

Financial Services Authority

To:

1. Directors of the Sharia Insurance Company; and
2. Directors of the Sharia Reinsurance Company,
at the respective addresses.

COPY

COMMISSIONER BOARD CIRCULAR LETTER OF OJK

NUMBER 25 / SEOJK.05 / 2015

CONCERNING

SHARI'A INVESTMENT SECURITIES EVALUATION AND FUND
CALCULATION TO ANTICIPATE MANAGEMENT RISK OF WEALTH
FAILURE

In relation to the Article 7 of the Ministry of Finance Regulation Number 11 / PMK.010 / 2011 concerning the Soundness of Financial Insurance Business and Reinsurance with Sharia Principles and pay attention to regulations of the Capital Market Supervisory Board and Financial Institutions Number PER-07 / BL / 2011 concerning Guidelines for Calculation of Total Funds Needed For Losses Risk and management of 'Tabarru' funds and Calculation Amount that Company Should Provided For Anticipate The Losses That May Arise In Sharia Insurance Business and Reinsurance Business With Sharia Principles, it is necessary to set a calculation adjustment for investment valuation of Islamic securities that includes sukuk or sharia bond, sharia securities, sharia securities issued by Bank Indonesia, sharia securities issued by countries other than the Republic of Indonesia, and sharia securities issued by multinational institutions where the Republic of Indonesia becomes one of the members or shareholders, and fund adjustments to anticipate management risk of wealth failure and / or liabilities used in the calculation of the company's solvency level of sharia insurance company and Sharia reinsurance company in OJK Circular Letter as follows:

I. GENERAL PROVISIONS

1. That the impact of the current global financial conditions has resulted in market value investment of sharia securities owned by Sharia insurance companies and Sharia reinsurance companies that show an unreasonable value.
2. That the impact of the current global financial conditions have resulted in a decrease in the solvency level of sharia insurance companies and sharia reinsurance companies, it less than the required solvency margin in Ministry of Finance Regulation Number 11 / PMK.010 / 2011 concerning the Soundness of Financial Insurance Business and Reinsurance with Sharia Principles.
3. In relation to point 1 and / or point 2 should be provided a stimulus for Sharia insurance companies and Sharia reinsurance companies in investment ratings for sharia securities to reflect the reasonable value, and fund adjustments to

anticipate the management risk of wealth failure and / or liabilities that are accounted for solvency level calculation.

II. ASSESSMENT SECURITIES SHARIA

1. Sharia insurance companies and sharia reinsurance companies assess Sharia securities with using an amortized value
2. In terms of Sharia insurance companies and Sharia reinsurance company assess Sharia securities referred to in item 1, then assessment of Sharia securities applies to all securities Sharia owned Sharia insurance companies and Sharia reinsurance companies.

III. ADJUSTMENT TO ANTICIPATE THE MANAGEMENT RISK OF WEALTH FAILURE AND/OR LIABILITIES

3. The amount of funds accounted for in anticipating the management risk of wealth failures and / or liabilities in the calculation of minimum solvency level of 50% (fifty percent) from calculation of the funds calculated in anticipation the management risk of wealth failure and / or obligations under the Regulation of the Chairman of Capital Market Supervisory Agency and Financial Institution Number PER 07 / BL / 2011 concerning Guidelines for Calculation of Total Funds Needed For Losses Risk and management of Tabarru' funds and Calculation Amount that Company Should Provided For Anticipate The Losses That May Arise In Sharia Insurance Business and Reinsurance Business With Sharia Principles.
4. The percentage funds calculated in anticipating the management risk of wealth failures and / or liabilities are accounted for calculating the solvency level as mentioned in point 1, adjustable to the solvency level of tabarru' fund in Sharia insurance companies and Sharia reinsurance companies to achieve the highest 30% (thirty percent).

IV. IMPLEMENTATION OF SHARIA SECURITIES RATING AND ADJUSTMENT CALCULATION TO ANTICIPATE THE MANAGEMENT RISK OF WEALTH FAILURE AND/OR LIABILITIES

1. Sharia insurance company and sharia Reinsurance Company meets the conditions as mentioned in roman numerals I point 1 and point 2 may apply the provisions of the roman numeral II and / or the Roman numeral III.
2. In terms of sharia insurance company and sharia reinsurance companies has assessed as mentioned in roman numerals II and based on the assessment of solvency level that have meet the requirements of the Ministry of Finance Regulation Number 11 / PMK.010 / 2011 concerning the Soundness of Financial Insurance Business and Reinsurance with Sharia Principles, the provisions as mentioned in roman numerals III are not applicable.

V. CONCLUDED PROVISIONS

These provisions in OJK Circular Letter comes in force on the date it is stipulated to until the date of the revocation of this OJK Circular Letter.

Stipulated in Jakarta
on August 31, 2015
CHIEF EXECUTIVE SUPERVISORY
OF INSURANCE, PENSION FUND,
FUNDING AGENCIES,
INSTITUTIONS AND OTHER

FINANCIAL SERVICES OTORITAS
JASA KEUANGAN,

Signed by

FIRDAUS DJAELANI

Copied is in accordance with the original
Director of Legal Affairs I
Department of Law,

Signed by

Sudarmaji