

Development of Islamic Capital Market and Improving Financing Access through the Issuance of Islamic Corporate Securities

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01

Development of Islamic Capital Market

02

Improving Financing Access through the Issuance of Islamic Corporate Securities

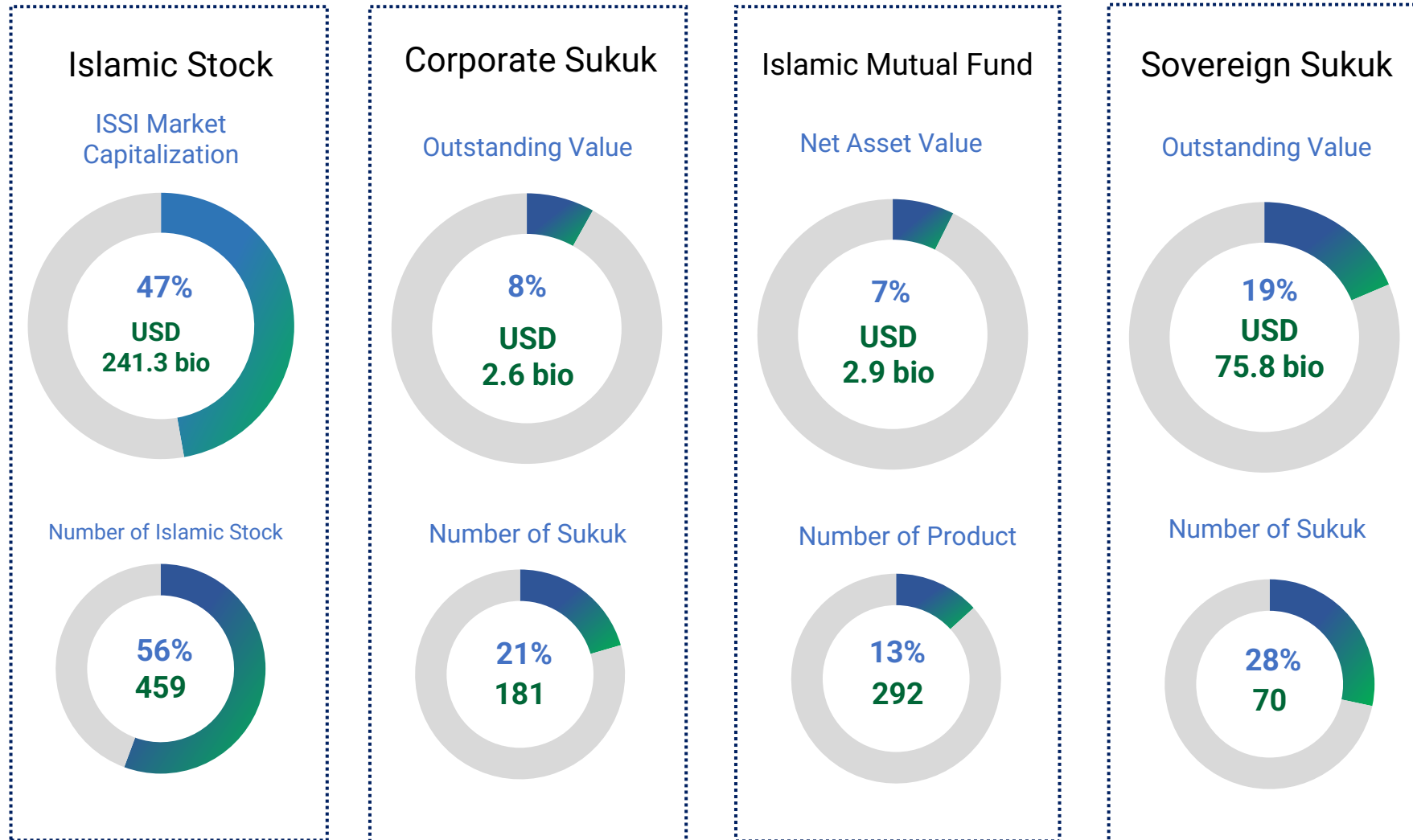
03

Socialization and Collaboration to Improve Market Deepening

01 Development of Islamic Capital Market

ICM Value and Market Share

