

BANK INDONESIA REGULATION

NUMBER: 11/10/PBI/2009

CONCERNING

SHARIA BUSINESS UNITS

WITH THE BLESSINGS OF GOD ALMIGHTY

GOVERNOR OF BANK INDONESIA

- Considering:
- a. whereas in order to enhance sharia banking service to the public, there is a need to increase the number of sharia bank offices, which could reach the public widely including strengthen the existence of sharia business units at conventional commercial banks;
  - b. whereas sharia business units have to develop soundly and be managed professionally, and as such require support from management and need adequate capital in order to grow soundly and in a sustainable manner;
  - c. whereas based on considerations as referred to in letter a and letter b, it is deemed necessary to make adjustment to the stipulations concerning sharia business units in a Bank Indonesia Regulation;

- In view of:
1. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as latest amended by Government Regulation In Lieu of Law Number 2 of 2008 (State Gazette of the Republic of Indonesia Number

142 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4901) as stipulated by Act Number 6 of 2009 concerning Stipulation of Government Regulation In Lieu of Law Number 2 of 2008 concerning Second Amendment of Act Number 23 of 1999 concerning Bank Indonesia to become Law (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4962);

2. Act Number 21 of 2008 concerning Islamic Banking (State Gazette of the Republic of Indonesia Number 94 of 2008, Supplement to the State Gazette Number 4867);
3. Act Number 40 of 2007 concerning Limited Company (State Gazette of the Republic of Indonesia Number 106 of 2007, Supplement to the State Gazette of the Republic of Indonesia Number 4756);

HAS DECREED:

To enact:        **BANK INDONESIA REGULATION CONCERNING  
SHARIA BUSINESS UNITS.**

## CHAPTER I GENERAL PROVISIONS

### Article 1

The terminologies used in this Bank Indonesia Regulation have the following meanings:

1. Conventional Commercial Bank, hereinafter shall be referred to as BUK, is a bank which conducts its business activities in the conventional

manner ...

manner and in its activities provides services within payment system as referred to in Act Number 21 of 2008 concerning Islamic Banking, including a branch office of a bank that domiciles abroad;

2. Islamic Commercial Bank, hereinafter shall be referred to as BUS, is a bank, which conducts its business activities based on the sharia principles and in its activities provides services within payment system as referred to in Act Number 21 of 2008 concerning Islamic Banking;
3. Sharia Business Unit, hereinafter shall be referred to as UUS, is a business unit of BUK, which functions as the head office of offices that conduct business activities based on sharia principles, or a business unit at a branch office of a bank, which domiciles abroad and functions as the head office of sharia sub-branch offices and/or sharia units;
4. Sharia Principles are Islamic legal principles for sharia banking activities based on fatwa (decrees) issued by the National Sharia Council – Indonesian Islamic Scholar Board;
5. Sharia Branch Office, hereinafter shall be referred to as KCS, is a branch office of a UUS, which is responsible to the related UUS and has clear business location address according to the location where the KCS conducts its business, including sharia sub-branch offices of a bank that domiciles abroad;
6. Office under Sharia Branch Office is a sharia sub-branch office and sharia cash office;
7. Sharia Sub-Branch Office, hereinafter shall be referred to as KCPS, is a sub-branch office of a UUS, which business activities are to support its parent KCS with clear business location address according to the location where the KCPS conducts its business, including an office below sharia sub-branch office or sharia cash office of a bank that domiciles abroad;

8. Sharia ...

8. Sharia Cash Office, hereinafter shall be referred to as KKS, is a cash office of a UUS, which business activities are to support its parent KCS or KCPS, except in channelling of fund, with clear business location address according to the location where the KKS conducts its business;
9. Sharia Services, hereinafter shall be referred to as LS, are activities of fund mobilization, financing and other banking services based on Sharia Principles, which are conducted at conventional branch office or conventional sub-branch office for and on behalf of a KCS at the same bank;
10. Electronic Banking Activity, is a islamic banking service activity performed using electronic machine facility, which could be used for making payments through account transfers, interbank transfers and/or obtaining information concerning customer account balances/movements, including among others internet banking and mobile banking.
11. Sharia Cash Service Activity is a cash activity in the framework of providing service to parties that have become UUS customers, covering among others:
  - a. Outdoor Cash Activity is a cash service activity, which moves from place to place by using a transportation vehicle or is provided at a certain location on non-permanent basis, among others mobile cash unit, floating cash unit or non-permanent bank counter;
  - b. Payment Point is an activity in the form of receipt of payments under a cooperation between BUK that owns a UUS and another party at certain locations, for example, receipts of telephone bill payments, electricity bill payments and/or third party deposits;
  - c. Automatic Teller Machine (ATM) is a cash or non-cash activity performed electronically to provide ease to customers, among

others ...

others for cash withdrawals or deposits or for making payments through interaccount transfers, interbank transfers and/or obtaining information concerning customer account balances/movements including through ATM, which is conducted by taking advantage of technology through cooperation with other parties.

12. Sharia Supervisory Board, hereinafter shall be referred to as DPS, is a board whose tasks are to provide advices and recommendations to the Board of Directors as well as to monitor UUS activities so that they are in line with Sharia Principles;
13. Executive Officer is any officer directly responsible to Director of UUS and/or exerting influence on bank policies and operations, such as division heads or KCS heads;
14. Separation (spin-off) is a business separation of one BUK into two or more business entities in accordance with the stipulations of prevailing legislations.
15. Day means calendar day.

## CHAPTER II

### LICENSES

#### Section One

#### Sharia Business Unit Opening

##### Article 2

- (1) BUK that conducts business activities based on Sharia Principles is obliged to open UUS.
- (2) The plan to open UUS should be stated in the BUK business plan.

##### Article 3

(1) UUS ...

- (1) UUS opening could only be undertaken after having obtained a license from Bank Indonesia.
- (2) The license referred to in paragraph (1) shall be provided in the form of operating license.

#### Article 4

- (1) UUS working capital is set and maintained at no less than Rp100,000,000,000.00 (one hundred billion rupiah).
- (2) UUS working capital as referred to in paragraph (1) should be set aside in cash form.

#### Section Two

#### Operating License Approval

#### Article 5

- (1) Application for UUS operating license is submitted by BUK supplemented with among others:
  - a. draft amendment to deed of incorporation, which contains at least USS business activities.
  - b. identity and supporting documents of Director who will be fully responsible for the UUS, candidate members of DPS and candidate Executive Officers;
  - c. feasibility study on market opportunities and economic potentials;  
and
  - d. UUS business plans for the first year and medium term.
- (2) BUK, which submits application for UUS operating license as referred to in paragraph (1), should give explanation concerning the entire plan for UUS opening.

#### Article 6

(1) BUK ...

- (1) BUK that has already obtained a UUS operating license is obliged to conduct business activities at the latest 60 (sixty) days as of the date the operating license is given.
- (2) UUS is obliged to report the conduct of its activities no later than 10 (ten) days after the start date of the execution of business activities.
- (3) If, after a period of 60 (sixty) days as of the date the operating license is given, BUK has not conducted business activities based on Sharia Principles, the operating license that has previously been given will be no longer valid.

