

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 14 OF 2014
ON
IMPLEMENTATION OF LAW NUMBER 23 OF 2011
ON ZAKAT MANAGEMENT

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering: that to implement the provisions of Article 13, Article 14 section (2), Article 16 section (2), Article 20, Article 24, Article 29 section (6), Article 33 section (1), and Article 36 section (2) of Law Number 23 of 2011 on Zakat Management, it is necessary to issue a Government Regulation on Implementation of Law Number 23 of 2011 on Zakat Management;

Observing: 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 23 of 2011 on Zakat Management (State Gazette of the Republic of Indonesia of 2011 Number 115, Supplement to the State Gazette of the Republic of Indonesia Number 5255);

HAS DECIDED:

To issue: GOVERNMENT REGULATION ON IMPLEMENTATION OF LAW
NUMBER 23 OF 2011 ON ZAKAT MANAGEMENT.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Zakat Management means the activities of planning, implementing, and coordinating the collection, distribution, and utilization of zakat.
2. National Board of Zakat (Badan Amil Zakat Nasional), hereinafter referred to as BAZNAS, means an institution responsible for managing zakat at the national level.
3. Amil Zakat Institution (Lembaga Amil Zakat), hereinafter abbreviated to LAZ, means a community-established institution has duty to assist in the collection, distribution, and utilization of zakat.
4. Zakat Collection Unit (*Unit Pengumpul Zakat*), hereinafter abbreviated as UPZ, means an organizational unit established by BAZNAS to assist in zakat collection.
5. Amil Right means a specific portion of zakat that may be used for operational costs in zakat management in accordance with Islamic law.
6. Law means Law Number 23 of 2011 on Zakat Management.
7. Minister means a minister administering government affairs in the field of religion.

CHAPTER II POSITION, DUTIES, AND FUNCTIONS OF BAZNAS

Article 2

- (1) The Government establishes BAZNAS to carry out the zakat management.
- (2) BAZNAS as referred to in section (1) is headquartered in the capital city of the country.

- (3) BAZNAS as referred to in section (1) is an independent, non-structural government institution that is accountable to the President through the Minister

Article 3

- (1) BAZNAS is the institution authorized to carry out the duties of zakat management at the national level.
- (2) In carrying out the duties as referred to in Article 6, BAZNAS performs the following functions:
 - a. planning for the collection, distribution, and utilization of zakat;
 - b. implementing the collection, distribution, and utilization of zakat;
 - c. controlling the collection, distribution, and utilization of zakat; and
 - d. reporting and accounting for the implementation of zakat management.

Article 4

- (1) In carrying out its duties and functions, BAZNAS prepares guidelines for Zakat Management.
- (2) The Zakat Management guidelines as referred to in section (1) serve as a reference for zakat management for BAZNAS, provincial BAZNAS, regency/municipal BAZNAS, and LAZ.

CHAPTER III

BAZNAS MEMBERSHIP

Part One

General

Article 5

- (1) BAZNAS consists of 11 (eleven) members.

- (2) BAZNAS Members as referred to in section (1) are appointed and dismissed by the President based on the recommendation of the Minister.

Part Two

Procedure for Appointment

Article 6

- (1) BAZNAS Members appointed as referred to in Article 5 section (2) consist of elements from the community and the Government.
- (2) BAZNAS Members from the community are appointed by the President upon the recommendation of the Minister after obtaining consideration from the House of Representatives of the Republic of Indonesia.
- (3) The term of office for BAZNAS members is 5 (five) years and may be reappointed for 1 (one) term of office.

Article 7

- (1) To be appointed as a BAZNAS member, a candidate must meet at least the following requirements:
 - a. being an Indonesian national;
 - b. Muslim;
 - c. being devout to Allah SWT;
 - d. having good moral character;
 - e. being at least 40 (forty) years old;
 - f. being physically and mentally healthy;
 - g. not being a member of a political party;
 - h. having competence in zakat management; and
 - i. never had been convicted of a criminal offense punishable by a minimum imprisonment of 5 (five) years.

Article 8

- (1) BAZNAS Members as referred to in Article 5 section (1) consist of 8 (eight) individuals from the community and 3 (three) individuals from the Government.

- (2) The community elements as referred to in section (1) consist of ulama, professionals, and Islamic community figures.
- (3) The Government elements as referred to in section (1) consist of representatives from the ministry administering government affairs in the field of religion, the ministry administering government home affairs, and the ministry administering government affairs in the field of finance.

Article 9

- (1) BAZNAS members from the community as referred to in Article 8 section (2) are selected by a selection committee formed by the Minister.
- (2) Members of the selection committee as referred to in section (1) cannot be nominated as candidates for BAZNAS members.
- (3) The selection committee as referred to in section (1) selects candidates for BAZNAS members from the community in a number equal to twice the required positions to be submitted to the Minister.

Article 10

- (1) Candidates for BAZNAS members from the Government as referred to in Article 8 section (3) are from senior structural officials at echelon I level related to Zakat Management.
- (2) Candidates for BAZNAS members from the Government as referred to in section (1) are appointed by the Minister, the minister administering government home affairs, and the minister administering government affairs in the field of finance.
- (3) Candidates for BAZNAS members from the Government, appointed by the minister administering government home affairs and the minister administering government affairs in the field of finance

as referred to in section (2) are submitted to the Minister.

