

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 5 OF 2018
ON
IMPLEMENTATION OF LAW NUMBER 34 OF 2014
ON
HAJJ FUND MANAGEMENT

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that in order to implement the provisions of Article 19, Article 48 section (3), and Article 51 of Law Number 34 of 2014 on Hajj Fund Management, it is necessary to issue a Government Regulation on Implementation of Law Number 34 of 2014 on Hajj Fund Management;

Observing : 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 34 of 2014 on Hajj Fund Management (State Gazette of the Republic of Indonesia of 2014 Number 296, Supplement to the State Gazette of the Republic of Indonesian Number 5605);

HAS DECIDED:

To issue : GOVERNMENT REGULATION ON IMPLEMENTATION OF LAW NUMBER 34 OF 2014 ON HAJJ FUND MANAGEMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Hajj Fund means all rights and obligations of the Government that have monetary value related to the organisation of hajj and all assets in terms of money or valuable goods resulting from the implementation of those rights and obligations which resulted from the hajj pilgrims' fund and other legal and non-binding sources.
2. *Dana Abadi Umat* (People Perpetual Fund), hereinafter referred to as DAU, means the funds that prior to the effective date of the Law Number 34 of 2014 on Hajj Fund Management was generated from the management of DAU and/or the unutilised sum from the organisation of the hajj budget and other non-binding halal sources in accordance with the provisions of the legislation.
3. Organisation of the Hajj means a series of activities of the management of hajj that include the guidance, services, and protection of Hajj Pilgrims organized by the Government.
4. Organisation of the Special Hajj means Organisation of the Hajj carried out by organiser of the special hajj with special arrangement, funding, and services.
5. *Biaya Penyelenggaraan Ibadah Haji* (the Cost for the Organisation of the Hajj), hereinafter referred to as BPIH, means the amount that has to be paid by the citizens who register for hajj.
6. *Biaya Penyelenggaraan Ibadah Haji Khusus* (the Cost for the Organisation of the Special Hajj), hereinafter referred to as Special BPIH means the amount that has to be paid by the citizens who register for special hajj.
7. Hajj Account means an account of BPKH with Shariah Commercial Bank and/or Shariah Business Unit for the Hajj Pilgrims Fund.

8. Hajj Pilgrims means Indonesian citizen who are Muslims and have registered to perform hajj in accordance with the stipulated requirements.
9. *Badan Pengelola Keuangan Haji* (Hajj Fund Management Agency), hereinafter referred to as BPKH, means an institution carrying out Hajj Fund Management.
10. *Penyelenggara Ibadah Haji Khusus* (Organiser of the Special Hajj), hereinafter referred to as PIHK, means a party that organises the special hajj and already obtaining permit from the Minister as PIHK.
11. *Bank Penerima Setoran Biaya Penyelenggaraan Ibadah Haji* (Bank receiving the Cost for the Organisation of the Hajj), hereinafter referred to as BPS BPIH means a Shariah Commercial Bank and/or Shariah Business Unit appointed by BPKH as BPS BPIH.
12. Minister means the minister administering government' religious affairs.

Article 2

- (1) The Hajj Fund Management covers the planning, implementation, accountability, reporting and supervision of the Hajj Fund.
- (2) The planning, implementation, accountability and reporting as referred to in section (1) are carried out by the Executive Board.
- (3) The supervision as referred to in section (1) is carried out by the Supervisory Board.

CHAPTER II PLANNING

Article 3

The planning as referred to in Article 2 section (1) includes:

- a. policy formulation;
- b. preparation of strategic plan; and
- c. preparation of annual work plan and budget.

Article 4

- (1) The formulation of the Hajj Fund Management policy as referred to in Article 3 point a is based on:
 - a. Hajj Fund capability;
 - b. economic development; and
 - c. the results of monitoring on and evaluation of the Organisation of Hajj.
- (2) The Hajj Fund Capability as referred to in section (1) point a is is measured by taking into consideration at least the aspects of liquidity, profitability, solvency, and balance of Hajj Fund.

