

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 42 OF 2006
ON
IMPLEMENTATION OF LAW NUMBER 41 OF 2004
ON WAQF

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that to implement the provisions of Article 14, Article 21, Article 31, Article 39, Article 41, Article 46, Article 66, and Article 68 of Law Number 41 of 2004 on Waqf, it is necessary to issue a Government Regulation on Implementation of Law Number 41 of 2004 on Waqf.

Observing : 1. Article 5 section (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 41 of 2004 on Waqf (State Gazette of the Republic of Indonesia of 2004 Number 159; Supplement to the State Gazette of the Republic of Indonesia Number 4459).

HAS DECIDED:

To issue : GOVERNMENT REGULATION ON IMPLEMENTATION OF LAW
NUMBER 41 OF 2004 ON WAQF.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Waqf means a legal action performed by a *waqif* to separate and/or hand over part of his/her assets for permanent or temporary utilization, in accordance with its purposes, for religious purposes and/or public welfare under Islamic law.
2. *Waqif* means any party that endows their assets as waqf.
3. Waqf Declaration means a *Waqif's* declaration of intent made verbally and/or in writing to a *Nazhir* for endowing their assets as waqf.
4. *Nazhir* means any party receiving waqf assets from the *Waqif* to be managed and developed according to the intended designation.
5. *Mauquf alaih* means any appointed party to obtain benefit from the utilization of the waqf assets in accordance with *Waqif's* declaration of intent, as documented in a Waqf Declaration Deed.
6. Waqf Declaration Deed means a proof of the *Waqif's* declaration of intent to endow their asset, to be managed by the *Nazhir* in accordance with the designation of the waqf assets as documented in a deed.
7. Cash Waqf Certificate means a certificate issued by an Islamic Financial Institution to both *Waqif* and *Nazhir* regarding cash waqf endowment.
8. Waqf Declaration Deed Official (*Pejabat Pembuat Akta Ikrar Wakaf*) hereinafter abbreviated to PPAIW means an authorized official appointed by the Minister to make Waqf Declaration Deed
9. Islamic Financial Institution (*Lembaga Keuangan Syariah*) hereinafter abbreviated to LKS means an Indonesian legal entity operating in the field of Islamic finance.

10. Islamic Bank means an Islamic Commercial Bank, an Islamic Business Unit of a conventional commercial bank, or an Islamic Rural Bank.
11. Indonesia Waqf Board (Badan Wakaf Indonesia) hereinafter abbreviated to BWI means an independent institution having a duty to develop waqf in Indonesia.
12. Head of the Office of Religious Affairs hereinafter abbreviated to Head of KUA means an official of the Department of Religious Affairs responsible for Islamic religious affairs at the sub-district level.
13. Minister means a minister administering government affairs in the field of religion.

CHAPTER II

NAZHIR

Part One

General

Article 2

Nazhir consists of:

- a. individuals;
- b. organizations; or
- c. legal entities.

Article 3

- (1) Waqf assets must be registered on behalf of the *Nazhir* for the benefit of the parties specified in the waqf declaration deed according to its designation.
- (2) The registration of waqf assets on behalf of the *Nazhir* does not prove the ownership of the *Nazhir* over the waqf assets.
- (3) The replacement of *Nazhir* does not result in the transfer of ownership of the respective waqf assets.

Part Two
Individual *Nazhir*

Article 4

- (1) An individual *Nazhir* is appointed by the *Waqif* while meeting the requirements under law.
- (2) The *Nazhir* as referred to in section (1) is obligated to be registered with the Minister and the BWI through the local Office of Religious Affairs.
- (3) In the event that there is no local Office of Religious Affairs as referred to in section (2), the *Nazhir* registration is conducted through the nearest Office of Religious Affairs, the Ministry of Religious Affairs office, or a representative of the Indonesia Waqf Board in the provinces, regencies, or cities.
- (4) The BWI issues proof of *Nazhir* registration.
- (5) Individual *Nazhir* must be a group consisting at least 3 (three) persons, and one of them is appointed as chairperson.
- (6) One of individual *Nazhir* as referred to in section (5) must reside in a sub-district where the waqf assets is located.

Article 5

- (1) The *Nazhir* as referred to in Article 4 section (1) ceases to serve in his/her position if:
 - a. pass away;
 - b. are permanently incapacitated;
 - c. resign; or
 - d. are dismissed by the BWI.
- (2) The cessation of one of an individual *Nazhir* as referred to in section (1) does not result in the dismissal of the other Individual *Nazhir*.

Article 6

- (1) If among of individual *Nazhir* ceases to serve in her/his position as referred to in Article 5 the existing *Nazhir* members must report this to the Office of Religious

Affairs, which will forward the report to the BWI within a maximum of 30 (thirty) days from the date the Individual *Nazhir* ceased to serve, then a replacement *Nazhir* will be appointed by the BWI.

- (2) In the event that any individual *Nazhir* ceases to serve in their positions as referred to in Article 5 for waqf with either a limited or unlimited time frame, the existing *Nazhir* notifies to the *Waqif* or the *Waqif's* heirs if the *Waqif* passes away.
- (3) In the event that there is no local Office of Religious Affairs, the report as referred to in section (1) is submitted by the *Nazhir* through the nearest Office of Religious Affairs, the Office of Religious Affairs Department, or a representative of the BWI at the provincial/regency/ city level.
- (4) If the *Nazhir* fails to carry out their duties within 1 (one) year from the date the Waqf Declaration Deed is made, then the Head of KUA, either on their own initiative or upon the suggestion of the *Waqif* or the heirs is entitled to propose the dismissal and replacement of a *Nazhir* to the BWI.

