



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE THE REPUBLIC OF INDONESIA
NUMBER 227/PMK.010/2012

CONCERNING

THE AMENDMENT OF THE REGULATION OF THE MINISTER OF FINANCE
NUMBER 18/PMK.010/2010 ON THE IMPLEMENTATION OF BASIC PRINCIPLES
OF ORGANIZATION OF INSURANCE AND REINSURANCE BUSINESS
WITH THE PRICIPLES OF SHARIA

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. whereas in order to improve the growth of insurance and reinsurance business with principle of sharia, it is necessary to amend the provisions concerning the utilization tabarru' funds and sharing of underwriting surplus as stipulated in the Regulation of Minister of Finance No. 18/PMK.010/2010 on Basic Principles on The Implementation of Basic Principles Of Organization Of Insurance And Reinsurance Business With The Principle Of Sharia;
 - b. whereas based on the consideration, as referred to in letter a, it is necessary to stipulate the Regulation of the Minister of Finance on the amendment of the Regulation of The Minister of Finance No. 18/PMK.010/2010 on Basic Principles on The Implementation of Basic Principles Of Organization Of Insurance And Reinsurance Business With The Principle Of Sharia;

- In the view of
- :1. Law No. 2 of 1992 on Insurance Business (State Gazette of the Republic of Indonesia of Number 13, Supplement of The State Gazette of the Republic of Indonesia Number 3467);
 2. Government Regulation No. 73 of 1992 on the Organization of Insurance Business (State Gazette of the Republic of Indonesia of 1992 Number 120, Supplement of The State Gazette of the Republic of Indonesia Number 3506) as amended several times, most recently by The Government Regulation No. 81 of 2008 (State Gazette of the Republic of



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Indonesia of 2008 Number 212, Supplement of The State Gazette of the Republic of Indonesia Number 4954);

3. Presidential Regulation No. 24 of 2010 on the Status, Duties and Functions of State Ministries and the Organizational Structure, Duties and Functions of Echelon I of State Ministries as amended several time most recently by Presidential Regulation Number 92 of 2011;
4. The Regulation of Minister of Finance No. 18 / PMK. 010 / 2010 on the Implementation of Basic Principles of the Organization of Insurance And Reinsurance Business With Principles of Sharia;

HAS DECIDED:

To enact : THE REGULATION OF THE MINISTER OF FINANCE ON THE AMENDMENT OF THE REGULATION OF THE MINISTER OF FINANCE NUMBER 18/PMK.010/2010 ON THE IMPLEMENTATION OF BASIC PRINCIPLES OF ORGANIZATION OF INSURANCE AND REINSURANCE BUSINESS WITH THE PRICIPLES OF SHARIA.

Article I

Several provisions in the Regulation of the Minister of Finance Number 18/PMK. 010/2010 on Implementation of the Basic Principles of the Application of Business Insurance And Reinsurance Business With Principle of Sharia, is amended as follows:

1. The Provisions of paragraph (2) of Article 4 is omitted and the provision of paragraph (4) and paragraph (5) of Article 4 is amended so that Article 4 shall read as follows:

Article 4

- (1) Asset and liability of Tabarru ' Fund constitute the collective asset and liability of the Participants.
- (2) Omitted.
- (3) Company shall establish the Fund of Tabarru' for each line of business.
- (4) In terms of the establishment the fund of Tabarru ' for each line of business as referred to in paragraph (3) has not met the legal amount, the Company may establish Fund of Tabarru ' as the merger of several lines of business.



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- (5) Merger of the Fund of Tabarru', as referred to in paragraph (4) shall be informed by the Company to the Participant and included in the policy.
2. Between Article 4 and Article 5 shall be inserted 1 (one), namely Article 4A, therefore Article 4A reads as follows:

