

PRESS RELEASE

**OJK COOPERATES WITH BAZNAS TO RAISE FINANCIAL LITERACY AND
INCLUSION IN NATIONAL ZAKAT FIELD**

Jakarta, April 20, 2017 — The Financial Services Authority (OJK) today signed a cooperation agreement with the National *Zakat* (Alms) Agency (Baznas) to raise financial literacy and inclusion. To achieve this goal, both institutions will make joint efforts to promote non-cash *zakat* collection, disbursement and efficient use through, among others, branchless banking services towards financial inclusion (*Laku Pandai*).

The cooperation was marked by the signing of a memorandum of understanding (MOU) between both agencies, by OJK Commissioner Muliaman D. Hadad and Baznas Chairman Bambang Soedibyo in Jakarta. The scope of the MOU includes raising financial literacy among stakeholders in the national *zakat* field and increasing financial inclusion among the same stakeholders in relation to products and services offered by financial services institutions.

On the same occasion, the Baznas also signed another MOU with the United Nations Development Programme (UNDP). This memorandum was part of the implementation of the MOU between the OJK and the UNDP signed on August 30, 2016, in order to support the achievement of sustainable development goals (SDGs).

To implement the MOU above, the involved parties also signed a cooperation agreement in relation to a synergy between *zakat* inclusion development and the financial literacy and inclusion programs in line with the achievement of SDGs. A follow-up to the MOU was a pilot project to distribute *zakat* by non-cash methods, in partnership with *Laku Pandai* agents in Jambi, West and East Nusa Tenggara. The UNDP plays a role in encouraging regional development banks (BPD) to disburse the *zakat* received to social programs in their respective operating areas, such as programs to provide clean water and electricity towards the achievement of SDGs.

Zakat inclusion is a program designed to raise public awareness about *zakat*, so it will be easier for the public to give *zakat*.

The MOU signing ceremony was also attended by OJK Commissioner for Consumer Education and Protection Kusumaningtuti S. Soetiono, Jambi Governor Zumi Zola, and United Nations Secretariat General Assistant/UNDP Regional Director Haoliang Xu, and UNDP Indonesia Country Director Christophe Bahuet.

Kusumaningtuti, OJK Commissioner for Consumer Education and Protection, in her opening remarks described the intent and aim for a synergy between *zakat* inclusion and financial literacy and inclusion programs are to improve income equality, provide financial services for community groups that are lack of financial access and implement national poverty alleviation program by using *zakat* funds.

Kusumaningtuti continued by explaining that the synergy was expected to boost financial literacy and inclusion further with the use of financial products and services, such as employing *Laku Pandai* agents to collect, distribute and use the *zakat* efficiently for achieving SDGs, especially those related to poverty alleviation and reduced inequalities.

For more information:

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