

BRIDGING AND NAVIGATING THE SUSTAINABLE FINANCIAL SECTOR: STRATEGIC ROLE OF FINANCIAL SECTOR LEGAL CONSULTANT

Agustinus Prajaka Wahyu Baskara

Fakultas Hukum Universitas Katolik Indonesia Atma Jaya, Jakarta

Corresponding Author: agustinus.prajaka@atmajaya.ac.id

ABSTRACT

There has been significant structural and regulatory transformation in the financial services sector in the last decade. The need to integrate sustainable financial sector, digitalization, and consumer protection places financial sector legal consultant in a strategic position that cannot be underestimated. Their function is not only as legal advisors, but also as compliance enablers, risk analysts, and strategic partners in the legal aspects of the business. The metamorphosis from a capital market legal consultant to a financial sector legal consultant brings profound consequences to the expansion of skill scope, adjustment of competencies, as well as increased ethical and professional responsibilities. This paper raises two issues of how can financial sector legal consultants bridge and navigate in a sustainable financial sector and how to optimize the strategic role of financial sector legal consultants? The research method of this paper is normative juridical, which examines the applicable provisions relating to the roles and responsibilities of financial sector legal consultants, mastery and sharpening of competencies that must be possessed. The data obtained from the research is analyzed qualitatively. The research results show that optimizing the strategic role of financial sector legal consultants is carried out with an agile and adaptive attitude to all dynamic changes in the financial services sector, responsive to client needs manifested in the ability to bridge all stakeholders in the financial services sector ecosystem. Financial sector legal consultants can provide proper navigation in the dynamic financial sector, especially in corporate activities and business transactions with a deep and thorough understanding of the ever-changing regulations, compliance with professional ethics, and always open to global trends and digital transformation.

Keywords: Strategic Role, Legal Consultant, Sustainable Financial Sector, Agile and Responsive

A. INTRODUCTION

In the dynamic landscape of the financial services sector, the role of financial sector legal consultants is no longer limited to providing conventional legal advice, but has evolved into strategic agents capable of navigating regulatory complexities and market dynamics. Specifically, in the modern economic landscape, the financial sector plays a crucial role as a primary driver of a nation's growth and stability.¹ Financial sector legal consultants are required to possess adaptive, dynamic, and multi-competent capabilities, given the broad scope of their scope. This sector encompasses various entities such as banking, capital markets, insurance, pension funds, financing institutions, guarantee institutions, and microfinance institutions, each with unique characteristics and regulations.² The transformation of the financial industry, marked by the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Services Sector, as well as the latest regulations such as Financial Service Authority (FSA) Regulation Number 5 of 2025 concerning Supporting Professions in the Financial Services Sector, further emphasizes the importance of the role of legal consultants in the new financial services sector ecosystem..

Significant structural and regulatory changes have occurred in the financial services sector over the past decade. The need to integrate sustainable finance, digitalization, and consumer protection places financial sector legal consultants in a strategic position that cannot be underestimated. Their role extends beyond legal advisors to compliance enablers, risk analysts, and strategic partners in the legal aspects of business. The transformation from capital market legal consultants to financial sector legal consultants has profound consequences for expanding the scope of expertise, adjusting competencies, and increasing ethical³ and professional responsibilities.

Regarding competencies and professional standards outside the Indonesian context, Kenneth Kaoma Mwenda, Senior Counsel Legal Vice Presidency The World Bank, in a World Bank document *Legal Aspects of Financial Services Regulation and the*

¹ Windarsari, W. R., & Zainuddin, S. (2020), Analisis Kausalitas Stabilitas Perekonomian Terhadap Pengembangan Bank Syariah Menggunakan Pendekatan Vector Error Correction Model. *Al-Kharaj Journal of Islamic Economic and Business*, 2(1), 1.

² Wardhani, R. S. (2020). Factors That Affect Profitability at the Conventional Bank of Indonesia. *Jurnal Akuntansi*, 24(2), 297.

³ McGrath & Walker (2022), *Regulating Ethics in Financial Services: Engaging Industry to Achieve Regulatory Objectives*, 7.

