



Komite Nasional Ekonomi dan Keuangan Syariah

THE PROFILE OF COMMITTEE FOR ISLAMIC ECONOMY AND FINANCE (KNEKS)

October 2020

OUTLINE

1. Logo & Tagline
2. Preliminary
3. Master Plan for Indonesia Islamic Financial Architecture (MAKSI)
4. National Committee for Islamic Finance (KNKS)
5. Indonesia Islamic Economy Masterplan (MEKSI) 2019-2024
6. Executive Management of KNKS
7. Implementation Plan of Islamic Economic and Finance Development
8. National Committee for Islamic Economy and Finance (KNEKS)
9. KNEKS Work Plan 2020-2024



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LOGO & TAGLINE

KNEKS' LOGO & TAGLINE



National Committee for Islamic Economy and Finance

Synergizing Effort, Advancing the Nation



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PRELIMINARY

INDONESIA'S GLOBAL ACHIEVEMENTS ON ISLAMIC ECONOMY AND FINANCE



CRESCE
NT
RATING



CAMBRIDGE
INSTITUTE OF
ISLAMIC FINANCE

REFINITIV™


DinarStandard
Growth Strategy Research & Advisory

1

Rank 1 (Rose from rank 2 in 2018)
Global Muslim Travel Index 2019

1

Rank 1 (Rose from rank 6 in 2018)
Global Islamic Finance Report (GIFR) 2019

4

Rank 4 (Rose from rank 10 in 2018)
Islamic Finance Development Report (IFDI) 2019

5

Rank 5 (Rose from rank 10 in 2018)
The State of Global Islamic Economy 2019-2020

KNEKS' GLOBAL ACHIEVEMENTS



KNEKS as the Winner of the Global Islamic Finance Awards (GIFA)
on Islamic Finance Advocacy Award 2020

KNKS MILESTONE TO BE KNEKS



National Committee for Islamic Economy and Finance (KNEKS)

Formation of KNEKS based on Presidential Regulation No. 28/2020

2020



- *Indonesia should be the world's center of Islamic finance*
- *Islamic finance could be a main solution in financing the infrastructure, developing economy, alleviating poverty, and reducing social disparity*

Master plan for Indonesia Islamic Financial Architecture (MAKSI)

Aiming to enhance infrastructure and capability of Islamic financial system and position Indonesia as the major player in Global Islamic finance

December
2015



KNKS
Komite Nasional Keuangan Syariah

January
2019

National Committee for Islamic Finance (KNKS)

- KNKS Establishment based on Presidential Regulation No.91/2016
- Presidential Decree No. 65/M/2018 on KNSKS Executive Director Inauguration
- Executive Director Inauguration on Jan 2019

Indonesia Islamic Economy Master plan (MEKSI)

MEKSI launch in 2019 as the roadmap and guidance in developing Islamic economy and finance



May
2019

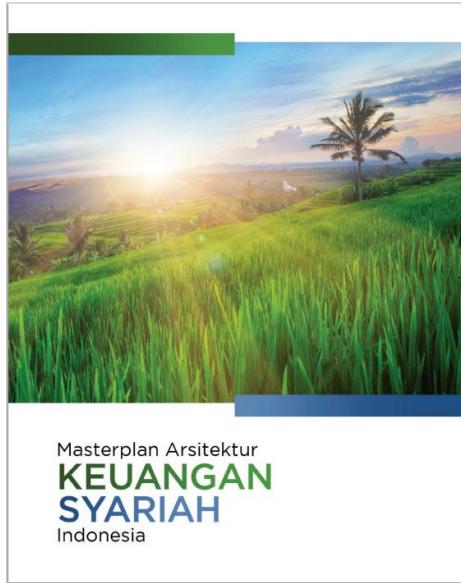


December
2019

Implementation Plan of Indonesia Islamic Economic Development

- A reference for Ministries and Institutions in implementing Islamic economic development in Indonesia.
- Encompasses 27 key initiatives for 2020-2024

MASTER PLAN FOR INDONESIA ISLAMIC ECONOMY AND FINANCE DEVELOPMENT



Master plan for Indonesian Islamic Financial Architecture launched in 2016, one of the initiatives is the establishment of KNKS



Indonesia Islamic Economy Master plan 2019-2024 launched on May 2019 by the President of Republic of Indonesia as the roadmap towards Indonesia's vision to be the world's center of Islamic economy in 2024

Compiled in 2019 along with various Islamic economy and finance stakeholders as the implementation plan of Islamic economic and finance development