Part Three

Organizational *Nazhir*

Article 7

- (1) An organizational *Nazhir* is required to be registered with the Minister and the BWI through the local Office of Religious Affairs.
- (2) In the event that there is no local Office of Religious Affairs as referred to in section (1), the registration of the *Nazhir* is carried out through the nearest Office of Religious Affairs, the Office of Religious Affairs Department, or a representative of the BWI in the provinces, regencies, or cities.

- (3) An organizational *Nazhir* is an organization engaged in social, educational, community, and/or Islamic religious activities that meet the following requirements:
 - a. the organization's management must meet the requirements of an individual *Nazhir*;
 - b. one of the organization's management must reside in the regency/city where the Waqf asset is located;
 - c. the organization possesses:
 1. copy of the notarial deed of establishment and articles of association;
 2. list of the organizational management structure;
 3. by-laws;
 4. work program for developing the waqf;
 5. list of assets derived from waqf assets, which is kept separate from other assets or constitutes the organization's assets; and
 6. statement of willingness to be audited.
- (4) The requirements as referred to in section (3) point c are attached to the registration application as referred to in section (1).
- (5) The registration as referred to in section (1) is conducted before the signing of the Waqf Declaration Deed.

Article 8

- (1) An organizational *Nazhir* dissolve or is dissolved in accordance with the provisions of the organization's Articles of Association.
- (2) If any *Nazhir* appointed by an organizational *Nazhir* passes away, resigns, becomes permanently incapacitated, and/or is removed from their positions as *Nazhir*, the respective *Nazhir* must be replaced.

Article 9

- (1) If a regional representative *Nazhir* of an organization fails to perform its duties and/or violates the provisions

regarding the management and development of waqf assets according to its designation as stated in the Waqf Declaration Deed, the central management of the organization is obligated to resolve the issue, whether requested or not by the BWI.

- (2) In the event that the central management of the organization fails to fulfil its obligation as referred to in section (1), the organizational *Nazhir* may be dismissed, and its rights as *Nazhir* may be revoked and replaced by the BWI, taking into account the advice and considerations of the local MUI.
- (3) In the event that an organizational *Nazhir* fails to perform its duties within 1 (one) year after the Waqf Declaration Deed is made, the Head of KUA, either on his/her own initiative or upon the suggestion of the *Waqif* or their heirs, is entitled to propose the dismissal and replacement of the *Nazhir* to the BWI.

Article 10

If any *Nazhir* appointed by an organizational *Nazhir* passes away, resigns, becomes permanently incapacitated, and/or is cancelled from the position as *Nazhir* as referred to in Article 8 section (2), the related organization must report this to the KUA, which will forward it to the BWI not later than 30 (thirty) days from the occurrence of the event.

Part Four

Legal Entity *Nazhir*

Article 11

- (1) A legal entity *Nazhir* is obligated to be registered with the Minister and the BWI through the local Office of Religious Affairs.
- (2) In the event that there is no local Office of Religious Affairs, as referred to in section (1), the registration of the *Nazhir* is carried out through the nearest Office of Religious Affairs, the office of Religious Affairs

Department, or a representative of the BWI at the provincial, regency, or city level.

- (3) A registering legal entity *Nazhir* as referred to in section (1) must meet the requirements:
 - a. it must be an Indonesian legal entity engaged in Islamic religious, social, educational, and/or community activities;
 - b. the legal entity's management must meet the requirements for individual *Nazhir*;
 - c. one of the legal entity's managers must reside in the regency/city where the waqf assets is located;
 - d. it has:
 1. a copy of the notarial deed of establishment and articles of association of the legal entity, which has been legalized by the authorized institution;
 2. a list of the organization's management structure;
 3. by-laws;
 4. a work program for developing the waqf;
 5. a separate list of assets originating from the waqf assets or assets belonging to the legal entity; and
 6. a statement of willingness to be audited.
- (4) The requirements as referred to in section (3) point (d) are attached to the registration application as referred to in section (1).

Article 12

- (1) A regional representative *Nazhir* of a legal entity that fails to perform its duties and/or violates the prohibitions regarding the management and development of waqf assets in accordance with its designation as stated in the Waqf Declaration Deed, the central management of the respective legal entity is obligated to complete it whether requested or not by the BWI.
- (2) If the central management of the legal entity cannot fulfil its obligations as referred to in section (1), the legal entity

Nazhir may be dismissed and its rights as *Nazhir* replaced by the BWI by taking into account the advice and considerations of the local MUI.

- (3) If the legal entity *Nazhir* fails to perform its duties within 1 (one) year since the Waqf Declaration Deed is made, the Head of KUA, either on his/her own initiative or upon the suggestion of the *Waqif* or their heirs is entitled to propose the dismissal and replacement of the *Nazhir* to the BWI.

Part Five

Duties and Term of Office of *Nazhir*

Article 13

- (1) A *Nazhir* as referred to in Article 4, Article 7, and Article 11 is obligated to administer, manage, develop, supervise, and protect waqf assets.
- (2) A *Nazhir* is obligated to submit periodic reports to the Minister and the BWI regarding the waqf activities as referred to in section (1).
- (3) Further provisions regarding the procedures for preparing reports as referred to in section (2) are regulated by a Ministerial Regulation.

Article 14

- (1) The term of office of a *Nazhir* is 5 (five) years and may be reappointed.
- (2) The reappointment of a *Nazhir* as referred to in section (1) is carried out by the BWI if the individual has performed his/her duties satisfactorily during the previous term in accordance with the principles of Islamic law and legislation.