*Concept of a Unified Regulator*⁴ emphasized the importance of legal competence in the supervision and regulation of financial services, including the regulator's role in authorization, supervision, investigation, and enforcement in the financial services sector. Furthermore, the Australian Securities & Investments Commission emphasized that professional standards for financial advisors are regulated through education, training, examinations, and continuing professional development requirements, as well as a special code of ethics for the financial advisor profession.⁵

This situation creates significant complexity, requiring specialized expertise to ensure regulatory compliance, mitigate risks, and maximize opportunities. In this context, financial sector legal consultants play a crucial strategic role. Financial sector legal consultants must possess a deep understanding of market dynamics, applicable regulations, and the risks that may arise in every financial transaction. A legal consultant in the financial sector is required to have the ability to adapt quickly to regulatory changes and market developments. The strategic role of financial sector legal consultants is becoming increasingly important given the complexity and dynamics of the financial services sector. Financial sector legal consultants act not only as legal advisors but also as strategic partners to their clients, assisting them in making informed decisions and ensuring that their business activities comply with applicable laws and regulations.

Based on the above description, the author identifies two main issues that need to be addressed. First, how can financial sector legal consultants bridge and provide appropriate navigation within a sustainable financial sector? Second, how can we optimize the strategic role of financial sector legal consultants? These issues arise from the need to increase the effectiveness and relevance of legal consultants' roles in addressing challenges and opportunities in the financial sector.

The primary objective of this paper is to formulate an appropriate formula to optimize the strategic role of financial sector legal consultants. Efforts to ensure financial

⁴ Law, Justice, And Development Series, (2006), Legal Aspects of Financial Services Regulation and the Concept of a Unified Regulator, The International Bank for Reconstruction and Development / The World Bank 1818 H Street NW Washington DC 20433, <https://documents1.worldbank.org/curated/en/739411468153873981/pdf/359190PAPER0Le1s01OFFICIALUSEONLY1.pdf>, accessed in June 12, 2025.

⁵ <https://asic.gov.au/regulatory-resources/financial-services/financial-advice/professional-standards/>, accessed in June 10, 2025

sector legal consultants⁶ can provide precise navigation within the complex financial sector are also a primary focus of this paper. The transformation of capital market legal consultants into financial sector legal consultants has practical implications for mastering the necessary competencies and sharpening their knowledge.

This research uses a normative juridical research method, focusing on the study of applicable legal provisions related to the competence of financial sector legal consultants. This research involves an analysis of laws and regulations, jurisprudence, and legal doctrine relevant to the financial sector. The data obtained from the research is analyzed qualitatively, with the aim of identifying the legal principles underlying the role and competence of financial sector legal consultants. This research also helps in understanding how laws and regulations and jurisprudence are applied in practice, as well as how legal doctrine influences legal developments in the financial sector.

B. DISCUSSION

The sustainable finance sector is defined as a financial system that integrates economic, social, and environmental aspects into all its activities. This is explicitly regulated in FSA Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. Its primary objective is to support sustainable development that maintains economic stability and inclusiveness, as stated in the considerations (a) and (b) of FSA Regulation Number 51/2017.

1. Sustainable Finance: Current State and Future Challenges

Historically, Indonesia began to structurally address the issue of sustainable finance⁷ in 2014. Since then, it has issued several key policies and regulations to support the transition to a financial system that takes environmental, social, and governance (ESG) into account. Some key milestones are as follows:

⁶ Moorhead et al., 2023, What Does it Mean for Lawyers to Uphold the Rule of Law?, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4660750#, accessed in August 12, 2025

⁷ Zetzsche & Anker-Sørensen, 2022, Regulating Sustainable Finance in the Dark, 23

1) 2014 – FSA has issued the Sustainable Finance Roadmap Phase I

This document is a strategic initiative released by the FSA to introduce and direct the financial services industry towards sustainable finance, focusing on education, awareness-building, and capacity building for industry players.

2) 2017 – FSA Regulation No. 51/POJK.03/2017

On July 18, 2017, the Financial Services Authority (OJK) issued regulations concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. This policy is a formal regulation requiring the gradual implementation of Sustainability Reports and the integration of ESG aspects into business policies. This regulation has been in effect since 2019.

