



**INDONESIA  
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**KNOWLEDGE  
SECTOR INITIATIVE**



**Australian Government**

# Expanding Funding Access for Indonesian SME's through URU.in (Blockchain Based Equity Crowdfunding Platform)

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# SME's as a Indonesia Economics Backbone



Indonesian SMEs account for nearly

**97%** of domestic employment

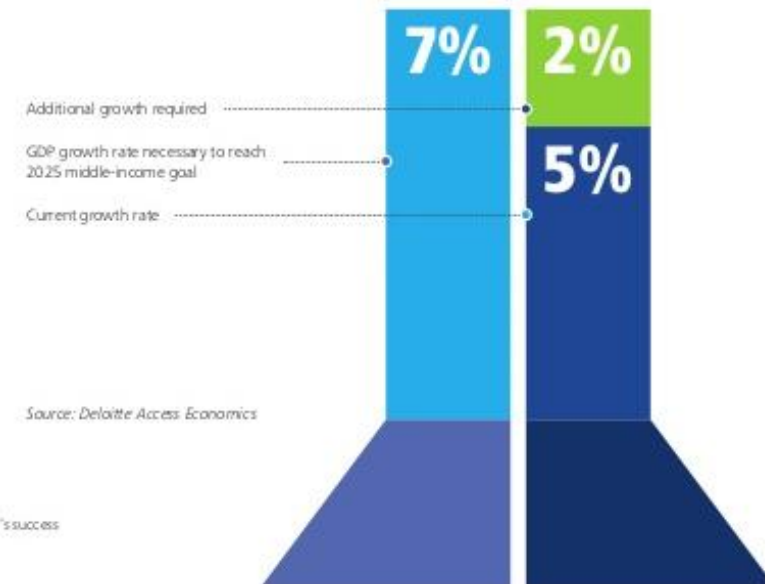
and for

**56%** of total business investment.

(Ministry of Co-operatives and SMEs of Indonesia)

Boosting SME digital engagement could  
**increase Indonesia's annual economic growth by**

**2%** - the jump Indonesia needs to become a middle country by  
2025 (Deloitte, 2015).





**Table 16** Most important constraint to doing business, universe of firms (by percentage)

Panel A: IMK 2013 survey	Micro + small (%)	Micro (%)	Small (%)
Capital	28.0	28.0	27.8
Raw materials	18.4	18.3	19.1
Marketing	15.7	15.4	17.0
Other problems	7.8	7.5	9.5
Worker skills	2.4	2.0	4.7
Fuel/energy	1.4	1.4	1.4
Transportation	1.2	1.2	0.7

**Table 17** Most important constraint to doing business, R+A SME survey

All firms (%)	
Credit constraints	19.9
Raw materials	18.8
Labour and human capital	17.2
Access to markets	16.7
Sales and distribution	9.7
Licensing	7.5
Managerial training	3.2
Production	3.2
Production technology	2.2
Profits and growth	1.6

SOURCE: Authors' calculations using R+A SME Survey (2014) data

3 Different Research, Find the most important constraint for SMEs & Startup to doing Business in Indonesia is

## Funding Access/Financial Problem

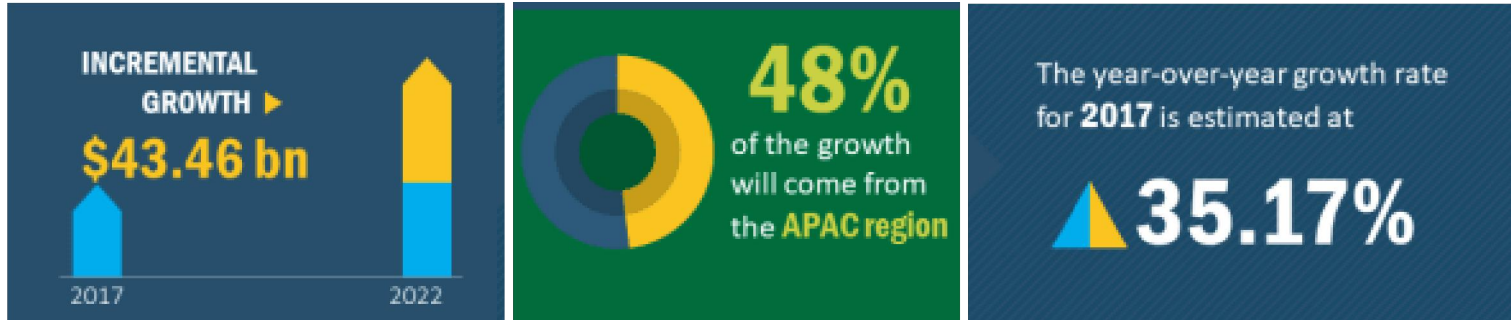
**Table 16** Most important constraint to doing business, universe of firms (by percentage) (Continued)

