

SHARIA NBFI ROADMAP 2015 – 2019

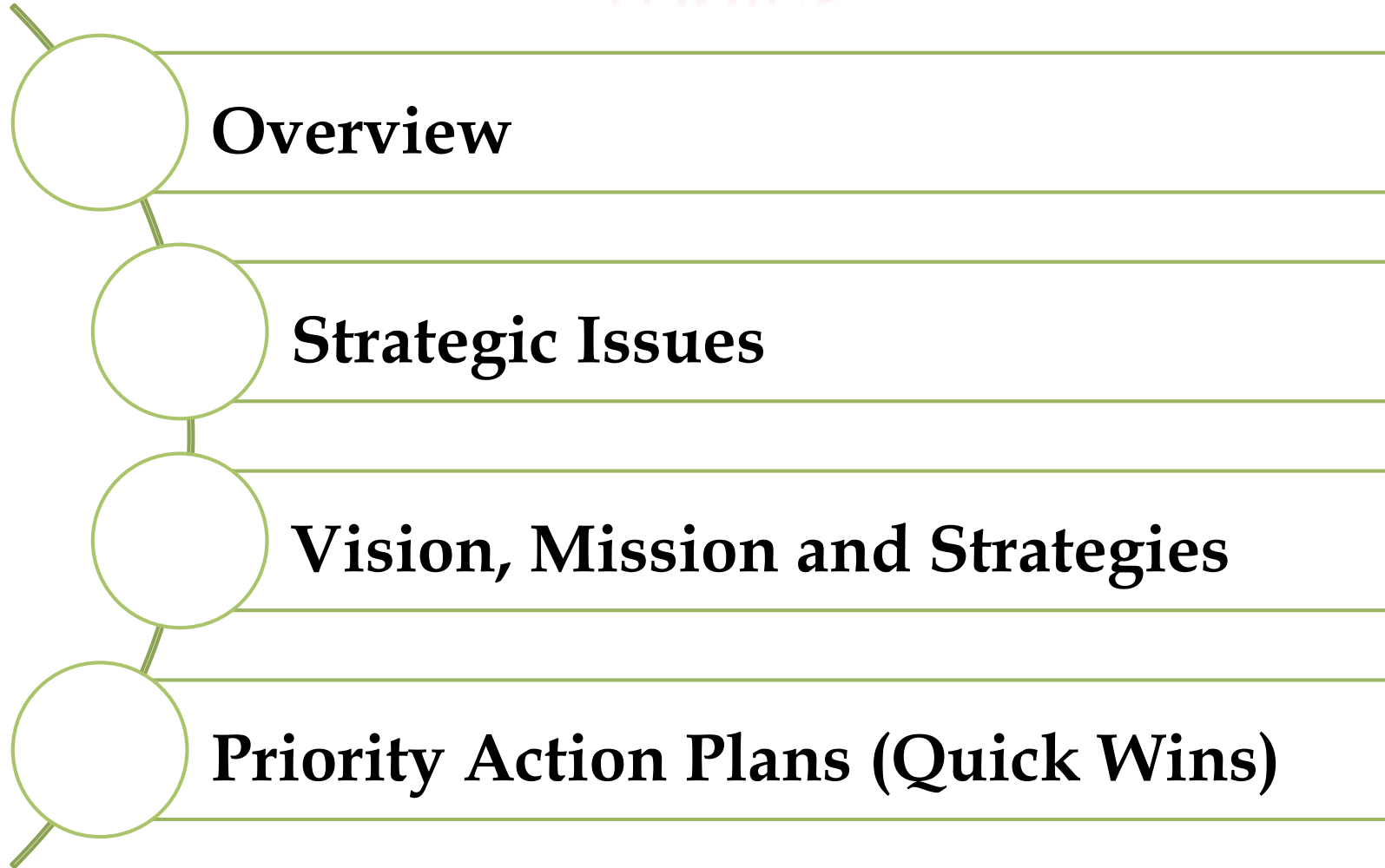
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**ROADMAP IKNB SYARIAH
2015-2019**