#### Article 7

BUK, which has obtained UUS operating license, is obliged to state clearly the phrase “Unit Usaha Syariah” after the name of BUK and the logo iB at the related UUS office.

### CHAPTER III

#### DIRECTOR OF SHARIA BUSINESS UNIT, SHARIA SUPERVISORY BOARD AND EXECUTIVE OFFICERS

##### Section One

##### Director of Sharia Business Unit

#### Article 8

- (1) Appointment and/or replacement of the Director, who is fully responsible for the UUS (Director of UUS), should be reported by BUK no later than 10 (ten) days after the effective date of the appointment and/or replacement.
- (2) Director of UUS as referred to in paragraph (1) could be responsible for other BUK tasks as long as they would not create conflicts of interest.

(3) Director ...

- (3) Director of UUS is obliged to possess competency and commitment for developing UUS.
- (4) Director of UUS is obliged to undergo interview process.
- (5) In the even of the Director of UUS being evaluated to lack the competency and commitment for developing UUS, the appointment should be reviewed.

Section Two  
Sharia Supervisory Board  
Article 9

- (1) BUK that owns UUS is obliged to establish DPS, which domiciles at UUS office.
- (2) Members of DPS should meet the following requirements:
  - a. integrity, at least including:
    1. possession of good character and moral values;
    2. possession of commitment for complying with islamic banking stipulations and other prevailing legislations;
    3. possession of commitment for development of sound and sustainable islamic banking; and
    4. not being listed in the List of Fit and Proper (List of Disqualified) as regulated in the stipulations concerning the fit and proper test determined by Bank Indonesia.
  - b. Competency, at least possessing knowledge and experience in the field of mu'amalah sharia and knowledge in the field of banking and/or finance in general; and
  - c. financial reputation, which at least covers:
    1. not being included in the list of non-performing credits; and
    2. never ...

2. never having been declared as having been bankrupt or being a shareholder, member of Board of Commissioners, or member of Board of Directors and/or member of management of a business entity which has been declared guilty in causing a company and/or business entity to become bankrupt in the last 5 (five) years prior to nomination.

#### Article 10

- (1) DPS has the tasks and responsibility to give advices and recommendations to Director of UUS as well as supervise UUS activities so that they are in line with Sharia Principles.
- (2) The execution of DPS' tasks and responsibility as referred to in paragraph (1) include among others:
  - a. assessing and ensuring fulfillment of Sharia Principles on operational guidelines and products issued by UUS;
  - b. supervising development process of UUS new products, from the beginning until the products are launched;
  - c. providing sharia opinions on new products and/or restructured financing;
  - d. obtaining fatwa (decrees) from the National Sharia Board for UUS new products that do not yet have fatwa.
  - e. periodically conducting reviews of fulfillment of Sharia Principles on the mechanisms of fund accumulation and fund channeling as well as bank service provisions; and
  - f. requesting data and information related to sharia aspects from UUS work units in the framework of executing its tasks.

- (3) Guidelines for execution of DPS tasks and responsibility as referred to in paragraph (1) shall be further stipulated in Bank Indonesia Circular Letter.

#### Article 11

- (1) Total number of DPS members shall be no less than 2 (two) persons or no more than 3 (three) persons.
- (2) DPS is led by a chairman appointed from one of DPS members.
- (3) DPS members could only hold concurrent positions as DPS member at no more than 4 (four) other islamic financial institutions.

#### Article 12

- (1) Candidate members of DPS are obliged to obtain Bank Indonesia approvals before they can hold their positions.
- (2) Submission of application for approvals on candidate members of DPS as referred to in paragraph (1) is made after having obtained a recommendation from the Indonesian Islamic Scholar Board.

#### Article 13

- (1) Appointment of DPS members should be reported by UUS no later than 10 (ten) days after the date the appointment.
- (2) If candidate members of DPS are not appointed by the shareholder general meeting within a period of 3 (three) months after the issuance date of the approvals, the approvals on candidate members of DPS become no longer valid.

#### Article 14

Any discharge and/or withdrawal of a member of DPS should be reported by UUS no later than 10 (ten) days after the discharge and/or withdrawal becomes effective.

Section Three  
Executive Officers  
Article 15

- (1) Executive Officers of UUS coming from BUK as well as other sources should possess the knowledge and understanding of business activities based on Sharia Principles.
- (2) Appointment, replacement, or discharge of any Executive Officer of UUS as referred to in paragraph (1) should be reported by the UUS no later than 10 (ten) days after the date the appointment, replacement, or discharge becomes effective.
- (3) If, based on Bank Indonesia's evaluation and examination, an Executive Officer referred to in paragraph (2) is included in the List of Fit and Proper (List of Disqualified), List of Non-Performing Credits, or there are other information that show the integrity and competency aspects have not been met, the appointment of the Executive Officer concerned should be annulled no later than 30 (thirty) days after the date of confirmation letter from Bank Indonesia.

Section Four  
Foreign Workers  
Article 16

BUK that owns UUS, which utilizes foreign workers, is obliged to meet the requirements and procedure concerning utilization of foreign workers as regulated in the stipulations of prevailing legislations.

CHAPTER IV  
BUSINESS ACTIVITIES

Article 17

UUS is obliged to conduct business activities as stipulated in the Act concerning Islamic Banking by applying Sharia Principles and prudential principles.

Article 18

UUS could conduct islamic banking business activities in the field of foreign exchange with a license from Bank Indonesia.

CHAPTER V  
OPENING OF SHARIA BUSINESS UNIT OFFICE

Section One

Opening of Domestic Office

Subsection 1

Opening of Sharia Branch Office

Article 19

- (1) Opening of KCS could only be undertaken with a license from Bank Indonesia.
- (2) The plan for KCS opening should be stated in UUS's Business Plan.
- (3) A newly open KCS could have the same address as the BUK branch office or sub-branch office, as long as the requirements are met, which include among others:
  - a. there is an office segregation between the KCS and the BUK branch office or sub-branch office; and
  - b. it would not cause operational risk and reputation risk to the KCS.

Article ...

## Article 20

- (1) UUS is obliged to undertake KCS opening within the period of no later than 30 (thirty) days as of the date the license is given.
- (2) The execution of KCS opening should be reported by UUS no later than 10 (ten) days after the opening date.
- (3) If UUS has not opened the KCS within the period of 30 (thirty) days as of the date the license is given, the license previously issued for KCS opening becomes no longer valid.

## Subsection 2

### Opening of Office under Sharia Branch Office

## Article 21

- (1) Opening of KCPS and KKS could only be undertaken with confirmation letters from Bank Indonesia.
- (2) The plans for opening of KCPS and KKS should be stated in UUS's business plan.
- (3) Opening of KCPS and KKS could only be undertaken within the same Bank Indonesia work region in which its parent KCS is located.
- (4) Newly open KCPS and KKS could have the same addresses with the BUK office and/or other offices, as long as the requirements are met, which include among others:
  - a. there is an office segregation between the KCPS and KKS with the BUK office and/or other offices; and
  - b. it would not cause operational risk and reputation risk for the BUK that owns UUS.
- (5) The financial reports of KCPS and KKS should be integrated automatically and online with the financial report of the parent KCS on the same day.