Article 11

- (1) The Minister proposes candidates for BAZNAS members from the community as referred to in Article 9 section (3) and candidates for BAZNAS members from the Government as referred to in Article 10 section (3) to the President.
- (2) The President selects 8 (eight) candidates for BAZNAS members from the community as proposed by the Minister as referred to in section (1), and submits them to the House of Representatives of the Republic of Indonesia for consideration.

Article 12

Candidates for BAZNAS members from the community who have received consideration from the House of Representatives of the Republic of Indonesia as referred to in Article 11 section (2), and candidates for BAZNAS members from the Government as referred to in Article 11 section (1) are appointed as BAZNAS members through a Presidential Decision.

Article 13

Further provisions regarding the formation of a selection team and the procedure for selecting candidates for BAZNAS members from the community as well as the appointment of candidates for BAZNAS members from the Government are regulated by a Ministerial Regulation.

Part Three

Procedure for Electing the Chairperson and Vice Chairperson of BAZNAS

Article 14

- (1) The chairperson and vice chairperson of BAZNAS are elected from among and by the members for a term office of 5 (five) years.
- (2) The election of the chairperson and vice chairperson of BAZNAS is conducted not later than 10 (ten) days after the appointment of BAZNAS members by the President.

Article 15

- (1) The chairperson and vice chairperson of BAZNAS are elected through a meeting of BAZNAS members.
- (2) The BAZNAS members' meeting as referred to in section (1) is valid if attended by at least 9 (nine) BAZNAS members.

Article 16

- (1) A BAZNAS members' meeting to elect the chairperson and vice Chairperson of BAZNAS is conducted through deliberation to reach a consensus.
- (2) In the event that consensus as referred to in section (1) cannot be reached, the election of the chairperson and vice chairperson of BAZNAS is carried out through voting.
- (3) The chairperson and vice chairperson of BAZNAS as referred to in section (2) are validly elected if chosen by more than half of the members present.

Article 17

- (1) The results of the election for the chairperson and vice chairperson of BAZNAS are documented in a minutes of the election signed by all BAZNAS members present.
- (2) The result of the election for the chairperson and vice chairperson of BAZNAS is submitted to the Minister.
- (3) Within 3 (three) days, the Minister is obligated to submit the results of the election for the chairperson

and vice chairperson of BAZNAS to the President for approval through a Presidential Decision.

Part Four

Procedure for Termination

Article 18

BAZNAS members are dismissed if:

- a. they passed away;
- b. their terms of office expire;
- c. they resign;
- d. they are unable to perform their duties for 3 (three) consecutive months; or
- e. they no longer meet the qualifications to serve as a member.

Article 19

BAZNAS Members who pass away or the term of office expires as referred to in Article 18, point a and point b, are automatically terminated as BAZNAS members by law.

Article 20

- (1) BAZNAS Members who resign as referred to in Article 18, point c must submit a written resignation letter to the chairperson of BAZNAS along with the reasons.
- (2) The written resignation letter as referred to in section (1) is discussed in a plenary meeting chaired by the chairperson of BAZNAS to obtain clarification.
- (3) If the plenary meeting as referred to in section (2) accepts the resignation reasons, the chairperson of BAZNAS proposes the termination of the BAZNAS members as referred to in section (1) to the Minister.

Article 21

- (1) In the event that the chairperson or vice chairperson of BAZNAS resigns as a BAZNAS member, the written resignation letter is submitted to the Minister and

notified to the BAZNAS members, along with the reasons.

- (2) Regarding the resignation request as referred to in section (1), the Minister summons the chairperson or vice chairperson who submits the resignation request for clarification.
- (3) During the clarification process as referred to in section (2), the Minister may involve other BAZNAS members.
- (4) If the reasons for the resignation as referred to in section (1) are accepted, the Minister propose the termination of the chairperson or vice chairperson of BAZNAS as a BAZNAS member to the President.

Article 22

BAZNAS members who are unable to perform their duties continuously for 3 (three) months as referred to in Article 18 point d may be dismissed if they fail to carry out their duties as BAZNAS members for 90 (ninety) consecutive days without a valid reason.

Article 23

- (1) The dismissal of BAZNAS members as referred to in Article 22 is conducted after a process of issuing 3 (three) written warnings by the chairperson of BAZNAS.
- (2) The first written warning is issued if a BAZNAS member fails to perform their duties continuously without a valid reason for 30 (thirty) days.
- (3) If a BAZNAS member who has received the first written warning, as referred to in section (2), continues to fail to perform their duties for another 30 (thirty) consecutive days without a valid reason, a second written warning is issued.
- (4) BAZNAS members who have received a second written warning as referred to in section (3) and still fail to perform their duties continuously without a valid

reason for 15 (fifteen) days are subject to a third written warning.

- (5) If within 15 (fifteen) days after the third written warning as referred to in section (4), the BAZNAS members continues to fail to perform their duties without a valid reason, the chairperson of BAZNAS proposes their dismissal to the Minister.

Article 24

The dismissal of BAZNAS members who no longer meet the eligibility criteria as referred to in Article 18 point e occurs under the following conditions:

- a. becoming a foreign national;
- b. converting to a different religion;
- c. committing disgraceful acts;
- d. suffering from physical and/or mental illness;
- e. becoming a member of a political party; or
- f. being convicted of a criminal offense punishable by imprisonment of at least 5 (five) years.