Article 5

- (1) The preparation of the Hajj Fund Management strategic plan as referred to in Article 3 point b is based on the Hajj Fund Management policy as referred to in Article 4.
- (2) The Hajj Fund Management strategic plan as referred to in section (1) is prepared for the period of 5 (five) years.
- (3) For the first time, the Hajj Fund Management strategic plan is to be prepared within no later than 6 (six) months from the date of the establishment of BPKH.
- (4) Subsequently, the Hajj Fund Management strategic plan is to be prepared within no later than 6 (six) months before the expiry of the existing Hajj Fund Management strategic plan.
- (5) The Hajj Fund Management strategic plan as referred to in section (2) at least contains:
 - a. vision, mission and objectives;
 - b. policy direction and strategy;
 - c. regulatory and institutional framework; and
 - d. performance targets and framework of Hajj Fund development.
- (6) The Executive Board is obligated to submit a draft strategic plan of Hajj Fund Management as referred to in section (5) to the Supervisory Board for assessment and approval.

- (7) The draft strategic plan of the Hajj Fund Management that has been assessed and approved by the Supervisory Board as referred to in section (6) is submitted by the Executive Board to the House of the Representatives for the approval.
- (8) The submission of the draft the Hajj Fund Management strategic plan to the House of the Representatives as referred to in section (7) is carried out within no later than 7 (seven) working days after obtaining the approval from the Supervisory Board.
- (9) The draft strategic plan that has been approved by the House of the Representatives as referred to in section (7) is affirmed by the Executive Board as the Hajj Fund management strategic plan.

Article 6

- (1) The preparation of the annual work plan and budget of the Hajj Fund management as referred to in Article 3 point c is based on the strategic plan of Hajj Fund Management as referred to in Article 5 section (9).
- (2) The annual work plan and budget of the Hajj Fund management as referred to in section (1) are prepared for a period of 1 (one) year.
- (3) The annual work plan and budget of the Hajj Fund management as referred to in section (1) contain at least:
 - a. programs;
 - b. activities;
 - c. budget; and
 - d. performance targets.
- (4) The Executive Board submits the draft of annual work plan and budget of the Hajj Fund management as referred to in section (3) to the Supervisory Board to obtain an assessment and approval.
- (5) The annual work plan and budget of the Hajj Fund management which has been assessed and approved by the Supervisory Board as referred to in section (4) are submitted by the Executive Board to the House of Representatives for its approval.

- (6) The annual work plan and budget of the Hajj Fund management that has been approved by the House of Representatives as referred to in section (5) is to be affirmed by the Executive Board as the Hajj Fund Management annual work plan and budget.
- (7) The annual work plan and budget of the Hajj Fund management as referred to in section (6) come into effect as of 1 January to 31 December.
- (8) The annual work plan and budget of the subsequent Hajj Fund management is to be submitted to the House of Representatives by no later than 1 August of the current year.

CHAPTER III IMPLEMENTATION

Part One General

Article 7

- (1) The implementation as referred to in Article 2 section (1) include:
 - a. income;
 - b. expenses; and
 - c. assets.
- (2) In the implementation of income, expenses, and assets as referred to in section (1), the Executive Board must:
 - a. implement the affirmed Hajj Fund Management programs and the recommendations based on the supervision and monitoring by the Supervisory Board;
 - b. carry out the administration of the Hajj Fund Management and BPKH assets in accordance with legislation;
 - c. set the procedures of BPKH; and
 - d. undertake the administration of Hajj Fund Management in accordance with the provisions of the legislation.

- (3) To carry out the administration of the Hajj Fund Management as referred to in section (2) point b, the Executive Board set the accounting policies and accounting systems of the Hajj Fund Management.
- (4) Accounting policies and accounting systems of the Hajj Fund Management as referred to in section (3) must be prepared in accordance with accounting standards.