3) 2018 – Sustainable Finance Roadmap Phase II (2021–2025)

This document is a continuation of the previous roadmap, with a focus on Strengthening regulations and incentives, Development of green financial products, Collaboration between stakeholders, and Support for the achievement of the SDGs and the Paris Agreement.

4) 2022 – Indonesian Green Taxonomy 1.0

This taxonomy was developed by the Financial Services Authority, the Ministry of Finance, and Bank Indonesia, as part of efforts to standardize environmentally friendly economic activities. Some of the objectives of developing the taxonomy are as follows:

- a. To assist financial institutions in assessing green risks.
- b. To classify economic activities based on their contribution to environmental protection.

Indonesia continues to refine its green taxonomy and prepare a supporting framework for potential integration into the fiscal system, such as green tax incentives, and prepare green financing instruments such as green bonds, green sukuk, and others. Several green finance products launched include Green Sukuk issued by the Ministry of Finance in 2018 on the global market, Green Bonds, and green financing schemes by banks and other financial institutions.

5) 2023 – *Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector*

For the first time, the issue of sustainable finance is explicitly regulated in a legal product in the form of a law. Chapter XVII specifically regulates the Implementation of Sustainable Finance, which contains provisions related to the authority of financial authorities to regulate, supervise, and encourage the implementation of sustainability principles; a legal framework that strengthens cross-institutional coordination in developing green financing policies; and the development of taxonomy and reporting guidelines. The P2SK Law provides a stronger legal foundation than the previous one (which was based solely on FSA Regulation and a roadmap), demonstrating the country's commitment to a green transition in the financial sector.

6) 2024 – *Publication of the Indonesian Sustainable Finance Taxonomy Version 1*

The Indonesian Sustainable Finance Taxonomy, released in February 2024, is an extension of the 2021 Green Taxonomy, which encompasses broader economic sectors, including not only environmental but also social and governance (ESG)⁸ aspects. This taxonomy also adopts a three-category approach to economic activity contributions:

- a. Supporting sustainability.
- b. Transitioning towards sustainability.
- c. Not supporting sustainability.

Furthermore, this taxonomy serves as a national standard reference for reporting, risk assessment, and the development of green or transition finance instruments. Indonesian Sustainable Finance Taxonomy Version 1.0 is the first version of a more comprehensive sustainable finance⁹ taxonomy, replacing the term "green taxonomy" with a multi-dimensional ESG approach. The three categories of economic activity are:

- a. Supporting sustainability.

⁸ Raman et al., 2025, Innovations and Barriers in Sustainable and Green Finance for Advancing Sustainable Development Goals, <https://www.frontiersin.org/journals/environmental-science/articles/10.3389/fenvs.2024.1513204/full>, accessed in August 12, 2025

⁹ Zetzsche, D.A., Anker-Sørensen, L. Regulating Sustainable Finance in the Dark. *Eur Bus Org Law Rev* **23**, 47–85 (2022). <https://doi.org/10.1007/s40804-021-00237-9>, accessed in August 13, 2025

b. Transitioning towards sustainability.

c. Not supporting sustainability.

The sectors covered are energy, agriculture, forestry, manufacturing, transportation, and buildings, all of which aim to facilitate the distribution of financing to sustainability-oriented projects and serve as a reference for the issuance of green instruments.

7) 2025 – *The Indonesian Sustainable Finance Taxonomy Version 2*

In February 2025, the Financial Services Authority launched the Indonesian Sustainable Finance Taxonomy with several significant updates, including:

- a. Addition of new sectors, including sustainable tourism, green digital, and waste management.
- b. Stricter technical criteria: adopting a science-based approach (science-based targets) and aligning with international standards such as the EU Taxonomy and ASEAN Taxonomy.
- c. Integration of Transition and Physical Climate Risks: assessment of potential stranded assets, carbon emissions, and resilience to climate change is included in the technical criteria.
- d. Labeling Scheme: The Indonesian Sustainable Finance Taxonomy now provides a labeling system for business activities (green, amber, red) as concrete guidance for financial institutions.
- e. Linkage to ESG Reporting and Sustainability Reports: Company reporting will use the The Indonesian Sustainable Finance Taxonomy classification as a mandatory (rather than optional) framework, including for public issuers.