Article 25

- (1) BAZNAS members who become foreign nationals, convert to a different religion, or join a political party, as referred to in Article 24 point a, point b, or point e, must submit a written resignation request to the chairperson of BAZNAS.
- (2) In the event that BAZNAS members as referred to in section (1) do not submit a resignation request, the chairperson of BAZNAS holds a plenary meeting to seek clarification.
- (3) If the clarification in the plenary meeting, as referred to in section (2), proves that the BAZNAS members no longer meet the requirements as a member, as referred to in Article 24 point a, point b, or point e, their dismissal as a BAZNAS is member proposed.

- (4) The chairperson of BAZNAS proposes the dismissal of the BAZNAS member as referred to in sections (1) and (3) to the Minister by attaching the relevant documents.

Article 26

- (1) BAZNAS members suspected of engaging in disgraceful acts as referred to in Article 24 point c may be dismissed as members of BAZNAS after undergoing an investigation by a team formed by the chairperson of BAZNAS.
- (2) BAZNAS members proven to have engaged in disgraceful acts, based on the results of the investigation as referred to in section (1), have their dismissal proposed by the chairperson of BAZNAS to the Minister.

Article 27

- (1) BAZNAS members suffering from physical and/or mental illness, as referred to in Article 24 point d, are dismissed as members of BAZNAS if they experience prolonged illness for 90 (ninety) consecutive days, rendering them unable to perform their duties as BAZNAS members.
- (2) BAZNAS members suffering from prolonged illness for 90 (ninety) consecutive days as referred to in section (1) are dismissed if, based on a medical statement, they are deemed unable to carry out their duties as BAZNAS members.
- (3) In the event of a prolonged illness as referred to in section (1), the chairperson of BAZNAS proposes the dismissal of the member to the Minister.

Article 28

- (1) BAZNAS members suspected of committing a criminal offense punishable by imprisonment of at least 5 (five)

years, as referred to in Article 24 point f, and who have been designated as defendants, are temporarily dismissed as BAZNAS members.

- (2) The temporary dismissal of BAZNAS members as referred to in section (1) is conducted by the Minister upon the recommendation of the chairperson of BAZNAS through the issuance of a Ministerial Decision.
- (3) The Ministerial Decision as referred to in section (2), is repealed if the BAZNAS members as referred to in section (1), is found not guilty of the alleged criminal offense.
- (4) In the event that the BAZNAS members as referred to in section (1) are proven to have committed the alleged criminal offense and a final and binding court decision has been issued, the chairperson of BAZNAS proposes their dismissal to the Minister.

Article 29

- (1) The Minister proposes the dismissal of BAZNAS members as referred to in Article 20 section (3), Article 21 section (4), Article 23 section (5), Article 25 section (4), Article 26 section (2), Article 27 section (3), and Article 28 section (4) to the President.
- (2) The President determines the dismissal of BAZNAS members as referred to in section (1) through a Presidential Decision.

Part Five

Replacement for BAZNAS Members

Article 30

- (1) To fill the vacancy of BAZNAS members dismissed for reasons other than the end of their term of office as referred to in Article 18 point b, the President may appoint a replacement for BAZNAS members upon the recommendation of the Minister.

- (2) The candidate of replacement for BAZNAS members as referred to in section (1) comes from the same element as the member being replaced.
- (3) The candidate of replacement for BAZNAS members from the community element is proposed by the Minister from one of the candidates of BAZNAS members for the same term.
- (4) Before appointing a BAZNAS replacement members from the community element, the President requests consideration from the House of Representatives of the Republic of Indonesia.
- (5) The term of office for a replacement for BAZNAS member of is the remaining term of office of the member being replaced.

CHAPTER IV

ORGANIZATION AND WORK PROCEDURES OF BAZNAS

Part One

BAZNAS

Article 31

- (1) To carry out its duties and functions, BAZNAS may establish implementing units.
- (2) The implementing units as referred to in section (1) perform the functions of planning, implementing, controlling, reporting, and accountability in the collection, distribution, and utilization of zakat at the national level.
- (3) The staff of the implementing units as referred to in section (1) are not civil servants.
- (4) Further provisions regarding the implementing units as referred to in section (1) are regulated by a Ministerial Regulation.

Part Two
Provincial BAZNAS

Article 32

Provincial BAZNAS is established by the Minister upon the proposal of the governor after obtaining consideration from BAZNAS.

Article 33

- (1) Provincial BAZNAS is responsible to BAZNAS and the provincial government.
- (2) Provincial BAZNAS as referred to in section (1) carries out the duties and functions of BAZNAS at the provincial level in accordance with the policies of BAZNAS.

Article 34

- (1) Provincial BAZNAS consists of leadership and implementing staff.
- (2) The leadership as referred to in section (1) consists of a chairperson and a maximum of four (4) vice chairpersons.
- (3) The leadership as referred to in section (1) comes from community representatives, including ulama, professionals, and Islamic community figures.
- (4) The implementing staff as referred to in section (1) perform the functions of administration and planning, implementation, monitoring, reporting, and accountability for the collection, distribution, and utilization of zakat.
- (5) The implementing staff as referred to in section (1) are not civil servants.
- (6) If necessary, implementing staff may include civil servants on secondment.

Article 35

The requirements for becoming a member of BAZNAS as referred to in Article 7 apply as qualifications for the appointment of leadership for provincial BAZNAS.

Article 36

- (1) The leadership of provincial BAZNAS as referred to in Article 34 section (2) is appointed and dismissed by the governor after obtaining consideration from BAZNAS.
- (2) The appointment and dismissal of the leadership of provincial BAZNAS as referred to in section (1) is reported to the Minister with a copy forwarded to the head of the provincial office of the ministry of religious affairs.