CHAPTER III
TYPES OF WAQF ASSETS, WAQF DECLARATION DEED, AND
WAQF DECLARATION DEED OFFICIALS

Part One
Types of Wakaf Assets

Article 15

The types of waqf assets include:

- a. immovable assets;
- b. movable assets other than money; and
- c. movable assets in the form of money.

Paragraph 1
Immovable Assets

Article 16

Immovable assets as referred to in Article 15 point a include:

- a. land rights in accordance with the provisions of legislation, whether registered or not;
- b. buildings or parts of buildings located on the land as referred to in point a;
- c. plants and other objects related to the land;
- d. right of ownership to apartment unit in accordance with the provisions of legislation; and
- e. other immovable assets in accordance with the principle of Islamic law and Legislation.

Article 17

- (1) The land rights that can be endowed as waqf consist of:
 - a. right of ownership to land, whether registered or not;
 - b. right to build, right to cultivate or right to use over state land;
 - c. right to build or rights to use over right to manage or right of ownership, which require written permission from the holder of the right to manage or right of ownership;

- d. right of ownership to apartment unit.
- (2) If the waqf as referred to in section (1) point d is intended as a permanent waqf, the rights holder's release of right to manage or right of ownership is required.
- (3) Land right endowed as waqf as referred to in section (1) is required to be legally owned or controlled by the *Waqif*, free from any liens, disputes, claims, or guarantees.

Article 18

- (1) Immovable waqf assets in the form of land may only be endowed as waqf for an indefinite period, except for waqf of land right as referred to in Article 17 section (1) point (d).
- (2) Immovable waqf assets as referred to in section (1) may be endowed as waqf along with buildings, and/or plants, and/or other objects associated with the land.
- (3) Land rights as referred to in section (1) obtained from government institutions, local governments of SOEs/BUMDs, and village governments or other designations at the same level are required to obtain permits from authorized officials in accordance with Legislation.

Paragraph 2

Movable Assets Other than Money

Article 19

- (1) Assets are classified as movable assets because of their characteristic that can be transferred or moved or based on provisions of laws.
- (2) Movable assets are divided into consumable and non-consumable items.
- (3) Movable assets that are consumable due to usage cannot be endowed as waqf, except for water and fuel oil, provided their supply is sustainable.

- (4) Movable assets that are non-consumable due to usage can be endowed as waqf, provided that it adheres to principles of Islamic law.

Article 20

Movable assets because of their characteristic, that can be endowed as waqf includes:

- a. ships;
- b. aircrafts;
- c. motor vehicles;
- d. machinery or industrial equipment not affixed to buildings;
- e. precious metals and gemstones; and/or
- f. other items classified as movable assets their characteristic and having long-term benefits.

Article 21

Movable assets other than money, that can be endowed as waqf under Legislation, provided that it does not violate principles of Islamic law, include:

- a. securities such as:
 1. shares;
 2. Government Bonds;
 3. general bonds; and/or
 4. other securities that can be valued with money.
- b. Intellectual Property Rights, including:
 1. copyrights;
 2. trademarks;
 3. patents;
 4. industrial design rights;
 5. trade secret rights;
 6. integrated circuit layout rights;
 7. plant variety protection rights; and/or
 8. other rights.
- c. rights over other movable assets in the form of:
 1. lease rights, right to use, and usufruct rights over movable assets; or

2. agreements or claims for a monetary amount that can be collected against movable assets.

Paragraph 3

Movable Asset in the Form of Money

Article 22

- (1) Cash waqf that can be endowed as waqf is in rupiah currency.
- (2) In the event that the money intended for Wakaf is in a foreign currency, it must first be converted into Indonesian Rupiah.
- (3) A *Waqif* that will endow money as waqf is required to:
 - a. be physically present at the Sharia Financial Institution Receiving Cash Wakaf (LKS-PWU) to declare the intent to endow the cash waqf;
 - b. explain the ownership and source of the funds to be endowed;
 - c. deposit the money in cash into the LKS-PWU;
 - d. complete form *Waqif's* declaration of intent, which serves as a AIW.
- (4) If the *Waqif* cannot be physically present as referred to in section (3) point a, the *Waqif* may appoint a representative or proxy.
- (5) The *Waqif* may declare the Waqf of movable assets in the form of money to a *Nazhir* in the presence of a PPAIW, after which the *Nazhir* must submit AIW to the LKS.

Article 23

A *Waqif* may endow movable assets as waqf of in the form of money through a LKS appointed by the Minister as a Sharia Financial Institution Receiving Cash Waqf (LKS-PWU).

Article 24

- (1) LKS is appointed by the Minister as referred to in Article 23, based on the advice and considerations from the BWI.

- (2) The BWI provides advice and considerations as referred to in section (1) after considering the advice from related institutions.
- (3) The advice and considerations as referred to in section (1) can be granted to LKS-PWU that meet the following requirements:
 - a. submit a written application to the Minister;
 - b. attach the articles of association and proof of legal status as a legal entity;
 - c. operate an office in the territory of the Republic of Indonesia;
 - d. engage in Islamic financial activities; and
 - e. have functions to receiving deposits (*wadi'ah*).
- (4) The BWI is obligated to provide considerations to the Minister not later than 30 (thirty) work days after the LKS fulfils the requirements as referred to in section (3).
- (5) Upon receiving the advice and considerations from the BWI as referred to in section (4), the Minister must appoint the LKS or reject the application within a maximum of 7 (seven) work days.