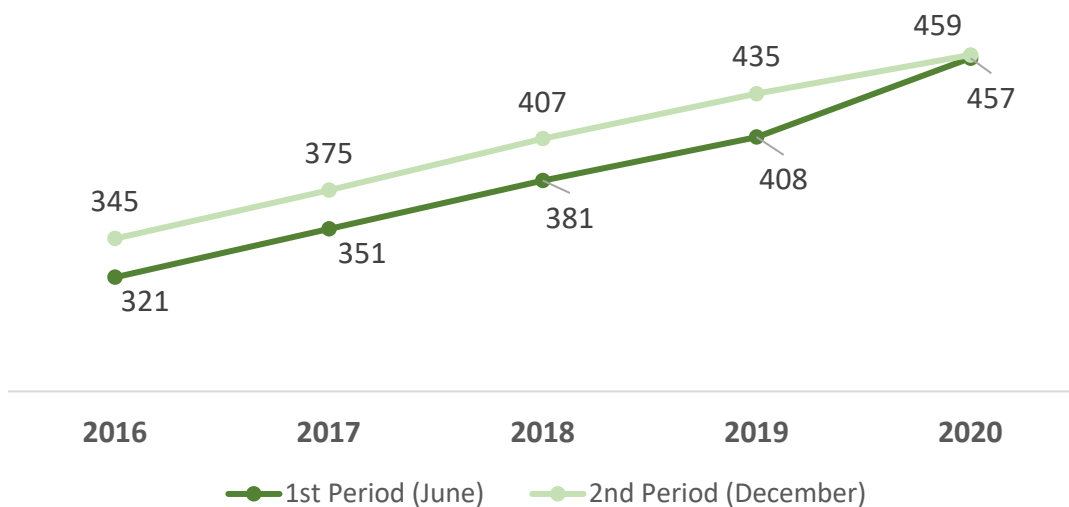
As of July 2nd, 2021



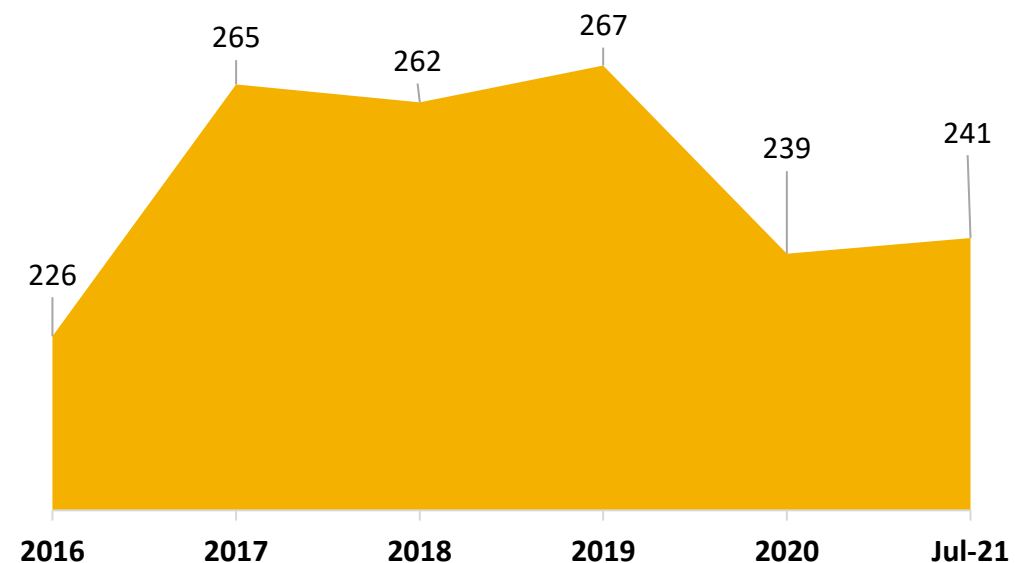
Islamic Stock Development

As of July 2nd, 2021, USD bio

Islamic Stock List Constituent



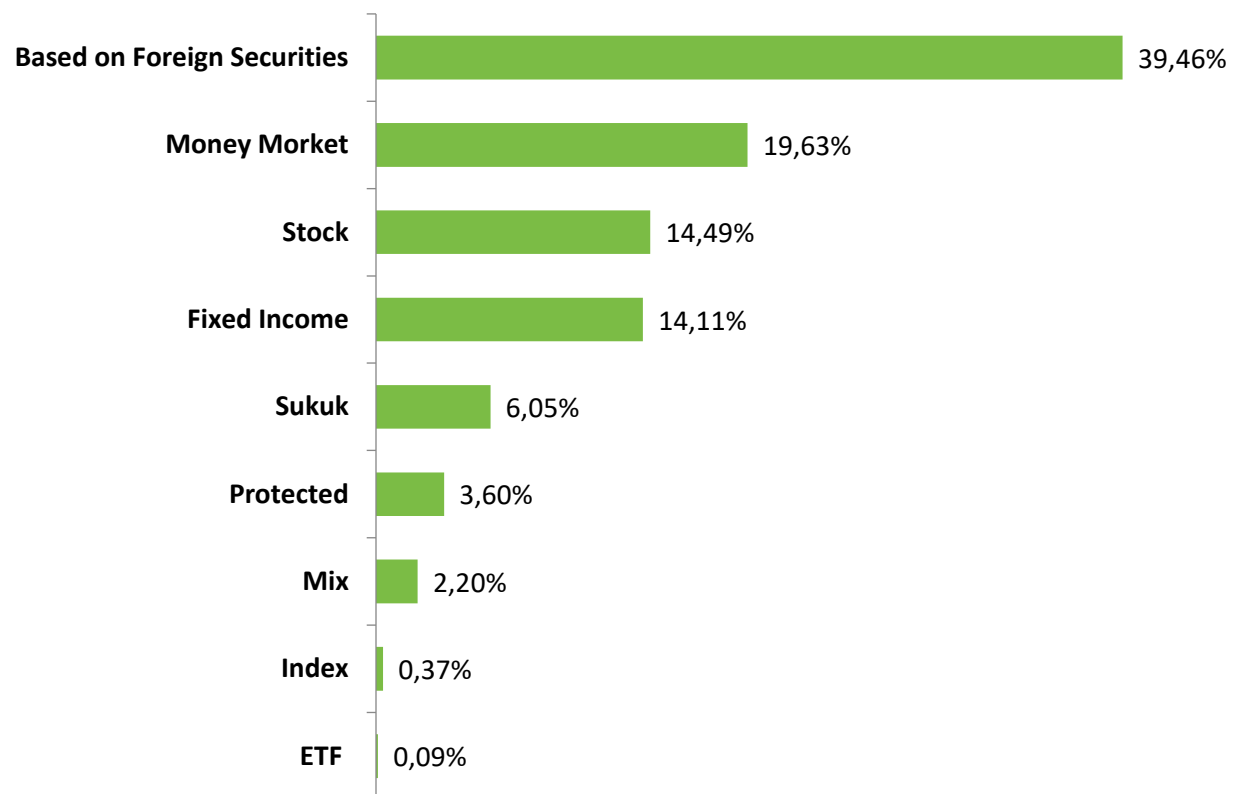
ISSI Market Capitalization



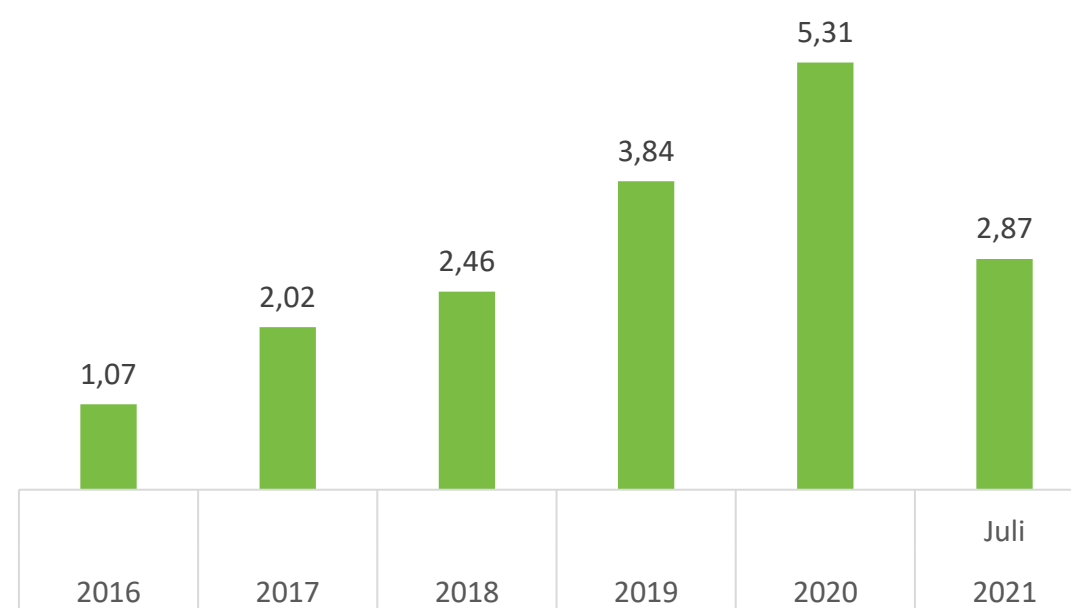
Islamic Mutual Fund Development

As of July 2nd, 2021, USD bio

Types of Islamic Mutual Fund



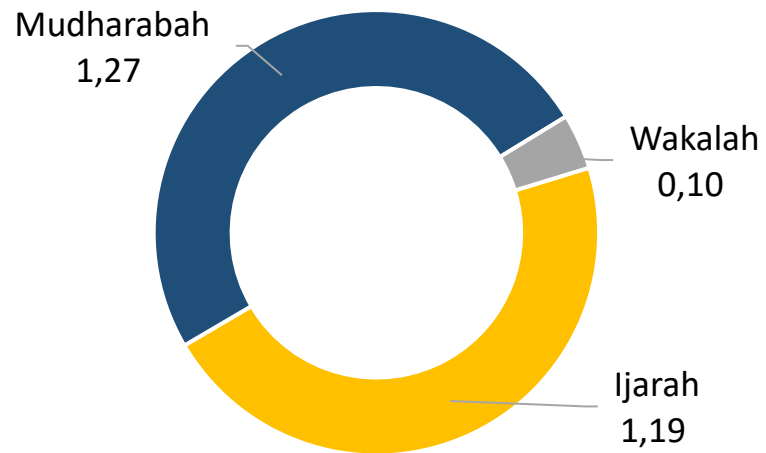
Net Asset Value



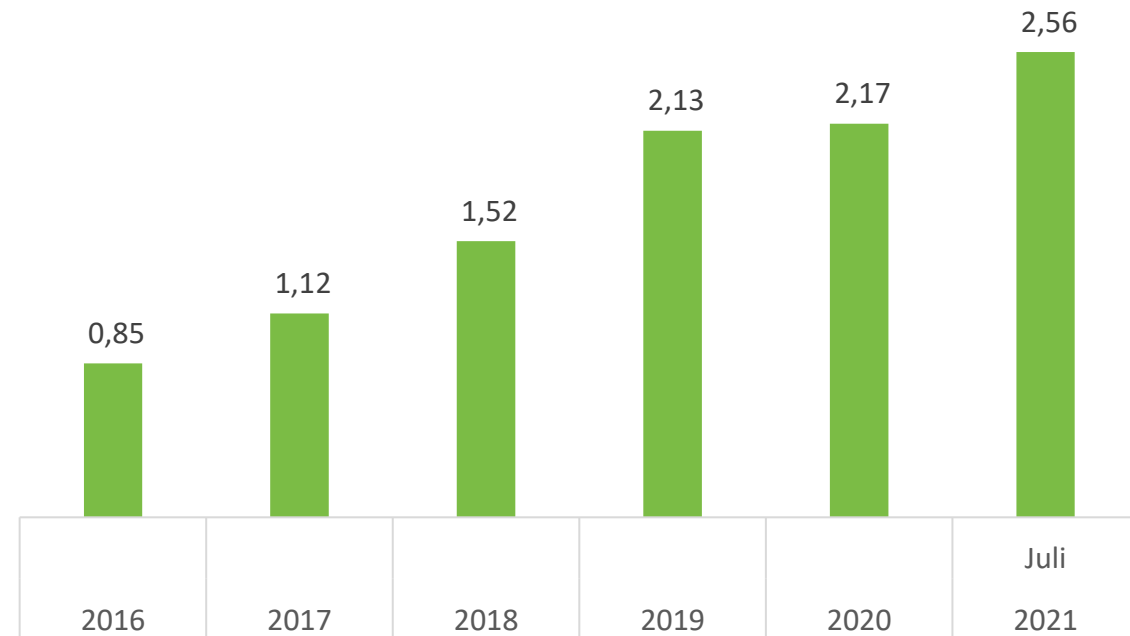