With the publication of the latest 2025 version of The Indonesian Sustainable Finance Taxonomy, Indonesia now has a more mature ESG classification framework, which serves as the basis for preparing sustainability reports, a reference for assessing the feasibility of green/transition projects, and an instrument for law enforcement and supervision of the financial sector by the Financial Services Authority. For financial sector legal consultants, their role now includes verifying the classification of clients' business activities, assisting with ESG-based transaction structures, and legal audits of business activities' compliance with The Indonesian Sustainable Finance Taxonomy. This

was developed collaboratively by the FSA, Bank of Indonesia, and the Ministry of Finance, and is part of the Indonesian Sustainable Finance Task Force.

The issue of sustainable finance¹⁰ is crucial and relevant for legal consultants in the financial sector because it involves a fundamental transformation in how the financial sector operates, is assessed, and is regulated. The following are key areas of urgency and relevance to consider:

a. Rapid and Complex Regulatory Changes

With the emergence of regulations such as FSA Regulation No. 51/2017, Law No. 4 of 2023 (P2SK Law), the Green Taxonomy, and the The Indonesian Sustainable Finance Taxonomy (Financial Companies are required to adopt ESG principles in their operations and reporting), legal consultants need to translate these legal norms into the client's business context and protect clients from legal risks (non-compliance, greenwashing, etc.).

b. Increased Risk of Litigation and ESG Liability

Sustainability issues have the potential to become a source of disputes, among others: Shareholder lawsuits over inadequate disclosure of environmental risks; Lawsuits for violations of social responsibility principles and poor governance; Legal consultants are needed to mitigate, provide guidance, and develop defensive corporate policies against these potential issues.

c. Strategic Role in Energy Transition and Green Finance

Projects such as renewable energy, green transportation, and carbon financing require complex legal structures, such as legal due diligence on green projects, drafting green bond/green sukuk contracts, and mitigating legal risks in the transition to fossil-based industries.

2. Navigation in a Dynamic Financial Sector

The dynamic financial sector requires strong navigational skills from legal consultants. This includes an understanding of various financial products and services, as well as the regulations governing each. Financial sector legal consultants must be able to provide clear and comprehensive guidance to their clients, helping them understand the

¹⁰ Peng, K.; Munir, M.; Ren, J.; Mejri, M. Decoding the Dynamics of Sustainable Finance: Spillover, Risk, and Connectivity Through a Bibliometric Lens. *Int. J. Financial Stud.* 2025, 13, 85., <https://www.preprints.org/manuscript/202502.2250/v1>, accessed in August 13, 2025

legal significance of each financial transaction and ensuring they comply with all applicable regulations. Financial sector legal consultants must also be able to collaborate with other experts, such as accountants, financial analysts, and business consultants, to provide integrated and comprehensive solutions for their clients. A legal consultant's ability to provide comprehensive legal opinions is essential, not only as a formality but also as a foundation for strategic decision-making.

In this case, relevance of the function of a legal consultant can be:

a. Governance and ESG Advisor

The consultant's role is to develop internal policies and guidelines for sustainability governance (sustainability governance framework), including the ESG Committee, Ethics and Supply Chain Guidelines, and ESG Standard Operating Procedures.

b. Compliance Officer for Sustainable Finance Regulations

In this capacity, the legal consultant assists financial institutions in developing roadmaps and compliance documents for FSA regulations, ensuring compliance¹¹ in sustainability reports and reporting to the FSA.

c. Translator of Taxonomies and International ESG Standards

The primary role of consultants in this context is to align national green taxonomies with international standards such as the ISSB, TCFD, and EU Taxonomy.

d. Green Transaction Advisors

As advisors, consultants play an active role in green project financing, carbon-based transactions (carbon credits, carbon trading), ESG-linked loans, and sukuk.

Thus, it can be concluded that the role of legal consultants in the financial sector is no longer limited to conventional legal aspects, but must be able to bridge the green economy transition by acting as regulatory navigators, ESG risk mitigators, and strategic catalysts in the development of sustainable financial products and policies.