Part Two

Income

Paragraph 1

General

Article 8

The income as referred to in Article 7 section (1) point a includes:

- a. BPIH and/or Special BPIH deposits;
- b. the financial returns of the Hajj Fund;
- c. The balance from the expenses for the Organisation of Hajj;
- d. DAU; and/or
- e. other legal and unconditional sources.

Paragraph 2

BPIH and/or Special BPIH deposits

Article 9

- (1) BPIH and/or Special BPIH deposits as referred to in Article 8 point a constitute the sum deposited by the Hajj Pilgrims to perform hajj.
- (2) The sum deposited by the Hajj Pilgrims as referred to in section (1) is not written as part of the government budget.

Article 10

- (1) BPIH and/or Special BPIH deposits as referred to in Article 8 point a are generated from the Hajj Pilgrims.

- (2) BPIH and/or Special BPIH deposits as referred to in section (1) consist of initial deposits and final deposits.
- (3) The initial deposits of BPIH and/or Special BPIH is paid through the Hajj Pilgrims 's savings account with BPS BPIH to the initial deposit account in the name of BPKH as the legal representative of the Hajj Pilgrims as one of the conditions to obtain the Hajj Pilgrims portion number when registering as a Hajj Pilgrim.
- (4) Final deposits of BPIH and/or Special BPIH is paid through the Hajj Pilgrims 's savings account with BPS BPIH to an account in the name of BPKH as the legal representative of the Hajj Pilgrims, that represents the difference between the BPIH and the initial deposits plus the returns, when the Hajj Pilgrims has been declared entitled to make the full settlement of BPIH or Special BPIH.
- (5) The sum of initial deposits is declared by the Minister.

Article 11

- (1) The appointment of BPS BPIH as referred to in Article 10 section (3) and section (4) is made through the process of selection and affirmation.
- (2) The provisions regarding the procedures for the selection and affirmation of BPS BPIH are regulated by the Regulations of BPKH.

Article 12

- (1) Every citizen that has the intent to perform Hajj must open a Hajj Pilgrims savings account with BPS BPIH.
- (2) BPS BPIH as referred to in section (1) must have Hajj Pilgrims saving products in rupiah denomination.
- (3) All citizens that already have hajj saving accounts as referred to in section (1) must pay the initial deposit of BPIH and/or Special BPIH at the amount as specified in Article 10 section (5).
- (4) Hajj Pilgrims savings accounts as referred to in section (1) may be closed within no later than 6 (six) months after

the arrival date of the last batch of Hajj Pilgrims in Indonesia.

- (5) Further provisions regulating the procedures for the management of the Hajj Pilgrims saving accounts as referred to in section (1), section (3), and section (4) are regulated by BPKH Regulations.

Article 13

- (1) The payment of the initial deposit of BPIH and/or Special BPIH as referred to in Article 12 section (3) is followed by the filling out and signing of the *wakalah* contract form by the Hajj Pilgrims.
- (2) The provisions regarding the type, format and requirements of the *wakalah* contract are regulated by BPKH Regulations.

Paragraph 3

Financial Returns of Hajj Fund

Article 14

- (1) The financial returns of Hajj Fund as referred to in Article 8 point b is obtained from the profit generated from the Hajj Fund development.
- (2) The Hajj Fund Development is made through placement and/or investment.

Article 15

- (1) The financial returns of Hajj Fund is placed in the financial returns account in the name of BPKH with BPS BPIH designated by BPKH.
- (2) The appointment of BPS BPIH as referred to in section (1) is made through the process of selection and affirmation.
- (3) The provisions regarding the procedures for selecting and affirming the status of BPS BPIH managing the financial returns of Hajj Fund and their management mechanisms are regulated by BPKH Regulations.

Paragraph 4
Unutilised Sum from the Organisation of Hajj

Article 16

- (1) The Unutilised Sum from Organisation of Hajj as referred to in Article 8 point c be obtained from the results of operational cost efficiency of the Organisation of Hajj.
- (2) The Unutilised Sum from Organisation of Hajj as referred to in section (1) must be paid to the Hajj Account.
- (3) The payment of the Unutilised Sum from Organisation of Hajj to the Hajj Account as referred to in section (2) must be made within no later than 1 (one) month after the receipt of audit finding report by the National Audit Board.