Article 25

The LKS-PWU has duty to:

- a. announce its status as an LKS Receiving Cash Waqf to the public;
- b. provide blank forms for Cash Waqf Certificates;
- c. receive cash waqf from the *Waqif* in cash on behalf of the *Nazhir*;
- d. deposit the waqf funds into a deposit account (*wadi'ah*) on behalf of the *Nazhir* designated by the *Waqif*;
- e. accept the *Waqif's* declaration of intent, documented in a written form through a statement of intent form.
- f. issue a Cash Waqf Certificate and deliver the certificate to the *Waqif*, while providing a copy of the certificate to the *Nazhir* appointed by the *Waqif*; and
- g. register the cash waqf on behalf of the *Nazhir* to the Minister.

Article 26

Cash Waqf Certificate at least contains the information on:

- a. name of the LKS Receiving Cash Waqf;
- b. name of the *Waqif*;
- c. address of the *Waqif*;
- d. amount of the cash waqf;
- e. purpose of the waqf;
- f. duration of the waqf;
- g. name of the *Nazhir* selected;
- h. address of the *Nazhir* selected; and
- i. place and date of issuance of the Cash Waqf Certificate.

Article 27

In the event that the *Waqif* intends to carry out a legal act of cash waqf for a specific period, upon the expiration of that period, the *Nazhir* is obligated to return the principal amount of the cash waqf to the Wakif or their heirs/beneficiaries through the LKS-PWU.

Part Two

Waqf Declaration Deed (AIW)

and Substitute Deed of Waqf Declaration Deed (APAIW)

Paragraph 1

Issuance of Waqf Declaration Deed

Article 28

The issuance of AIW for immovable assets is required to meet the requirement of submitting the relevant land right certificate or apartment unit certificate, or other proof of land ownership.

Article 29

The issuance of the AIW for movable assets other than money, as referred to in Article 20 and Article 21 is required to meet

the requirements by providing proof of ownership of the movable assets other than money.

Article 30

- (1) *Waqif's* declaration of intent is documented in the form of an AIW based on the type of waqf assets being endowed, conducted in a Waqf Declaration Assembly attended by the *Nazhir*, *Mauquf Alaih*, and at least 2 (two) witnesses.
- (2) The presence of the *Nazhir* and *Mauquf Alaih* in the Waqf Declaration Assembly for the waqf of movable assets in the form of money may be declared by a statement letter from the *Nazhir* and/or *Mauquf Alaih*.
- (3) In the event that *Mauquf Alaih* is the general public (the public at large), their presence in the Waqf Declaration Assembly as referred to in section (1) is not required.
- (4) *Waqif's* declaration of intent as referred to in section (1), can take the form of public waqf (*waqf-khairi*) or family waqf (*waqf-ahli*).
- (5) Family waqf as referred to in section (4) is intended for the welfare of close relatives based on a blood relation (*nasab*) with the *Waqif*.
- (6) If the close relatives of the family waqf are no longer alive, the family waqf will automatically convert to a public waqf, and its purpose will be determined by the Minister based on considerations from the BWI.

Article 31

In the event that the waqf transaction has not been documented in AIW but the waqf act is known based on various evidence (*qarinah*) and 2 (two) witnesses, and AIW is no longer possible because the *Waqif* has passed away or their whereabouts are unknown, APAIW is made.

Article 32

- (1) The *Waqif* declares the waqf declaration to the *Nazhir* in the presence of PPAIW during the Wakaf Declaration Assembly as referred to in Article 30 section (1).

- (2) The waqf declaration as referred to in section (1) is received by the *Mauquf Alaih* and the waqf assets are received by the *Nazhir* for the benefit of the *Mauquf Alaih*.
- (3) The waqf declaration carried out by the *Waqif* and accepted by the *Nazhir* is documented in an AIW by PPAIW.
- (4) The AIW as referred to in section (2) at least contains:
 - a. name and identity of the *Waqif*;
 - b. name and identity of the *Nazhir*;
 - c. name and identity of the witnesses;
 - d. data and details of the waqf assets;
 - e. purpose of the waqf assets (*Mauquf Alaih*); and
 - f. time period of the waqf.
- (5) In the event that the *Waqif* is an organization or legal entity, the name and identity of the *Waqif* as referred to in section (4) point a listed in the deed are the name of the organization's administrator or the board of directors of the legal entity in accordance with the provisions of its respective articles of association.
- (6) In the event that the *Nazhir* is an organization or legal entity, the name and identity of the *Nazhir* as referred to in section (4) point b listed in the deed are the name assigned by the organization's administrators or the legal entity in accordance with the provisions of its respective articles of association.

Article 33

Further provisions regarding the requirements, format, content, and procedures for filling the AIW or APAIW for immovable and movable assets other than money are regulated by a Ministerial Regulation.

Paragraph 2

Procedure for Issuance of Wakaf Declaration Deed

Article 34

The procedure for the issuance of AIW for immovable assets as referred to in Article 16 and Article 17 and for movable property other than money as referred to in Articles 19 Article 20, and Article 21 is carried out as follows:

- a. in accordance with the provisions of Legislation;
- b. The PPAIW examines the completeness of administrative requirements related to the waqf and the physical condition of the waqf assets;
- c. in the event that the provision as referred to in point b are met, the execution of the waqf declaration and the issuance of AIW are considered valid if carried out in a Waqf Declaration Assembly as referred to in Article 30 section (1).
- d. AIW signed by the *Waqif*, *Nazhir*, 2 (two) witnesses, and/or the *Mauquf alaih* is certified by the PPAIW.
- e. copies of the AIW are distributed to:
 1. *Waqif*;
 2. *Nazhir*;
 3. *Mauquf alaih*;
 4. regency/municipal Land Office in the event of waqf assets in the form of land; and
 5. Other authorized institutions in the event of waqf assets in the form of immovable assets other than land or movable assets other than money.