¹¹ Alawiye-Adams, Adewale Adegoke and Ogundele, Abiodun Thomas, Ethics and Professionalism in the Banking Industry, a Case Study of Nigerian Banking Environment (January 1, 2018), SSRN: <https://ssrn.com/abstract=3095229> or <http://dx.doi.org/10.2139/ssrn.3095229>, accessed in August 10, 2025

Furthermore, regarding the competencies¹² of Financial Sector Legal Consultants, the following points can be outlined:

- a. The competencies of financial sector legal consultants are regulated in detail in Financial Services Authority Regulation Number 66/POJK.04/2017 of 2017 (POJK 66/2017).
- b. Legal consultants must: Possess expertise in capital markets and financial services, as evidenced by continuing professional and professional education (Article 1 and Article 3 letter h of FSA Regulation 66/2017); Be registered with the Financial Services Authority and be a member of the Financial Sector Legal Consultants Association (HKHSK) (Articles 2 and 3 of FSA Regulation 66/2017); Implement a quality control system in conducting legal due diligence and providing legal opinions (Article 3 letter e.3 of FSA Regulation 66/2017); Never have been subject to administrative sanctions in the form of revocation of a registration certificate from the FSA (Article 3 letter g of FSA Regulation 66/2017).

The financial services sector no longer exists within conventional silos. The integration of technology (fintech, insurtech, regtech), green finance, and ESG (environmental, social, and governance) has encouraged legal consultants to develop cross-sector and multidisciplinary competencies. The 2023 PPSK Law marks a new era of financial sector reform in Indonesia, where strengthening the supervisory function and integrating the financial sector positions legal consultants as strategic partners for both businesses and regulators. Strategic roles that can be optimized include:

- a. Compliance navigator: identifying, managing, and mitigating legal and compliance risks in cross-sector financial transactions.
- b. Regulatory interpreter: bridging business actors' understanding of the regulations of the Financial Services Authority, the Indonesia Stock Exchange (IDX), and other institutions, including prudential and market supervision.
- c. Governance enabler: designing corporate governance structures aligned with GCG principles, including in the IPO process, rights issues, mergers and acquisitions, and the development of new financial products.

¹² Andrés et al., 2020, "Fit and Proper" Regulations in the Banking Industry: What We Have Learnt in the Post-Crisis Years, 19.

Accurate legal navigation requires a contextual understanding of the dynamics of the financial sector. Legal consultants must be able to understand:

- The historical aspects and evolution of regulations, from the 1995 Capital Markets Law to the 2023 PPSK Law and its derivative regulations, which reform institutional structures, licensing, and investor protection.
- Shifting supervisory and governance structures, with the increasingly central role of the Financial Services Authority (OJK) and synergies with Bank Indonesia, the Deposit Insurance Corporation (LPS), and the Ministry of Finance.
- The need for a holistic approach, including an understanding of international financial law, ESG developments, and global competition.

For example, FSA Regulation 5/2025 redefines the scope of supporting professions in the financial services sector, including certification requirements, codes of ethics¹³, and professional supervision. Legal consultants must respond by aligning training curricula, professional certification, and establishing strong associations.

The financial sector, with its complex regulations and high market dynamics, requires legal consultants who not only understand the law but also possess in-depth business insights. In this context, legal consultants act as a bridge between regulations and business practices, ensuring that their clients operate in accordance with applicable laws while achieving their business objectives. Legal consultants also play a role in identifying and managing legal risks associated with financial transactions, such as credit risk, market risk, and operational risk. Competent legal consultants are able to provide appropriate and effective legal advice, assisting their clients in making informed decisions and avoiding potential future legal issues.

Mastering competencies and honing their knowledge are crucial for financial sector legal consultants. A financial sector legal consultant's competencies include a thorough understanding of banking law, capital markets law, insurance law, pension fund law, and other regulations related to the financial sector. Furthermore, a financial sector legal consultant must possess the ability to analyze complex financial transactions, identify legal risks, and provide effective solutions. Financial sector legal consultants

¹³ Bruhn & Asher, 2020, The Primacy of Ethics in the Provision of Financial Advice, <https://doi.org/10.1111/acfi.12703>, accessed in August 10, 2025

must continuously develop and enhance their competencies to provide quality and relevant services to their clients. In carrying out their duties, financial sector legal consultants focus not only on the legal aspects but also consider the economic and business implications of each decision.