Paragraph 5
People Perpetual Fund (DAU)

Article 17

- (1) DAU as referred to in Article 8 point d is a separate fund allocation in the Hajj Fund management.
- (2) DAU as referred to in section (1) is placed and/or invested based on a low-risk rate or profile.

Paragraph 6
Other Legal and Unconditional Sources

Article 18

- (1) Other legal and unconditional sources as referred to in Article 8 point e include:
 - a. gift;
 - b. aid; and
 - c. *waqaf*.
- (2) Other legal and unconditional sources as referred to in section (1) may be in a form of cash, goods, and/or services.

Part Three
Expenses

Paragraph 1
General

Article 19

Expenses as referred to in Article 7 section (1) point b include:

- a. Organisation of Hajj;
- b. BPKH operational expenses;
- c. placement and/or investment of Hajj Fund;
- d. refund of deposits of BPIH and/or Special BPIH for Hajj Pilgrims who withdraw their registration due to lawful reason;
- e. payment of Special BPIH deposit balance to PIHK;
- f. payment of the financial returns of BPIH and/or Special BPIH deposit;
- g. the programs for the benefit of the Muslims; and
- h. refunding the difference between the BPIH and/or Special BPIH deposit balance from the affirmed BPIH and/or Special BPIH of the current year.

Article 20

- (1) BPKH must ensure the availability of the Hajj Fund equals to the sum for 2 (two) times the cost of Hajj Organisation for each Hajj season in the current year.
- (2) The amount of the need as referred to in section (1) is determined by the Decision of the Minister.
- (3) In preparing the amount of the need as referred to in section (2), BPKH provides some inputs to the Minister.
- (4) The provision on the Hajj Fund as referred to in section (1) is carried out by BPKH after the stipulation of the Decree of the Minister as referred to in section (2).
- (5) The Hajj Fund as referred to in section (1) may be placed entirely or partly in terms of guaranteed, safe, and easily accessible placement and/or investment.

Paragraph 2
Organisation of Hajj Expenses

Article 21

- (1) The source for the expenses for the Organisation of Hajj as referred to in Article 19 point a are:
 - a. balance of BPIH and/or Special BPIH from the Hajj Pilgrims performing the Hajj in the current year; and
 - b. portion of financial returns of the current year.
- (2) The Organisation of Hajj expenses originating from the financial returns as referred to in section (1) point b is paid on the basis of rational, effective and efficient and for the optimum interests of the Hajj Pilgrims principles.
- (3) In preparing the calculation of the expenditure of Organisation of Hajj expenses as referred to in section (1), BPKH provides some inputs to the Minister.
- (4) The expenditure of Organisation of Hajj expenses as referred to in section (1) are determined by the central government after obtaining the approval from the House of Representatives.
- (5) The Organisation of Hajj expenses as referred to in section (1) be made by transferring funds from the Hajj Account to the account for the Organisation of Hajj work unit treasury on periodical basis.
- (6) BPKH transfers the fund from the Hajj Account to the account for the Organisation of Hajj work unit treasury within no later than 10 (ten) working days after the receipt of the application letter for the transfer of fund from the Organisation of Hajj work unit.
- (7) Further provisions regarding the procedure for transferring fund from the Hajj Account for the payment of Organisation of Hajj expenses including the phases and the amount of each phase are regulated by a Ministerial Regulation.

Paragraph 3

Operational Expenses of Hajj Fund Management

Article 22

The BPKH operational expenses as referred to Article 19 point b include:

- a. employee expenditure; and
- b. office operational expenditure.

