ABSTRACT

Financial system has an important role in every country to increase growth and healthy economy continuously and balanced. Financial system is a domestic and international trade facilitator between depositor and investor. In order to have a good function of financial system for public and financial services actor, a country have to back up the economic sector with secure and stable financial system. Crisis that occurs in 1997 and 2008 is giving lessons to Indonesia that we need a strong, healthy, and stable financial system. With existing crisis experience, Indonesia government preparing a big frame of financial architecture called Indonesia Financial System Architecture (IFSA) as an early warning system to prevent the crisis. In process of implementing IFSA, Indonesia passed through an independent assessment from IMF and World Bank that we called Financial Sector Assessment Program (FSAP). The function of this program is as an early warning system that can reduce and prevent the possibility of financial crisis. Through both program, Indonesia planning toward a strong, healthy and stable financial system that can be received and compete in international world.