Article 35

- (1) The procedure for the issuance of APAIW as referred to in Article 31 is carried out based on an application submitted by the community or witnesses who are aware of the existence of the waqf assets.
- (2) The applications from the community or 2 (two) witnesses who are aware of and have knowledge of the waqf as referred to in section (1) must be supported by evidence (*qarinah*) regarding the existence of the waqf assets.
- (3) If no one submits an application for the issuance of APAIW, the rural village head of the location of waqf

assets is obligated to request the issuance of APAIW from the local PPAIW.

- (4) PPAIW on behalf of the *Nazhir* is obligated to submit the APAIW and other supporting Documents to the head of the local regency/municipal land office for the registration of the relevant waqf land within a maximum period of 30 (thirty) days from the signing of the APAIW.

Article 36

- (1) The waqf assets is required to handed over by the *Waqif* to the *Nazhir* by preparing a handover report not later than at the time of signing APAIW which is conducted in the Waqf Declaration Assembly as referred to in Article 30 section (1).
- (2) The handover report as referred to in section (1) must include details and conditions of the waqf assets and be signed by the *Waqif* and the *Nazhir*.
- (3) The handover report as referred to in section (1) is not required if the handover of the waqf assets has already been stated in AIW.

Part Three

Wakaf Declaration Deed Official (PPAIW)

Article 37

- (1) The PPAIW for immovable waqf assets, such as land, is the Head of KUA and/or an official administering waqf affair.
- (2) The PPAIW for movable waqf assets, other than money, is the Head of the KUA and/or another official appointed by the Minister.
- (3) The PPAIW for movable waqf assets in the form of money is the Official of the Islamic Financial Institution at least at the level of a Section Head within the LKS appointed by the Minister.

- (4) The provisions as referred to in section (1), section (2), and section (3) do not prevent the *Waqif* from issuing AIW before a Notary.
- (5) The requirements for Notaries to act as PPAIW are determined by the Minister.

CHAPTER IV
PROCEDURES FOR REGISTRATION
AND ANNOUNCEMENT OF WAQF ASSETS

Part One
Procedures for Registration of Waqf Assets

Paragraph 1
Immovable Waqf Assets

Article 38

- (1) The registration of immovable waqf assets in the form of land is carried out based on AIW or APAIW.
- (2) In addition to the requirements as referred to in section (1), the following documents must be attached:
 - a. related land right certificate or apartment ownership certificate to the assets, or other evidence of land ownership;
 - b. a declaration from the relevant party stating that the land is not under dispute, litigation, seizure, or pledged as a collateral, verified by the village head or equivalent, and further validated by the local sub-district head.
 - c. license from the authorized official in accordance with the provisions of Legislation in the event that the land is obtained from government institutions, local governments, SOEs/BUMD, and village government or other equivalent entities;
 - d. license from the land authority official if the certificate and the decision on the granting of rights require approval for release/transfer;

- e. permission from the holder of right to manage or right of ownership in case of right to build or right to use that are endowed on management or right of ownership.

Article 39

- (1) Registration of waqf land certificates is conducted based on AIW or APAIW using the following procedures:
 - a. for land already under status of ownership, it is registered as waqf land on behalf of the *Nazhir*;
 - b. for land privately owned, where only a part of its total area is being endowed as waqf, the ownership certificate must first be split, and then the designated portion is registered as waqf land on behalf of the *Nazhir*;
 - c. for unregistered land originating from customary land, it is directly registered as waqf land on behalf of the *Nazhir*;
 - d. for right to build, right to cultivate, or right to use on state land as referred to in Article 17 section (1) point b, which have received consent for rights release from the authorized land affairs official, they are registered as waqf land on behalf of *Nazhir*;
 - e. for state land on which there is a mosque, mushalla, cemetery is registered as waqf land on behalf of *Nazhir*;
 - f. the authorized land affairs official at the relevant Regency/Municipal level record the waqf of the land in the land book and its certificate.
- (2) Further provisions regarding the procedures for registering waqf land are regulated through a Ministerial Regulation after obtaining advice and consideration from the authorized land affairs official.

Paragraph 2

Waqf of Movable Assets Other than Money

Article 40

The PPAIW registers the AIW for:

- a. movable assets other than money that is registered with the relevant authorized institution;
- b. movable assets other than money that is not registered and has or does not have proof of purchase or payment receipts, which is registered to the BWI, and if the BWI has not been established in a particular region, such registration is carried out at the local Office of the Religious Affairs Department.

Article 41

- (1) For movable assets that is already registered, the *Waqif* submits proof of ownership of the movable assets to the PPAIW, accompanied by a registration certificate from the relevant authorized institution its main duty related registering such movable assets.
- (2) For movable assets that is not registered, the *Waqif* submits proof of purchase or proof of payment in the form of an invoice, receipt, or other evidence.
- (3) For movable assets that is not registered and does not have proof of purchase or payment, the *Waqif* creates a declaration of ownership for the movable assets, which must be acknowledged by 2 (two) witnesses and certified by the local government institution.

Article 42

Further provisions regarding the procedure for waqf of movable assets other than money, as referred to in Article 19, Article 20, and Article 21 are regulated by a Ministerial Regulation based on proposals from the BWI.

Paragraph 3

Movable Waqf Assets in the Form of Money

Article 43

- (1) LKS-PWU on behalf of the *Nazhir* registers the waqf money to the Minister not later than 7 (seven) work days from the issuance of the Cash Waqf Certificate.
- (2) The registration of cash waqf from LKS-PWU as referred to in section (1) is sent as a copy to the BWI for administrative purposes.
- (3) Further provisions regarding the administration of cash waqf registration are regulated through a Ministerial Regulation.