Panel B: WBES 2009 survey	All Medium (%)	All SMEs	
		Formal (%)	Informal (%)
Access to finance	29.0	34.0	23.6
Political instability	19.4	10.0	29.5
Practices of competitors in the informal sector	11.3	17.6	4.6
Electricity	6.8	8.8	4.7
Crime, theft and disorder	3.6	6.6	0.3
Transport	3.3	1.9	4.7
Labour regulations	2.5	4.9	0.0
Corruption	2.4	3.8	0.9
Business licensing and permits	2.1	2.0	2.1
Customs and trade regulations	1.7	3.1	0.1
Inadequately educated workforce	0.7	1.4	0.0
Access to land	0.6	1.2	0.0
Courts	0.6	0.6	0.5
Taxes	0.5	1.0	0.0
Does not know	14.8	1.9	28.4
Does not apply	0.9	1.1	0.6

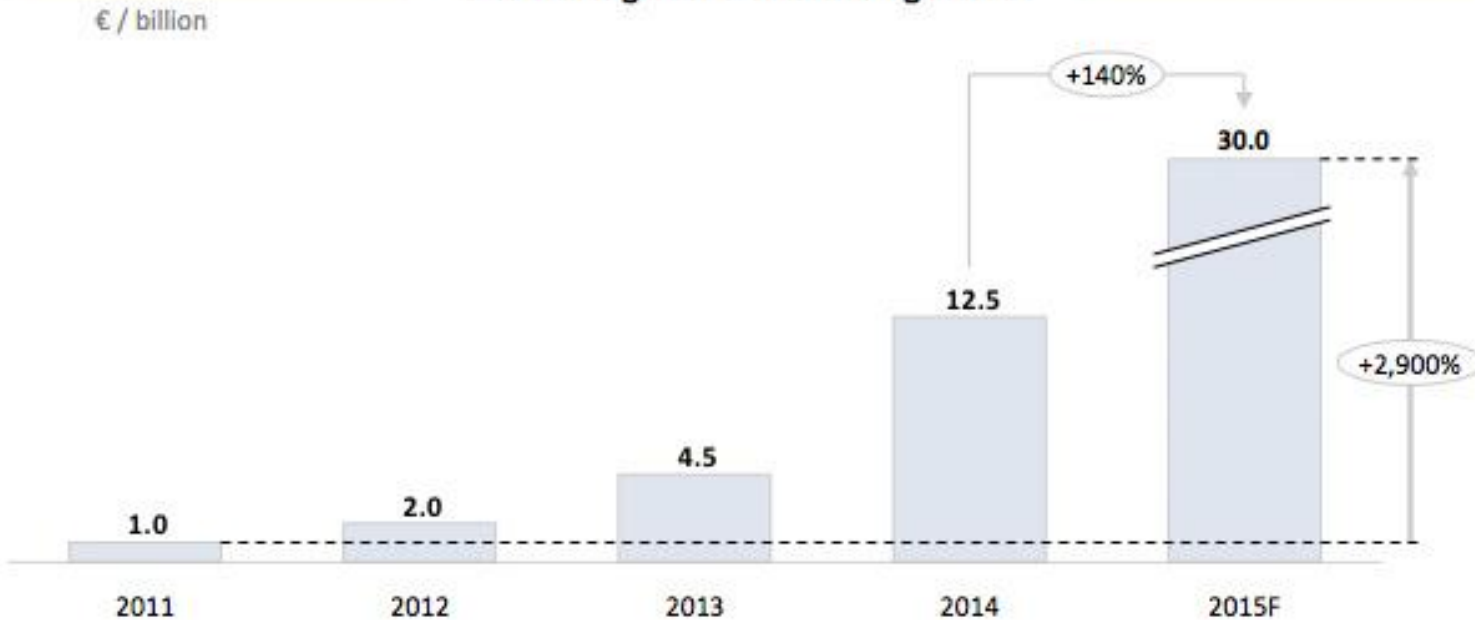
SOURCE: Authors' calculations using IMK 2013 and WBES 2009 data  
Note: The "other problems" category is a catch-all in the IMK 2013 data set.