## Article 22

- (1) UUS is obliged to undertake KCPS and KKS openings within the period of no later than 30 (thirty) days as of the date the confirmation is issued.
- (2) The execution of KCPS and KKS openings should be reported by UUS to Bank Indonesia no later than 10 (ten) days after the opening dates.
- (3) If UUS has not opened the KCPS and KKS within the period of 30 (thirty) days as of the date the confirmation is issued, the confirmation previously issued for KCPS and KKS openings become no longer valid.

## Subsection 3

### Electronic Banking Activities

## Article 23

- (1) Electronic Banking Activities could only be undertaken after obtaining confirmation letter from Bank Indonesia.
- (2) The plan for Electronic Banking Activities should be stated in UUS business plan.
- (3) The execution of Electronic Banking Activities should be reported by UUS to Bank Indonesia no later than 10 (ten) days after the date of execution.

## Subsection 4

### Sharia Cash Service Activities

## Article 24

- (1) The plan for Sharia Cash Service Activities should be stated in UUS business plan.
- (2) The opening, change of address, and closing of Sharia Cash Service Activities should be reported by UUS to Bank Indonesia bi-annually for the positions of end of June and December.

(3) The ...

- (3) The report referred to in paragraph (2) should be submitted no longer than 10 (ten) days from the end of reporting month.

Subsection 5  
Sharia Services  
Article 25

- (1) The plan for conducting Sharia Services should be stated in UUS business plan.
- (2) Sharia Services could be conducted at BUK branch office or sub-branch office with the following requirements:
  - a. location of the Sharia Services is within the same region as that of its parent KCS, namely:
    1. within the same provincial region; or
    2. within the same work region of Bank Indonesia office in the case where the work region of Bank Indonesia office spreads over more than one provincial region;
  - b. using human resources who already have knowledge on islamic banking products and services; and
  - c. supported by adequate information system technology.
- (3) Sharia Service Activities should be recorded in an automated and online mode in the financial report of the parent KCS on the same working day.

Article 26

- (1) The opening, change of address, and closing of Sharia Service Activities should be reported by UUS to Bank Indonesia bi-annually for the positions of end of June and December.
- (2) The report referred to in paragraph (1) should be submitted no longer than 10 (ten) days from the end of reporting month.

Section Two  
Opening of Overseas Offices

Article 27

- (1) The Opening of overseas KCS and other types of offices could only be undertaken with Bank Indonesia's licenses.
- (2) The Plan for opening KCS and other types of offices should be stated in UUS business plan.
- (3) Licenses as referred to in paragraph (1) are only provided when:
  - a. UUS has the license for undertaking activities in the field of foreign exchange; and
  - b. UUS fulfills the requirements on soundness level, working capital adequacy, and risk profile that is at least moderate.

Article 28

- (1) The execution of overseas KCS and other types of offices openings should be reported by UUS no later than 10 (ten) days after the opening dates.
- (2) If, by the period of 6 (six) months after the date of Bank Indonesia's approval, the overseas office opening has not executed, UUS is obliged to give explanation to Bank Indonesia no later than 10 (ten) days after the end of the 6-month deadline.

CHAPTER VI  
UPGRADING AND DOWNGRADING OF  
SHARIA BUSINESS UNIT OFFICE STATUS

Article 29

Upgrading of the status of KCPS and KKS to become KCS should be undertaken by fulfilling the requirements for KCS opening.

Article ...

## Article 30

Downgrading of the status of KCS to become KCPS or KKS should be reported by UUS no later than 10 (ten) days after the execution date.

## CHAPTER VII

### CHANGE OF OFFICE ADDRESS OF SHARIA BUSINESS UNIT

#### Section One

#### Change of Domestic Office Address

#### Subsection 1

#### Sharia Business Unit Office and Sharia Branch Office

## Article 31

- (1) Change of office address of UUS and KCS could only be undertaken with a license from Bank Indonesia.
- (2) Change of office address of UUS and KCS should take into consideration customers' interests.
- (3) The plan for change of office address of UUS and KCS should be stated in UUS business plan.

## Article 32

- (1) The change of office address of UUS and KCS should be announced by UUS in a newspaper with wide circulation at the domicile location of UUS or KCS no later than 10 (ten) days prior to the execution date of office address change.
- (2) The execution of office address change of UUS and KCS should be reported by UUS no later than 10 (ten) days after the execution date of office address change.

(3) If ...

- (3) If, after the period of 30 (thirty) days as of the date the license is given, UUS has not executed office address change, the previously license issued for office address change for UUS or KCS shall be reviewed.

#### Subsection 2

#### Office Under Sharia Branch Office

#### Article 33

- (1) Change of addresses of KCPS and KKS could only be undertaken with confirmation letters from Bank Indonesia.
- (2) Change of addresses of KCPS and KKS could only be undertaken within the same work region of Bank Indonesia office in which the parent KCS is located.
- (3) Change of address of KCPS and KKS should take into consideration customers' interests.

#### Article 34

- (1) Change of addresses of KCPS and KKS should be announced at the previous locations by UUS no later than 10 (ten) days prior to the execution date.
- (2) The execution of address change of KCPS or KKS should be reported by UUS no later than 10 (ten) days after the execution date.

#### Section Two

#### Change of Overseas Office Address

#### Article 35

The execution of office address change of overseas KCS and other types of overseas offices should be reported by UUS no later than 10 (ten) days after the execution date of office address change.

CHAPTER VIII  
CLOSING OF SHARIA BUSINESS UNIT OFFICE

Section One

Closing of Domestic Office

Subsection 1

Sharia Branch Office

Article 36

Closing of KCS could only be undertaken with a license from Bank Indonesia.

Article 37

- (1) UUS that has obtained a license for KCS closing is obliged to:
  - a. settle all KCS liabilities;
  - b. announce the plan for KCS closing in a daily newspaper with wide circulation at the domicile location of the KCS no later than 3 (three) days prior to the execution date of the closing; and
  - c. discontinue all business activities at the KCS concerned
- (2) Execution of KCS closing should be reported by UUS no later than 10 (ten) days after the execution date.

Subsection 2

Office Under Sharia Branch Office

Article 38

Execution of KCPS and KKS closing should be reported by UUS no later than 10 (ten) days after the closing date.

Section Two

Closing of Overseas Office

Article 39

Execution ...

Execution of the closings of overseas KCS and other types of overseas offices should be reported by UUS no later than 10 (ten) days after closing execution dates.

## CHAPTER IX SEPARATION OF SHARIA BUSINESS UNIT

### Section One

#### Separation of Sharia Business Unit from Conventional Commercial Bank

##### Article 40

- (1) BUK that owns UUS is obliged to separate UUS to become BUS whenever:
  - a. UUS asset value has reached 50% (fifty percent) of total asset value of its parent BUK; or
  - b. at the latest 15 (fifteen) years since the enactment of Act Number 21 of 2008 concerning Islamic Banking.
- (2) BUK that owns UUS could separate UUS prior to meeting the conditions as referred to in paragraph (1) by fulfilling the requirements as stipulated in this Bank Indonesia Regulation.

