HAJJ FUND MANAGEMENT IN INDONESIA

Dr. Hurriyah El Islamy
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HAJJ FUND

Hajj Fund shall mean all rights and obligations of the central government that can be valued against money related to the Hajj Administration as well as all assets in terms of money or goods that can be valued against money as a result of the implementation of these rights and obligations, both those originating from the Hajj Congregation and other legal and non-binding sources.
Hajj fund management is carried out in the form of investments whose benefits are used to improve the quality of Hajj implementation, rationality, and efficiency of BPIH, as well as the benefit of Muslims.

- During the 3 years since BPKH was formed, Hajj Finance expenditures in the form of Placement in Islamic banking products are at most 50% of the total Hajj Fund Placement and investments.
- After 3 years of formation, Placement in Islamic banking products are at most 30% of the total Hajj Finance Placement and investments.
- The difference from the total placement of Hajj Finance in Islamic banking products is allocated for investment.
- Hajj funds in the form of securities, gold, direct investment and other kind investments.

- The Executive Board is authorized to place and invest Hajj Fund in accordance with Sharia principles, prudence, security, liquidity and optimality.
- The Supervisory Board assesses and approves the placement and investment of Hajj Funds in accordance with the provisions of the legislation.
28 OF PBPKH(s) HAVE BEEN ENACTED

PBPKH No. 1 of 2018 on Establishment of Regulations at the Hajj Fund Management Agency

PBPKH No. 2 of 2018 on Organizational Relations of Organizations for Hajj Fund Management Agency and Inter-Institutional Relations

PBPKH No. 3 of 2018 on Compliance Policy, Implementation of Good Corporate Governance, Code Ethics, and Integrity Pact of Hajj Fund Management Agency

PBPKH No. 4 of 2018 on Procedures for the Selection and Determination of the Bank for Receiving Deposit Fees for Hajj Pilgrimage and Procedures for Hajj Savings Account Management

PBPKH No. 5 of 2018 on Procedures and Forms of Hajj Fund Investment

PBPKH No. 6 of 2018 on Procedure for Arranging Hajj Fund Management Agency’s Annual Work Plan and Budget

PBPKH No. 7 of 2018 on the Determination of philanthropic priorities and the Use of the profits of the people perpetual trust fund

PBPKH No. 8 of 2018 on State Organizers’ Asset Report (LHKPN) in Hajj Fund Management Agency

PBPKH No. 9 of 2018 on Goods and Capital Expenditures

PBPKH No. 10 of 2018 on Hajj Fund Management Agency’s Personnel System
<table>
<thead>
<tr>
<th>PBPKH No. 1 of 2019</th>
<th>PBPKH No. 2 of 2019</th>
<th>PBPKH Number 3 of 2019</th>
<th>PBPKH No. 4 of 2019</th>
<th>PBPKH No. 5 of 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBPKH No. 1 of 2020 on the legislation making in the Hajj Fund Management agency</td>
<td>PBPKH No. 2 of 2020 on Procedure for return of deposits of BPIH and/or special BPIH</td>
<td>PBPKH No. 3 of 2020 on Procedure for Determining losses resulting from the placement and/or investment of the entire Hajj Fund</td>
<td>PBPKH No. 4 of 2020 on the Second Amendment to PBPKH 7 Tahun 2018 on the Determination of philanthropic priorities and the Use of the profits of the people perpetual trust fund</td>
<td>PBPKH No. 5 of 2020 on procedures for payment of salary or wages and other financial right of members of the executive board and members of the supervisory board</td>
</tr>
</tbody>
</table>
**WHY HAJJ FUND SHOULD BE MANAGED**

- Increase in Hajj Registration
- Accumulation of Hajj Fund
- The Increase of the waiting period to do hajj
- Limited Hajj Quota
- Hajj Funds Must be managed optimally for the Benefit of the Jamaah Haji