# Rising of Crowdfunding



Size of the global crowdfunding market



Source: Consultancy.uk analysis, based on data from Massolution

## Vs Bank Loans

Easier credit mechanism

Lower financing cost

Free marketing

Rely on market capitalization & product innovation rather than asset



# Equity Crowdfunding



Reward Based



Donation Based



Equity Based



Debt Based



Forbes, 2016

\$0,6 billion in 2012

\$2.56 billion in 2015

\$4 billion in 2016

**\$30 billion in 2019**

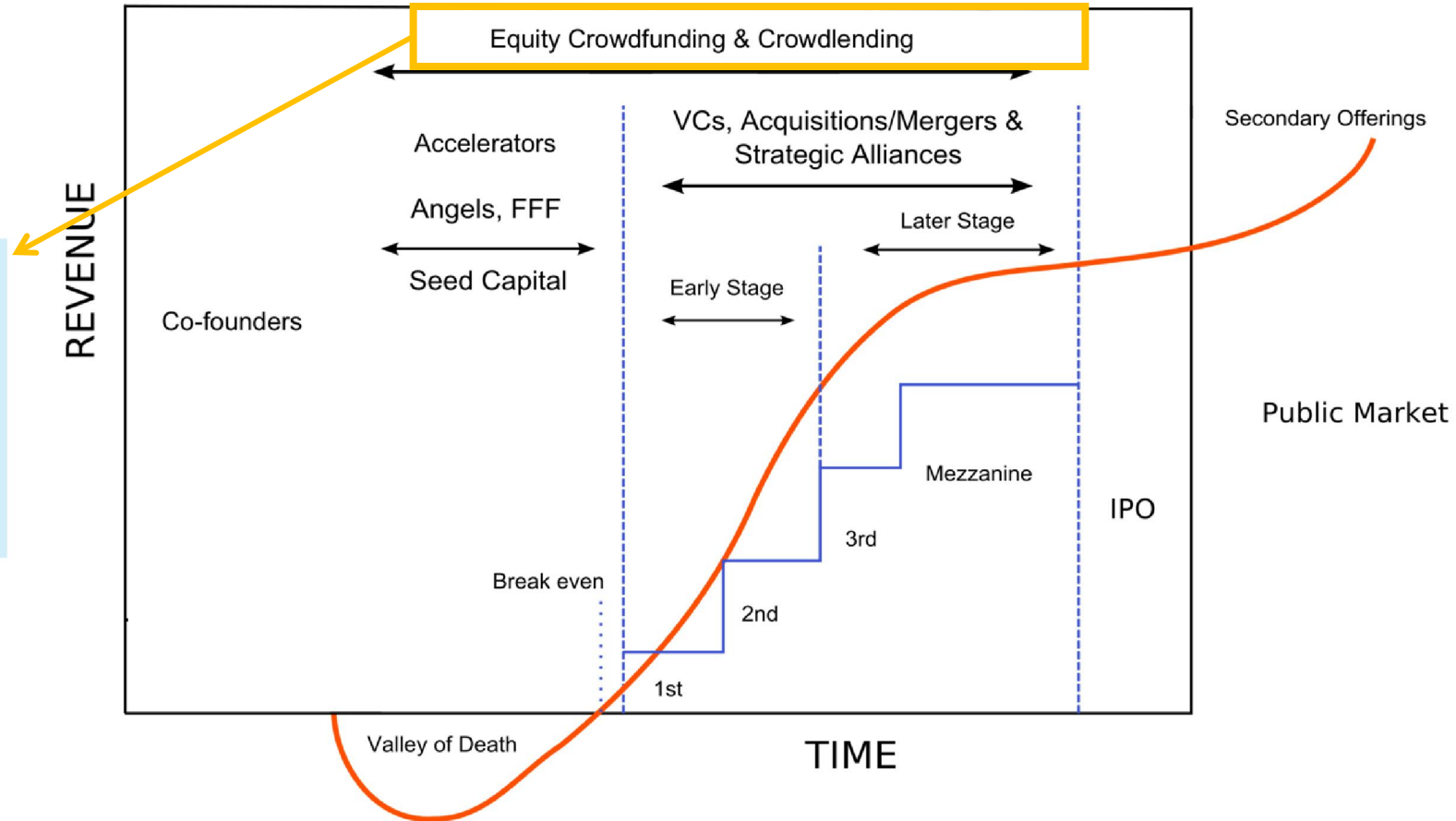
Surpass angel capital (currently at \$20 billion per year) by 2019