Outstanding Corporate Sukuk Development

As of July 2nd, 2021, USD bio

Corporate Sukuk Value by Contract

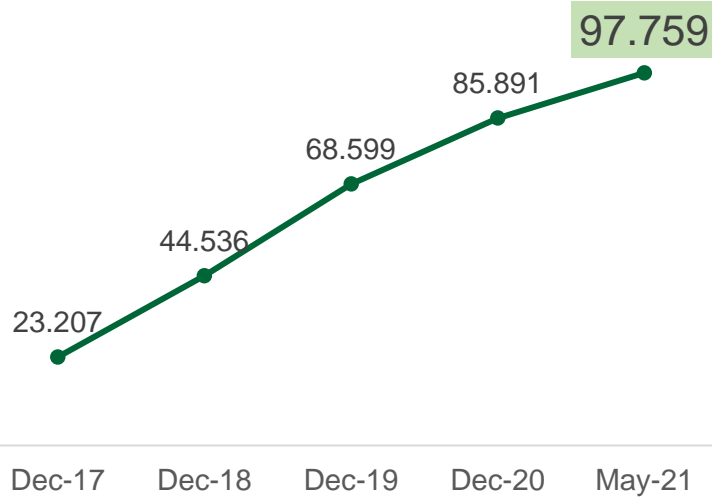


Corporate Sukuk Value



Investor Growth

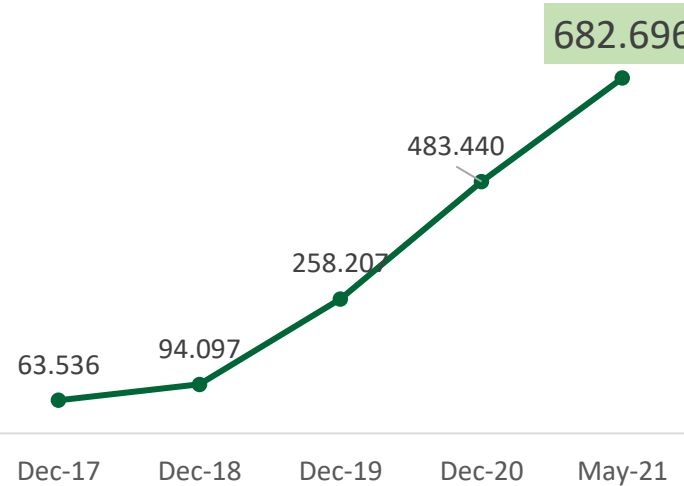
As of May 2021



Sharia Online Trading System User

↑ 33.43% YTD

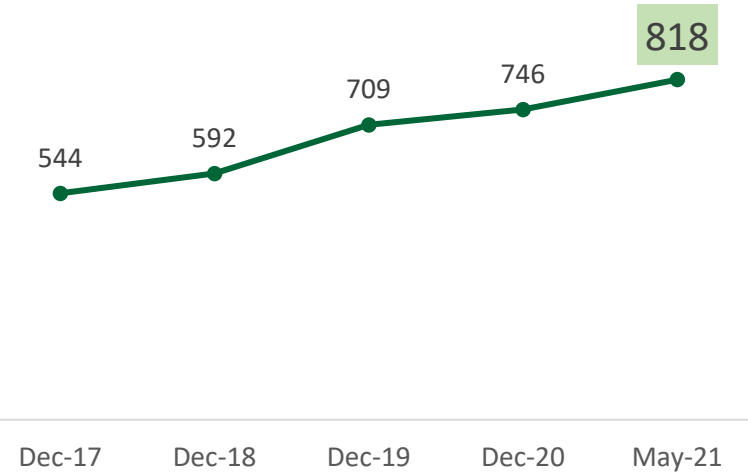
Source: IDX



Islamic Mutual Fund Investor

↑ 41.22% YTD

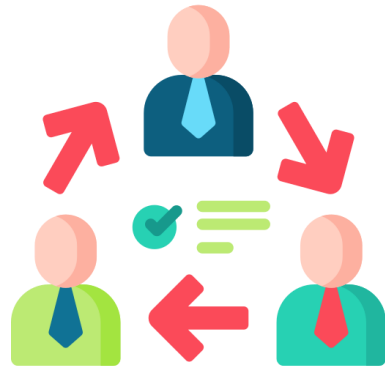
Source: Indonesian Central Securities Depository