**OPTIMIZATION OF HAJJ FUND**

**PLACEMENT AND INVESTMENT TERMS**

- Sharjah Principles
- Safe
- Prudent
- Benefits
- Liquid

The objectives of Hajj Fund Management are to improve:

a. the quality of the Organisation of the Hajj;
b. rationality and efficiency in spending of BPIH; and
c. benefits for the Muslims
Asset Under Management as of Jun 21 grew (YTD) by 7.60T (+5.25%)
**Target vs Realization 2020**

- TARGET: 7,15T
- REALIZATION: 7,46T

Achievement 104.4%

**Achievement of Benefit**

- 2019: 7,29T
- 2020: 7,46T

Increase 23%

**Benefit per June 2020 vs 2021**

- June 2020: Rp3,443 Million
- June 2021: Rp4,995 Million

an increase of 45.08%
Haji Regular

| Source: SISKOHAT July 2021 |

| Haji Regular | 5,020,209 |
| Haji Khusus | 96,608 |
| Total       | 5,116,817 |

Data per July 2021
## Benefits of Virtual Account

<table>
<thead>
<tr>
<th>Tahun</th>
<th>Profit to VA</th>
<th>Total Pilgrims</th>
<th>Had settled</th>
<th>Total Pilgrims</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reguler</td>
<td>352.279</td>
<td>4.704.777</td>
<td>Rp1.700.000</td>
<td>197.025</td>
</tr>
<tr>
<td>Khusus</td>
<td>1.190.700</td>
<td>79.689</td>
<td>Rp2.211.300</td>
<td>15.010</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reguler</td>
<td>252.609</td>
<td>4.523.355</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khusus</td>
<td>560.040</td>
<td>88.826</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reguler</td>
<td>182.865</td>
<td>4.041.702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khusus</td>
<td>423.691</td>
<td>91.084</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 30 Islamic Banks and Sharia Business Unit

| 1 State Owned Enterprise Islamic Bank | 3 Private Islamic Banks | 9 Sharia Business Units | 17 BPD Sharia Business Units |

#### HAJJ FUND PLACEMENT AT BPS-BPIH

- **BPS BPIH Penerimaan (Receiving)**
- **BPS BPIH Penempatan (Placement)**
- **BPS BPIH Likuiditas (Liquidity)**
- **BPS BPIH Pengelola Nilai Manfaat**
- **BPS BPIH Mitra Investasi**
INVESTMENT INSTRUMENT (2018-2023)

Sharia Securities and Gold
- SBSN and Corporate Sukuk
- Sharia Mutual Funds
- Gold

Domestic and Other Direct Investment
- Financing/PYD through BPS-BPIH Investment Partners

Foreign Direct and Other Investment
- Investment cooperation with IsDB
- Foreign direct investment
- Other foreign investment with pilgrimage service priority
HAJJ ECOSYSTEM

- Financial Services
- Payment Services
- Accommodation throughout cities (hotels)
- Land Transport
- Meal Services
- Air Transport
- Logistic
- Healthcare Services
BPKH In charge of managing Hajj Funds which include receipt, development, expenditure and financial accountability for Hajj.

The Objective of BPKH

BPKH's Strategic Business Plan Road Map

Phase I: Strengthening BPKH's institutional trust and credibility

Phase II: Developing the Strategic Roles and Responsibilities of BPKH

The Strategic Role of IT at ITSP BPKH 2020-2022

Transparent and Modern Organization

Operational Excellence

Comprehensive and Accountable Governance and Work System

Optimal and Integrated HR Management

Possible Change

BPKH Operation

Income

Collecting funds from Haj pilgrims to be managed at BPKH

Expenses

Profits for the Pilgrims’ VA, operational expenditure, payment of hajj expenses, placement and investment of the fund

Wealth

Manage of the Hajj Fund Constituting assets, etc from Hajj Fund and DAU

Functional Capabilities support key business functions

Functional Solution
The initiative of IT Division to provide optimal support towards functional capabilities of BPKH

Digital Capabilities is a required digital capability to meet functional solutions