##### Article 41

- (1) Separation of UUS from BUK as referred to in Article 40 could be undertaken by:
  - a. establishing a new BUS; or
  - b. transferring the rights and liabilities of UUS to existing BUS.
- (2) Establishment of BUS resulting from Separation as referred to in paragraph (1) letter a could be undertaken by 1 (one) or more BUK that owns UUS.

(3) Separation ...

- (3) Separation of UUS by transferring to existing BUS as referred to in paragraph (1) letter b could only be undertaken to BUS that has ownership relation with BUK that owns UUS.
- (4) BUS resulting from Separation as referred to in paragraph (2) and BUS receiving Separation as referred to in paragraph (3) should meet at least the ratio of minimum capital adequacy requirement (KPM) of minimum 8% (eight percent).
- (5) In the case of Separation of UUS as referred to in paragraph (1) causes BUS resulting from Separation or BUS receiving Separation to own net Non Performing Financing of more than 5% (five percent) and/or causes them to exceed Legal Financing Limit, then BUS resulting from Separation or BUS receiving Separation is obliged to settle the matters within a period of 1 (one) year.

#### Article 42

Separation of UUS from BUK as referred to in Article 41 paragraph (1) should fulfill stipulations of prevailing legislations.

#### Article 43

- (1) BUK that does not undertake UUS Separation as referred to in Article 40 paragraph (1) shall be imposed with revocation of UUS operating license.
- (2) BUK that owns UUS as referred to in paragraph (1) is obliged to settle UUS rights and liabilities within the period of 1 (one) year as of the date of UUS operating license revocation.
- (3) With the revocation of UUS operating license as referred to in paragraph (1), BUK that owns UUS is prohibited from conducting business activities based on Sharia Principles, except in settling UUS rights and liabilities as referred to in paragraph (2).

Article ...

#### Article 44

- (1) BUK that owns UUS is obliged to announce UUS operating license revocation in a newspaper with national circulation no longer than 10 (ten) days as of the date of UUS operating license revocation is given.
- (2) The announcement as referred to in paragraph (1) should contain at least:
  - a. discontinuation of business activities based on Sharia Principles; and
  - b. settlement of all UUS rights and liabilities.
- (3) Settlement of all UUS rights and liabilities should be reported by BUK that owns UUS no longer than 10 (ten) days after settlement.

#### Section Two

##### Separation of Sharia Business Unit

##### By Establishing Islamic Commercial Bank

#### Article 45

- (1) Establishing BUS resulting from Separation as referred to in Article 41 paragraph (1) letter a could only be undertaken with a license from Bank Indonesia.
- (2) The Paid-In Capital for establishment of BUS resulting from Separation is determined to be no less than Rp500,000,000,000.00 (five hundred billion rupiah).
- (3) If the amount of paid-in capital does not meet the requirement as referred to in paragraph (2), additional paid-in capital should be made in the forms of cash and/or land and building that will be used for the operation of BUS resulting from Separation.
- (4) Paid-In capital of BUS resulting from Separation as referred to in paragraph (2) should be increased in stages to no less than Rp1,000,000,000,000.00 (one trillion rupiah) at the latest 10 (ten) years after BUS operating license is provided.

Article ...

#### Article 46

Provision of license for establishment of BUS resulting from Separation shall be made in 2 (two) stages:

- a. approval in principle, which is approval for undertaking preparation for establishment of BUS resulting from Separation; and
- b. operating license, which is a license provided after BUS resulting from Separation is ready to undertake operational activities.

#### Article 47

(1) Application for approval in principle as referred to in Article 46 letter a is submitted by BUK that owns UUS, supplemented with among others draft deed of incorporation of BUS resulting from Separation, which shall contain at least:

- a. name and domicile location of BUS resulting from Separation;
- b. business activities as BUS that are in accordance with the stipulations of prevailing legislations;
- c. paid-in capital of no less than Rp500,000,000,000.00 (five hundred billion rupiah);
- d. stipulations on requirements, number of person, tasks, authorities, responsibilities, as well as other matters concerning Board of Commissioners, Board of Directors, and DPS that are in accordance with the stipulations of prevailing legislations;
- e. stipulations concerning appointments of members of Board of Commissioners, members of Board of Directors, and members of DPS, which have previously obtained Bank Indonesia's approvals.
- f. stipulations of BUS shareholder general meeting, which determines the tasks of management, remunerations of Board of Commissioners and Board of Directors, annual accountability report, appointment

end ...

- and fee of public accounting firm, use of profits, and other matters set in Bank Indonesia stipulations; and
- g. decisions of shareholder general meeting, which should be led by President Commissioner or Principle Commissioner.
- (2) BUK that owns UUS, which are submitting application for approval in principle, should give explanation concerning the entire plan for establishment of BUS resulting from Separation.

#### Article 48

- (1) If within the period of 6 (six) month as of the date the approval in principle is given, BUK that has obtained approval in principle has not submitted application for operating license for BUS resulting from Separation, the previously approval in principle issued shall become no longer valid.
- (2) BUK that owns UUS is obliged to make announcement of the plan to transfer UUS rights and liabilities in a newspaper of national circulation no later than 10 (ten) days as of the date the approval in principle is given.
- (3) Transfer of UUS rights and liabilities as referred to in paragraph (2) shall only be undertaken when the operating license for BUS resulting from Separation is already given.

#### Article 49

Application for operating license for BUS resulting from Separation as referred to in Article 46 letter b is submitted by BUK that has obtained approval in principle, supplemented by among others the deed of incorporation of BUS resulting from Separation.

#### Article 50

(1) BUS ...

- (1) BUS resulting from Separation is obliged to conduct business activities no later than 30 (thirty) days as of the date the operating license is given.
- (2) The execution of business activities as referred to in paragraph (1) should be reported no later than 10 (ten) days after the execution date.
- (3) If, after the period referred to in paragraph (1), BUS resulting from Separation has not conducted business activities, the previously operating license given shall be reviewed.
- (4) In the event of the operating license of BUS resulting from Separation is annulled, all UUS liabilities should be settled by BUK that owns UUS no later than 1 (one) year as of the annulment date of the operating license of BUS resulting from Separation.

#### Article 51

BUK that owns UUS is obliged to submit application for revocation of UUS operating license no later than 10 (ten) days after the rights and liabilities of UUS have been transferred to BUS resulting from Separation.

#### Section Three

##### Separation of Sharia Business Unit

##### By Transferring Rights and Liabilities to Islamic Commercial Bank

#### Article 52

- (1) Transfer of UUS rights and liabilities to BUS receiving Separation as referred to in Article 41 paragraph (1) letter b could only be undertaken with a approval from Bank Indonesia.
- (2) BUK that owns UUS is obliged to make announcement of the plan for transfer in a newspaper of national circulation no later than 10 (ten) days as of the approval date.

#### Article 53

(1) BUK ...

