



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA  
NUMBER 228/PMK.010/2012

CONCERNING

THE AMENDMENT OF THE REGULATION OF THE MINISTER OF FINANCE  
NUMBER 11 / PMK.010/2010 ON FINANCIAL SOUNDNESS OF INSURANCE  
AND REINSURANCE WITH THE PRINCIPLES OF SHARIA

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering : a. whereas in order to improve supervision of financial soundness of insurance and reinsurance business with the Principles of Sharia, it is necessary to improve some provisions in the Regulation of the Minister of Finance No. 11/PMK.010/2011 on Financial Soundness of Insurance And Reinsurance With The Principles of Sharia;

b. whereas based on the consideration as referred to in letter a, it is necessary to stipulate Regulation of the Minister of Finance on the amendment of the Regulation of Minister of Finance No. 11/PMK.010/2011 on Financial Soundness of Insurance And Reinsurance With The Principles 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 it has been amended several times lastly with Government Regulation No. 81 of 2008 (State Gazette of the Republic of 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



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Ministries as it has been amended several time lastly with Presidential Regulation Number 92 of 2011;

4. Regulation of The Minister of Finance Number 11 / Pmk.010/2010 on Financial Soundness of Insurance And Reinsurance with The Principles of Sharia;

HAS DECIDED:

To enact : REGULATION OF MINISTER OF FINANCE ON THE AMENDMENT OF THE REGULATION OF THE MINISTER OF FINANCE NUMBER 11/ PMK.010/2010 ON FINANCIAL SOUNDNESS OF INSURANCE AND REINSURANCE WITH THE PRINCIPLES OF SHARIA.

Article I

Several provisions in the Regulation of the Minister of Finance Number 11 / PMK. 010 / 2011 on Financial Soundness of Insurance And Reinsurance with The Principles of Sharia shall be amended as follow:

1. Provisions of point c, point d, point f and point g of Article 6 shall be amended, thus Article 6 reads as follows:

Article 6

Assessment of Allowable Asset in the form of investment, as referred to in Article 5 paragraph (1), shall be as follow:

- a. deposit in the Bank, based on the nominal value;
- b. Sharia stock, based on market value using the information of last trade price in stock exchange;
- c. sukuk or sharia bonds, based on fair market value of which is determined by an stock exchange price appraisal institution of which has obtained license from the Capital Market and Financial Institution Supervisory Board and/ or stock exchange price appraisal institution that has been internationally recognized;
- d. State Sharia Securities, based on the fair market value determined by an agency of securities price that has obtained the permit from Capital Market Supervisory Board and a Financial Institution or an agency of securities price rating that have been internationally recognized;
- e. Sharia securities issued by Bank Indonesia, based on market value;
- f. Sharia securities issued by countries other than the Republic of Indonesia, shall be based on the market value of which is determined by stock exchange price appraisal institution that has been internationally recognized;



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- g. Sharia securities issued by the multinational institutions in which the Republic of Indonesia is one of the members or shareholders, shall be based on the market value determined by stock exchange price appraisal institution that has been internationally recognized;
  - h. Sharia mutual funds, shall be based on net asset value;
  - i. Sharia asset-backed securities of which are issued based on collective investment contract of Sharia asset-backed securities that has obtained effective statement from the Capital Market and Financial Institution Supervisory Board and, based on the market value;
  - j. finance through the cooperation mechanism with other parties in the form of sharia refinancing, shall be based on salvage value of finance after it is deducted with the allowance for bad debt finance (net performing loan); and
  - k. pure gold, based on market value.
2. Between paragraph (2) and paragraph (3) of Article 18 shall be inserted 1 (one) paragraph, namely paragraph (2a); therefore, Article 18 reads as follow:

Article 18

- (1) Liability in the form of technical allowance, as referred to in Article 17 includes:
  - a. contribution allowance for products with the maturity period more than 1 (one) year whose policy terms and conditions cannot be renegotiated at every policy anniversary;
  - b. contribution allowance of which has not become the income or the right of products whose maturity period more than 1 (one) year or a term of more than 1 ( one ) and its terms and conditions of the policy could be renegotiated at every policy anniversary; and
  - c. a claim allowance.
- (2) Establishment of contribution allowance, as referred to in paragraph (1) point a, shall consider all revenues and expenses that may arise in the future using the assumption of central estimation plus a risk margin.
- (2a) Establishment of contribution allowance, as referred to in paragraph (2), entered into force for annual financial statements that ends on December 31, 2014.
- (3) Establishment of contribution allowance that has not become the income or right, as referred to in paragraph (1) point b, shall be



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calculated based on the Net Contribution in proportion to the number of days until the policy ends (daily proportional).

