

## **OJK Launches Book on *Musyarakah* and *Musyarakah Mutanaqishah* Product Standards**

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**Financial Services Authority, Jakarta, June 29, 2016:** The Book on Profit-Sharing (*Musyarakah*) and Diminishing Partnership (*Musyarakah Mutanaqishah*) Product Standards is part of the serial efforts to standardize Sharia banking products, which the Financial Services Authority (OJK) has carried out in collaboration with industry players, the National Sharia Board and other resource persons. The efforts aim to improve Sharia banking products and qualities and provide guaranteed security and comfort in relation to protection for Sharia banking consumers.

The OJK, through its Sharia Banking Department, implemented its 2014 working program, namely development of a review on standards of Profit-Sharing (*Musyarakah*) and Diminishing Partnership (*Musyarakah Mutanaqishah*) products in order to “improve service quality and product variety.” Further, the objective was set as one of the OJK policy directions embodied in Indonesian Sharia Banking Roadmap for 2015 to 2019.

In addition to facilitating authorities in licensing and supervision process, the standards for Profit-Sharing (*Musyarakah*) and Diminishing Partnership (*Musyarakah Mutanaqishah*) products are expected to provide guidelines or reference that can help the industry in product development and implementation.

This book on product standards complements the one on product codification, which was delivered last year to the Sharia banking industry through OJK Circular Letter No. 36/SEOJK.03/2015 on Products and Activities of Sharia Commercial Banks and Sharia Business Units (UUS) as further provisions of OJK Regulation No.24/POJK.03/2015 on Products and Activities of Sharia Banks and UUS, which tends to provide technical and operational explanation on products, in a more detailed and comprehensive manner.

Publication of this Product Standards Book was expected to provide legal certainty and product transparency that support consumer protection by satisfying Sharia principles, prudential principles, good governance and market conduct compliance, in order to increase the Sharia banking industry’s competitiveness and growth.