

## KSEI Receives DSN-MUI Religious Edict on Business Process and Services

Jakarta, April 1, 2019 – Today (4/1), the Indonesia Central Securities Depository (KSEI) received a Fatwa (Islamic religious edict) from the National Sharia Council of the Indonesian Council of Ulemas (DSN-MUI) regarding KSEI's Business Process and Services. The Edict was handed over by DSN-MUI Secretary Dr. H. Anwar Abbas to KSEI President Director Friderica Widyasari Dewi during a ceremony which was attended by the Chief Executive for Capital Market of the Financial Services Authority (OJK) Hoesen, OJK's Director for Sharia Market Fadilah Kartikasasi, Board of Directors and Board of Commissioners of Self-Regulatory Organizations (BEI, KPEI, KSEI), invited guests, and media partners.

Fatwa Number 124/DSN-MUI/XI/2018 regarding the Implementation of Sharia Principles in Securities Depository and Transaction Settlement Services and Integrated Investment Infrastructure Management was the result of a DSN-MUI Plenary Meeting on Thursday, November 8, 2018, attended by Head of the DSN-MUI K.H. Dr. Ma'ruf Amin and KSEI President Director Friderica Widyasari Dewi.

Previously, since 2001, the DSN-MUI has released three sharia Fatwas that have become the foundation of investment in the Indonesian capital market, which are:

- Fatwa Number 20/DSN-MUI/IV/2001 regarding the Guideline on the Implementation of Sharia Mutual Fund Investments
- Fatwa Number 40/DSN-MUI/X/2003 regarding the Capital Market and General Guideline on the Implementation of Sharia Principles in the Capital Market Sector
- Fatwa Number 80/DSN-MUI/III/2011 regarding the Principles of Sharia in Equity-Based Securities Trading Mechanisms in the Stock Exchange Regular Market. This Fatwa was given to the Indonesia Stock Exchange and provides regulation on the transactions and issuing of sharia based shares indexes in the Capital Market (Indonesian Sharia Shares Index, Jakarta Islamic Index, and Jakarta Islamic Index 70). This Fatwa was also supported by various Securities Companies through the implementation of online sharia trading applications.

The release of Fatwa Number 124/DSN-MUI/XI/2018 itself provides a more complete Sharia Principles based foundation, as well as a reference and guideline for investment in the Indonesian Capital Market.

**KSEI President Director Friderica Widyasari Dewi**, stated that "Indonesia is a potential market for the growth of sharia principles based investment products. More than 50% of Shares in the Indonesian Capital Market's stock exchange are sharia-based Shares."

The release of the Fatwa was initiated by KSEI with the support of the DSN-MUI, OJK, and SROs. Educating investors and the general public on the Fatwa is required alongside with the release. Friderica hopes that this Fatwa can reinforce sharia-based investments in various products in the Indonesian Capital Market as all services, from transaction processes in the Stock Exchange, to settlement processes in KSEI, to Mutual Fund issuing processes in KSEI's integrated investment infrastructure, will adhere to sharia principles.

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