Part Two

Announcement of Waqf Assets

Article 44

- (1) PPAIW submits AIW to the office of the Religious Affairs Department and the BWI to be included in the general waqf register available at the office of Religious Affairs Department and the BWI.
- (2) The public may access information about movable waqf assets other than money listed in the general register available at the office of Religious Affairs Department and the BWI.

CHAPTER V

MANAGEMENT AND DEVELOPMENT

Article 45

- (1) *Nazhir* is obligated to manage and develop waqf assets according to the purposes stated in the AIW.
- (2) In managing and developing waqf assets as referred to in section (1), for the advancement of public welfare, *Nazhir* may collaborate with other parties in accordance with Islamic law principles.

Article 46

The management and development of waqf assets from foreign nationals, foreign organizations, and foreign legal entities on a national or international scale, as well as abandoned waqf assets, may be undertaken by the BWI.

Article 47

In the event that waqf assets originate from abroad, the *Waqif* must provide proof of lawful ownership of the waqf assets in accordance with provisions of legislation, and *Nazhir* must report the waqf action to the relevant institutions.

Article 48

- (1) The management and development of waqf assets must adhere to BWI regulations.
- (2) The management and development of waqf assets in the form of money can only be carried out through investments in LKS products and/or Islamic financial instruments.
- (3) In the event that LKS-PWU receives cash waqf for a specified period, *Nazhir* may only manage and develop the waqf assets funds through the designated LKS-PWU.
- (4) The management and development of waqf assets funds carried out in Islamic banks must comply with the deposit insurance program in accordance with the provisions of legislation.
- (5) The management and development of waqf assets funds invested outside of Islamic banks must be insured through Islamic insurance.

CHAPTER VI

EXCHANGE OF WAQF ASSETS

Article 49

- (1) Changing the status of waqf assets in the form of exchange is prohibited, except with written permission from the Minister based on considerations from the BWI.

- (2) Written permission from the Minister as referred to in section (1) may only be granted under the following considerations:
 - a. the change of waqf assets is intended for public interest in accordance with the spatial plan (*rencana umum tata ruang*, RUTR) and is under the provisions of Legislation and does not conflict with Islamic law principles;
 - b. the waqf assets cannot be utilized in accordance with the waqf declaration; or
 - c. the exchange is performed for urgent and direct religious purposes.
- (3) Apart from the considerations as referred to in section (2), permit for the exchange of waqf assets can only be granted if:
 - a. the exchange asset has a certificate or lawful proof of ownership in compliance with Legislation; and
 - b. the value and benefit of the exchange asset is at least equal to the original waqf assets.
- (4) The value and benefit of the exchange asset as referred to in section (3) point (b) is determined by the regent/mayor based on the recommendation of an appraisal team whose members consist of elements from:
 - a. regency/municipal government;
 - b. regency/municipal land office;
 - c. regency/municipal Indonesian Council of Ulama (MUI); and
 - d. regency/municipal office of Religious Affairs Department; and
 - e. relevant *Nazhir* of waqf land.

Article 50

The exchange value and benefit of waqf assets as referred to in Article 49 section (3) is calculated as follows:

- a. the assets have Sales Value of Taxable Object (*Nilai Jual Objek Pajak*, NJOP) at least equivalent to the NJOP of the waqf assets; and

- b. the exchange assets are located in area that is strategic and easy to develop and has potential for development.

Article 51

The exchange of waqf assets whose status will be amended are conducted as follows:

- a. *Nazhir* submits a request for exchange to the Minister through the local Office of Religious Affairs at the Subdistrict level, providing justification for the status change/exchange;
- b. the Head of the KUA Subdistrict forwards the request to the regency/municipal Office of the Religious Affairs Department;
- c. The Head of the Regency/Municipal Office of Religious Affairs Department, after receiving the request, establishes a team with the composition and purpose as referred to in Article 49 section (4), and subsequently the local Regent/Mayor issues a Decision Letter;
- d. the Head of the Regency/Municipal Office of the Religious Affairs Department forwards the request along with the team's evaluation results to the Provincial Office of the Religious Affairs Department, which then forwards it to the Minister; and
- e. after receiving written approval from the Minister, the exchange can be carried out, and the results must be reported by *Nazhir* to the local land office and/or relevant agencies for further registration.

CHAPTER VII

FINANCIAL ASSISTANCE FOR THE INDONESIAN WAKAF BOARD

Article 52

- (1) Financial assistance for the BWI is charged to the State Budget (APBN) and/or Local Budget (APBD) for the first 10 (ten) years through the budget of the Religious Affairs Department and may be extended.

- (2) The BWI is responsible to report the financial assistance as referred to in section (1) periodically to the Minister.

CHAPTER VIII GUIDANCE AND SUPERVISION

Article 53

- (1) Waqf *Nazhir* is entitled to receive guidance from the Minister and the BWI.
- (2) The guidance as referred to in section (1) includes:
 - a. preparation of supporting means and infrastructure for the operations of individual, organizational, and legal entity *Nazhir*;
 - b. formulation of regulations, provision of motivation, facilities, coordination, empowerment, and development of waqf assets;
 - c. provision of facilities for the Waqf certification process;
 - d. preparation and procurement of forms for AIW both for immovable and/or movable assets;
 - e. provision of educators in local regions to provide waqf guidance and development for *Nazhir* based on their areas; and
 - f. facilitation of the inflow of waqf funds from domestic and foreign sources for the development and empowerment of waqf.