Article 23

- (1) BPKH operational expenses for the employee expenditure as referred to in Article 22 point a consist of salary or wages and other financial rights.
- (2) The salaries or wages and other financial rights as referred to in section (1) are provided to the members of the executive board, the members of the supervisory board, and BPKH employees.
- (3) Provisions regarding salary or wages and other financial rights of members of the executive board and members of the supervisory board are regulated by a Presidential Regulation.
- (4) The provisions regarding salary or wages and other financial rights of BPKH employees are regulated by BPKH Regulations.

Article 24

- (1) Expenses for office operational expenditure as referred to in Article 22 point b consist of goods expenditure and capital expenditure.
- (2) The provisions regarding goods expenditure and capital expenditure as referred to in section (1) are regulated by BPKH Regulations.

Article 25

- (1) Operational expenses as referred to in Article 22 is carried out based on the rational, effective, efficient, transparent and accountable principles.

- (2) The expenditure of BPKH operational expenses as referred to in Article 22 must not exceed a 5% (five percent) of the total financial returns made in the previous year.
- (3) BPKH submits a proposal for the expenditure of operational expenses as referred to in Article 22 to the House of Representatives within no later than 3 (three) months prior to the end of the current fiscal year to obtain its approval.
- (4) The approval of the House of Representatives as referred to in section (3) be submitted by BPKH to the Minister for affirmation within no later than 1 (one) month.
- (5) In the event the House of Representatives does not give the approval on the proposed expenses for BPKH operations as referred to in section (3), the expenditure for BPKH operations is set based on the previous year's affirmation of Minister.

Paragraph 4

Hajj Fund Placement and/or Investment Expenses

Article 26

- (1) Hajj Fund placement may be made in a form of Islamic banking products.
- (2) Hajj Fund investments may be made in a form of securities, gold, direct investments and other investments.
- (3) The Hajj Fund placement and/or investment as referred to in section (1) and section (2) be carried out in accordance with shariah principles by taking into account the security, prudential, financial returns, and liquidity aspects.
- (4) In addition to fulfilling the security, prudential, financial returns, and liquidity aspects as referred to in section (3), Hajj Fund investment expenditure is carried out by optimizing the risk management.

Article 27

- (1) Islamic (shariah) banking products as referred to in Article 26 section (1) include:
 - a. current account;
 - b. time deposit; and
 - c. savings.
- (2) During the 3 (three) years as of the establishment of BPKH, the Hajj Fund expenditure in terms of placement in shariah banking products as referred to in section (1) must not exceed 50% (fifty percent) of the total Hajj Fund placement and
- (3) Subsequently, after 3 (three) as of the establishment of BPKH, the Hajj Fund expenses in the terms of shariah banking product placement must not exceed 30% (thirty percent) of total Hajj Fund placement and investment.
- (4) The unutilised sum of the total Hajj Fund placements in shariah banking products as referred to in section (2) or section (3) is allocated for investment.

Article 28

- (1) The Hajj Fund Investment in terms of securities as referred to in Article 26 section (2) includes:
 - a. shariah securities issued by the central government;
 - b. shariah securities issued by Bank Indonesia; and
 - c. shariah securities regulated and supervised by the Financial Services Authority.
- (2) Shariah securities regulated and supervised by the Financial Services Authority as referred to in section (1) point c include:
 - a. shariah stocks listed on the stock exchange;
 - b. sukuk;
 - c. shariah mutual fund;
 - d. shariah asset-backed securities;
 - e. shariah real estate investment funds; and
 - f. other shariah securities.
- (3) Investment as referred to in section (1) and section (2) is made in accordance with the legislative provisions.

Article 29

- (1) Hajj Fund Investment in terms of gold as referred to in Article 26 section (2) may only be made in a form of certified gold bars produced and/or sold domestically and/or in the form of gold accounts managed by shariah financial institutions licensed and supervised by the Financial Services Authority.
- (2) Investment in terms of gold as referred to in section (1) must not exceed 5% (five percent) of the total Hajj Fund placement and/or investment.