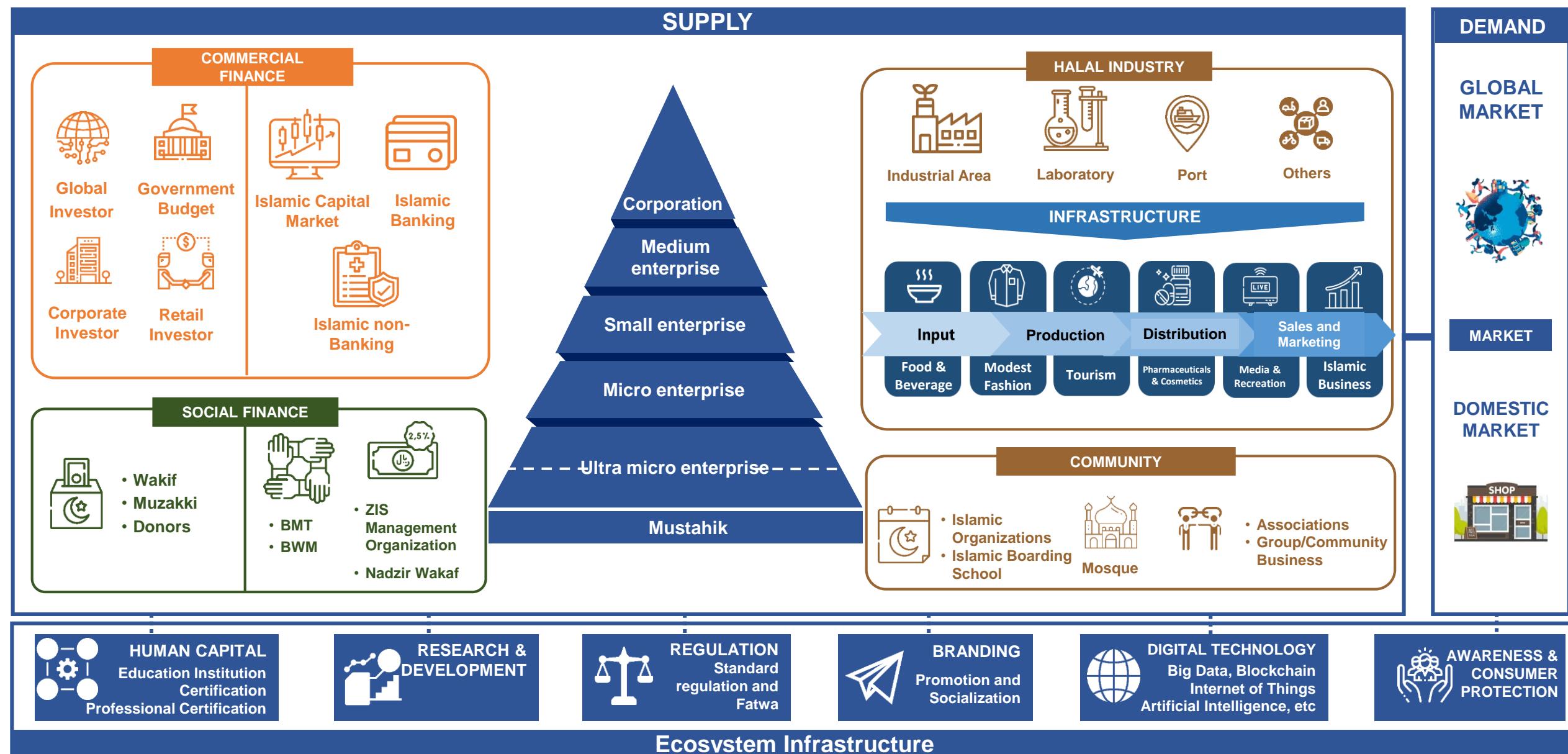


KNEKS Work Plan 2020-2024 is a guideline for KNEKS in achieving Indonesia's vision to be the world's center of Islamic economy in 2024

RENCANA KERJA
KOMITE NASIONAL EKONOMI DAN KEUANGAN SYARIAH
2020-2024



ISLAMIC ECONOMIC AND FINANCE ECOSYSTEM





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MASTER PLAN FOR INDONESIA ISLAMIC FINANCIAL ARCHITECTURE (MAKSI)

MASTER PLAN FOR INDONESIA ISLAMIC FINANCIAL ARCHITECTURE (MAKSI)



Launched in December 2015

Aiming to improve the infrastructure and capabilities of the Islamic financial system and position Indonesia as a major player in Global Islamic Finance

MAIN RECOMMENDATIONS OF MAKSI

The Masterplan is about enhancing the country's existing infrastructure and capabilities of Islamic finance, closing any gaps, improving institutional performance, creating new opportunities in domestic and international markets and positioning Indonesia as a leading player in Islamic finance worldwide. The salient recommendations of the Masterplan are:

- Establishment of a **National Islamic Finance Committee (KNKS)** through a Presidential Regulation. This committee will act as the national 'champion' body on Indonesia's vision of Islamic finance and will monitor the implementation of the Masterplan;
- Announcing a government policy to support Islamic finance by providing a level playing field to Islamic financial institutions. The policy should encourage all government entities and State-Owned Enterprises to put some of their funds in Islamic financial institutions, offer their employees the choice of selecting Islamic options for receiving their salaries in Islamic bank accounts, and having the choice of benefits like Islamic pensions and Takaful covers etc.;
- Encourage all funds collected for Hajj funds, Zakat and Waqf etc to be deposited and maintained in Islamic banking accounts;
- Launching a National Socialisation Programme for raising awareness at macro and micro levels;
- Launching a National Human Capital Development Programme by introducing new professional qualifications, imposing mandatory budgets for training and changing employment rules to improve resource quality;
- Enhancing the regulatory framework by consolidating the existing framework and making amendments or issuing new regulations to cover the gaps;
- Launching a government Sukuk policy to increase issuance of government Sukuk and issue new instruments related to infrastructure development, agriculture and educational projects;
- Enhancing Islamic capital market infrastructure by authorizing new Sukuk funds and Islamic primary dealers;

MAIN RECOMMENDATIONS OF MAKSI (cont'd)

- Offering incentives related to the instruments designed for funding national economic development projects like infrastructure and agriculture etc.;
- Changing the accounting treatment of Sukuk to boost liquidity in the secondary market;
- Provide opportunities for the establishment of Islamic investment banks to fill the gap in the banking sector and leading on major development projects;
- Changing capital requirements for Islamic Commercial Banks and Islamic Rural Banks to give them the financial muscle for future growth;
- Consolidating the Islamic banking sector by mergers to create bigger and financially stronger players;
- Changing conditions for the Islamic Business Units' spin-off in 2023 to avoid issues in the Islamic banking sector;
- Enhancing market infrastructure for the Islamic non-banking sector to boost their activities;
- Enhancing regulation and supervision of the Islamic microfinance sector;
- Provide opportunities for the establishment of new APEX funds for Islamic microfinance institutions;
- Provide opportunities for the establishment of packaged services providers for the Islamic microfinance sector to help the players with technical assistance at affordable costs;
- Changing the governance structure of BAZNAS and BWI, giving them more powers to regulate Zakat and Waqf sectors, and strengthening the BPKH's role in Hajj funds management; and
- Enhancing the Shariah Governance Framework by strengthening the role of DSN-MUI, strengthening the Shariah Financial Services Development Committee (KPJKS) at OJK, strengthening Shariah compliance processes and procedures, and introducing internal Shariah audit.



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**NATIONAL COMMITTEE FOR
ISLAMIC FINANCE (KNKS)**

THE LAUNCHING OF KNKS



In order to support the development of national economy and enhance the acceleration of sharia financial sector development, on November 8, 2016, Indonesian government dedicatedly established KNKS through the **Presidential Regulation No. 91/2016** to boost the effectiveness and efficiency of national development plan in Islamic economic and financial sector.

KNKS was launched by the President of the Republic of Indonesia Joko Widodo at the State Palace (Istana Negara) **on July 27, 2017**.