- Does not require collateral to receive funds
- Accelerating small business to find new ways to innovate their respective products or business models
- Owner independent control over their businesses
- Investor networks can also help businesses create a sense of credibility

Seed Capital – Early Stage is critical stage for SMEs & startup Development

Equity Crowdfunding is **alternative source** of funding

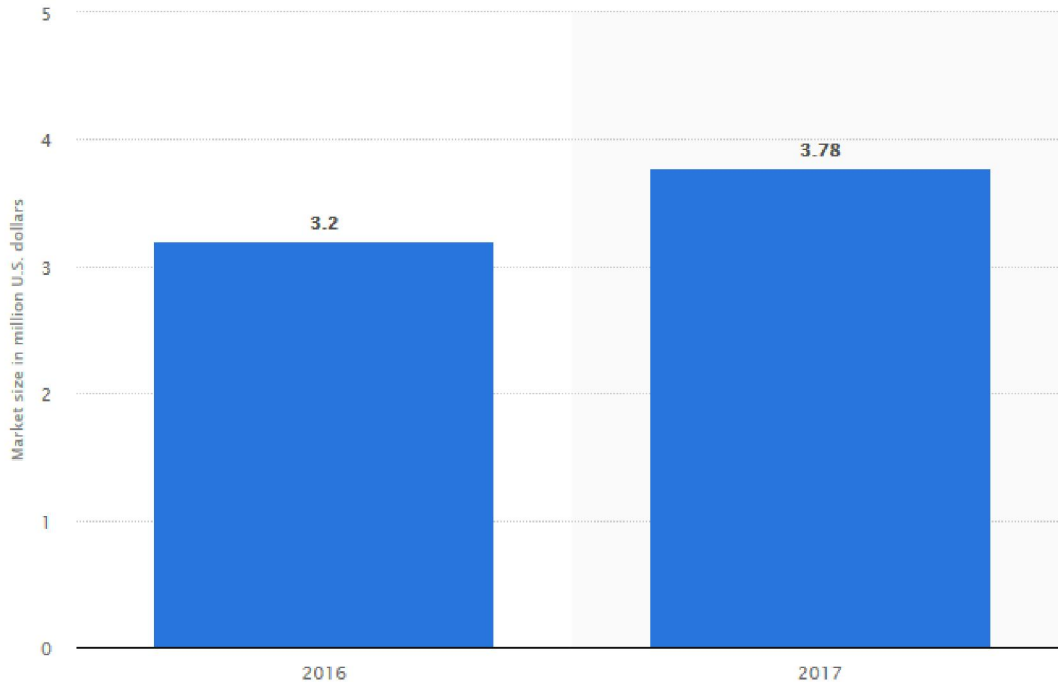
## Startup Financing Cycle



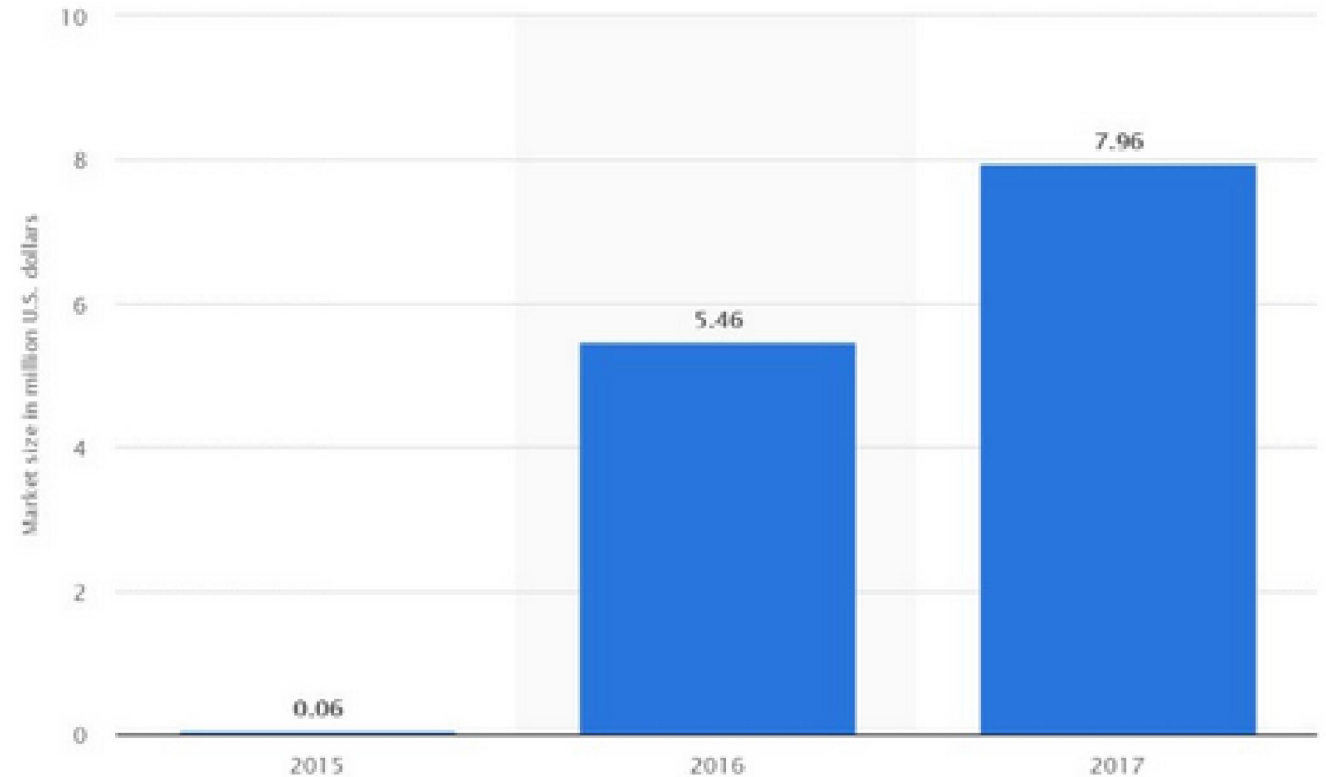


# Indonesia Still Lose against Malaysia in Market Size of the Equity Crowdfunding

**Market size of the equity-based crowdfunding Industry in Indonesia in 2016 and in 2017 (in million U.S. Dollars)**



**Market size of the equity-based crowdfunding Industry in Malaysia from 2015 to 2017 (in million U.S. Dollars)**



Financial Service Authority Regulation No. 37/POJK.04/2018, which allow offers of shares for sale by an issuer (Equity Crowdfunding) directly to investors through an open information technology system.

Offering shares for sale through Crowdfunding Services does not constitute a Public Offering as defined under the Capital Market Law that requires registration with the OJK, provided that (i) the share offering is only made through a licensed Provider; (ii) the share offering is only made available for up to 12 months; and (iii) the maximum amount of funds collected from the offering is IDR10 billion. The Issuer may not also be deemed a Public Company if it has fewer than 300 shareholders and less than IDR30 billion in paid-up capital.