Article 30

- (1) Direct investment as referred to in Article 26 section (2) is carried out by:
 - a. having own business;
 - b. capital participation;
 - c. investment cooperation; and
 - d. other direct investment.
- (2) The direct investment as referred to in section (1) may be carried out in form of cooperation between BPKH and business entities and/or institutions in the home country and/or overseas in accordance with provisions in the legislation.
- (3) The direct investment as referred to in section (1) must not exceed 20% (twenty percent) of the total Hajj Fund placement and/or investment.

Article 31

- (1) Other investments as referred to in Article 26 section (2) are determined by BPKH.
- (2) Other investments as referred to in section (1) must not exceed 10% (ten percent) of the total Hajj Fund placement and/or investment.

Article 32

Further provisions regarding the procedures and forms of Hajj Fund placement and/or investment are regulated by BPKH Regulation.

Paragraph 5

Expenses for refund of Deposits of BPIH and/or Special BPIH
for Hajj Pilgrims s Who Cancel Their Departure for Valid
Reason

Article 33

- (1) The expenses for refund of deposits of BPIH and/or Special BPIH for Hajj Pilgrims s who cancel their departure for a valid reason as referred to in Article 19 point d consist of:
 - a. refunding initial deposit of BPIH and/or Special BPIH together with the financial returns generated therefrom; and/or
 - b. refunding of final deposits of BPIH and/or Special BPIH and the financial returns generated therefrom.
- (2) Expenses for refunding of BPIH and/or Special BPIH deposit for Hajj Pilgrims canceling departures for a valid reason as referred to in section (1) are paid to the Hajj Pilgrims through the respective pilgrims' accounts with BPS BPIH.
- (3) Further provisions regarding the procedure for refunding of BPIH and/or Special BPIH deposits as referred to in section (1) and section (2) are regulated by BPKH Regulations.

Article 34

- (1) Balance of BPIH and/or Special BPIH deposits consist of BPIH and/or Special BPIH deposits together with their financial returns generated therefrom.
- (2) BPIH and/or Special BPIH deposit balances as referred to in section (1) may not be withdrawn by the Hajj Pilgrims, except for Hajj Pilgrims who cancel their portions, due to death, or other valid reasons in accordance with provisions in the legislation.
- (3) Any Hajj Pilgrims who cancelled their Hajj registration may withdraw the whole sum of BPIH and/or the Special BPIH deposit by applying for cancelling the Hajj

registration to the Minister or an official appointed by the Minister.

- (4) The Minister or the official appointed by the Minister follows up the application for cancellation of a Hajj pilgrim registration as referred to in section (3) by issuing a payment order to BPKH within no later than 14 (fourteen) working days after the receipt of the application.
- (5) Further provisions regarding the procedure for cancelling the Hajj registration as referred to in section (2), section (3), and section (4) are regulated by Regulation of the Minister.

Article 35

- (1) BPKH refunds the whole sum of BPIH and/or Special BPIH deposit to the Hajj Pilgrims 's account within no later than 5 (five) working days after BPKH receives a payment order from the Minister or an official appointed by the Minister.
- (2) In the event that the sum of BPIH deposit is greater than the current year's affirmed BPIH, then BPKH refunds the difference to the Hajj Pilgrims.
- (3) Further provisions regarding the procedure for the refund of BPIH balances and/or special BPIH as well as the refund of the difference as referred to in section (1) and section (2) are regulated by BPKH Regulations.

Paragraph 6

Expenditure for Payment of Special BPIH Deposit Balance
to PIHK

Article 36

- (1) The expenditure for payment of special BPIH Deposit Balance to PIHK as referred to in Article 19 point e is paid in accordance with the number of special Hajj Pilgrims who have fully paid the Special BPIH and are scheduled to perform Hajj in the current year.

- (2) The expenditure for the payment of the Special BPIH deposit balance to the PIHK as referred to in section (1) is paid after deducting the fees determined by the Government of the Kingdom of Saudi Arabia.

