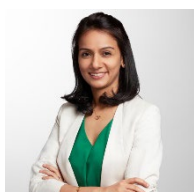


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