Topics

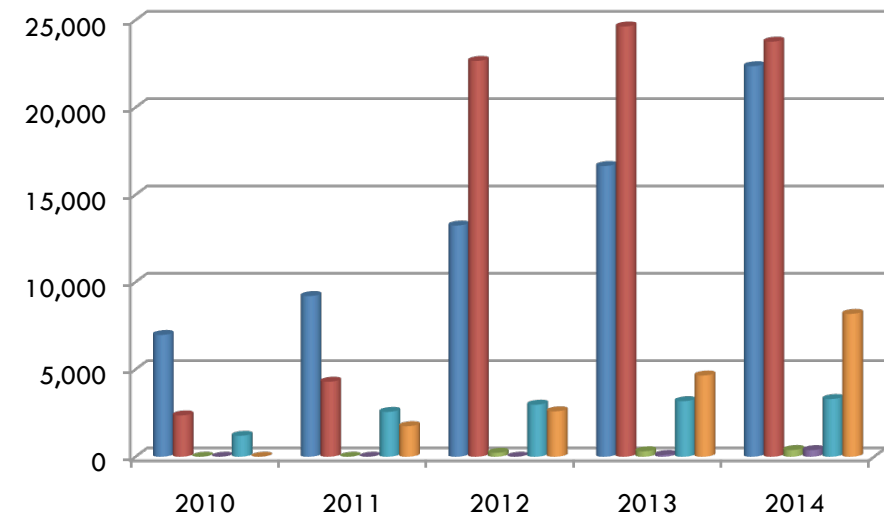
topics



- Sharia Non-Bank Financial Institutions (NBFI) experienced tremendous growth in recent decades.
- In the last 5 years, NBFI assets growth fivefold, from IDR 10.5 Trillion in 2010 to IDR 58,4 Trillion in the end of 2014

Assets (in billion IDR)

Sharia NBFI	2010	2011	2012	2013	2014
Takaful	6.974	9.202	13.239	16.647	22.364
Multifinance	2.365	4.295	22.664	24.639	23.768
Venture Capital	-	-	225	311	385
Guarantee Corporation	-	-	-	102	377
Pawn Shop (PT Pegadaian)	1.197	2.567	2.979	3.179	3.304
Indonesia Eximbank (Sharia Unit)	1	1.749	2.601	4.652	8.180
Total Assets	10.537	17.813	41.708	49.530	58.378
Growth (yoy)		69,05 %	134,15 %	18,75 %	17,86 %



Strategic Issues

Sharia NBFIs consist of various finance sectors, mostly dominated by small-scale companies

Significant gaps of business scale among industry players: only very few entities dominate the market

High level of interdependence among sharia NBFIs and between sharia NBFIs with other Islamic finance

Less innovation on products and services, distribution channels are limited to traditional business partners and mostly operated in Java

Lack of regulations, infrastructure including IT and human resources

Low rate of literacy and preferences among society

To become highly respectable provider of takaful, sharia multifinances, sharia guarantee corporations, sharia pension funds, sharia venture capitals and other sharia finances that is robust, serving broader market from every segments (inclusive) and contribute significantly to the national economy

- To increase the role of Sharia NBFI in supporting national economy and financial inclusion
- To establish resilient, well managed, and stable sharia NBFI
- To improve human resources, infrastructure and IT support

A	To increase the role of Sharia NBFi in supporting national economy and financial inclusion	
1		To improve literacy and preferences of society towards Sharia NBFi.
2		To initiate inter-institutional coordination and cooperation in order to increase the role of Sharia NBFi in the national economy.
3		To encourage synergy amongs Sharia NBFi and between Sharia NBFi and other Sharia Finance.
4		To develop alternative distribution channels.
5		To develop products based on targeted community needs .
6		To develop supporting policies and incentives to support Sharia NBFi development.

B	To establish resilient, well managed, and stable sharia NBFIs	
1		To strenghten institutional aspects, including capital, operations and business capacity of industries players.
2		To encourage the implementation of good governance for all industries.
3		To implement risk-based supervision gradually throughout all industries.
4		To develop reporting and monitoring system that support the implementation of early warning system in the industries.

C To improve human resources, infrastructure and IT support		
1	To implement provisions on the standard professional certification for board of directors, commissioners, sharia experts, and sharia supervisory board.	
2	To support cooperation amongs stakeholders to produce professional and competent human resources.	
3	To encourage adoption of integrated information system in the business processes of industry players.	
4	To support development of infrastructure to optimise business processes.	
5	To ensure the implementation of effective alternative dispute resolution mechanism by industry players.	

Priority Actions Plans (Quick Wins)

- To conduct education on sharia NBFIs to increase financial literacy and create awareness among the general public
- To improve cooperation with ministries and agencies to expand the range of synergy of Sharia NBFIs.
- To collaborate with the National Sharia Council (DSN – MUI) in issuing fatwa on sharia annuity.
- To implement provisions on the standard certification for professionals in Sharia NBFIs for boards of directors, commissioners, experts, and sharia supervisory boards.
- To improve cooperation between Sharia NBFIs with MSEs, cooperatives and Islamic MFIs.

Priority Actions Plans (Quick Wins)

- To improve role of Sharia NBFi in Sharia capital market.
- To improve role of Sharia NBFi in Islamic banking.
- To simplify requirement for spin-off of sharia windows.
- To develop policies and regulation which encourage spin-off of sharia window in insurance companies.
- To develop policies and regulation which encourage spin-off of sharia windows in multifinance companies.

End of Presentation