Article 4A

- (1) Company shall be obliged to utilize the Fund of Tabarru' only for:
- a. paying of compensation to the participant who experiences disaster or other parties who are entitled;
 - b. payment of reinsurance;
 - c. Re-payment of Qardh to the Company; and/or
 - d. Refunding the Fund of Tabarru'.
- (2) Refund of the Fund of Tabarru', as referred to in paragraph (1) point d, shall be done as the consequence of:
- a. cancellation of policy within the time limit allowed (free look period);
 - b. policy termination by the participant before the end of insurance period;
 - c. policy termination of the by the company before the end of insurance period; and/or
 - d. payment contribution of the Fund of Tabarru' of wich is larger than it should be.
- (3) Refunding of the Fund of Tabarru', as referred to in paragraph (1) point d and the condition causing the refund of the Fund of Tabarru', as referred to in paragraph (2) shall be included in the policy.
3. Provisions of paragraph (1), paragraph (2), paragraph (5) and paragraph (6) of Article 13 are amended and between paragraph (1) and paragraph (2) of Article 13 shall be inserted 1 (one) paragraph, namely paragraph (1a): so that Article 13 reads follows:
- (1) Surplus Underwriting shall be obliged to be distributed with the following options:
- a. fully added into the Fund of Tabarru';
 - b. partially added into the Fund of Tabarru' and partially distributed to the Participant; or
 - c. partially added into the Fund of Tabarru', partially distributed to the participant, and partially distributed to the Company.



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- (1a) Participant who receives Surplus Underwriting, as referred to in paragraph (1) points b and point c, shall meet the following conditions:
- has paid the contribution;
 - not being in the process of claims settlement;
 - has not ever received claim payment more than the amount of contribution of which is allocated to the Fund of Tabarru'; and
 - does not terminate the policy (in force),
- within the calculation period of Surplus Underwriting.
- (2) Distribution of Surplus Underwriting option, as referred to in paragraph (1), and Participant Conditions, referred to in paragraph (1a), shall be included in the policy.
- (3) Distribution of Surplus Underwriting option, as referred to in paragraph (2), and the proportion of Surplus Underwriting distribution could not be changed until the end of the policy.
- (4) Surplus Underwriting which can be distributed shall be calculated based on the wealth/ assets in cash basis.
- (5) In term of distribution Surplus Underwriting to the Participant economically requires cost more than of which is the share to be distributed, the Company shall distribute Surplus Underwriting with the following options:
- adding it into the Fund of Tabarru';
 - calculating it to reduce the Participants' contribution in the following period; or
 - utilizing it for social fund.
- (6) Surplus Underwriting distribution options, as referred to in paragraph (5), shall be included in the policy.
4. Provisions of paragraph (1) and paragraph (2) of Article 17 shall be amended, therefore the Article 17 shall read as follows:

Article 17

- (1) Violation of the provisions of Article 2, Article 3, Article 4 paragraph (3), Article 4 paragraph (5), Article 4A paragraph (1), Article 4A paragraph (3), Article 5, Article 6, paragraph (2), Article 6 paragraph (3), Article 7, Article 8, paragraph (1), Article 9, paragraph (2), Article 9 paragraph (4), Article 10 paragraph (1), Article 11, Article 12, Article 13 paragraph (1), Article 13 paragraph (2), Article 13 paragraph (5), Article 13 paragraph (6), Article 14, Article 15 paragraph (1), Article 15 paragraph (2), Article 16 paragraph (2), Article 16 paragraph (3) and Article 18 of this Regulation of Minister shall be categorized as



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violations of the organization of insurance and reinsurance business and subject to administrative sanction.

- (2) Administrative sanctions, as referred to in paragraph (1), shall be in the form of:
 - a. written warning;
 - b. restrictions on business activities; and / or
 - c. revocation of business permit.
- (3) Procedure and time for the imposition of administrative sanction, as referred to in paragraph (2), shall be conducted in accordance with the sanctions as stipulated in the Government Regulation No. 73 of 1992 on The Organization of Insurance Business, as it has been amended several times lastly with the Government Regulation No. 81 of 2008.

Article II

This Regulation of Minister shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be announced in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on December 26, 2013
MINISTER FINANCE OF THE REPUBLIC
OF INDONESIA ,

Signed by,

AGUS D.W. MARTOWARDOJO

Enacted in Jakarta
On December 26, 2012
MINISTER OF JUSTICE AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA ,

Signed by
AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2012 NUMBER 1322