Article 37

The implementing staff of provincial BAZNAS as referred to in Article 34 section (5) is appointed and dismissed by the chairperson of provincial BAZNAS.

Article 38

In carrying out the duties and functions as referred to in Article 33 section (2) provincial BAZNAS is obligated to:

- a. conduct planning, implementation, and monitoring of the collection, distribution, and utilization of zakat at the provincial level;
- b. coordinate with the provincial office of the ministry of religious affairs and related institutions at the provincial level in the collection, distribution, and utilization of zakat; and
- c. report and be accountable for the Management of Zakat, *infak*, and *sedekah*, as well as other religious social funds to BAZNAS and the governor.

Part Three
Regency/Municipal BAZNAS

Article 39

Regency/municipal BAZNAS is established by the director general having duties and functions in the field of zakat at the ministry administering government affairs in the field of religion based on a proposal from the regent/mayor after obtaining consideration from BAZNAS.

Article 40

- (1) Regency/municipal BAZNAS as referred to in Article 39 is responsible to provincial BAZNAS and to the regency/municipal government.
- (2) Regency/municipal BAZNAS as referred to in section (1) carries out the duties and functions of regency/municipal BAZNAS in accordance with the policies of BAZNAS.

Article 41

- (1) Regency/municipal BAZNAS consists of leadership and implementing staff.
- (2) The leadership as referred to in section (1), consists of a chairperson and a maximum of four (4) vice chairpersons.
- (3) The leadership as referred to in section (1), originates from community representatives, including ulama, professionals, and Islamic community figures.
- (4) Implementing staff as referred to in section (1) perform the functions of administration and planning, implementation, monitoring, reporting, and accountability for the collection, distribution, and utilization of zakat implementing.
- (5) The implementing staff referred to in section (1) are not civil servants.
- (6) If necessary, the implementing staff may consist of civil servants who are secondment.

Article 42

The requirements for becoming a BAZNAS members as referred to in Article 7 apply as requirements for the appointment of leadership of regency/municipal BAZNAS.

Article 43

- (1) The leadership of regency/municipal BAZNAS as referred to in Article 41 section (1) is appointed and dismissed by the regent/mayor after obtaining consideration from BAZNAS.
- (2) The appointment and dismissal of the leadership of regency/municipal BAZNAS as referred to in section (1) is reported to the director general having duties and functions in the field of zakat at the ministry administering government affairs in the field of religion, with copies submitted to the head of the provincial office of the ministry of religious affairs and the head of the regency/municipal office of the ministry of religious affairs.

Article 44

The implementing staff of regency/municipal BAZNAS as referred to in Article 41 section (1) are appointed and dismissed by the chairperson of regency/municipal BAZNAS.

Article 45

In carrying out its duties and functions as referred to in Article 40 section (2), regency/municipal BAZNAS is obligated to:

- a. conduct planning, implementation, and monitoring of the collection, distribution, and utilization of zakat at the regency/city level;
- b. coordinate with the provincial office of the ministry of religious affairs and related institutions at the regency/city level in the collection, distribution, and utilization of zakat; and

- c. report and be accountable for the Management of Zakat, *infak*, and *sedekah*, as well as other religious social funds to provincial BAZNAS and the regent/mayor.

Part Four

UPZ

Article 46

- (1) In carrying out its duties and functions, BAZNAS, provincial BAZNAS, and regency/municipal BAZNAS may establish UPZ.
- (2) The UPZ as referred to in section (1) has duty to assist the collection of zakat.
- (3) The zakat collected by UPZ as referred to in section (2) is required to be deposited to BAZNAS, provincial BAZNAS, or regency/municipal BAZNAS.
- (4) Provisions regarding the establishment and work procedures of UPZ are regulated by a Regulation of the Chairperson of BAZNAS.

CHAPTER V

ORGANIZATION AND WORK PROCEDURES OF BAZNAS SECRETARIAT

Article 47

- (1) In carrying out its duties, BAZNAS is supported by a secretariat.
- (2) The secretariat as referred to in section (1) may oversee a maximum of 4 (four) divisions and/or groups of functional positions.
- (3) Each division as referred to in section (2) may oversee a maximum of 3 (three) sub-divisions and/or groups of functional positions.

Article 48

The BAZNAS Secretariat as referred to in Article 47 has duty to provide technical and administrative support for the execution of BAZNAS duties and functions.

Article 49

- (1) The BAZNAS Secretariat as referred to in Article 47 section (1) is led by a secretary.
- (2) The secretary as referred to in section (1) is appointed and dismissed by the Minister in accordance with the provisions of legislation.
- (3) The secretary as referred to in section (2) operates under and is responsible to the chairperson of BAZNAS and is administratively supervised by the director general having duties and functions in the field of zakat at the ministry administering government affairs in the field of religion.

Article 50

In carrying out its duties, the BAZNAS Secretariat performs:

- a. coordination and communication with the leadership of BAZNAS regarding administrative matters related to planning, implementation, control, collection, distribution, and utilization of zakat;
- b. preparation and organization of BAZNAS meetings; and
- c. preparation of reports and accountability documentation for the execution of duties, functions, and authority of BAZNAS in the collection, distribution, and utilization of zakat.

Article 51

In carrying out its duty to assist BAZNAS, the BAZNAS secretariat is administratively supervised by and responsible to the director general having duties and

functions in the field of zakat at the ministry administering government affairs in the field of religion.

Article 52

Further provisions regarding the position, duties, functions, and organizational structure of the BAZNAS secretariat are regulated by a Ministerial Regulation after obtaining approval from the minister administering government affairs in the field of state apparatus empowerment and bureaucratic reform.

