

# TRANSACTION OF PROTECTED VALUE BASED ON SYARIAH PRINCIPLE

(Regulation of Governor of Bank Indonesia Number 18/2/PBI/2016, dated February 24, 2016)

[Continued from Business News No. 8875 page 43-48]

## Article 12

The Provider shall be obliged to ascertain the Applicant to submit the documents below:

- a. document for Underlying Transaction that is accountable either final or estimation, that shall not contravene the Syariah Principle; and
- b. supporting document in the form of:
  1. photocopy of document on identity of the Applicant and photocopy of Obligatory Taxpayer Identification Number (NPWP); and
  2. written statement duly stamped signed by the competent authority from the Application or written statement that has been authenticated from the Applicant containing information on:
    - a) origin and authenticity of the document for Underlying Transaction as referred to in letter a and use of document of Underlying Transaction for Syariah Protected Value Transaction of maximum the nominal value of Underlying Transaction; and
    - b) total amount of the need, objective of the need, and date of the need for cash, if the document of Underlying Transaction referred to in letter a is in the form of estimation.

## Article 13

- (1) The Provider shall be obliged to ascertain the Applicant to submit document of Underlying Transaction and/or supporting document for Syariah Protected Value Transaction for each Syariah Protected Value Transaction at entering into Forward Agreement.

- (2) If the Provider has fully known the track record of the Applicant and the Applicant submitted document of the final Underlying Transaction, the Provider may accept the supporting document for Syariah Protected Value Transaction submitted by the Applicant periodically.

## CHAPTER V

### TRANSACTION RECORDING AND REPORTING

#### Article 14

Treatment of accountancy on Syariah Protected Value Transaction is subject to standard of the prevailing financial accountancy.

#### Article 15

Syariah Protected Value Transaction exercised by BUS, UUS or BUK must be reported to Bank Indonesia based on the terms and conditions of Bank Indonesia governing the daily report of commercial bank.

## CHAPTER VI

### IMPOSITION OF PENALTY

#### Article 16

- (1) Any BUS, UUS, and BUK violating the terms and conditions referred to in Article 3, Article 5 paragraph (3), Article 6, Article 8 paragraph (1) and (2), Article 10 paragraph (1) and (3), Article 11 paragraph (1) and (2), Article 12, and/or Article 15 is subject to administrative penalty in the form of written reminder.
- (2) The BUS or UUS as applicant for Syariah Protected Value Transaction violating the terms and conditions referred to in Article 9 is subject to administrative penalty in the form of written reminder.
- (3) The BUS or UUS as Provider of Syariah Protected Value Transaction to the Customer that violates the terms and conditions referred to in Article 9 is subject to administrative penalty in the form of written reminder and is obliged to pay 1% (one percent) of the nominal value of transaction violated for each violation, in the amount of at least Rp.10.000.000,00 (ten million Rupiah) and maximum Rp.1.000.000.000,00 (one billion Rupiah).

- (4) The BUS, UUS, or BUK violating the terms and conditions as referred to in Article 15 is subject to administrative penalty based on the terms and conditions of Bank Indonesia governing daily report by commercial bank.

## CHAPTER VII

### OTHER PROVISIONS

#### Article 17

In exercising Syariah Protected Value Transaction, the BUS, UUS, or BUK shall be obliged to:

- a. observe the terms and conditions of Bank Indonesia that governs transaction in foreign exchange against Rupiah with domestic parties;
- b. apply risk management based on the terms and conditions that governs application of risk management by the bank issued by the competent authority; and
- c. observe the provision that governs minimum limit of grant of financing or credit issued by the competent authority.

## CHAPTER VIII

### CLOSING PROVISIONS

#### Article 18

By the time this Regulation of Bank Indonesia comes to force:

1. Regulation of Bank Indonesia Number 15/8/PBI/2013, concerning Protect Value Transaction to Bank (Statute Book of the Republic of Indonesia Year 2013 Number 162, Supplement to Statute Book of the Republic of Indonesia Number 5451); and
2. Regulation of Bank Indonesia Number 16/18/PBI/2014, concerning Amendment to Regulation of Bank Indonesia Number 15/8/PBI/2013, concerning Protected Value Transaction to Bank (Statute Book of the Republic of Indonesia Year 2014 Number 214),

is hereby declared null and void on BUS and UUS.

**Article 19**

Further provision on this Regulation of Bank Indonesia will be governed Circular Letter of Bank Indonesia.