- (1) BUK that owns UUS is obliged to transfer UUS rights and liabilities to BUS no later than 30 (thirty) days as of the date the approval for transfer is given.
- (2) Execution of the transfer of UUS rights and liabilities to BUS receiving Separation as referred to in paragraph (1) should be reported no later than 10 (ten) days after the execution date.
- (3) BUS receiving Separation is obliged to report its financial condition after receiving transfer of UUS rights and liabilities no later than 10 (ten) days after the execution date.
- (4) If, after the period referred to in paragraph (1), the transfer of UUS rights and liabilities to BUS receiving Separation has not been executed, the previously approval provided for transfer shall be reviewed.
- (5) In the event of annulment of license for transfer, all UUS liabilities should be settled by BUK that owns UUS no later than 1 (one) year as of the annulment date of the approval for transfer.

#### Article 54

BUK that owns UUS is obliged to submit application for revocation of UUS operating license no later than 10 (ten) days after the rights and liabilities of UUS have been transferred to BUS.

### CHAPTER XI

#### REVOCATION OF OPERATING LICENSE OF SHARIA BUSINESS UNIT AT THE CONVENTIONAL COMMERCIAL BANK'S REQUEST

#### Article 55

Bank Indonesia could revoke UUS operating license at the request of BUK that owns UUS.

#### Article 56

(1) BUK ...

- (1) BUK that has obtained the approval for revocation of UUS operating license is obliged to:
  - a. discontinue all UUS business activities;
  - b. announce the plan for discontinuation of UUS business activities and the plan for settlement of UUS liabilities in two daily newspapers, one of which is of national circulation, no later than 10 (ten) days after the date of the approval letter for UUS operating license revocation; and
  - c. settle all BUK liabilities that are recorded in UUS financial report.
- (2) Execution of the discontinuation of UUS activities should be reported by BUK that owns UUS no later than 10 (ten) days after the discontinuation date.

## CHAPTER XII

### ACCOUNTING

#### Article 57

- (1) BUK that owns UUS is obliged to use information system technology in an automated and online mode, which enables clear segregation of UUS financial report and BUK financial report.
- (2) Preparation of UUS financial report should follow accounting treatments stipulated in the prevailing Indonesian islamic banking accounting guideline.

## CHAPTER XIII

### SHARIA BUSINESS UNIT OFFICE

#### NOT OPEN FOR OPERATION ON WORKING DAYS

#### Article 58

UUS office's plan to not be open for operation on a working day should obtain Bank Indonesia's approval.

#### Article 59

- (1) UUS is obliged to submit application for approval on the plan to not be open for operation on a working day no later than 15 (fifteen) days prior to the date when it would not open for operation.
- (2) UUS office plan to not be open for operation on a working day should be announced to the public by the UUS no later than 3 (three) days prior to the date when it would not be open for operation.

### CHAPTER XIV STATING THE STATUS AND LOGO ON SHARIA BUSINESS UNIT OFFICE

#### Article 60

- (1) UUS is obliged to state clearly the office name and type of status at each of its offices.
- (2) UUS is obliged to state the logo iB at each of its offices, Sharia Services and Sharia Cash Service Activity.

### CHAPTER XV HUMAN RESOURCES

#### Article 61

UUS is obliged to maintain and enhance the competency of its human resources.

### CHAPTER XVI SANCTIONS

Article ...

## Article 62

- (1) BUK that owns UUS that does not comply with stipulations in Article 2 paragraph (1), Article 3 paragraph (1), Article 6 paragraph (1), Article 7, Article 8 paragraph (3), paragraph (4) and paragraph (5), Article 9 paragraph (1), Article 12 paragraph (1), Article 15 paragraph (3), Article 16, Article 19 paragraph (1), Article 20 paragraph (1), Article 21 paragraph (1), paragraph (3) and paragraph (5), Article 22 paragraph (1), Article 23 paragraph (1), Article 25 paragraph (3), Article 27 paragraph (1), Article 29, Article 31 paragraph (1), Article 33 paragraph (1) and paragraph (2), Article 36, Article 37 paragraph (1) letter a and letter c, Article 40 paragraph (1), Article 41 paragraph (5), Article 42, Article 43 paragraph (2), Article 44 paragraph (2), Article 45 paragraph (1) and paragraph (4), Article 48 paragraph (3), Article 50 paragraph (1) and paragraph (4), Article 52 paragraph (1), Article 53 paragraph (1) and (5), Article 56 paragraph (1) letter a and letter c, Article 57, Article 58, Article 60, Article 61, and Article 64 shall be imposed with administrative sanctions in accordance with Article 58 of Act Number 21 of 2008 concerning Islamic Banking
- (2) BUK that owns UUS that does not comply with stipulations in Article 6 paragraph (2), Article 8 paragraph (1), Article 13 paragraph (1), Article 14, Article 15 paragraph (2), Article 20 paragraph (2), Article 22 paragraph (2), Article 23 paragraph (3), Article 24 paragraph (2) and paragraph (3), Article 26, Article 28, Article 30, Article 32 paragraph (1) and paragraph (2), Article 34, Article 35, Article 37 paragraph (1) letter b and paragraph (2), Article 38, Article 39, Article 44 paragraph (1) and paragraph (3), Article 48 paragraph (2), Article 50 paragraph (2), Article 51, Article 52 paragraph (2), Article 53 paragraph (2) and paragraph (3), Article 54, Article 56 paragraph (1) letter b and paragraph (2), and Article

59 shall be imposed with administrative sanctions in accordance with Article 58 of Act Number 21 of 2008 concerning Islamic Banking in the forms of:

- a. written warning and fine amounting to Rp1,000,000.00 (one million rupiah) per day of delay for each report and/or announcement and no more than Rp15,000,000.00 (fifteen million rupiah);
  - b. written warning and fine amounting to no more than Rp30,000,000.00 (thirty million rupiah) if BUK or UUS does not submit reports and/or announcements.
- (3) BUK that owns UUS is deemed not to have submitted reports and/or announcements as referred to in paragraph (2) letter b when BUK that owns UUS has not submitted the reports or BUK that owns UUS has not submitted complete reports, and/or has not made announcements within 30 (thirty) days after the deadlines for submission of reports and/or announcements.
  - (4) Imposition of the sanctions of written warning and obligation to make payment due to being deemed not to have submitted reports and/or made announcements as referred to in paragraph (3) does not waive the obligation of BUK that owns UUS to submit reports and/or make announcements.
  - (5) In the even of submission of reports and/or execution of announcements are made in a combined manner, if the BUK that owns UUS is imposed with sanctions as referred to in paragraph (2), the referred sanctions are calculated per number of reports and/or announcement stated in the combined report/announcement.
  - (6) BUK that owns UUS that does not fulfill the stipulations of Article 17 shall be imposed with administrative sanctions in accordance with Article

58 of Act Number 21 of 2008 concerning Islamic Banking in the form of revocation of UUS operating license.

## CHAPTER XVII TRANSITIONAL PROVISIONS

### Article 63

UUS that has been established prior to the enactment of this regulation is determined to already have operating license as UUS based on this Bank Indonesia Regulation.