Corporate Sukuk Investor

↑ 9.65% YTD

Source: Indonesian Central Securities Depository



Islamic capital market industry players

As of July 2nd, 2021

- 17** Sharia Online Trading System
- 56** Fund Manager managing Islamic Mutual Fund
 - 1** Islamic Fund Manager
- 15** Custodian Bank of Islamic Mutual Fund
- 29** Sukuk Underwriter
 - 9** Trustee of Sukuk Issuance
- 13** Issuer of Sharia Stock List
- 113** Islamic Capital Market Expert

02 Improving Financing Access through the Issuance of Islamic Corporate Securities

Keys to Improving Financing Access for the Private Sector



Improving Access
(provide various types of Islamic Capital Market funding alternative, continuously develop ICM product, socialization program to issuers, initiating a business matching activities, utilizing technology to improving ease of access)

Strengthening Market Depth
(Both for supply and demand side, ensure product credibility in terms of legal and sharia standing to build confidence for issuer and investors, and developing infrastructure)



Funding Alternatives Through Islamic Capital Market

Existing Product

- Islamic Stock
- Corporate Sukuk
- Islamic Mutual Fund
- Islamic index (ISSI, JII, JII 70, IDX MES BUMN 17)

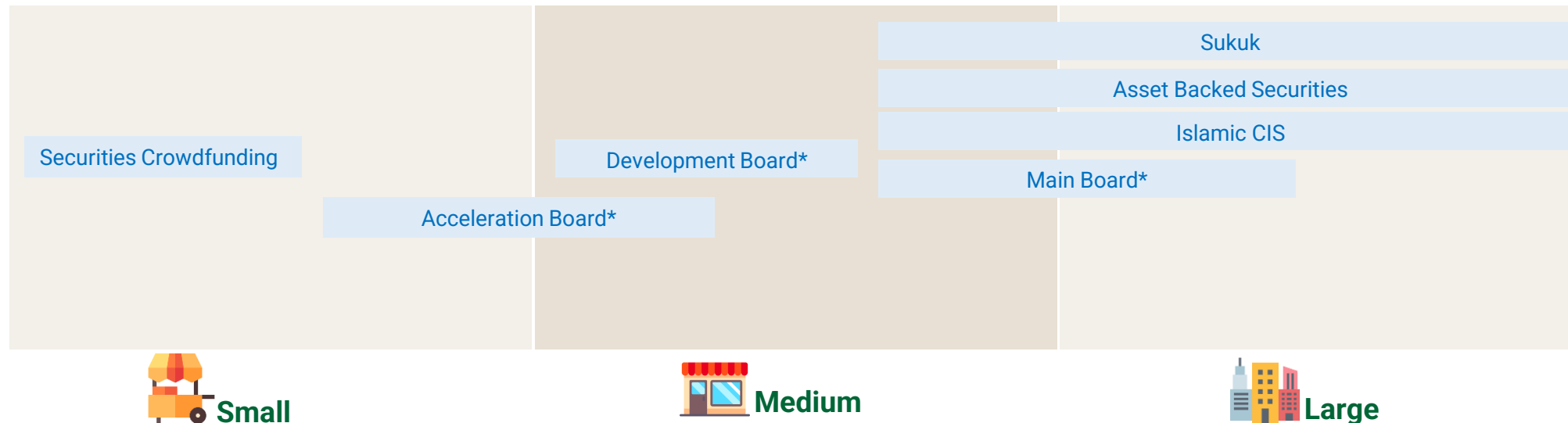
Potential Product

- Municipal sukuk
- Islamic REITS
- Islamic Asset Backed Securities
- Other Islamic Collective Investment Scheme (CIS)
- Philanthropy based products (sukuk waqf)
- Equity or sukuk instrument offered through crowdfunding