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INDONESIA ISLAMIC ECONOMY MASTERPLAN (MEKSI) 2019-2024

MASTERPLAN FOR INDONESIAN ISLAMIC ECONOMY 2019 - 2024

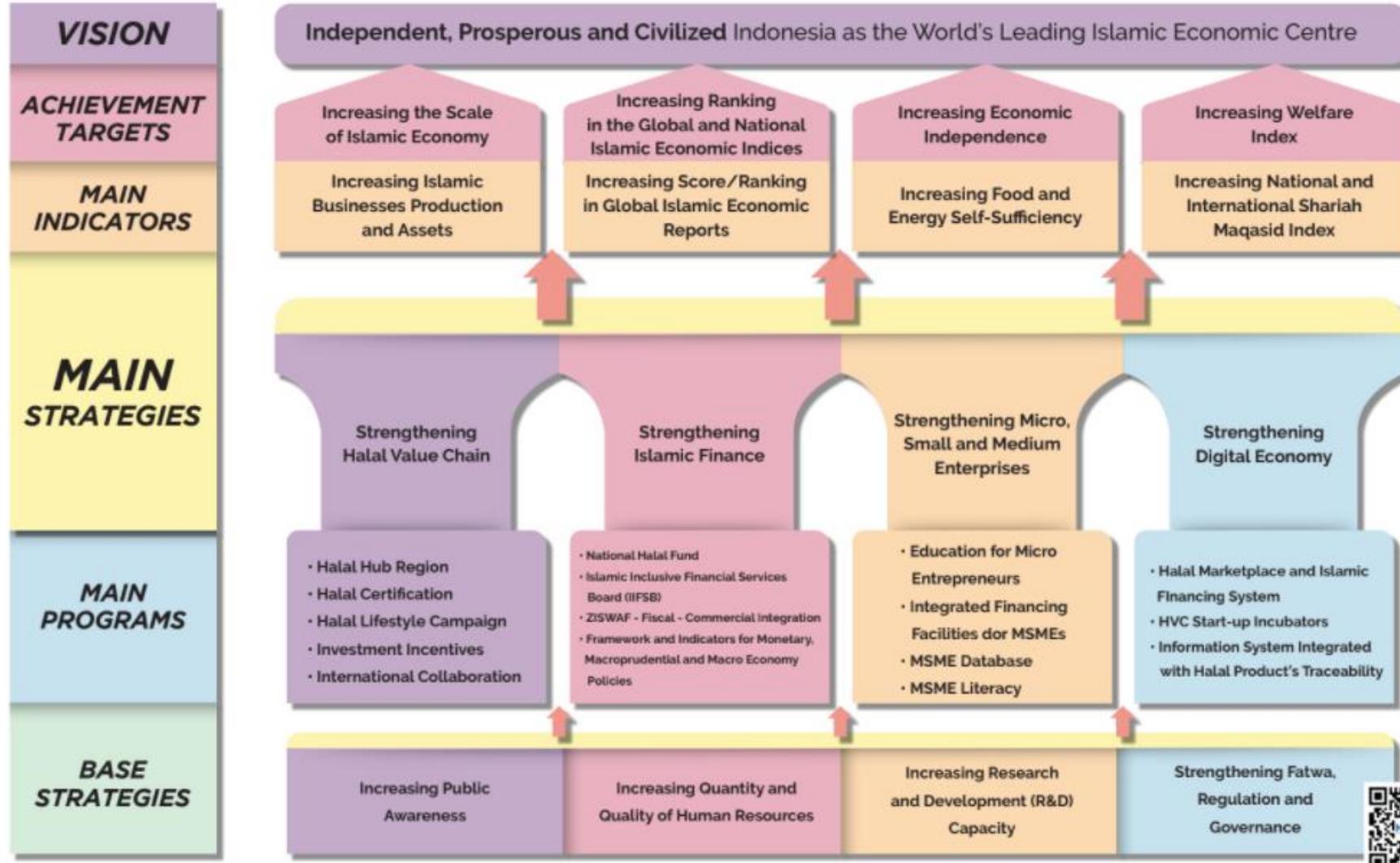


The Masterplan consists of roadmap and main strategies to achieve Indonesia's vision:

“An Independent, Prosperous, and Civilized Indonesia by becoming the World’s Leading Islamic Economic Center”

ISLAMIC ECONOMIC DEVELOPMENT FRAMEWORK ON MEKSI

Indonesia Islamic Economic Development Framework





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EXECUTIVE MANAGEMENT OF KNKS

EXECUTIVE MANAGEMENT OF KNKS

Regulation of The Ministry of National Development Planning No. 13/2017 on The Organizational Structure and Work Procedures of the Executive Management of KNKS



THE INAUGURATION OF EXECUTIVE MANAGEMENT OF KNKS



The Inauguration of the Board of Directors of Executive Management in January 2019



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IMPLEMENTATION PLAN OF ISLAMIC ECONOMIC AND FINANCE DEVELOPMENT

THE ISLAMIC ECONOMIC DEVELOPMENT IMPLEMENTATION PLAN THEME

"A Solid Foundation for the development of Islamic Economics"



"Continuity of the foundation and the acceleration of the implementation of the main programs"



*"The achievement of initiatives focuses on creating **digital ecosystem** by utilizing and leveraging information technology"*



"Integrative and efficient ecosystem have been formed"



"Indonesia as Global Islamic Economy and Financial Hub"

THEME DETERMINATION AND STRATEGIC INITIATIVES FOR THE IMPLEMENTATION PLAN OF ISLAMIC ECONOMIC DEVELOPMENT



KNEKS

Main focus of Implementation Plan based on MEKSI derivatives



Development of Islamic Economy and Halal Industry

Indonesia Halal Value Chain

Digital Economy

MSME ecosystem of Halal Industry Sector

11

Strategic Initiatives

Increased Capacity of Islamic Banks

National Halal Fund

Increased Capital Market Capacity and Islamic Non-Bank Financial Industry

Product Innovation, Market Deepening and Infrastructure Development for Islamic Financial System

8
Strategic Initiative



11
Strategic Initiative

Promotion, International Cooperation of Halal Products

Islamic economic literacy and halal products

Islamic Economic Law

External Relations, Promotion, and Law



10

Strategic Initiative

Inclusive Finance, Social Funds, and Islamic Micro Finance

Management of Zakat, Infaq, Sadaqah (ZIS)

Management of Waqf

Increasing Quantity and Quality of Islamic Microfinance Services



7

Strategic Initiative

Education and Research Islamic Economy and Finance

Human Resource Quality Improvement

Research Enhancement

Integrated Data Statistic

47
Total Strategic Initiative



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**NATIONAL COMMITTEE FOR
ISLAMIC ECONOMY AND
FINANCE (KNEKS)**

National Committee for Islamic Economy and Finance (KNEKS) is a transformation of National Committee for Islamic Finance (KNKS) in order to enhance the development of Islamic economic and financial ecosystem in achieving Indonesia's vision to be the World's Leading Islamic Economic Centre in 2024



TASK & FUNCTION OF KNEKS

Presidential Regulation No. 28/2020



KNEKS Task

“Accelerate, expand, and advance the development of Islamic economy and finance
in order to strengthen national economic resilience”

