

PRESS RELEASE

Forum on Economic Research and Sharia Finance (FREKS) IV 2015 Themed “Building Sharia Capital Market That Grows Stably and Sustainably” Brawijaya University, Malang Tuesday, November 3, 2015

Financial Services Authority (OJK) in cooperation with Indonesian Association of Islamic Economists (IAEI) and Brawijaya University held Forum on Economic Research and Sharia Finance (FREKS) IV 2015 in Malang, East Java on Tuesday, November 3, 2015. This event was a forum for academics, practitioners, regulator and society to share ideas, initiatives and critique for Sharia finance industry, especially Sharia capital market.

The FREKS event was conducted in the form of call for paper. FREKS Committee had received 158 papers earlier, which were then selected by teams of reviewers and juries to get 12 finalist papers comprising papers of six mid-level researchers and of six junior researchers. The selected papers were presented during the forum. The three best papers of mid-level researchers and three best papers of junior researchers will then be selected as the winners of this year’s FREKS.

OJK has declared 2015 as the year of Sharia capital market, and FREKS is one of the ways to implement the program. Besides FREKS, OJK has made several significant benchmarks this year, among others are launching of logo and tagline for Sharia capital market, issuing roadmap of Sharia capital market for 2015-2019 and various programs in effort to increase awareness and utility of Sharia capital market among society, such as outreach events for religious organizations, Islamic boarding schools, academics, general society, and events on recycling Sharia capital market programs for market players in the form of deepening workshop on release of Sharia products.

It was also announced at the forum that OJK’s policy package on Sharia capital market will soon be issued this year. The policy package consists of five regulations; one of them is a new regulation while four others are completion of old regulations. The draft regulations are:

1. OJK regulation on implementation of Sharia principles in capital market.

This OJK draft regulation reinforces regulations related to implementation of Sharia principles in capital market. It covers Sharia businesses in capital market, businesses that are against Sharia principles in capital market, parties that run Sharia businesses in capital market, and obligation for parties running Sharia businesses in capital market to report to OJK.

2. OJK regulation on issuance of and requirements for Sharia securities in the form of stock by Sharia issuers or Sharia public listed companies.

This OJK draft regulation is issued mainly to clarify regulation on issuance of Sharia securities and requirements for issuers intending to issue Sharia securities in the form of stock, and regulation on change of business activities of issuers that are not Sharia entities but intending to become Sharia issuers.

3. OJK regulation on issuance of and requirements for sukuk.

This OJK draft regulation clarifies and simplifies stipulations on requirements for issuing sukuk (Islamic bonds), such as regulation on underlying assets for issuing sukuk, and submission of registration documents for issuers intending to issue sukuk without reducing quality of information in the documents.

4. OJK regulation on issuance of and requirements for Sharia asset-backed securities.

This OJK draft regulation is issued mainly to clarify about regulation on issuing Sharia asset-backed securities, in effort to facilitate implementation of the regulation for stakeholders related to Sharia asset-backed securities.

5. OJK regulation on issuance of and requirements for Sharia mutual fund.

This OJK draft regulation is issued to reinforce infrastructures for Sharia mutual fund, starting from regulation and requirements for Sharia mutual fund, relaxation for investment policy in Sharia mutual fund portfolio, to management for new products such as Sharia sukuk-based mutual fund and Sharia foreign securities-based mutual fund.

6. OJK regulation on Sharia experts in capital market.

This OJK draft regulation is a new regulation on qualification and competence of authority that supervises Sharia aspects in capital market, which is expected to improve trust in the market and society regarding Sharia products in capital market.

Issuance of the regulation package on Sharia capital market is expected to make clear the governance in effort to simplify issuance process and to give opportunities to practitioners of Sharia capital market to release new products, with a hope that it will improve issuance of Sharia securities significantly, including stock, sukuk, Sharia mutual fund and Sharia asset-backed securities. Aside from that, issuance of OJK regulation on Sharia experts in capital market will give more empowerment to Sharia experts to contribute to Sharia capital market.

Hopefully God Almighty always gives His blessing for all the efforts we've done together.

For more information:

Chief Executive for Capital Market Supervision

Nurhaida

Phone (021) 2960 0000