

COMPARISON OF IMPLEMENTATION OF LICENSING FOR FOREIGN BANKS IN INDONESIA AND MALAYSIA FROM THE PERSPECTIVE OF STATE ADMINISTRATIVE LAW

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Abstract

Background - The need for people to conduct financial transactions, both domestically and abroad, shows the importance of economic access through banking services available both domestically and abroad. The ASEAN Banking Integration Framework (ABIF) is designed to facilitate banking integration in the Southeast Asian region by providing easier access for banks that have a Qualified ASEAN Banks (QAB) license to open branches in ASEAN countries

Purpose - This study aims to compare the licensing policies for opening foreign bank branches in Indonesia and Malaysia and analyze their impact on people's access to foreign banking services in both countries

methodology - The research method used by the author is an empirical legal method with a qualitative approach, where data is collected through questionnaires distributed to respondents

Findings - The results of the study show that Indonesia has a more open licensing policy for foreign bank access, including banks from Malaysia that can open many branches in Indonesia. In contrast, Malaysia applies stricter regulations by limiting the number of foreign bank branches, including banks from Indonesia. These findings reflect the inequality in banking relations between the two countries and indicate the need for regulatory alignment to create equality in market access for ASEAN banks

Originality - The originality of this study lies in its approach that compares foreign bank licensing policies in Indonesia and Malaysia within the framework of state administrative law, by integrating the juridical-empirical perspective and field data through questionnaires. This study provides added value by exploring the impact of these policies on public access to foreign bank services in both countries.

Keywords: ABIF, Foreign Bank, Licensing