Scope of
Islamic
Economy and
Finance

Development of Halal
Industry

Development of
Islamic Finance
Industry

Development of
Islamic Social Funds

Development and
Expansion of Islamic
Business Activities

1

Providing recommendations for
national development policy and
strategic programs in the Islamic
economic and financial sector

2

**Coordinating, synchronizing, and
synergizing** the formulation and
implementation of Islamic economic
and Islamic financial plan strategic
programs

3

**Formulating and providing
the recommendations for
problem solving** in Islamic
economic and financial sector

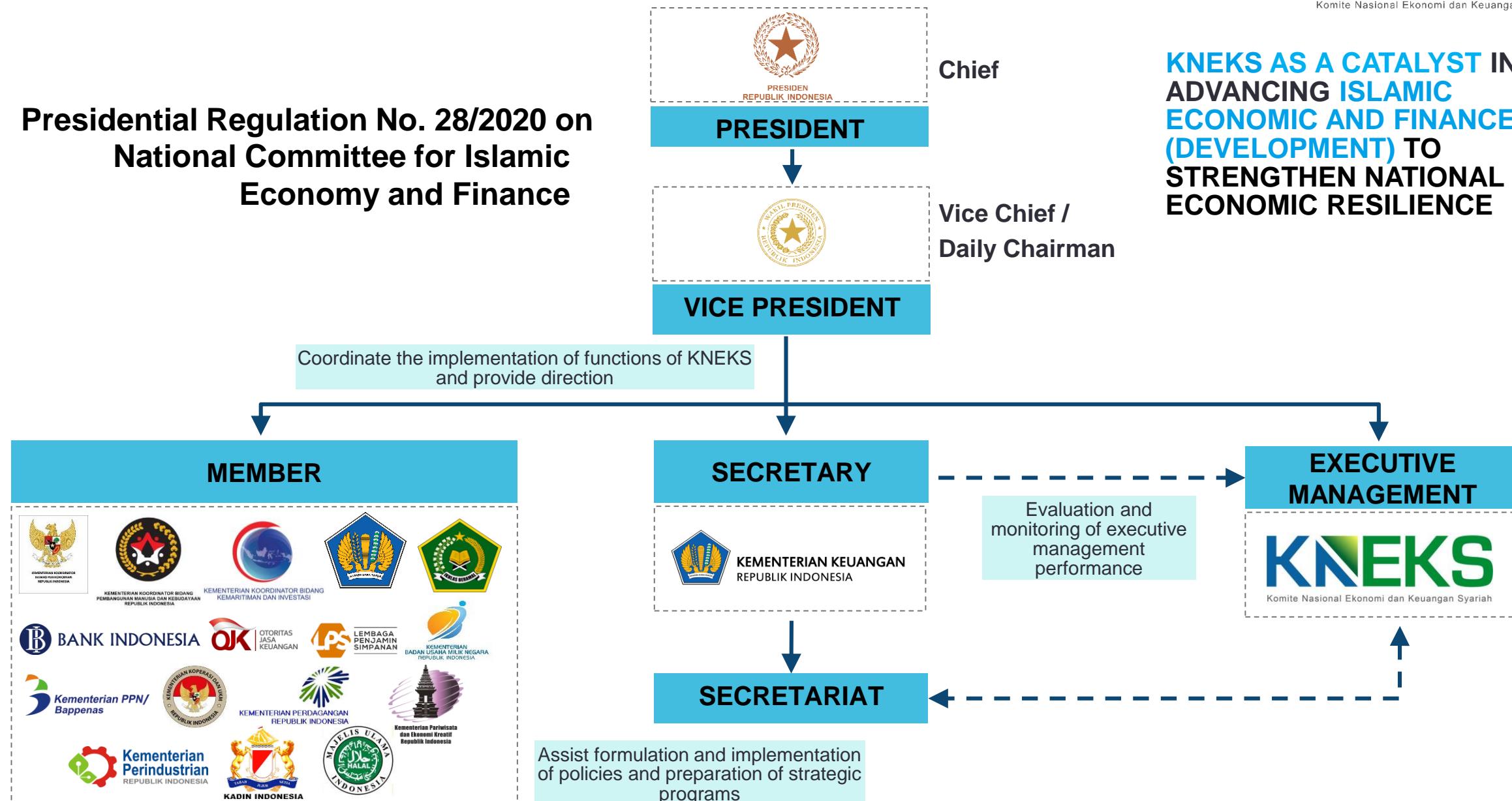
4

**Supervising and evaluating the
implementation** of the policy direction
and strategic programs in the Islamic
economic and financial sector

Implementation of KNEKS' Function is referred to Presidential Regulation No. 28/2020 Article 4