Digital Enablers is an IT-based solution in building Digital Capabilities
1st Semester 2021
6 Application has been launched
1. e-Office Application
2. e-Tracking & Monitoring Benefit of the Muslims Application
3. Sustainability Application
4. Planning & Budgeting Application
5. Fund Placement Auction Application
6. Admission Application

2nd Semester 2021
6 Application are in progress
1. Investment Application
2. Foreign Exchange Auction Application
3. e-Treasury Application
4. Application Cancellation
5. Market info app
6. Wealth Management App

Plans for 2022
1. Survey Application
2. Application of Filling System
3. Contract Management System Application
4. Public Relations Application
5. ISO Application
6. Monitoring & Evaluation Application
7. Rules Dictionary App
8. Enterprise Service Bus Application
9. Data Interconnect Application
10. Statistics App
11. Executive Information System Dashboard Application
BPKH CONTRIBUTION

Direct Contribution
• Subsidies for the Cost of Hajj Pilgrimage
• Virtual Account
• Benefit of the Muslims Activities

Indirect Contribution
• Hajj funds in the form of Placement and investments and contribute to the Islamic economy
• Distribution of the Benefit of the People’s Perpetual Fund is channeled through institutions or community organizations

Domestik investment
• SME financing for commercial activities
• Contribute to investment in projects with strong Islamic elements unsur
• APIF Investment (Awqaf Properties Investment Fund)
• Hajj-related investments

Foreign Investment
• Contribute to Islamic finance
• Move the people’s economy
DISTRIBUTION OF KEMASLAHATAN PROGRAMME

- Jawa Timur: 21.01%
- Jawa Tengah: 16.45%
- Jawa Barat: 14.99%
- Banten: 5.10%
- DKI Jakarta: 4.46%
- Sumatera Utara: 4.04%
- Sumatera Barat: 3.00%
- Sumatera Selatan: 2.88%
- Lampung: 2.76%
- Aceh: 2.71%
- Riau: 2.68%
- Sumsel: 2.50%
- Jambi: 2.20%
- Kalimantan Barat: 1.83%
- Kalimantan Timur: 1.58%
- Kalimantan Tengah: 1.55%
- Kalimantan Selatan: 0.93%
- Sulawesi Barat: 0.90%
- Sulawesi Tenggara: 0.78%
- Sulawesi Selatan: 0.77%
- Gorontalo: 0.62%
- Halmahera: 0.49%
- Maluku: 0.48%
- Maluku Utara: 0.47%
- Maluku Barat: 0.36%
- Papua: 0.35%
- Papua Barat: 0.28%
- Kepulauan Riau: 0.27%
- Kepulauan Bangka Belitung: 0.26%
- Nusa Tenggara Timur: 0.22%
- Nusa Tenggara Barat: 0.22%
- Sulawesi Utara: 0.20%
DISTRIBUTION MAP OF KEMASLAHATAN PROGRAMME
<table>
<thead>
<tr>
<th>NO</th>
<th>Item Barang</th>
<th>% Pengadaan</th>
<th>% Penyaluran thd</th>
<th>Jenis Biaya</th>
<th>Jumlah (Rp.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biaya Pengadaan Alkes</td>
<td>1,142,000,000</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Biaya Operasional</td>
<td>365,000</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**TOTAL** 1,142,365,000

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**5. PENGADAAN ALAT KESEHATAN BAGI RS WAHIDIN SUDIROHUSODO MAKASSAR**

<table>
<thead>
<tr>
<th>Item Barang</th>
<th>% Pengadaan</th>
<th>% Penyaluran thd</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Zoll Transport Ventilator</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>1.2 TRF 100 Mobile X Ray (100mA)</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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**7. PENGADAAN 5.000 PAKET SEMBAKO BAGI MUI**

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**4. PENGADAAN ALAT KESEHATAN BAGI RS UNIVERSITAS HASANUDIN**

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**2. PENGADAAN ALAT PELINDUNG Diri BAGI RS HAJI JAKARTA DAN RS SYARIH HIDAYATULLAH**