### Article 64

UUS that has not met the requirements concerning:

- a. working capital as referred to in Article 4 paragraph (1); and
- b. stipulations on concurrent positions held by members of DPS as referred to in Article 11 paragraph (3);

should meet the referred requirements at the latest 2 (two) years after the enactment of this Bank Indonesia Regulation.

## CHAPTER XVIII CONCLUDING PROVISIONS

### Article 65

Further stipulations concerning Sharia Business Unit shall be further regulated in Bank Indonesia Circular Letter.

### Article 66

With the enactment of this Bank Indonesia Regulation:

- a. Bank Indonesia Regulation Number 8/3/PBI/2006 dated 30 January 2006 concerning Conversion of Business of Conventional Commercial Bank to

Commercial ...

Commercial Bank Conducting Business Based on Sharia Principles and Establishment of Bank Offices Conducting Business Based on Sharia Principles by Conventional Commercial Bank;

- b. Bank Indonesia Regulation Number 9/7/PBI/2007 dated 4 May 2007 concerning Amendment To Bank Indonesia Regulation Number 8/3/PBI/2006 concerning Conversion of Business of Conventional Commercial Bank to Commercial Bank Conducting Business Based on Sharia Principles and Establishment of Bank Offices Conducting Business Based on Sharia Principles by Conventional Commercial Bank;

are declared no longer valid for Sharia Business Units.

#### Article 67

This Bank Indonesia Regulation shall come into force on the date of enactment.

For public to be informed, it is ordered that this Bank Indonesia Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Enacted : Jakarta

Dated : March 19, 2009

GOVERNOR OF BANK INDONESIA

BOEDIONO

STATE ...

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 55 OF  
2009  
DPbS

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
NUMBER: 11/10/PBI/2009  
CONCERNING  
SHARIA BUSINESS UNIT

GENERAL REVIEW

National development need contributions and participation from all elements of the public. One of the forms for extraction of the potential and contribution realization of the public in the national economy is development of economic system based on Sharia Principles in islamic banking.

To enhance of islamic banking services to the public requires widening and spreading of office network all over the country. As the number and network of Islamic Commercial Bank offices are relatively limited, a development policy for expanding the islamic banking office network is required, among others through the opening of Sharia Business Units at Conventional Commercial Banks.

Widening and ease in expansion of Sharia Business Unit offices at Conventional Commercial Banks require comprehensive and transparent institutional regulating so as to provide reference in implementation and provision of legal certainties to the public.

With the enactment of Act Number 21 of 2008 concerning Islamic Banking, there are several changes in stipulations related to Sharia Business Units, which concern among others licensing, business activities, and deadline for converting Sharia Business Unit to Islamic Commercial Bank. In relation to this institutional change of Sharia Business Unit, there is a need to enhance stipulations concerning Sharia Business Units.

## ARTICLE BY ARTICLE

### Article 1

Number 1 upto number 15

Self-explanatory.

### Article 2

Self-explanatory.

### Article 3

Paragraph (1)

Self-explanatory.

Paragraph (2)

“Operating license” means a license for conducting business activities based on Sharia Principles.

Provision of UUS operating license by Bank Indonesia is based on among others:

- a. assessment on BUK commitment for establishing UUS;
- b. analysis on the feasibility study for establishing UUS;
- c. analysis which covers among others saturation level of number of BUS and UUS as well as equality in national economic development; and
- d. interviews with candidate Director of UUS and candidate members of DPS.

### Article 4

Paragraph (1)

“Working capital” means net fund placed by BUK in UUS after deducted with UUS placement at BUK, which is treated as a component of capital for UUS.

Paragraph (2)

“Cash” means deposit in the form of cash, not in the forms of land, building or any other similar types.

#### Article 5

##### Paragraph (1)

Self-explanatory.

##### Paragraph (2)

Subject matters that should be explained through a presentation at Bank Indonesia are among others:

- a. objective and reason for opening UUS;
- b. target markets for fund accumulation and channeling;
- c. short-term, medium-term, and long-term business plans;
- d. information system technology; and
- e. organization and personnel structures.

#### Article 6

Self-explanatory.

#### Article 7

An example for stating the phrase “Sharia Business Unit” is PT Bank XYZ Sharia Business Unit.

#### Article 8

##### Paragraph (1)

Self-explanatory.

##### Paragraph (2)

Self-explanatory.

##### Paragraph (3)

Self-explanatory.

##### Paragraph (4)

Majority of members of the interviewer team for Director of UUS comes from Bank Indonesia external parties (independent).

Paragraph (5)

“To be reviewed” means to be replaced if the person concerned is evaluated to lack the commitment for developing UUS or to be requested to add knowledge and understanding concerning business activities based on Sharia Principles if the person concerned is evaluated to lack the competency in the field of islamic banking.

Article 9

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Possessing commitment means among others possessing the willingness to set adequate time for Bank in order to execute his/her task effectively.

Number 4

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Number 1

“List of Non-Performing Credits” is a list of non-performing credits as regulated in Bank Indonesia

stipulations which regulate the Debtor Information System.

Number 2

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Paragraph (1)

Self-explanatory.

Paragraph (2)

Appointment of chairman of DPS can be undertaken by BUK that owns the UUS, Director of UUS or agreement amongst members of DPS.

Paragraph (3)

Self-explanatory.

Article 12

Paragraph (1)

Approval on application concerning candidate members of DPS shall be given based on among others:

- a. evaluation on commitment of candidate members of DPS in supervising UUS business activities and time availability;  
and
- b. interviews with candidate members of DPS.

Paragraph (2)

Self-explanatory.

Article 13

Paragraph (1)

The report shall be signed by Director of UUS.

Paragraph (2)

Appointment of DPS could be undertaken by BUK Commissioner as long as it is authorized by the shareholder general meeting.

Bank Indonesia's approval on members of DPS is applicable after being approved by shareholder general meeting or BUK Commissioner as long as it is authorized by the shareholder general meeting.

Article 14

Effective date of discharge and/or withdrawal means the date when the discharge and/or withdrawal of the person concerned has been approved by shareholder general meeting, after transfer of position has occurred, or after other mechanisms as stipulated in the deed of incorporation.

The report shall be signed by Director of UUS.

Article 15

Paragraph (1)

One of the UUS Executive Officers is an officer who is directly accountable to the Director of UUS. The UUS Executive Office who is directly accountable to Director of UUS has the same level of position as the BUK officer who is directly accountable to the BUK Director.

Paragraph (2)

The report shall be signed by Director of UUS.

Paragraph (3)

Other information that shows the integrity aspect has not been met includes among others track record originating from results of Bank Indonesia supervisions or other sources.

#### Article 16

Stipulations of prevailing legislations in this article mean among others:

- a. Act concerning Work Force and its implementing stipulations;
- b. Act concerning Immigration and its implementing stipulations; and
- c. Bank Indonesia Regulation concerning Utilization of Foreign Work Force and Transfer of Knowledge Program in Banking Sector.

#### Article 17

Self-explanatory.

#### Article 18

License for activities in the field of foreign exchange is provided after UUS has fulfilled requirements, which include among others:

- a. possessing adequate information system technology;
- b. possessing human resources who understand sharia aspect in activities in the field of foreign exchange;
- c. possessing a list of candidate customers who are going to undertake foreign exchange activities.