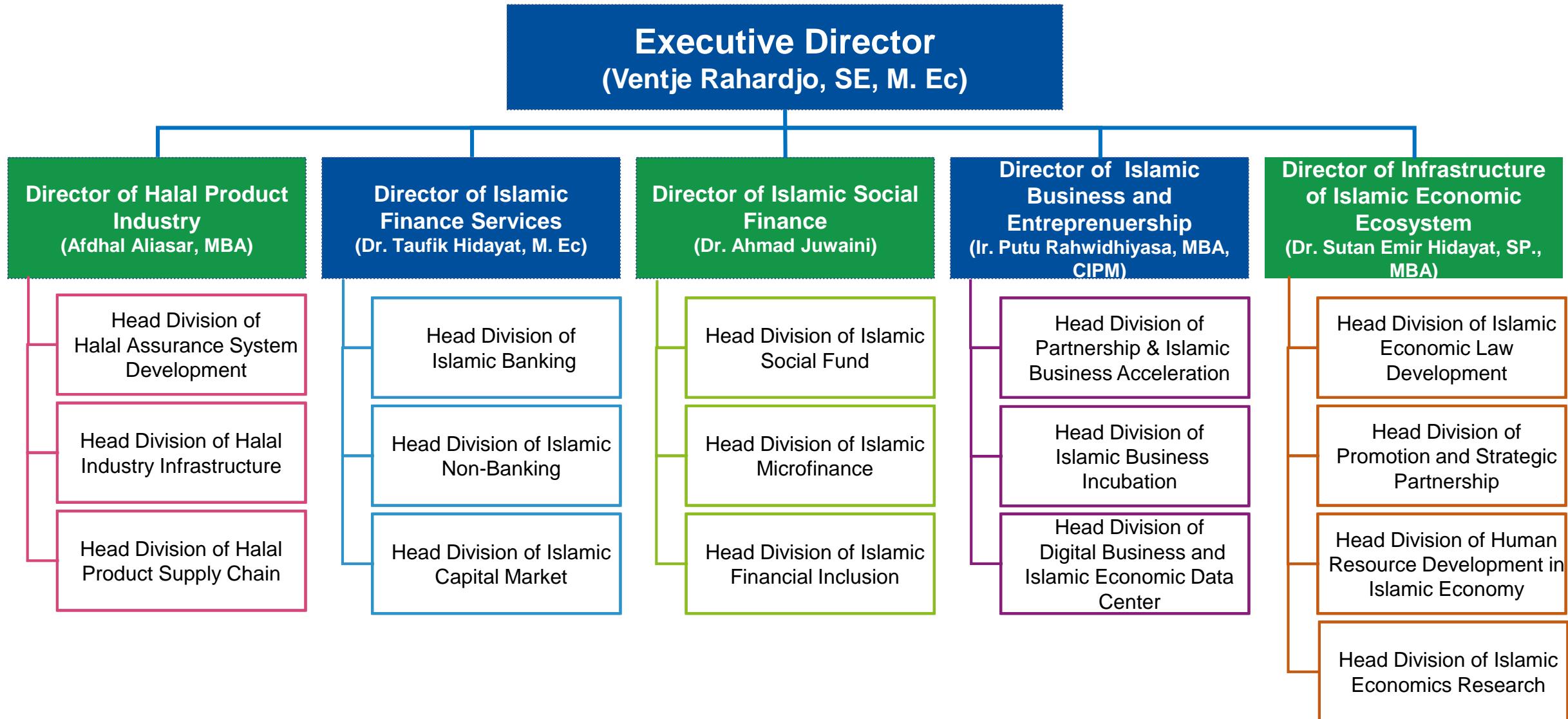
KNEKS ORGANIZATIONAL STRUCTURE

Presidential Regulation No. 28/2020 on
National Committee for Islamic
Economy and Finance



EXECUTIVE MANAGEMENT OF KNEKS

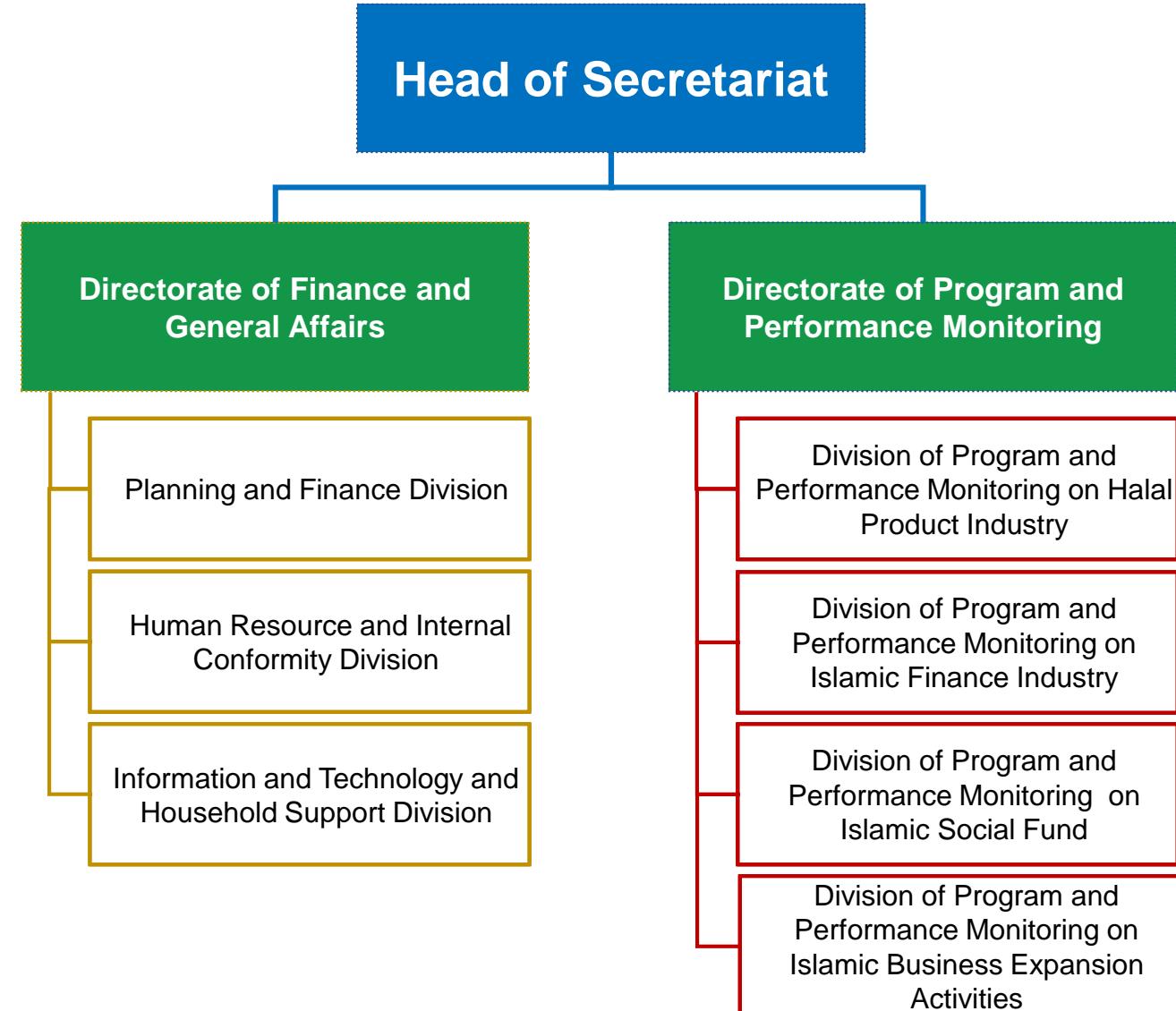
Regulation of The Minister of Finance No. 73/2020



KNEKS SECRETARIAT (MINISTRY OF FINANCE)

Regulation of The Minister of Finance No. 74/2020

Mandate:
Providing administrative support to
(i) Executive Management,
(ii) Chief, Daily Chairman, and Board
of Members of KNEKS