Financial sector legal consultants are required to possess an agile mindset, meaning the ability to adapt internally to regulatory changes and financial market dynamics. Responsiveness outside the regulations¹⁴ requires legal consultants to be able to respond quickly and accurately to client needs and external developments, including addressing sustainable finance issues and financial product innovation. Financial sector legal consultants can provide precise navigation within the dynamic financial sector, particularly in corporate activities and business transactions, with a deep and comprehensive understanding of constantly changing regulations, adherence to professional ethics, and a constant openness to global trends and digital transformation.

3. Optimizing the Role of Legal Consultants in the Financial Sector

Optimizing the strategic role of financial sector legal consultants requires a deep understanding of the dynamics of the financial sector and the ability to adapt to regulatory changes and market developments. Legal consultants must be able to provide proactive and innovative legal advice, assisting their clients in identifying new business opportunities and managing associated legal risks. Optimizing the strategic role of financial sector legal consultants also requires the ability to build strong relationships with clients, regulators, and other stakeholders. In the complexities of the financial sector, advocates play a crucial role, providing in-depth legal analysis that serves as the foundation for strategic decision-making, helping clients understand and navigate the complex regulatory framework and legal implications of their actions. Furthermore, in the context of dispute resolution, legal consultants must be able to provide effective and efficient solutions, both through litigation and non-litigation. Innovative and comprehensive solutions in the financial services sector will have a positive impact on the economy.

The competencies of financial sector legal consultants are comprehensively regulated by several regulations, emphasizing the importance of expertise, continuing

¹⁴ Chiu, I.H.Y., Lin, L. & Rouch, D. Law and Regulation for Sustainable Finance. *Eur Bus Org Law Rev* **23**, 1–7 (2022). <https://doi.org/10.1007/s40804-021-00230-2>, accessed in August 10, 2025.

education, and adherence to professional standards. The main regulations governing these competencies include:

- Financial Services Authority Regulation Number 66/POJK.04/2017 of 2017 concerning Legal Consultants Conducting Activities in the Capital Market.
- Law Number 8 of 1995 concerning Capital Markets, as amended by Law Number 4 of 2023 concerning PPSK.
- Law Number 21 of 2011 concerning the Financial Services Authority.

Optimizing the strategic role of financial sector legal consultants¹⁵ and their ability to navigate complex sectors is regulated by POJK 66/2017 and POJK 5/2025. Several key aspects to consider are:

- a. Legal consultants are required to maintain and improve their competence through continuing professional education and mastery of the latest regulations (Article 17 paragraph (1) letter c of FSA Regulation 66/2017; Article 20 paragraph (1) of FSA Regulation 5/2025).
- b. Legal consultants must adhere to the code of ethics and professional standards, and be independent, objective, and professional (Article 17 paragraph (1) letters a and b of FSA Regulation 66/2017; Article 20 paragraph (1) of FSA Regulation 5/2025).
- c. Optimizing their strategic role is achieved through legal due diligence, comprehensive legal opinions, participation in regulatory development, and advocacy for client interests.
- d. Legal consultants are required to ensure client compliance with anti-money laundering and anti-terrorism financing provisions (Article 9 paragraph (1) letter d of FSA Regulation 5/2025).
- e. Membership in professional associations and active involvement in the development of professional¹⁶ standards are mandatory (Article 9 paragraph (1) letter c of FSA Regulation 5/2025).

To navigate the complex financial sector, legal consultants must:

¹⁵ Lukito, 2019, Strengthening the Role of Lawyers and Other Professional Advisers in Addressing Economic and Financial Crimes in Indonesia, *Journal of Financial Crime* 7 October 2019; 26 (4): 1107–1116. <https://doi.org/10.1108/JFC-11-2016-0072>, accessed in August

¹⁶ Richards et al., 2021, Ethics in Financial Planning: Analysis of ombudsman decisions using codes of ethics and fiduciary duty standards", <https://doi.org/10.1177/03128962211022568>, accessed in August 10, 2025

- Possess competency and knowledge across financial services (Article 9 paragraph (1) letter b of POJK 5/2025).
- Conduct comprehensive regulatory analysis and apply the principle of prudence (Article 20 paragraph (1) of POJK 5/2025).
- Prepare legal opinions that are responsive to regulatory changes and the client's business needs.
- Coordinate with other supporting professionals for integrated legal solutions (Article 20 of POJK 5/2025).
- Utilize the OJK's integrated reporting and registration system (Article 9 paragraph (1) of POJK 5/2025).
- Identify emerging issues such as sustainable finance¹⁷, digitalization, and cross-sector regulations.