Paragraph 7

Expenses for Payment of the financial returns of BPIH Deposit and/or Special BPIH

Article 37

- (1) Expenses for payment of financial returns of BPIH and/or Special BPIH deposit as referred to in Article 19 point f is affected periodically by BPKH to the Hajj Pilgrims 's virtual account with BPS BPIH.
- (2) The expenditure as referred to in section (1) is determined based on a percentage of the financial returns of Hajj Fund of the current year.
- (3) The calculation of the percentage of expenditure as referred to in section (2) is made by BPKH taking into consideration the Hajj Fund profitability, liquidity and solvency aspects.
- (4) The results of the expenditure percentage calculation as referred to in section (3) are submitted by BPKH to the House of Representatives for its approval.
- (5) BPKH affirms the approved percentage of expenditure as referred to in section (4) annually.

Paragraph 8

Expenses for the Programs for the Benefit of the Muslims

Article 38

- (1) The source for the expenses for the programs for the benefit of the Muslims as referred to in Article 19 point g are is the returns of DAU.
- (2) The program for the benefit of the Muslims as referred to in section (1) is carried out in accordance with the provisions of the legislation.

- (3) BPKH determines the amount of DAU returns as referred to in section (1) based on the proportion of DAU to Hajj Fund.
- (4) The financial returns of DAU that may be allocated for the benefit of the Muslims must not exceed the total financial returns of DAU from the previous year.
- (5) BPKH determines the priority of the programs and the allocation from the DAU financial returns as referred to in section (4).
- (6) In determining the programs priorities as referred to in section (5), BPKH coordinates with the Minister.
- (7) Further provisions regarding the affirmation of programs priority and the allocation of DAU financial returns are regulated by BPKH Regulation.

Paragraph 9

Expenses for Refund of Balance of BPIH and/or Special BPIH Deposit from Determination of BPIH and/or Special BPIH of the Current Year

Article 39

The expenditure for refunding of the difference of BPIH and/or Special BPIH deposit balance and the affirmed BPIH and/or Special BPIH in the current year as referred to in Article 19 point h is paid to the Hajj Pilgrims through the relevant Hajj Pilgrims's accounts with BPS BPIH.

Part Four

Assets

Article 40

- (1) The assets as referred to in Article 7 section (1) point c include:
 - a. cash; and
 - b. valuable goods.
- (2) The management of the assets in the form of cash and valuable goods as referred to in section (1) is carried out

using a financial accounting system in accordance with the provisions of the legislation.

- (3) The management of the assets in the form of valuable goods as referred to in section (1) point b includes:
 - a. requirements planning and budgeting;
 - b. procurement;
 - c. usage;
 - d. utilization;
 - e. security and maintenance;
 - f. assessment;
 - g. writing-off;
 - h. transfer;
 - i. administration; and
 - j. guidance, supervision and control.
- (4) The provisions regarding the management of assets in terms of valuable goods as referred to in section (3) are regulated by BPKH Regulations.

CHAPTER IV ACCOUNTABILITY AND REPORTING

Article 41

- (1) The accountability and reporting as referred to in Article 2 section (1) is carried out by the Executive Board.
- (2) To carry out accountability and reporting as referred to in section (1), the Executive Board must:
 - a. prepare the progress reports and financial statement on monthly, quarterly, semi-annually and annually basis; and
 - b. prepare the accountability report on the Hajj Fund Management.
- (3) The accountability report on the implementation of Hajj Fund Management prepared periodically on a monthly, quarterly, and semi-annually basis serves as the material for preparing the accountability report on the implementation of Hajj Fund Management to the President and the House of Representatives every 6 (six) months.

- (4) The submission of the accountability reports on the implementation of Hajj Fund Management to the President and the House of Representatives as referred to in section (3) be made by the Executive Board within no later than 31 August of the current year and 28 February of the following year.
- (5) The accountability report on the implementation of Hajj Fund management prepared in every 6 (six) months in the current year serves as the material for preparing the annual accountability report on the implementation of the Hajj Fund Management.