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KNEKS WORK PLAN 2020-2024

THE PURPOSE OF KNEKS WORK PLAN 2020-2024



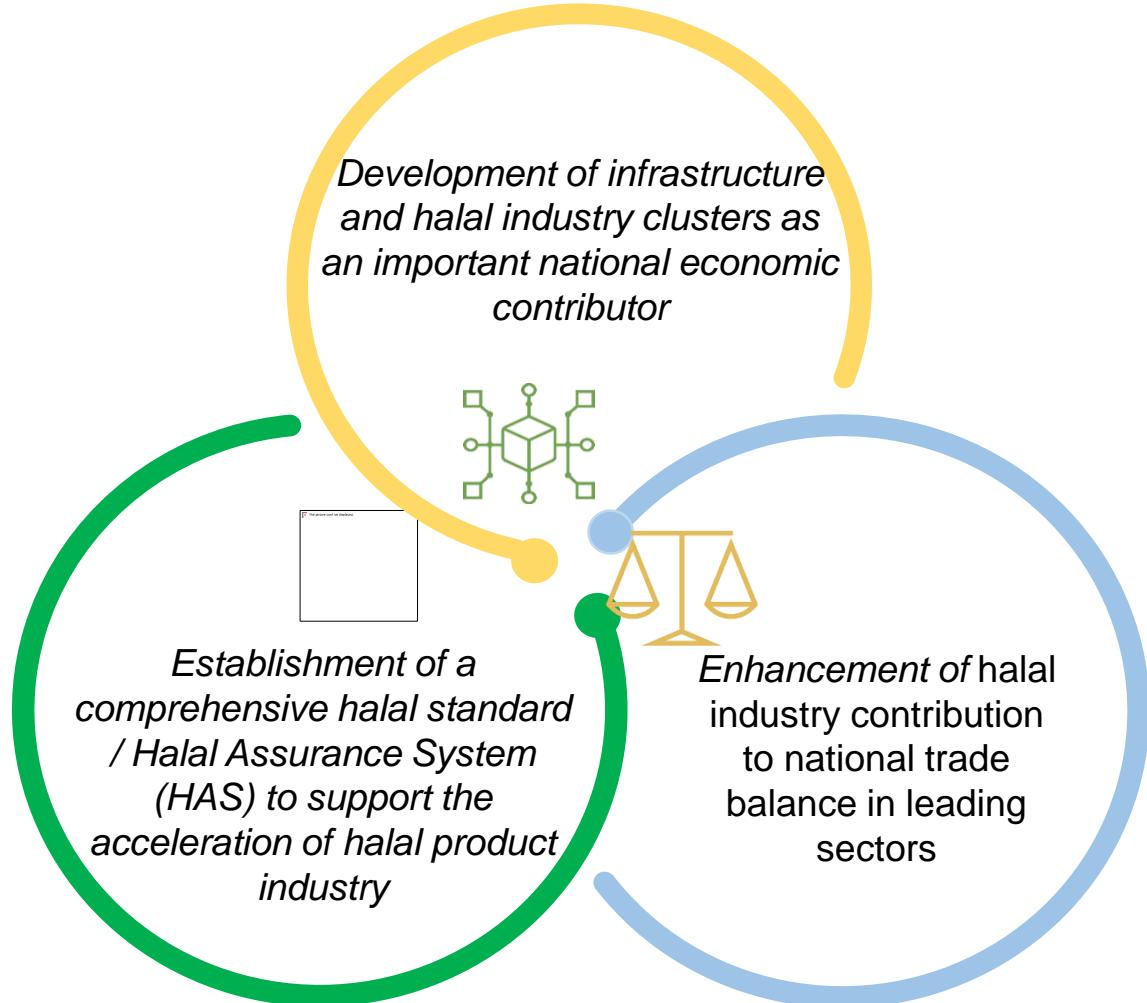
RENCANA KERJA KOMITE NASIONAL EKONOMI DAN KEUANGAN SYARIAH 2020-2024

KNEKS Work Plan 2020-2024 is a guideline for KNEKS in achieving Indonesia's vision to be the world's center of Islamic economy in 2024



DEVELOPMENT OF HALAL PRODUCT INDUSTRY

Development Focus 2020 - 2024

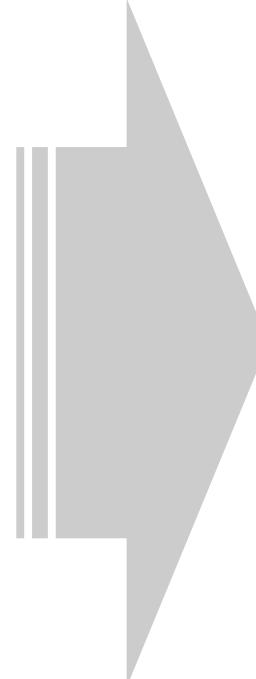
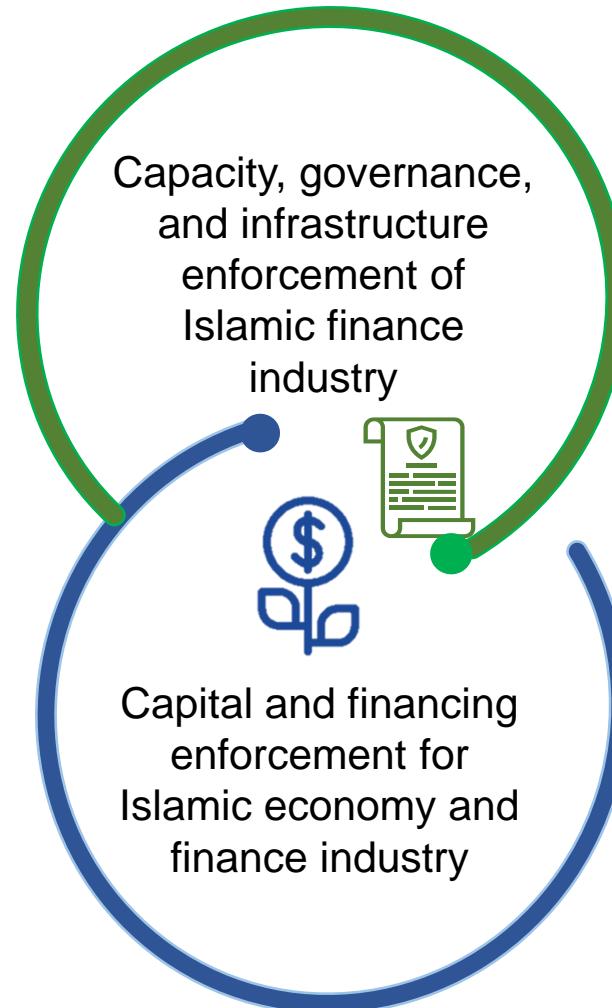