Research Stage

- Green Sukuk
- ESG based Islamic stock index

Indonesian capital market provides numerous forms of funding for all types of enterprise



*Initial Public Offering



Philanthropy Based Product Development (Sukuk Linked Waqf)

Background

- Potential Cash waqf
- Vast area of unproductive waqf land
- Potential CSR fund



What has been done

- Constructing potential structure
- Collaborate and communicate intensely with Nazir and Indonesian Waqf Agency
- Educate nazir on capital market products
- Alternatives Structure:
 1. Property Asset Development on waqf land
 2. Sukuk as a source of financing for the development of waqf assets (in the form of working capital or investment)



Next step

- Encourage nazir and corporations to issue sukuk link waqf
- Provide the necessary support and guidance
- Encourage collaboration of nazir and SCF platform (waqf funds for small enterprise funding)






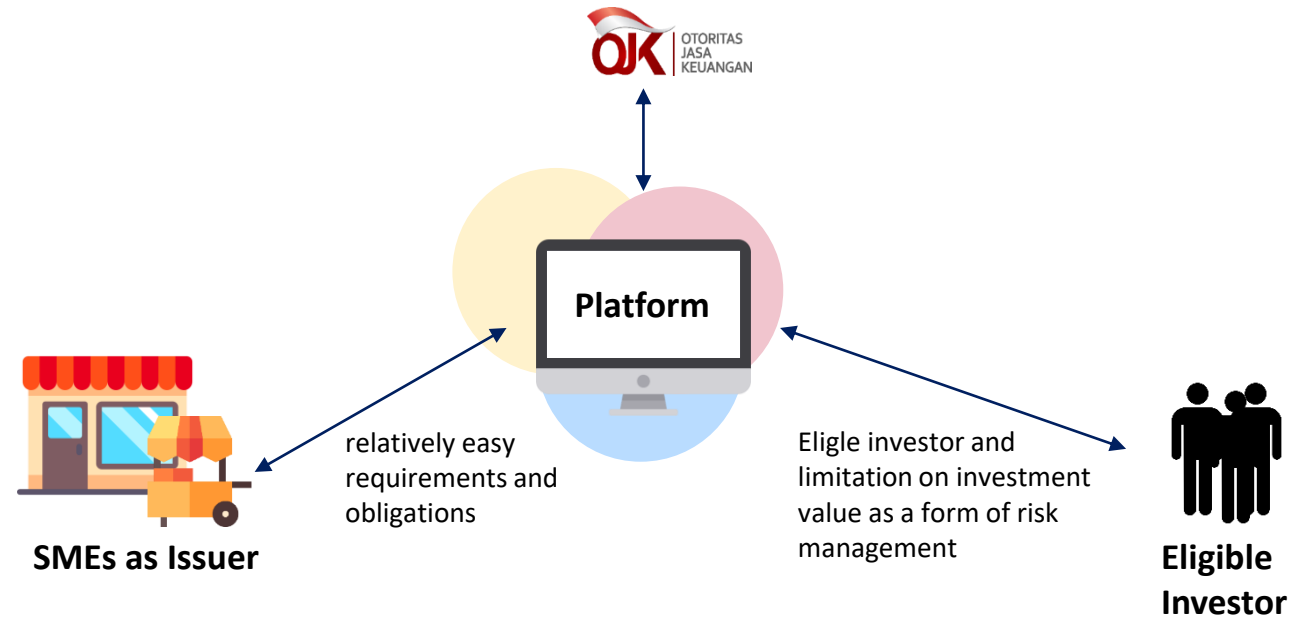
Securities Crowdfunding: easier, faster, and cheaper alternative to funding for SME

Background

- Micro, Small, and Medium Enterprise (MSME) held an important role in economy (absorb 96.8% of the workforce and contribute 61% to GDP).*
- MSMEs Limited access to funding

Development**

-  **5** platforms
-  **33.302** investors
- 151** Issuers
-  **USD 19.5 mio** Total Issuance Value