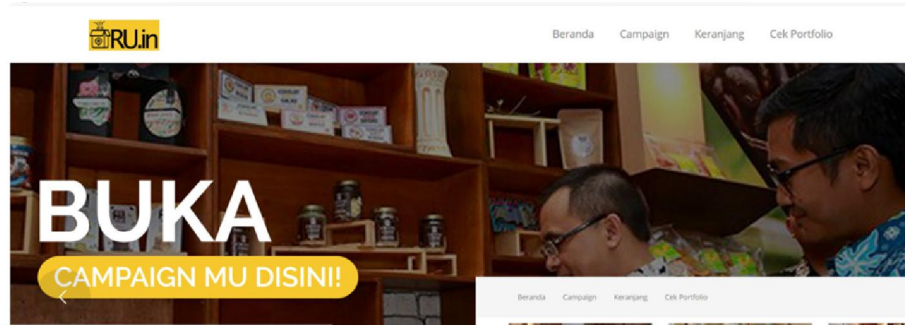
# URU.IN Collaborative Funding

BRI API Utilization  
(Briva Virtual Account)

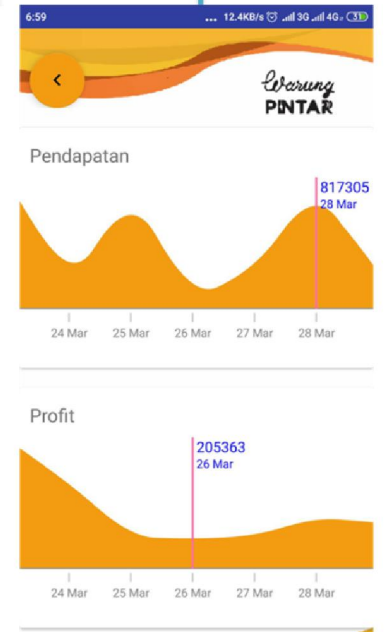
Financial Transaction  
Record & Encrption  
(Blockchain)

Block	#
Block: # 1	1
Nonce:	16829
Data:	Pencarian uang 200.000
Priv:	00000b0000000000000000000000000000000000
Hash:	0000c5e163fa250d6c5222462380a34aa9d6f
Block: # 2	2
Nonce:	48817
Data:	Pencarian uang 100.000
Priv:	0000c5e163fa250d6c5222462380a34aa9d6f
Hash:	0000224036b8016772523b22831794bd54a5c
Block: # 3	3
Nonce:	12937
Data:	Pencarian uang 50.000
Priv:	0000224036b8016772523b22831794bd54a5c
Hash:	c9b5ba9cad6a8a464623380