CHAPTER V SUPERVISION

Article 42

- (1) The supervision to the planning, implementation, accountability and reporting of Hajj Fund Management is carried out by the Supervisory Board.
- (2) The supervision as referred to in section (1) is carried out through:
 - a. monitoring and evaluation to the implementation of the Hajj Fund management;
 - b. approval to policy formulation, draft of strategic plan, draft of Hajj Fund Management annual work plan and budget; and
 - c. assessment and consideration on the accountability report on the Hajj Fund Management implementation and BPKH management as prepared by the Executive Board.
- (3) In carrying out the supervisory task as referred to in section (1) and section (2), the Supervisory Board must:
 - a. prepare the guidelines for the supervision and monitoring of the implementation of the Hajj Fund Management;
 - b. review and analyze the draft policy formulation, strategic plans, annual work plans and budget for

the Hajj Fund management within no later than 20 (twenty) working days after receiving them from the Executive Board;

- c. review and examination of the progress reports and financial statements; and
 - d. guidance on the preparation of accountability reports on the Hajj Fund management.
- (4) In carrying out the tasks as referred to in section (1), section (2), and section (3), the Supervisory Board may coordinate with the Financial Services Authority.

Article 43

- (1) The results of the supervision to the planning, implementation, accountability, and reporting of the Hajj Fund management as referred to in Article 42 section (1) is provided to the Executive Board in writing.
- (2) The Executive Board must take action as per the supervision report as referred to in section (1).

CHAPTER VI CLOSING PROVISIONS

Article 44

- (1) Within no later than 6 (six) months as of the establishment of BPKH, all assets and liabilities as well as legal rights and obligations of the Hajj Fund and the assets must be transferred to the assets, the liabilities and the legal rights and obligations of BPKH.
- (2) The transfer of all assets and liabilities as well as the legal rights and obligations to the Hajj Fund and the assets as referred to in section (1) from the ministry of religious affairs to BPKH is affected after the conclusion of audit by the National Audit Board.

Article 45

This Government Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Government Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 13 February 2018

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 19 February 2018

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 13

Jakarta, 16 November 2021
Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 5 OF 2018
ON
IMPLEMENTATION OF LAW NUMBER 34 OF 2014 ON
HAJJ FUND MANAGEMENT

I. GENERAL

To realize the ideal Hajj Fund management, Law Number 34 of 2014 on Hajj Fund Management was enacted. Thereafter, in order to implement the provisions of the Law, this Government Regulation is established.

The Hajj Fund Management is implemented pursuant to or on the basis of shariah principles, prudence, financial returns, not for profit, transparency and accountability. In addition to that, the Hajj Fund Management must be carried out effectively and efficiently. All of these basis or principles in the Hajj Fund management are carried out by the Executive Board and the Supervisory Board as the BPKH organ for the optimum benefit of the Hajj Pilgrims and the benefit of the Muslims.

The scope of this Government Regulation covers the arrangements of the Hajj Fund management that includes planning, implementation, accountability, reporting, and supervision of the Hajj Fund. In addition to that, this Government Regulation also regulates the provisions regarding the transfer of all assets and liabilities as well as all the legal rights and obligations to the Hajj Fund and its assets from the ministry of the religious affairs to BPKH after the conclusion of the audit by the National Audit Board.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term the "portion number" means the registration serial number issued by the ministry of religious affairs for the Hajj Pilgrims .

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Section (1)

The term "*wakalah* contract" means the granting of authority to manage the initial deposit of BPIH and/or Special BPIH to BPKH in the form of a written agreement on the initial deposit management of BPIH and/or Special BPIH from the Hajj Pilgrims to BPKH as the authorized party in accordance with shariah principles.

Section (2)

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Optimization of risk management is carried out by, among others, investment diversification and/or investment protection.

The term "Investment diversification" means a variety of investments in order to diversify the risk.

The term "investment protection" means the investment is affected by incorporating an element of protection or underwriting.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Section (1)

The term "periodically" means the payment of the financial returns is affected every 6 (six) months.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.