CHAPTER VI

SCOPE OF AUTHORITY IN ZAKAT COLLECTION

Article 53

- (1) BAZNAS is authorized to collect zakat through UPZ and/or directly.
- (2) The zakat collection through UPZ as referred to in section (1) is carried out by establishing UPZ at:
 - a. state institutions;
 - b. ministries/non-ministerial government institutions;
 - c. state-owned enterprises;
 - d. national and foreign private companies;
 - e. Indonesian missions abroad;
 - f. foreign representation offices/foreign institutions; and
 - g. national mosques.
- (3) The direct zakat collection as referred to in section (1) is conducted through facilities provided by BAZNAS.

Article 54

- (1) Provincial BAZNAS is authorized to collect zakat through UPZ and/or directly.
- (2) The zakat collection through UPZ as referred to in section (1) is carried out by establishing UPZ at:
 - a. offices of vertical institutions;

- b. offices of regional/provincial government working units/institutions;
 - c. provincial-owned enterprises;
 - d. provincial-scale private company;
 - e. higher-educational institutions; and
 - f. grand mosque.
- (3) The direct zakat collection as referred to in section (1) is conducted through facilities provided by provincial BAZNAS.

Article 55

- (1) Regency/municipal BAZNAS is authorized to collect zakat through UPZ and/or directly.
- (2) The zakat collection through UPZ as referred to in section (1) is carried out by establishing UPZ at:
- a. offices of regency/municipal government working units/institutions;
 - b. offices of vertical institutions at the regency/municipal level;
 - c. regency/municipal-owned enterprises;
 - d. regency/city- scale private companies;
 - e. mosques, mushalla, *langgar*, *surau*, or other similar places of worship;
 - f. schools/madrasahs and other educational institutions;
 - g. sub-districts or other names; and
 - h. rural/urban villages or other names.
- (3) The direct zakat collection as referred to in section (1) is conducted through facilities provided by regency/municipal BAZNAS.

CHAPTER VII

REQUIREMENTS FOR ORGANIZATIONS, LICENSING MECHANISMS, AND ESTABLISHMENT OF LAZ REPRESENTATIVES

Part One Organizational Requirements

Article 56

To assist BAZNAS in the implementation of zakat collection, distribution, and utilization, the community may establish LAZ.

Article 57

The establishment of LAZ as referred to in Article 56 is required to obtain a license from the Minister or an official appointed by the Minister after fulfilling the requirements:

- a. registered as an Islamic community organization managing activities in education, da'wah, and social welfare, or established as a legal entity;
- b. obtains a recommendation from BAZNAS;
- c. has a sharia supervisor;
- d. possesses technical, administrative, and financial capabilities to carry out its activities;
- e. operates as a nonprofit organization;
- f. has programs for utilizing zakat to promote the welfare of Muslims; and
- g. agrees to sharia and financial audits periodically.

Part Two Licensing Mechanism

Article 58

- (1) The LAZ establishment license as referred to in Article 57 is obtained by submitting a written application.
- (2) The written application as referred to in section (1) is submitted by the leader of the Islamic community organization along with the following documents:
 - a. the organization's articles of association;
 - b. a certificate of registration as a community organization from the ministry administering government home affair;

- c. a decision of legal entity approval from the ministry administering government affair in the field of law and human rights;
- d. a recommendation letter from BAZNAS;
- e. a list and declaration of willingness to serve as sharia supervisors;
- f. a declaration of willingness to undergo sharia and financial audits periodically; and
- g. a program for utilizing zakat to community welfare.

Article 59

- (1) The LAZ establishment license submitted by a nationally scaled Islamic community organization is issued by the Minister.
- (2) The LAZ establishment license submitted by a provincially scaled Islamic community organization is granted by the director general having duties and functions in the field zakat at the ministry administering government affairs in the field of religion.
- (3) The LAZ establishment license submitted by an Islamic community organization at the regency/city scale is granted by the head of the provincial office of the ministry of religious affairs.

Article 60

- (1) The Minister, the director general having duties and functions in the field of zakat at the ministry administering government affairs in the field of religion, or the head of the provincial office of the ministry of religious affairs as referred to in Article 59 has the authority to approve or reject the application for a LAZ establishment license.
- (2) If the application to establish LAZ meets the requirements as referred to in Article 57, the Minister, the director general having duties and functions in the

field of zakat at the ministry administering government affairs in the field of religion, or the head of the provincial office of the ministry of religious affairs issues the LAZ establishment license.

- (3) If the application to establish LAZ does not meet the requirements as referred to in Article 57, the Minister, the director general having duties and functions in the field of zakat at the ministry administering government religious affair, or the head of the provincial office of the ministry of religious affairs rejects the application for a LAZ establishment license accompanied by reasons.

Article 61

The process for granting a LAZ establishment license must be completed within a maximum period of 15 (fifteen) work days from the date the written application is received.

Part Three

Establishment of LAZ Representatives

Article 62

- (1) Nationally scaled LAZ may establish representatives.
- (2) The establishment of LAZ representatives as referred to in section (1) can only be carried out at every province for 1 (one) representative.
- (3) The establishment of LAZ representatives as referred to in section (2) must receive approval from the head of the provincial office of the ministry of religious affairs.
- (4) The approval for establishing LAZ representatives as referred to in section (3) is granted through a written application.
- (5) The written application as referred to in section (4) is submitted by the leadership of LAZ to the head of the provincial office of the ministry of religious affairs and accompanied by the following attachments:

- a. the LAZ establishment license issued by the Minister;
- b. a recommendation from BAZNAS at the provincial level;
- c. data on *muzaki* (zakat payers) and *mustahik* (zakat beneficiaries); and
- d. programs for utilizing zakat for the welfare of the community.