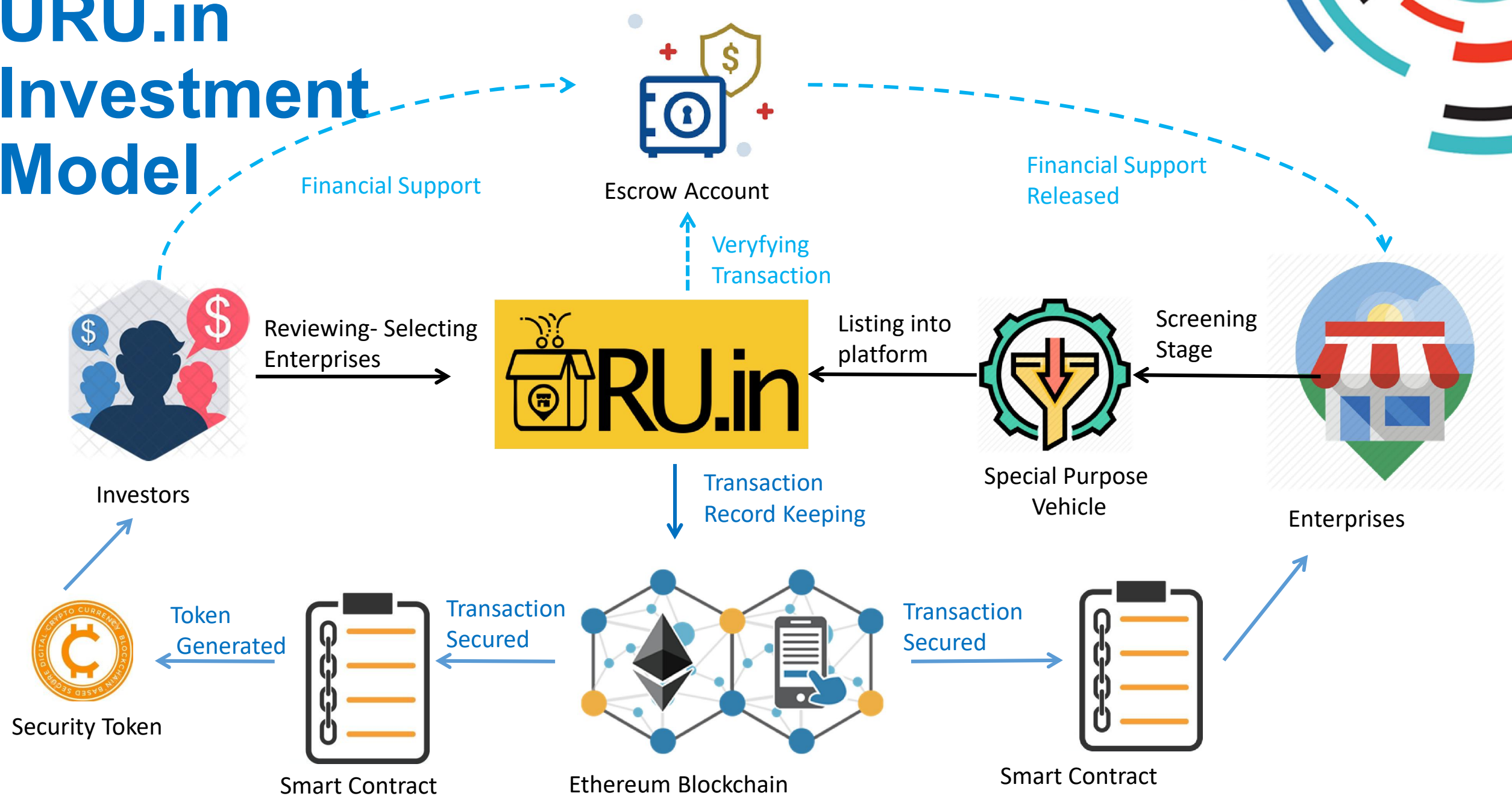
Landing Page  
URU.in



Finance & Investment  
Visualization  
(Data Analytics)