**Article 20**

This Regulation of Bank Indonesia takes effect on the date it is enacted.

For public cognizance, this Regulation of Bank Indonesia shall be announced by placing it in the Statute Book of the Republic of Indonesia.

Stipulated in Jakarta

Dated February 24, 2016

GOVERNOR OF BANK INDONESIA,

sgd.

AGUS D.W. MARTOWARDOJO

Enacted in Jakarta

Dated February 26, 2016

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

sgd.

YASONNA H. LAOLY

STATUTE BOOK OF THE REPUBLIC OF INDONESIA

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OF

REGULATION OF BANK INDONESIA

NUMBER 18/2/PBI/2016

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CONCERNING  
PROTECTED VALUE TRANSACTION  
BASED ON SYARIAH PRINCIPLE

## I. GENERAL

Acting as Central Bank as mandated by the Law to achieve and maintain stability of Rupiah value, which among other things, is affected by stability in Rupiah exchange, Bank Indonesia shall formulate various policies for the purpose of achieving such objective. One of the measures needed to be taken in order to achieve stability of Rupiah and subsistence of national economy shall be by conducting in-depth study on foreign exchange market domestically by strengthening the structure of domestic financial market.

Movement of Rupiah exchange shall be, among other things, is affected by the domestic dynamic market of foreign exchange, such as balance in demand and offer of foreign exchange, and factor of economy domestically or globally that at the end potentially tends to arise fluctuation risk on exchange value on economic players, including economic players based on syariah, it is necessary to exercise protected value transaction on its economic operation.

In the effort to minimize loss risk resulting from movement in exchange and develop protected value transaction in the market on foreign exchange, Bank Indonesia consider it necessary to govern protected value transaction, specifically Syariah Protected Value Transaction.

As such, it is expected to achieve stability in Rupiah exchange may be maintained and thus in-depth creating foreign exchange domestically.

In the effort to minimize loss risk resulting from movement in exchange value and developing protected value transaction on foreign exchange market, Bank Indonesia deems necessary to conduct coordination on such protected value transaction, specifically Syariah Protected Value Transaction shall be exercised based on Advice of the National Syariah Board of Fatwa or Fatwa Dewan Syariah Nasional (DSN) Number 96/DSN-MUI/IV/2015, concerning Syariah Protected Value Transaction (Al-Tahawwuth al Islami/Islamic Hedging) on Exchange Value.

## II. ARTICLE BY ARTICLE

### Article 1 through Article 4

Self-explanatory.

### Article 5

#### Paragraph (1)

What is meant by “series of Forward Agreements” shall be Forward Agreement preceded by Spot Transaction.

#### Paragraph (2) dan Paragraph (3)

Self-explanatory.

### Article 6

Self-explanatory..

### Article 7

What is meant by “simple protected value transaction (‘Aqd al Tahawwuth al-Basith)” shall be protected value transaction based on Forward Agreement scheme followed by Spot Transaction.

What is meant by “protected complex value transaction (‘Aqd al Tahawwuth al- Murakkab)” shall be protected value transaction with scheme in the context of Forward Agreement which later is followed by Spot Transaction.

### Article 8

#### Paragraph (1)

What is meant by “full transfer of principal fund” shall be delivery of real fund for Syariah Protected Value Transaction in full nominal amount or its equivalence.

#### Paragraph (2)

Self-explanatory.



## Article 9

Self-explanatory..

## Article 10

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

## Letter a

What is meant by trade of services domestically and overseas shall be among other things, in the form of services provided for pilgrim or haj and umrah.

## Letter b

What is meant by "automatic investment" shall be automatic investment by the Customer to overseas.

## Paragraph (3)

## Letter a

Self-explanatory..

## Letter b

If the bank exercising transfer receives instruction from its Customer to purchase foreign exchange to fulfill the need for transfer the Customer thereof, the instruction of the Customer does not constitute Underlying Transaction.

## Letter c

Self-explanatory.

## Article 11

Self-explanatory.

## Article 12

## Letter a

What is meant by "document for Final Underlying Transaction" shall be document that no amendment shall made thereto if the amount and/or period for the need thereof have been fulfilled..

## Letter b

## Figure 1

Self-explanatory..

## Figure 2

What is meant by "authentic written reminder" shall be written reminder which authenticity has been verified or proven by the system.

## Article 13 through Article 20

Self-explanatory.

**SUPPLEMENT TO STATUTE BOOK OF THE  
REPUBLIC OF INDONESIA NUMBER 5850**

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