- (4) Establishment of contribution allowance that has not become the income or right, as referred to in paragraph (1) point b, for collective policy whose detail coverage validity is unknown for each member of the collection, could be calculated based on Net Contribution in proportion to the number of months until the policy ends (monthly proportional).
  - (5) Claim allowance, as referred to in paragraph (1) point c, includes:
    - a. claim of which is still in the process of settlement, it shall be calculated based on a reasonable estimation of claim incurred and reported but is still in the process of settlement, along with the cost of assessor of insurance loss service deducted with claim expenses that will be reinsurer's part; and
    - b. claim which is Incurred But Not Reported (IBNR), and calculated based on a reasonable estimation of claims incurred but has not been reported using the method of claims ratios or one of the triangle methods, along with the cost of assessor of insurance loss service, minus the expenses claims that will be reinsurer's part.
  - (6) Application of the method of claim allowance which is Incurred But Not Reported (IBNR), as referred to in paragraph (5) letter b, shall be obliged to be carried out consistently.
  - (7) Guideline on the establishment of contribution allowance, as referred to in paragraph (2), and the method of calculation of claim allowance, as referred to in paragraph (5) point b, shall be set out with the Regulation of the Chairman of Capital Market and Financial Institution Supervisory Board.
3. Provision of paragraph (1) and paragraph (2) of Article 30 shall be amended; therefore, Article 30 reads as follow:

Article 30

- (1) Limitations of the Available Asset For Qardh, referred to in Article 27, shall be as follow:
  - a. Sharia stocks, maximum is 40 % (forty per cent) of total Available Asset for Qardh;



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- b. sukuk or sharia bonds, maximum is 40 % (forty per cent) of total Available Asset for Qardh;
- c. sharia mutual funds, maximum is 40 % (forty per cent) of total Available Asset for Qardh; and
- d. pure gold, maximum is 20% (twenty percent) of total Available Asset for Qardh.

- (2) Available Asset for Qardh that is placed at one party, should not larger than 20% (twenty percent) of total Available Asset for Qardh, unless such placement at cash and bank, State Sharia and Sharia securities issued by Bank Indonesia.
- (3) One party, as referred to in paragraph (2), shall be the party as referred to in Article 13 paragraph (2).

4. Provision of Article 32 shall be amended ,therefore it reads as follow:

Article 32

- (1) Participant's Asset of Investment Fund shall be placed in the form of investment as referred to in Article 5.
- (2) Participant's Asset of Investment Fund shall be placed in the form of in the types of:
  - a. cash and bank;
  - b. investment receivable; and / or
  - c. investment return receivable.

5. Provision of paragraph (2) of Article 50 shall be amended, therefore Article 50 reads as follows:

Article 50

- (1) Company shall be prohibited to pay dividend to shareholders if it causes:
  - a. Incapability of the Company to provide the Available Asset for Qardh; and/ or
  - b. decrease the amount of capital or paid up working capital amount under the required provisions.
- (2) Company shall be prohibited to transfer of Tabarru' Fund asset and Participant's Investment Fund in any form to the Company and/ or any other party without prior the approval from the Minister.



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- (3) Company shall be prohibited to pledge Tabarru' fund asset and Participant's Investment Fund to other parties.
6. Provision of paragraph (1) and paragraph (2) point b of Article 51 shall be amended; therefore Article 51 reads as follows:

Article 51

- (1) Violation of the provision of Article 4 paragraph (2), Article 18 paragraph (2), Article 18 paragraph (3), Article 18 paragraph (6), Article 20 paragraph (1), Article 20 paragraph (2), Article 20 paragraph (8), Article 21 paragraph (2), Article 22 paragraph (1), Article 22 paragraph (2), Article 23 paragraph (2), Article 24 paragraph (1), Article 24 paragraph (2), Article 25 paragraph (1), Article 25 paragraph (3), Article 26, Article 31 paragraph (1), Article 32, Article 33 paragraph (3), Article 33 paragraph (5), Article 34, Article 35, Article 36 paragraph (2), Article 36 paragraph (4), Article 37 paragraph (1), Article 38 paragraph (1), Article 38 paragraph (2), Article 39 paragraph (3), Article 39 paragraph (4), Article 40 paragraph (1), Article 40 paragraph (2), Article 40 paragraph (3), Article 41, Article 42, Article 43, Article 44, Article 45 paragraph (1), Article 45 paragraph (2), Article 46 paragraph (1), Article 46 paragraph (3), Article 47, Article 48, Article 49 paragraph (1), Article 49 paragraph (5), Article 49 paragraph (8), Article 49 paragraph (9), Article 50 and Article 53 of this Regulation of Minister shall be categorized as the violation of the financial soundness, report submission, balance statement and profit and loss calculation and subject to administrative sanctions.
- (2) Administrative sanctions, as referred to in paragraph (1), shall be in the form of:
- written warning;
  - restrictions on business activities; and / or
  - 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 Year 1992 on the Organization of Insurance Business as it has been amended several times lastly with Government Regulation No. 81 Year 2008.
7. Article of 53 shall be amended, therefore it reads as follows

Article 53



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Company that have obtained license prior this Regulation comes into force, shall be obliged to make adjustments toward the provision concerning the Asset of Participant's Investment Fund as referred to in Article 32 not more than 6 ( six ) months after this Regulation of Minister comes into force.

Article II

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

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, 2012  
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 1323