Article 63

- (1) LAZ operating at the provincial level may only establish 1 (one) representative in each regency/city.
- (2) The establishment of LAZ representatives as referred to in section (1) must receive approval from the head of the regency/municipal office of the ministry of religious affairs.
- (3) The approval for establishing LAZ representatives as referred to in section (2) is granted through a written application.
- (4) The written application as referred to in section (3) is submitted by the leadership of LAZ to the head of the regency/municipal office of the ministry of religious affairs by attaching:
 - a. the LAZ establishment license issued by the director general having duties and functions in the field of zakat at the ministry administering government affairs in the field of religion;
 - b. a recommendation from regency/municipal BAZNAS;
 - c. data on *muzaki* and *mustahik* ; and
 - d. programs for utilizing zakat for the welfare of the community.

Article 64

- (1) The head of the provincial office of the ministry of religious affairs or the head of the regency/municipal office of the Ministry of religious affairs approves the

application for establishing LAZ representatives that meet the requirements by issuing a license for the establishment of LAZ representatives.

- (2) In the event that the application for establishing LAZ representatives as referred to in Article 62 and Article 63 does not meet the requirements, the head of the provincial office of the ministry of religious affairs or the head of the regency/municipal office of the ministry of religious affairs rejects the application with reasons provided.

Article 65

The process of completing the license for establishing LAZ representatives is completed within a maximum of 15 (fifteen) work days from the date the written application is received.

Part Four

Individual or Group Amil Zakat in Communities

Article 66

- (1) In the event that certain communities or areas are not yet served by BAZNAS and LAZ, Zakat Management activities may be conducted by groups of persons, individual Islamic community figures (*alim ulama*), or mosque/musholla management committees (*takmir*) acting as amil zakat.
- (2) Zakat Management activities by amil zakat as referred to in section (1) is reported in writing to the head of the sub-district religious affairs office.

CHAPTER VIII

BAZNAS FINANCING AND UTILIZATION OF AMIL RIGHT

Article 67

- (1) operational cost of BAZNAS is borne by state budget and Amil Right.

- (2) The amount of the Amil Right that can be used for operational costs as referred to in section (1) is determined in accordance with Islamic law, by considering aspects of productivity, effectiveness, and efficiency in the Zakat Management.
- (3) The use of the Amil Right as referred to in section (2) is included in the annual work plan and budget prepared by BAZNAS and approved by the Minister.

Article 68

- (1) BAZNAS Members, the leaders of BAZNAS at the provincial level, and the leaders of BAZNAS at the regency/municipal level are granted financial rights in accordance with their duties and functions.
- (2) BAZNAS Members, leaders of BAZNAS at the provincial level, and leaders of BAZNAS at the regency/municipal level as referred to in section (1) are not entitled to retirement benefits and/or severance pay after their term of office ends or upon resignation.
- (3) Further provisions regarding the financial rights of BAZNAS members are regulated by a Presidential Regulation.
- (4) Provisions regarding the financial rights of the leaders of BAZNAS at the provincial level and the leaders of BAZNAS at the regency/municipal level are implemented in accordance with the provisions of applicable legislation.

Article 69

- (1) The operational costs of provincial BAZNAS and regency/municipal BAZNAS are borne by local budget and Amil Right.
- (2) The operational costs of provincial BAZNAS and regency/municipal BAZNAS borne by APBD include:
 - a. financial rights for the leadership of provincial BAZNAS and regency/municipal BAZNAS;

- b. general administrative expenses;
 - c. costs for dissemination coordination between provincial BAZNAS and regency/municipal BAZNAS, and provincial LAZ; and
 - d. costs for dissemination and coordination between regency/municipal BAZNAS and regency/municipal LAZ.
- (3) Operational costs other than those as referred to in section (2) are borne by Amil Right.
- (4) The amount of Amil Right that can be used for operational costs as referred to in section (2) is determined according to Islamic law principles while considering aspects of productivity, effectiveness, and efficiency in Zakat Management.
- (5) The use of the amount of Amil Right as referred to in section (3) is included in the annual work and budget plan prepared by between provincial BAZNAS and regency/municipal BAZNAS and approved by BAZNAS.

Article 70

Financing sourced from the state budget may be provided to provincial BAZNAS and regency/municipal BAZNAS if the implementing funding sourced from the local budget is insufficient.

CHAPTER IX

REPORTING AND ACCOUNTABILITY OF BAZNAS AND LAZ

Article 71

- (1) Regency/municipal BAZNAS is obligated to submit reports on the implementation of Zakat Management, *infak*, *sedekah*, and other religious social fund management to provincial BAZNAS and the regent/mayor every 6 (six) months and at the end of the year.
- (2) Provincial BAZNAS is obligated to submit reports on the implementation of Zakat Management, *infak*,

sedekah, and other religious social fund management to BAZNAS and the governor every 6 (six) months and at the end of the year.

Article 72

- (1) BAZNAS is obligated to submit reports on the implementation of Zakat Management, *infak*, *sedekah*, and other religious social fund management to the Minister every 6 (six) months and at the end of the year.
- (2) In addition to the annual report as referred to in section (1), BAZNAS is also obligated to submit a written report on the implementation of its duties to the President through the Minister and the House of Representatives of the Republic of Indonesia at least once a year.