Targets / Work Program

- 01 Establishment of Industrial Zone and Halal Industrial Area
- 02 Halal Certification and Halal Traceability of Export Product
- 03 Halal Hub Development (Sea and Air port)
- 04 Establishment of National Halal Inspection Institution
- 05 Halal Tourism Development
- 06 Islamic Healthcare Industry Development
- 07 Modernization of Halal Slaughter House
- 08 Implementation of Halal-Ready List as the solution of halal certification for SME

DEVELOPMENT OF ISLAMIC FINANCE INDUSTRY

Development Focus 2020 - 2024

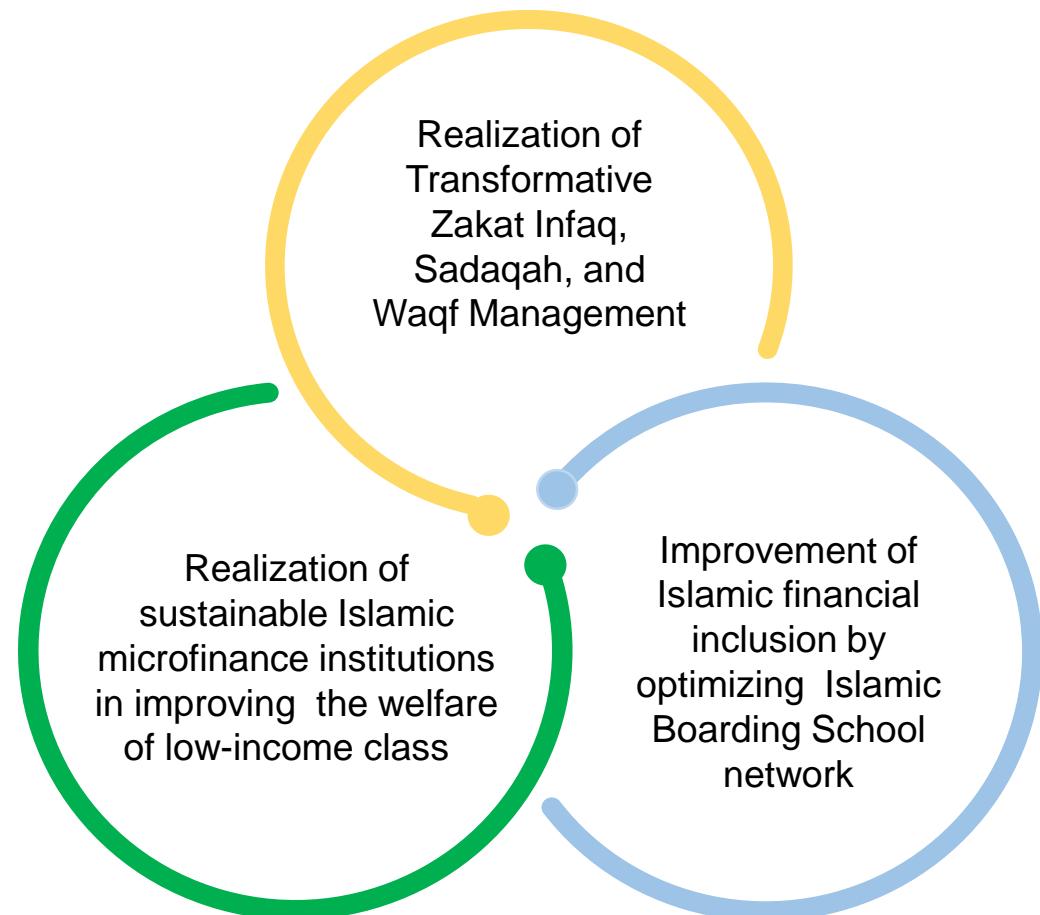


Targets / Work Program

- 01 ➤ National Halal Fund
- 02 ➤ Islamic Services for Employment Social Security
- 03 ➤ Law enforcement of Islamic Financial Institutions in Aceh Province
- 04 ➤ Islamic Public-Private Partnership
- 05 ➤ Islamic Investment Bank
- 06 ➤ Islamic Bank Consolidation
- 07 ➤ Enhancement of Islamic Insurance Industry
- 08 ➤ Development of Islamic Pension Funds