Therefore, financial sector legal consultants must be dynamic, adaptive, and proactive in addressing regulatory dynamics and industry needs.

Regulatory reforms through Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (PPSK Law) and POJK Number 5 of 2025 brought fundamental changes:

- a. Law 4/2023 expands the scope of regulations, strengthens the integration of supervision, and affirms the OJK's mandate to consolidate regulations on supporting professions (Articles 1, 184-186 of Law 4/2023).
- b. FSA Regulation 5/2025 revokes and integrates all regulations on supporting professions, expands the scope of the profession, and tightens competency and compliance requirements (Articles 2, 3, 9, 20-22, and 24 of FSA Regulation 5/2025).

The main implications of these reforms are:

- a. Supporting professions, particularly legal consultants, must adapt their competencies to the increasingly broad and dynamic scope of financial services.
- b. Continuing professional education and certification are absolute prerequisites.

¹⁷ Chiu, I.H.Y., Lin, L. & Rouch, D. Law and Regulation for Sustainable Finance. *Eur Bus Org Law Rev* 23, 1–7 (2022). <https://doi.org/10.1007/s40804-021-00230-2>, accessed in August 11, 2025

- c. The OJK has greater authority in supervision and sanction¹⁸ enforcement.
- d. Multidisciplinary collaboration is essential for comprehensive legal and business solutions.

Therefore, financial sector legal consultants must be responsive to regulatory changes, master multidisciplinary aspects, and commit to continuous competency renewal to optimally navigate the complexities of the financial services sector.

C. CLOSING

Based on the analysis in the previous section, it can be concluded that:

1. Financial sector legal consultants can bridge and provide appropriate navigation in the sustainable financial sector with a deep and comprehensive understanding of constantly changing regulations, adherence to professional ethics, and a constant openness to global trends and digital transformation.
2. Optimizing the strategic role of financial sector legal consultants is carried out with a flexible and adaptive attitude to all dynamic changes in the financial services sector, responsive to client needs, which is realized through the ability to bridge all stakeholders in the financial services sector ecosystem.

Several recommendations can be made, including the implementation of continuing professional education, mastery of specialized expertise in sustainable finance, implementation of quality control systems, adaptation to regulatory developments, and capacity building through collaboration and the use of technology.

¹⁸ Alawiye-Adams & Ogundele, 2018, Ethics and Professionalism in the Banking Industry, a Case Study of Nigerian Banking Environment, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3095229, accessed in August 12, 2025.

REFERENCE

1. Books

- Dewi, Gusti Ayu Ketut Rencana Sari, et all, 2018, *Investasi dan Pasar Modal Indonesia*, RajaGrafindo Persada, Depok.
- Daniri, Mas Achmad, 2014, *Lead By GCG, Gagasan Bisnis Indonesia*, Jakarta.
- Fuady, Munir, 2001, *Pasar Modal Modern (Tinjauan Hukum) Buku Kesatu*, Citra Aditya Bakti, Bandung.