Article 73

LAZ is obligated to submit reports on the implementation of Zakat Management, *infak*, *sedekah*, and other religious social fund management to BAZNAS and the local government every 6 (six) months and at the end of the year.

Article 74

The representatives of LAZ is obligated to submit reports on the implementation of Zakat Management, *infak*, *sedekah*, and other religious social fund management to LAZ, with copies submitted to the local government, the head of the provincial office of the ministry of religious affairs, and the head of the regency/municipal office of the ministry of religious affairs.

Article 75

- (1) The reports on the implementation of Zakat Management, *infak*, *sedekah*, and other religious social funds management as referred to in Article 71,

Article 72, and Article 73 must be subjected to sharia and financial audits.

- (2) The sharia audit as referred to in section (1) is conducted by the ministry administering government affairs in the field of religion.
- (3) The financial audit as referred to in section (1) is conducted by a public accountant.
- (4) Reports on the implementation of Zakat Management, *infak*, *sedekah*, and other religious social funds management that have undergone sharia and financial audits as referred to in section (2) and section (3) are submitted to BAZNAS.

Article 76

The reports as referred to in Article 71, Article 72, and Article 73 include accountability and performance results for the Zakat Management, *infak*, *sedekah*, and other religious social funds management.

CHAPTER X

ADMINISTRATIVE SANCTIONS

Article 77

BAZNAS or LAZ is subject to administrative sanctions if:

- a. failing to provide proof of zakat deposit to each *muzaki* as referred to in Article 23 section (1) of the Law;
- b. distributing or utilizing *infak*, *sedekah*, and other religious social funds in ways that are not in compliance with Islamic principles or not in accordance with the allocation declared by the donor, as referred to in Article 28 section (2) of the Law; and/or
- c. failing to record in separate bookkeeping the management of *infak*, *sedekah*, and other religious social funds, as referred to in Article 28 section (3) of the Law.

Article 78

- (1) Amil zakat as referred to in Article 66 section (1) who fails to notify the head of the sub-district religious affairs office is subject to administrative sanctions.
- (2) Amil zakat as referred to in Article 66 may also be subject to administrative sanctions if:
 - a. failing to record and account for zakat management; or
 - b. failing to distribute and utilize zakat in accordance with Islamic law and the designated purposes as declared.

Article 79

LAZ is subject to administrative sanctions if it fails to fulfil reporting obligations as referred to in Article 19 and Article 29 section (3) of the Law or Article 73 of this Government Regulation.

Article 80

Administrative sanctions as referred to in Article 77 and Article 79 may include:

- a. a written warning;
- b. temporary suspension of activities; and/or
- c. revocation of implementing licenses.

Article 81

- (1) Administrative sanctions in the form of a written warning as referred to in Article 80 point a are imposed on BAZNAS or LAZ that violate the provisions as referred to in Article 77 or Article 79.
- (2) Repeat violations of the provisions as referred to in section (1) by BAZNAS or LAZ result in administrative sanction in the form of temporary suspension of activities.
- (3) Administrative sanction in the form of temporary suspension of activities as referred to in section (2) is

cancelled if BAZNAS or LAZ fulfils its obligations as referred to in Article 23 section (1) or Article 28 section (2) and section (3) of the Law.

- (4) In the event that LAZ repeats the violation of the provisions as referred to in section (1) and has been subject to administrative sanction as referred to in section (2), it is subject to administrative sanction in the form of revocation of its implementing license.
- (5) In the event that BAZNAS repeats the violation of the provisions as referred to in section (1) and has been subject to administrative sanction as referred to in section (2), the members or leadership of BAZNAS responsible for the violation may be deemed to have committed a disgraceful act as referred to in Article 24 point c.

Article 82

- (1) The imposition of administrative sanction in the form of a written warning for violations committed by BAZNAS is carried out by the Minister.
- (2) The imposition of administrative sanction in the form of a written warning for violations committed by provincial or regency/municipal BAZNAS and LAZ is carried out by BAZNAS.
- (3) The imposition of administrative sanctions in the forms of temporary suspension of activities and revocation of implementing licenses is carried out by the Minister.

Article 83

- (1) Amil zakat as referred to in Article 78 section (1) is subject to administrative sanction in the form of termination of zakat management activities.
- (2) Amil Zakat as referred to in Article 78 section (2) is subject to administrative sanction in the form of a written warning.

- (3) In the event that Amil Zakat repeats violations of the provisions as referred to in section (2) is subject to administrative sanction in the form of temporary suspension from zakat management activities.
- (4) In the event that Amil Zakat repeats violations of the provisions as referred to in section (3) is subject to administrative sanction in the form of permanent termination from zakat management activities.

Article 84

Further provisions regarding the procedures for imposing administrative sanctions are regulated by a Ministerial Regulation.

Chapter XI

CLOSING PROVISIONS

Article 85

Implementing regulations of this Government Regulation must be established no later than 1 (one) year from the date this Government Regulation is enacted.

Article 86

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 14 February 2014

PRESIDENT OF THE REPUBLIC OF
INDONESIA,

signed

DR. H. SUSILO BAMBANG
YUDHOYONO

Promulgated in Jakarta
on 14 February 2014

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

signed

AMIR SYAMSUDIN

Jakarta, 10 March 2025

Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



ELUCIDATION OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 14 OF 2014
ON
IMPLEMENTATION OF LAW NUMBER 23 OF 2011
ON ZAKAT MANAGEMENT

1. GENERAL

The state guarantees the freedom of each citizen to embrace their respective religions and to worship according to their religion and beliefs. Paying zakat is an obligation for Muslims who are able, in accordance with Islamic law. Zakat is a religious institution aimed at increasing justice, societal welfare, and poverty alleviation.