Article 54

In carrying out guidance as referred to in Article 53 section (1), the government considers the advice and considerations of the MUI according to its respective levels.

Article 55

- (1) Guidance for *Nazhir* is required to be conducted at least once a year.
- (2) Cooperation with third parties for the purpose of guidance on waqf activities in Indonesia may be carried

out in the form of research, training, seminars, or other activities.

- (3) The purpose of guidance is to enhance ethics and morality in waqf management and to improve the professionalism of waqf fund management.

Article 56

- (1) Supervision of waqf is conducted by the government and public, both actively and passively.
- (2) Active supervision is performed by conducting direct inspections of *Nazhir* regarding their management of waqf at least once a year.
- (3) Passive supervision is carried out by observing various reports submitted by *Nazhir* related to their waqf management.
- (4) In conducting supervision as referred to in section (1), the government and public may seek the assistance of independent public accountants.
- (5) Further provisions regarding the procedure for waqf supervision as referred to in section (1) are regulated by a Ministerial Regulation.

CHAPTER IX

ADMINISTRATIVE SANCTIONS

Article 57

- (1) The Minister may issue a written warning to LKS-PWU that fails to fulfil their obligations as referred to in Article 25.
- (2) A written warning may be issued up to 3 (three) times for 3 (three) different occurrences.
- (3) A temporary suspension or revocation of license as an LKS-PWU can be enforced after the LKS-PWU in question has received 3 written warnings.
- (4) Temporary suspension or revocation of the license as an LKS-PWU may only be carried out after hearing the

defence of the LKS-PWU concerned; and/or receiving a recommendation from the relevant authorities.

CHAPTER X TRANSITIONAL PROVISIONS

Article 58

- (1) At the time this Government Regulation come into force, immovable assets such as land, buildings, plants, and other objects related to the land, as referred to in Article 16, which have already been legally endowed as waqf according to Islamic law but have not been registered as waqf assets under legislation before this Government Regulation comes into force, may be registered in accordance with the provisions of this Government Regulation, under the provisions:
 - a. in the event that the waqf assets is physically controlled, and there is already an AIW;
 - b. in the event that waqf assets not physically controlled, either partial or entire, provided that the *Waqif* and/or *Nazhir* are willing and able to resolve the physical control and can prove that the control of the waqf assets is without any a valid legal basis; or
 - c. in the event that waqf assets controlled by the heirs of the *Waqif* or the *Nazhir*, it can be registered as waqf, provided that there are witnesses who acknowledge the waqf and it is confirmed by a court order.
- (2) At the time this Government Regulation comes into force:
 - a. non-financial institutions or individuals who receive cash waqf is obligated to transfer the cash waqf received into a *wadi'ah* account at LKS-PWU appointed by the Minister.
 - b. financial institutions that receive cash waqf is obligated to apply to the Minister as LKS-PWU.

- (3) At the time this Government Regulation come into force, individuals, organizations, or legal entities managing cash waqf is obligated to register with the Minister and the BWI through the local KUA to be *Nazhir*.

Article 59

Before the establishment of the BWI, proof of registration for *Nazhir* as referred to in Article 4 section (4) is issued by the Minister.

CHAPTER XI

CLOSING PROVISIONS

Article 60

With the enforcement of this Government Regulation, the implementation of waqf under the provisions of applicable legislation before this Government Regulation comes into force, provided that it does not conflict with this Government Regulation, is declared valid as waqf under this Government Regulation.

Article 61

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 15 December 2006

PRESIDENT OF THE REPUBLIC OF
INDONESIA,

signed

DR. H. SUSILO BAMBANG
YUDHOYONO

Promulgated in Jakarta
on 15 December 2006

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

signed

HAMID AWALUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2006 NUMBER 105

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
GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 42 OF 2006 ON IMPLEMENTATION OF LAW NUMBER 41 OF 2004
ON WAQF

I. GENERAL

Law Number 41 of 2004 on Waqf contains several provisions in Article 14, Article 21, Article 31, Article 39, Article 41, Article 46, Article 66, and Article 68 that require further regulation through a Government Regulation. Whole implementing regulations are integrated into one government regulation as the implementation of Law Number 41 of 2004. It is intended to simplify the regulation that is understandable by the public, organizations, legal entities, government officials managing waqf affairs, BWI and LKS, also to avoid potential misinterpretations of the applicable provisions.

Key aspects regulated in this Government Regulation include:

1. *Nazhir* is one of the essential elements of waqf and plays a vital role in managing and developing waqf assets according to their designated purposes. *Nazhir* can be an individual, organization, or legal entity, and are obligated to be registered with the Minister through the Office of Religious Affairs or a representative of BWI at the provincial or regency/municipal level to obtain a proof of *Nazhir* registration. The provisions regarding the requirements for becoming a *Nazhir*, the procedures for registration, dismissal, and revocation of *Nazhir* status, as well as the duties and term of office of *Nazhir*, are intended to ensure the proper function of *Nazhir* and to enable supervision of their performance in safeguarding and developing the potential of waqf assets.