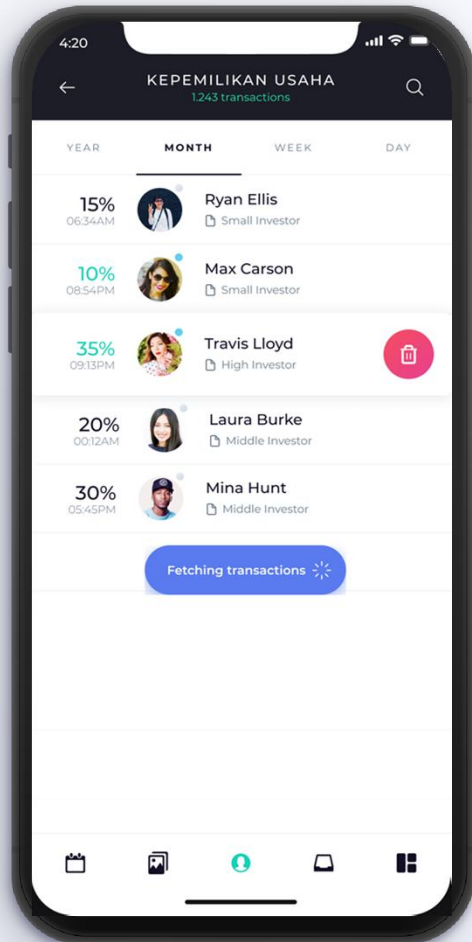


# URU.in Investment Model



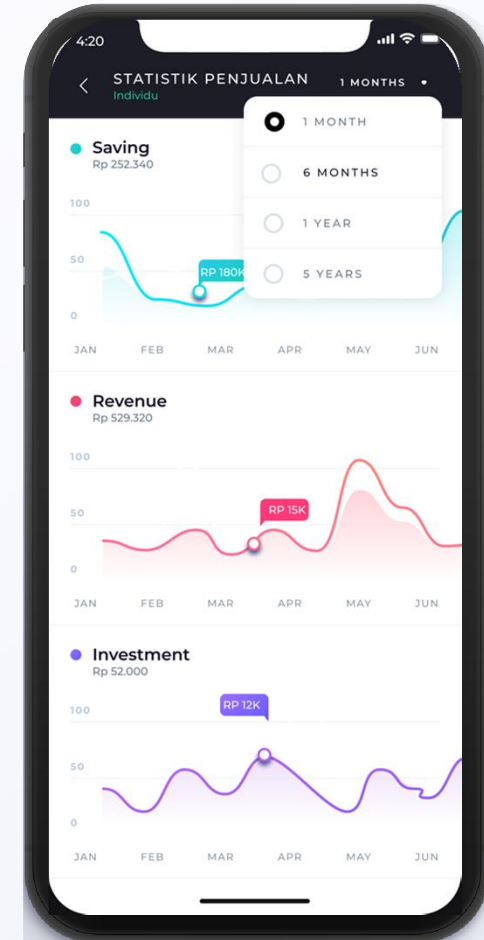


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**Investment Realtime  
and Historical Data  
Record using  
Blockchain**

**Financial  
Investment Trend  
Visualization**



# URU.in Ethereum Based Smart Contract & Security Token

Uru.in's Blockchain Hash Block Blockchain Distributed Tokens Coinbase

Peer A

Block: # 1

Nonce: 139358

\$ 25.00	From: Darcy	->	Bingl
\$ 4.27	From: Eliza	->	Jane
\$ 19.22	From: Wickh	->	Lydia
\$ 106.4	From: Lady	->	Colli
\$ 6.42	From: Charl	->	Eliza

Prev: 00

Hash: 00000c52990ee86de55ec4b9b32beefd745d'

Mine

Block: # 2

Nonce: 39207

\$ 97.67	From: Riple	->	Lambe
\$ 48.61	From: Kane	->	Ash
\$ 6.15	From: Parke	->	Dalla
\$ 10.44	From: Hicks	->	Newt
\$ 88.32	From: Bisho	->	Burke
\$ 45.00	From: Hudso	->	Gorma
\$ 92.00	From: Vasqu	->	Apone

Prev: 00000c52990ee86de55ec4b9b32beefd745d'

Hash: 000078be183417844c14a9251ca246fb15df'

Mine

Block: # 3

Nonce: 13804

\$ 10.00	From: Emil
\$ 5.00	From: Madi
\$ 20.00	From: Luca

Prev: 000078be183417844c14a9251ca246fb15df'

Hash: 0000c2c95f54a49b4f2bee7'

Mine

Uru.in's Blockchain Hash Block Blockchain Distributed Tokens Coinbase

Peer A

Block: # 1

Nonce: 139358

\$ 25.00	From: Darcy	->	Bingl
\$ 4.27	From: Eliza	->	Jane
\$ 19.22	From: Wickh	->	Lydia
\$ 106.4	From: Lady	->	Colli
\$ 6.42	From: Charl	->	Eliza

Prev: 00

Hash: 00000c52990ee86de55ec4b9b32beefd745d'

Mine

Block: # 2

Nonce: 392072

\$ 97.67	From: Riple	->	Lambe
\$ 48.61	From: Kane	->	Ash
\$ 6.15	From: Parke	->	Dalla
\$ 10.44	From: Hicks	->	Newt
\$ 88.32	From: Bisho	->	Burke
\$ 45.00	From: Hudso	->	Gorma
\$ 92.00	From: Vasqu	->	Apone

Prev: 00000c52990ee86de55ec4b9b32beefd745d'

Hash: 9934d344b27202046e78fd3d3f5331ab148d'

Mine

Block: # 3

Nonce: 13804

\$ 10.00	From: Emil
\$ 5.00	From: Madi
\$ 20.00	From: Luca

Prev: 9934d344b27202046e78fd3d3f5331ab148d'

Hash: 257ae6d2e3ef8913a2e525c'

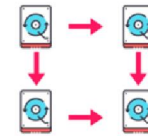
Mine

If any effort occur to manipulating existing data



## Trust

Every transaction are recorded & encrypted on a distributed ledger



## Backup

On the blockchain network, Transaction record are duplicated



## Accuracy

Avoid the errors that come from manually filling out heaps of contracts



## Efficiency

Eliminate 3rd party for transaction recording & validation, which will reduce potential total cost up to 65%



Smart Contract  
Converted into Security  
Token

## Form of Ownership

Security Token can be used as a form of ownership, with ownership data inside of it

## Tradeable

as a trading instrument for investors to maintain their financial liquidity



*“Developing Economics through  
Collaboration”*



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**THANK YOU!**