To enhance the utility and effectiveness of zakat, it must be managed institutionally and professionally in accordance with Islamic law. This management must be based on the principles of trust, benefit, justice, legal certainty, integration, and accountability to improve the effectiveness and efficiency of services in zakat management.

In carrying out institutional and professional zakat management, a strong and credible organizational body is required. For this purpose, the National Board of Zakat (BAZNAS) is established which as an institution with the authority to collect, distribute, and utilize zakat on a national level. BAZNAS is a non-structural governmental body that is independent and accountable to the President through the Minister. The institutional strengthening of BAZNAS with such authority is intended to provide protection, guidance, and services to *muzaki*, *mustahik*, and zakat managers while ensuring legal certainty in zakat management.

Given the broad reach and widespread distribution of Muslims throughout Indonesia, as well as the significant duties and responsibilities of BAZNAS in managing zakat, BAZNAS has established provincial and regency/municipal-level branches for implementation.

These branches, BAZNAS at the provincial and regency/municipal levels have duty with and responsible for managing zakat in their respective regions.

To assist in zakat collection, BAZNAS, in accordance with its level and position, may establish Zakat Collection Units (*Unit Pengumpul Zakat*, UPZ) in government institutions, ministries/non-ministerial government institution, state-owned enterprises, private national and foreign companies, Indonesian missions abroad, foreign representation offices /foreign organizations, and mosques.

Furthermore, to support zakat management, the public may also assist BAZNAS in collecting, distributing, and utilizing zakat by establishing LAZ. As stipulated in the Constitutional Court's Decision Number 86/PUU-X/2012 dated October 31, 2013, regarding the judicial review of Law Number 23 of 2011 on Zakat Management, the formation of LAZ by the public can be carried out by Islamic community organizations engaged in education, da'wa, and social activities, or legal entities that meet the requirements stipulated in the regulations and obtain permission from the Minister or an appointed official. Additionally, in communities and regions not yet reached by BAZNAS or LAZ, groups, individuals, Islamic religious figures (*alim ulama*), or mosque/*musholla* administrators (*takmir*) may conduct zakat management activities by providing written notification to the authorized official.

Lastly, in efforts to guide and supervise LAZ in carrying out its duties, LAZ is obligated to submit reports periodically to BAZNAS and local governments in accordance with the level and position of each LAZ.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Section (1)

The Zakat Management guidelines contain norms, standards, and procedures as a reference in planning, implementing, and coordinating the collection, distribution, and utilization of zakat.

Section (2)

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

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

Sufficiently clear.

Article 27

Section (1)

Sufficiently clear.

Section (2)

The term "doctor" means a doctor appointed by BAZNAS.

Section (3)

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Section (1)

Accountability to the local government includes reporting on the implementation of the management of zakat, *infak*, *sedekah*, and other religious social funds as well as the use of local budget funds.

Section (2)

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Section (1)

Accountability to the local government includes reporting on the implementation of the management of zakat, *infak*, *sedekah*, and other social religious funds as well as the use of local budget funds.

Section (2)

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Sufficiently clear.

Article 53

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "facilities provided by BAZNAS" include coming directly to the BAZNAS office, counters provided by BAZNAS, bank accounts, and collection by officers from *muzaki*.

Article 54

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "facilities that have been provided by the provincial BAZNAS" include coming directly to the provincial BAZNAS office, counters provided by the provincial BAZNAS, bank accounts, and collection by officers from *muzaki*.

Article 55

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "facilities provided by the regency/municipal BAZNAS" include coming directly to the regency/municipal BAZNAS office, counters provided by the regency/municipal BAZNAS, bank accounts, and collection by officers from *muzaki*.

Article 56

Sufficiently clear.

Article 57

Point a

The term "registered as an Islamic community organization that manages the fields of education, da'wa, and social affairs or a legal entity" means an Islamic community organization that manages the fields of education, da'wa, and social affairs that is registered with the ministry administering government home affairs or a legal entity in the form of a foundation or Islamic-based association that has been approved by the minister administering government affairs in the field of law and human rights.

Point b

Sufficiently clear.

Point c

The term "having a sharia supervisor" means that LAZ has its own internal sharia supervisor or appoints an external sharia supervisor from outside LAZ.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

point g

Sufficiently clear.

Article 58

Sufficiently clear.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Sufficiently clear.

Article 62

Sufficiently clear.

Article 63

Sufficiently clear.

Article 64

Sufficiently clear.

Article 65

Sufficiently clear.

Article 66

The term "certain communities and areas not yet reached by BAZNAS and LAZ" means a Muslim community located in an area that is geographically quite far from BAZNAS and LAZ and does not have the infrastructure to pay zakat to BAZNAS or LAZ.

Article 67

Sufficiently clear.

Article 68

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Sufficiently clear.

Article 72

Sufficiently clear.

Article 73

Sufficiently clear.

Article 74

Sufficiently clear.

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 77

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Sufficiently clear.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear.

Article 83

Sufficiently clear.

Article 84

Sufficiently clear.

Article 85

Sufficiently clear.

Article 86

Sufficiently clear.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF
INDONESIA NUMBER 5508