DEVELOPMENT OF ISLAMIC SOCIAL FUND

Development Focus 2020 - 2024

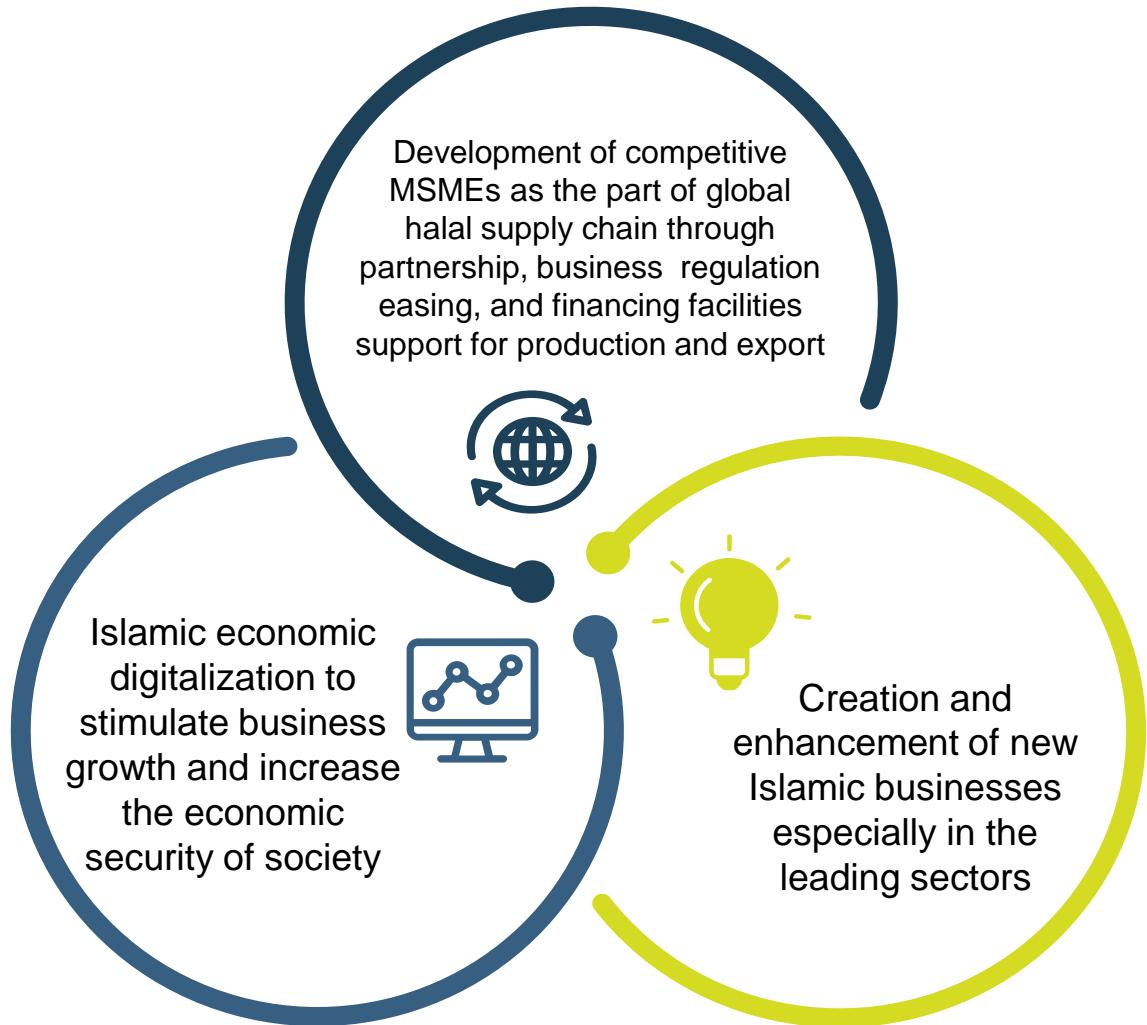


Targets / Work Program

- 01 National Zakat, Infaq and Sadaqah Management Transformation
- 02 National Waqf Management Transformation
- 03 Sustainable Islamic Microfinance Institutions
- 04 Expansion and Strengthening of Islamic finance services network on Islamic Boarding School

DEVELOPMENT AND EXPANSION OF ISLAMIC BUSINESS ACTIVITIES

Development Focus 2020 - 2024

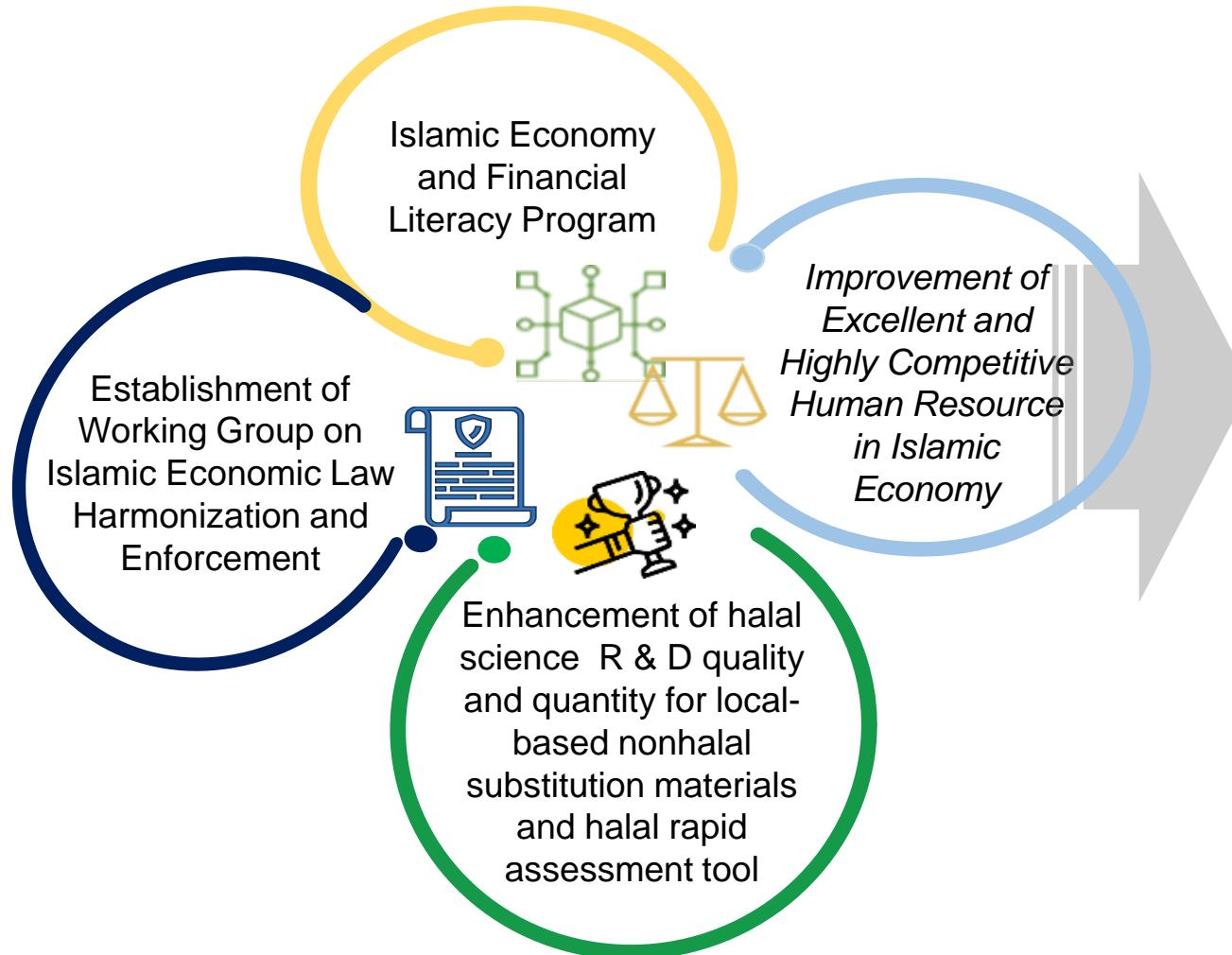


Targets / Work Program

- 01 Scaling up national SMEs in halal business sector
- 02 Annual IPO of Islamic business & corporate sukuk issuance
- 03 Incubation of Halal Product Exporter & Partnership with big enterprises
- 04 Acceleration of Islamic Business Digitalization
- 05 Indonesian Islamic Economic Data Centre

INFRASTRUCTURE OF ISLAMIC ECONOMIC ECOSYSTEM DEVELOPMENT

Development Focus 2020 - 2024



Targets / Work Program

- 01 Islamic Economic Brand
- 02 Literacy Improvement on Islamic Economy and Finance
- 03 Islamic Economic Law Harmonization and Enforcement
- 04 Excellent and Highly Competitive Human Resource in Islamic Economy and Finance
- 05 Halal Science Research and Halal Product Innovation



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TERIMA **KASIH**

The word "TERIMA" is in green and "KASIH" is in blue, matching the colors of the KNEKS logo.