#### Article 19

##### Paragraph (1)

Approval on the application for KCS opening is provided based on among others:

- a. evaluation on the readiness for KCS opening;
- b. analysis on results of feasibility study submitted by BUK that owns UUS;
- c. analysis on UUS financial performance, including level of soundness;
- d. fulfillment of the requirement for UUS minimum working capital as referred to in Article 4 paragraph (1); and

- e. not being under intensive supervision, which is due among others to:
- excess and/or violation of Legal Financing Limit;
  - net Non Performing Financing (NPF) ratio above 5%;
  - in a loss situation that is getting larger; and
  - possessing composite rating of 4 or 5 in the evaluation of UUS soundness level.

Paragraph (2)

UUS business plan should be presented and reported separately, which could be a part or an attachment of BUK business plan.

Paragraph (3)

Letter a

The segregation is in order that customers can differentiate clearly the sharia office and the conventional office.

The segregation can be done by among others using different colors for the rooms, partitions and/or separate rooms.

Letter b

Self-explanatory.

Article 20

Paragraph (1)

Self-explanatory.

Paragraph (2)

The report shall be signed by Director of UUS.

Paragraph (3)

Self-explanatory.

Article 21

Paragraph (1)

The confirmation letter could contain approval or rejection, which is based on among others:

- a. evaluation on the readiness for KCPS or KKS operation;
- b. analysis on results of feasibility study submitted by BUK that owns UUS; and
- c. fulfillment of the requirement for UUS minimum working capital as referred to in Article 4 paragraph (1).

Paragraph (2)

UUS business plan should be presented and reported separately, which could be a part or an attachment of BUK business plan.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

The segregation is in order that customers can differentiate clearly the sharia office and the conventional office.

The segregation can be done by among others using different colors for the rooms, partitions and/or separate rooms.

“Office” means among others branch office, sub-branch office and cash office.

“Other offices” mean offices of other banks or other companies.

Letter b

Self-explanatory.

Paragraph (5)

Self-explanatory.

#### Article 22

##### Paragraph (1)

Self-explanatory.

##### Paragraph (2)

The report shall be signed by KCS Head.

##### Paragraph (3)

Self-explanatory.

#### Article 23

##### Paragraph (1)

The confirmation letter could contain approval or rejection, which is based on among others:

- a. evaluation on the readiness of the information system technology; and
- b. evaluation on the risk control system for Electronic Banking Activities.

##### Paragraph (2)

UUS business plan should be presented and reported separately, which could be a part or an attachment of BUK business plan.

##### Paragraph (3)

The report shall be signed by Director of UUS.

#### Article 24

##### Paragraph (1)

KPKS does not include exhibition activities that are conducted in the framework of promotion, of non-permanent nature, and only receive initial deposit payments/cash custodianship in accordance with the requirement of minimum deposit for opening of a saving deposit account.

UUS business plan should be presented and reported separately,  
which could be a part or an attachment of BUK business plan.

Paragraph (2)

The report shall be signed by Director of UUS.

Paragraph (3)

Self-explanatory.

Article 25

Paragraph (1)

UUS business plan should be presented and reported separately,  
which could be a part or an attachment of BUK business plan.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

“Adequate information system technology” is information system technology which enables the recording of sharia customer transactions in an automated and online mode and segregates them from the recording of conventional office transactions.

Paragraph (3)

Self-explanatory.

Article 26

Paragraph (1)

The report shall be signed by Director of UUS.

Paragraph (2)

Self-explanatory.

## Article 27

### Paragraph (1)

Approval on application for the opening of overseas KCS and other types of offices is provided based on among others:

- a. evaluation on the readiness for KCS operation;
- b. analysis on results of feasibility study submitted; and
- c. analysis of UUS capacity, soundness level, working capital adequacy and risk profile.

### Paragraph (2)

UUS business plan should be presented and reported separately, which could be a part or an attachment of BUK business plan.

### Paragraph (3)

Self-explanatory.

## Article 28

### Paragraph (1)

The overseas KCS and other types of offices openings could only be undertaken after obtaining licenses from the authorities of the local countries.

The report shall be signed by Director of UUS.

### Paragraph (2)

Self-explanatory.

## Article 29

With the issuance of the license for KCS opening, the status of UUS office changes from Office Under KCS to KCS without having to fulfill the stipulations concerning the closing of Office Under KCS.

## Article 30

The report shall be signed by Director of UUS.

## Article 31

Paragraph (1)

Approval for license application for UUS and KCS office address change is provided based on:

- a. the reason for office move;
- b. readiness of UUS and KCS office operation; and
- c. results of analysis on performance at previous office location and business feasibility study for the new office location.

Paragraph (2)

Factors that should be considered are among others:

- a. the distance between the location of previous office and the location of the new office;
- b. number of customers that have been financed; and
- c. supporting infrastructure at the new office location.

Paragraph (3)

UUS business plan should be presented and reported separately, which could be a part or an attachment of BUK business plan.

Article 32

Paragraph (1)

Self-explanatory.

Paragraph (2)

The report shall be signed by Director of UUS.

Paragraph (3)

“To be reviewed” means that the license for moving shall be annulled if BUK that owns UUS cannot submit relevant reason for the delay in executing office move or extended if the delay has been caused by matters that cannot be avoided (force majeure) by BUK or other acceptable considerations.

## Article 33

### Paragraph (1)

The confirmation letter can contain approval or rejection based on among others:

- a. reason for office move;
- b. readiness of KCPS and KKS offices for operation; and
- c. results of analysis on performance at previous office location and business feasibility study for the new office location.

### Paragraph (2)

Self-explanatory.

### Paragraph (3)

Factors that should be considered are among others:

- a. the distance between the location of previous office and the location of the new office;
- b. number of customers that have been financed; and
- c. supporting infrastructure at the new office location.

## Article 34

### Paragraph (1)

The announcement could be made among others by sticking the announcement at the previous office location.

### Paragraph (2)

The report shall be signed by the parent KCS head.

## Article 35

The report shall be signed by Director of UUS.

## Article 36

Self-explanatory.

## Article 37

Paragraph (1)

Self-explanatory.

Paragraph (2)

The report to be submitted shall be signed by Director of UUS.

Article 38

The report shall be signed by the parent KCS Head.

Article 39

The report shall be signed by Director of UUS.

Article 40

Self-explanatory.

Article 41

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Calculation of minimum capital adequacy requirement (KPMM) ratio is based on Bank Indonesia's calculation.

Paragraph (5)

Self-explanatory.

Article 42

Stipulations of prevailing legislations mean among others the Act concerning Limited Company.

Article 43

Paragraph (1)

Self-explanatory.

Paragraph (2)

“To settle” means to settle all UUS rights and liabilities among others by transferring the rights and liabilities of BUK that owns UUS, selling them to other parties or paying them off.

Paragraph (3)

Self-explanatory.

Article 44

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The report shall be signed by Director of UUS.