2. Article/Journal

- Windarsari, W. R., & Zainuddin, S. (2020). Analisis Kausalitas Stabilitas Perekonomian Terhadap Pengembangan Bank Syariah Menggunakan Pendekatan Vector Error Correction Model. *Al-Kharaj Journal of Islamic Economic and Business*, 2(1), 1. <https://doi.org/10.24256/kharaj.v2i1.1265>
- Wardhani, R. S. (2020). Factors That Affect Profitability at the Conventional Bank of Indonesia. *Jurnal Akuntansi*, 24(2), <https://doi.org/10.24912/ja.v24i2.698>
- McGrath & Walker, 2022. Regulating Ethics in Financial Services: Engaging Industry to Achieve Regulatory Objectives, <https://doi.org/10.1111/rego.12482>
- Andrés et al., 2020. “Fit and Proper” Regulations in the Banking Industry: What We Have Learnt in the Post-Crisis Years, <https://doi.org/10.22495/jgrv9i3art6>
- D. Michael Miller, 1997, Training and Competence — the Compliance Officer’s Perspective <https://doi.org/10.1108/eb024919>
- Alawiye-Adams & Ogundele, 2018, Ethics and Professionalism in the Banking Industry, a Case Study of Nigerian Banking Environment, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3095229
- Zetzsche, D.A., Anker-Sørensen, L. Regulating Sustainable Finance in the Dark. *Eur Bus Org Law Rev* 23, 47–85 (2022). <https://doi.org/10.1007/s40804-021-00237-9>
- Chiu, I.HY., Lin, L. & Rouch, D. Law and Regulation for Sustainable Finance. *Eur Bus Org Law Rev* 23, 1–7 (2022). <https://doi.org/10.1007/s40804-021-00230-2>
- Moorhead, Richard Lewis and Vaughan, Steven and Tsuda, Kenta, What Does it Mean for Lawyers to Uphold the Rule of Law? (October 1, 2023). Faculty of Laws

University College London Law Research Paper No. 23/2023, Available at SSRN: <https://ssrn.com/abstract=4660750> or <http://dx.doi.org/10.2139/ssrn.4660750>

Zetzsche, D.A., Anker-Sørensen, L. Regulating Sustainable Finance in the Dark. *Eur Bus Org Law Rev* 23, 47–85 (2022). <https://doi.org/10.1007/s40804-021-00237-9>, accessed in August 13, 2025

Peng, K.; Munir, M.; Ren, J.; Mejri, M. Decoding the Dynamics of Sustainable Finance: Spillover, Risk, and Connectivity Through a Bibliometric Lens. *Int. J. Financial Stud.* 2025, 13, 85., <https://www.preprints.org/manuscript/202502.2250/v1>

Alawiye-Adams, Adewale Adegoke and Ogundele, Abiodun Thomas, Ethics and Professionalism in the Banking Industry, a Case Study of Nigerian Banking Environment (January 1, 2018), SSRN: <https://ssrn.com/abstract=3095229> or <http://dx.doi.org/10.2139/ssrn.3095229>

Bruhn & Asher, 2020, The Primacy of Ethics in the Provision of Financial Advice, <https://doi.org/10.1111/acfi.12703>

Richards et al., 2021, Ethics in Financial Planning: Analysis of ombudsman decisions using codes of ethics and fiduciary duty standards", <https://doi.org/10.1177/03128962211022568>,

3. Regulations

Peraturan Otoritas Jasa Keuangan Nomor 66/POJK.04/2017 Tahun 2017 tentang Konsultan Hukum yang Melakukan Kegiatan di Pasar Modal

Peraturan Otoritas Jasa Keuangan Nomor 5 Tahun 2025 tentang Profesi Penunjang Di Sektor Jasa Keuangan

Keputusan Himpunan Konsultan Hukum Pasar Modal Nomor KEP.02/HKHPM/VIII/2018 Tahun 2018 tentang Standar Profesi Konsultan Hukum Pasar Modal

Undang-Undang Nomor 4 Tahun 2023 tentang Pengembangan dan Penguatan Sektor Keuangan

Peraturan Otoritas Jasa Keuangan Nomor 66/POJK.04/2017 Tahun 2017 tentang Konsultan Hukum yang Melakukan Kegiatan di Pasar Modal

Keputusan Himpunan Konsultan Hukum Pasar Modal Nomor
KEP.02/HKHPM/VIII/2018 Tahun 2018 tentang Standar Profesi Konsultan
Hukum Pasar Modal

Undang-Undang Nomor 8 Tahun 1995 tentang Pasar Modal

Undang-Undang Nomor 21 Tahun 2011 tentang Otoritas Jasa Keuangan

Peraturan Otoritas Jasa Keuangan Nomor 51/POJK.03/2017 Tahun 2017 tentang
Penerapan Keuangan Berkelanjutan bagi Lembaga Jasa Keuangan, Emiten, dan
Perusahaan Publik

Roadmap Keuangan Berkelanjutan Tahap II (2021-2025)

Taksonomi Hijau Indonesia 1.0