Islamic SCF

- Provide guidance on criteria for sharia shares issued through SCF
- Conducting socialization to SMEs to utilize Islamic SCF

*Ministry of cooperatives and SMEs data 2018
**May 31 2021



Infrastructure & Product Credibility

Supporting Infrastructure (1)

Background

Improving the infrastructure and product credibility



- Open, transparent, and trustworthy issuance
- Easier access for investor

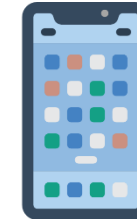


Investor **confidence** and market **deepening**

Fintech

Supporting utilization of fintech in the capital market (ie online mutual fund selling agent and sharia online trading system/SOTS).

59 online mutual fund transaction portals and 17 SOTS.



Adequate Regulation

OJK has issued regulations both related to the capital market in general and sharia in particular to provide a decent legal basis.

related to ICM there are 12 regulations, among others: Sharia principle, ICM expert, Contract, ICM Products, etc.



Comprehensive National Sharia Board Fatwa

OJK continuously coordinating with national sharia board regarding the ICM fatwa.

There are 17 fatwas related to ICM. The fatwa regulates comprehensively, for example, there are fatwas regarding secondary market of equity trading, central securities depository, and clearing and guarantee.





Infrastrutur & Product Credibility

Supporting Infrastructure (2)

Background

Improving the infrastructure and product credibility



- Open, transparent, and trustworthy issuance
- Easier access for investor



Investor **confidence** and market **deepening**

e-IPO and e-Proxy

OJK provides regulations (OJK regulation number 15 and 16 on 2020) that allow the implementation of electronic IPO and General Meeting of Shareholder. The use of such technology could facilitate investor access and increase transparency. E-IPO could be access through <https://www.e-ipo.co.id> and Central Securities Depository provide e-proxy mechanism.

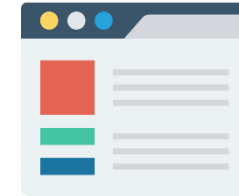
Compliance with International Standard Setter

In order to ensure compliance with international standards, such as IFSB, OJK participate as one of IFSB members.

Credible Exchange

Coordination and communication with exchanges and other SROs to provide a credible market.

For 5 consecutive years, IDX receive various awards by GIFA. In 2020, IDX awarded as The Best Islamic Capital Market.

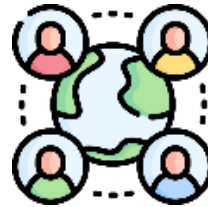


03 Socialization and Collaboration to Improve Market Deepening



Socialization and
Coordination

Socialization and Collaboration to Improve Market Deepening



Supply Side

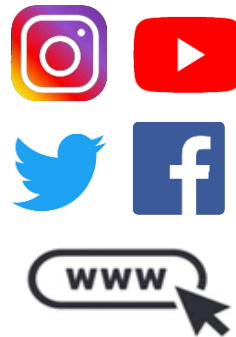
- Collaborate with various stakeholders (ie Ministry of Public Work and Housing, local government, mass organization, industry player, etc.).
- Provide legal certainty for municipal sukuk in the law (Omnibus job creation law number 11 year 2020 on).
- Encourage the halal industry to take advantage of Islamic Capital Market financing.

Demand Side

- Socialization, Training of Trainers, and Education to the society, universities, mass organizations, etc.
- Outreach activities towards institutional (BP Tapera, BPJS, etc.) and retail investors.
- Promoting via social media to broaden the target audience.

ICM Social Media Performance in 2020

Social media is one of the frontiers of education and engagement with the community, especially the younger generation.



05

Instagram, Facebook, Youtube, Twitter, and website

Social Media
+Web

82,8% followers increase to 103K

Highest Engagement rate compare to peers



Develop twitter and facebook as secondary social media.

website

Articles

53 articles on website, mass media publication, etc.

Develop

www.pasarmodalsyariah.com
web as landing page.



organize free live youtube activities to increase understanding

Thank You

INSTAGRAM

@pasar_modal_syariah

WEBSITE

www.pasarmodalsyariah.com

TWITTER

@pm_syariah

YOUTUBE

@pasar_modal_syariah

Islamic Capital Market
Social Media

FACEBOOK

Pasar modal syariah