Article 45

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

For example:

Bank XYZ UUS owns working capital of Rp150,000,000,000.00 (one hundred fifty billion rupiah). Therefore, the additional capital of Rp350,000,000,000.00 (three hundred fifty billion rupiah) that has to paid to reach Rp Rp500,000,000,000.00 (five hundred billion rupiah) should be made in the forms of cash and/or land and building that are going to be used for the operation of BUS resulting from Separation.

Paragraph (4)

Self-explanatory.

Article 46

Letter a

Approval on application for approval in principle for establishment of BUS resulting from Separation is provided based on among others:

- a. fulfillment of the legal aspect concerning the preparation stages for Separation of UUS conducted by BUK;
- b. analysis on proforma of financial report of BUS resulting from Separation; and
- c. fit and proper test on candidates controlling shareholders, candidates of Board of Commissioners and Board of Directors, as well as interviews on DPS.

Letter b

Approval on application for business license for establishment of BUS resulting from Separation is provided based on among others:

- a. fulfillment of the legal aspect in separation of UUS rights and liabilities as well as establishment of BUS resulting from Separation;
- b. analysis on the operational readiness of BUS resulting from Separation;
- c. fit and proper test on candidates controlling shareholders, candidates of Board of Commissioners and Board of Directors, as well as interviews on DPS, in the event of changes.

Article 47

Paragraph (1)

Self-explanatory.

Paragraph (2)

Subject matters that should be explained through a presentation at Bank Indonesia are among others:

- a. objective and reason for establishing BUS resulting from Separation;
- b. sources of capital and ownership;
- c. target markets for fund accumulation and channeling;
- d. organization and personnel structures.

Article 48

Self-explanatory.

Article 49

Letter of application is signed by Director of UUS.

“Deed of incorporation” means the deed of incorporation that has obtained approval from authorized institutions.

Article 50

Paragraph (1)

“Business activities” mean BUS business activities as referred to in Article 19 of Act Number 21 of 2008 concerning Islamic Banking, including the business activities of UUS resulting from Separation.

BUS resulting from Separation could open sharia service office at the office of BUK that has ownership relation with BUS resulting from Separation after obtaining confirmation from Bank Indonesia.

Paragraph (2)

Self-explanatory.

Paragraph (3)

“To be reviewed” means:

- a. to be extended if the delay on operation has been caused by matters that are unavoidable (force majeure) or other acceptable considerations; or
- b. to be annulled if BUS resulting from Separation cannot submit relevant reason for the delay in execution of business activities.

Paragraph (4)

“Liabilities” are liabilities to depositor customers, investor customers, customers who receive UUS facilities, which are recorded in the balance sheet (on balance sheet) and in the administrative accounts (off balance sheet) as well as other liabilities such as Bank personnel salary and tax payable.

Article 51

Application letter shall be signed by Director of UUS.

Article 52

Paragraph (1)

Approval on application for transfer of UUS rights and liabilities to BUS resulting from Separation shall be provided based on among others:

- a. fulfillment of the legal aspect concerning Separation of UUS;
- b. analysis on the plan for transfer of UUS rights and liabilities; and
- c. analysis on proforma of the financial report of BUS resulting from Separation.

Paragraph (2)

Self-explanatory.

#### Article 53

##### Paragraph (1)

Self-explanatory.

##### Paragraph (2)

The report shall be signed by Director of UUS.

##### Paragraph (3)

Self-explanatory.

##### Paragraph (4)

‘To be reviewed’ means:

- a. to be extended if the delay in transfer has been caused by matters that are unavoidable (force majeure) or other acceptable considerations; or
- b. to be annulled if BUK that owns UUS cannot submit relevant reason for the delay in transfer.

##### Paragraph (5)

“Liabilities” are liabilities to depositor customers, investor customers, customers who receive UUS facilities, which are recorded in the balance sheet (on balance sheet) and in the administrative accounts (off balance sheet) as well as other liabilities such as Bank personnel salary and tax payable.

#### Article 54

Application letter shall be signed by Director of UUS.

#### Article 55

Approval or rejection on application for revocation of UUS operating license shall be based on among others results of analysis on explanations submitted by BUK that owns UUS concerning the reason

for the closing of UUS business activities and/or its impact on the public.

Explanation on the plan to close UUS business activities shall be made by BUK that owns US through a presentation at Bank Indonesia.

#### Article 56

##### Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Liabilities” are liabilities to depositor customers, investor customers, customers who receive UUS facilities, which are recorded in the balance sheet (on balance sheet) and in the administrative accounts (off balance sheet) as well as other liabilities such as Bank personnel salary and tax payable.

##### Paragraph (2)

Report shall be signed by Director of UUS.

#### Article 57

##### Paragraph (1)

Financial report covers at least balance sheet, administrative accounts, and calculation of profit and loss.

##### Paragraph (2)

Accounting treatment covers Recognition, Measurement, Presentation and Disclosure on financial transactions undertaken.

Accounting treatments for transactions that have not been stipulated in the Indonesian islamic banking accounting guideline should follow the commonly applied sharia accounting stipulations (Generally Accepted Islamic Accounting Principles).

#### Article 58

Self-explanatory.

#### Article 59

##### Paragraph (1)

Application letter shall be signed by UUS office Head.

##### Paragraph (2)

Self-explanatory.

#### Article 60

##### Paragraph (1)

UUS office includes offices of UUS, KCS, KCPS and KKS.

The statement of UUS office name and type could be made by using among others name board and/or on the wall or front glass wall of UUS office network to enable customers to see it easily.

For example:

1. KCS name  
PT Bank XXX  
Sharia Branch Office YYY
2. KCPS name  
PT Bank XXX  
Sharia Sub-Branch Office YYY

##### Paragraph (2)

Self-explanatory.

#### Article 61

Competency enhancement could be done among others through certification education in accordance with the position level.

## Article 62

### Paragraph (1)

Self-explanatory.

### Paragraph (2)

The report shall be deemed to have been received by Bank Indonesia if it has been submitted completely by containing the required data, information and/or documents in accordance with type of report.

The date of report receipt by Bank Indonesia is the date of:

- a. post office time stamp, if the report is sent through P.T. Pos Indonesia; and
- b. receipt of report, if the report is submitted directly by BUK or UUS or sent through a courier company excluding P.T. Pos Indonesia.

### Letter a

Amount of the sanction of obligation to make payment is calculated as follows:

Amount of obligation to pay = number of days of delay x  
Rp1,000,000.00 x number of  
reports/announcements

### Letter b

Amount of the sanction of obligation to make payment is calculated as follows:

Amount of obligation to pay =  
Rp30,000,000.00 x number of  
reports/announcements.

BUK or UUS that is imposed with sanctions due to non-submission of report/announcement shall not be imposed with sanctions due to delay in submission of report/announcement.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 63

Self-explanatory.

Article 64

BUK that has submitted application for UUS operating license prior to the enactment of this regulation is obliged to make adjustment to stipulations concerning working capital and concurrent holding of positions by members of DPS no later than 2 (two) years after the business license is provided.

Article 65

Self-explanatory.

Article 66

Self-explanatory.

Article 67

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA NUMBER 4992