

PRESS RELEASE

OJK BUILDS STRATEGIC COOPERATION WITH NATIONAL SHARIA BOARD OF INDONESIAN ULEMA COUNCIL (DSN-MUI)

Jakarta, November 11, 2014. Financial Services Authority (OJK) signed) on Tuesday (November 11, 2014) a memorandum of understanding (MoU) with National Sharia Board of Indonesian Ulema Council (DSN-MUI, marking the groundwork for cooperation in achieving a stable and sustainable development of Sharia financial services sector in accordance with Sharia principles. The strategic cooperation is also made to support integrated supervision over financial services sector as well as to improve Sharia financial literacy and consumer protection in Sharia financial services sector.

The MoU was signed by Chairman of OJK Board of Commissioners Muliaman D. Hadad and Chairman of Executive Management of DSN-MUI KH Maruf Amin in conjunction with Committee for Sharia Financial Services Development (KPJKS) meeting in Jakarta.

Muliaman D. Hadad said in his speech that in order to support rapid growth of national Sharia financial services industry, OJK as a regulator and supervisor of Sharia financial industry needs strategic partnership with DSN-MUI as Sharia standard setter. This support is significantly required in formulating regulations relating to financial services, in fostering and developing Sharia Supervisory Board (DPS) and Sharia experts, and in education and communication programs in Sharia financial services sector.

KH. Amin Maruf positively responded to the cooperation with OJK, mainly because it is in line with DSN-MUI's role in providing Sharia standard in the forms of fatwa, decision, and opinion relating with Sharia appropriateness in business activities and products of Sharia financial services industry in Indonesia.

In Sharia financial services sector, as of November 2014, DSN-MUI has stipulated 95 fatwas relating to Sharia financial services industry, which are quite comprehensive and sufficient as operational standard for products of Sharia financial services sector. The 95 fatwas comprise 67 fatwas that are of Sharia banking sector, 14 fatwas of Sharia capital market sector, 6 fatwas of Sharia insurance, 4 fatwas of Sharia pawn (Rahn), 2 fatwas of Sharia direct marketing (MLM), and 2 fatwas of Sharia financial accounting.

Sharia financial services industry continues to grow positively, although market share for Sharia financial industry compared to that of national financial industry still needs to be increased. Until third quarter of 2014 (Q3 2014), market share for Sharia banking was at around 4.9%, while net asset value of Sharia mutual fund reached 4.5%, the share for Sharia bond/Sukuk was at 3.2% and for Sharia non-bank financial industry was at 3.1%.

OJK keeps stimulating development in Sharia financial industry to grow healthily and sustainably so that it can contribute more maximally in improving national economy and prosperity in the society. OJK continually drives acceleration and quality of Sharia financial services development, including by forming Committee for Sharia Financial Services Development and strategic partnership with various stakeholders in Sharia finance such as authority, international organization, business practitioners and Sharia financial industry itself.

For more information:

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