2. Provisions regarding the waqf declaration, whether orally or in writing, containing *Waqif's* declaration of intent to endow assets as waqf to a *Nazhir* require detailed regulations on the procedures for its implementation and the assets to be endowed. The declaration of waqf is carried out in a Waqf Declaration Assembly, attended by the *Waqif*, *Nazhir*, two Witnesses, and a representative of the *Mauquf alaiih* if specifically appointed as the party to benefit from the waqf assets based on the *Waqif's* intent. The presence of the *Mauquf alaiih* is deemed necessary to ensure that the party benefiting from the endowed assets as waqf according to the *Waqif's* intent is aware of the transfer of the assets by the *Waqif* to the *Nazhir* for management and development in line with Islamic law economic principles.
3. In accordance with the principles of Law Number 41 of 2004, which does not distinguish between family waqf intended for the limited benefit of kin or heirs and public waqf intended for the general public, the *Waqif's* declaration of intent in the Waqf Declaration Assembly must clarify whether the *Mauquf alaiih* is the general public or specific relatives based on blood relations (*nasab*) with the *Waqif*. This means that the regulations on waqf apply to both public waqf and family waqf. The allocation of waqf for *Mauquf alaiih* is not intended for personal benefit but for the welfare of relatives collectively and over generations. Therefore, the information contained in the AIW, as a crucial document in waqf management, serves as an important reference for all parties.
4. Considering the necessity for detailed regulation of waqf assets, this Government Regulation includes provisions on waqf of immovable assets such as land, buildings, plants, and other objects related to land, as well as waqf of movable assets such as money and other movable assets. These provisions are aligned, as far as possible, with the concept of assets law in civil law and other related legislation. Movable assets other than money is regulated based on commonly used categories known in civil law as movable assets due to the characteristic, which can move or be moved, or by the provisions of the law. In view of the types of waqf assets having different characteristic, the procedure for declaring movable waqf in the form of money, which involves the role of LKS, is specifically regulated.

Thus, the regulation of cash waqf must consider the presence of LKS with Islamic law financial products and/or instruments.

5. Considering the different characteristics of waqf assets, in addition to the authority of the PPAIW, namely the Head of the Office of Religious Affairs or officials managing waqf affairs, Islamic Financial Institutions designated by the Minister based on advice and consideration from BWI are authorized to accept cash waqf and issue Cash Wakaf Certificates, subsequently transferring the cash waqf to the *Nazhir* appointed by the *Waqif*.
6. As a consequence of these waqf categories, the regulations on the registration procedures for waqf assets are distinguished as follows:
 - a. the procedure for registering immovable waqf assets based on the AIW or the APAIW after meeting specific requirements;
 - b. the procedure for registering cash waqf through LKS which on behalf of the *Nazhir* issues a Cash Wakaf Certificate;
 - c. the procedure for registering movable waqf assets other than money through the authorized institution according to the nature of the movable asset.
7. The PPAIW is obligated to submit the AIW to the Minister through the Office of Religious Affairs and the BWI representative for inclusion in the general waqf register managed by the Minister. This aims to fulfil the principle of legal publicity of property, ensuring that the public can access information about waqf.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Section (1)

Sufficiently clear.

Section (2)

The registration of waqf assets on behalf of *Nazhir* is intended as evidence that the *Nazhir* is merely the party responsible for

administering, managing, developing, supervising, and protecting the waqf assets.

Section (3)

Sufficiently clear.

Article 4

Section (1)

The term law as referred to in this section means Law Number 41 of 2004 on Waqf.

Section (2)

Sufficiently clear.

Section (3)

The registration location as referred to in this section follows a proper hierarchical order.

Section (4)

Sufficiently clear.

Section (5)

The provisions in this section are intended so that the management of waqf assets can take place continuously and keep waqf assets from not entering personal assets and/or entering inheritance. Three individual *Nazhirs* appointed by the *Waqif* can regulate the division of duties and authorities to realize the allocation of assets in accordance with *Waqif's* declaration of intent.

Section (6)

Sufficiently clear.

Article 5

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

In dismissing a *Nazhir*, BWI must provide reasons that do not contradict the Islamic law principles and the Legislation. The reasons for BWI dismissing a *Nazhir* include, among others, the *Nazhir* being unable to carry out their mandate/duties properly. The dismissal of a *Nazhir* that is beyond BWI's reach will be carried out by the KUA.

Section (2)

Sufficiently clear.

Article 6

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

This provision is not intended to grant *Waqif* or their heirs the authority to independently replace *Nazhir* without going through KUA and a BWI decision.

Article 7

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

The term "*Nazhir* appointed by *Nazhir* organization" in this section refers to the executors of the respective *Nazhir* organization.

Article 9

Section (1)

Sufficiently clear.

Section (2)

In dismissing or replacing a *Nazhir* organization, the BWI must take into account of the provisions of Article 45 section (1) of Law Number 41 of 2004 on Waqf.

Section (3)

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

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term "related to the land" means anything that is built on, planted in, or embedded in the land and becomes one unit with the land.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Article 17

Section (1)

Point a

Sufficiently clear.

Point b

Nazhir is obligated to register the waqf with the authorized institution in order to obtain a land certificate with the right to build, right to cultivate or right to use that has been endowed as waqf.

Point c

Nazhir is obligated to manage the release of the right to manage or right of ownership from the relevant rights holder.

In the event that *Nazhir* fails to obtain the release of the right to manage or right of ownership, the waqf on the land remains valid until the right to build or right to use on the state land expires.

Point d

The right of ownership to apartment unit that can be endowed as waqf are those of a unit built on joint land with ownership rights status, in accordance with the provisions of legislation regarding apartment.

Section (2)

This provision is intended that the legal and physical ownership or control of the land resides with the *Waqif*, or the physical control is exercised by another party authorized by the *Waqif*.

Section (3)

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term “water and fuel oil with a sustainable supply” in this article does not include water resources and oil reserves.

Section (4)

Sufficiently clear.

Article 20

Point a

Ships with a weight below 20 tons are classified as movable objects, while ships with a weight above 20 tons are classified as immovable objects.

Point b

The term "airplane" includes helicopters and other types of aircraft.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

This provision is intended to ensure that waqf assets come from halal sources and do not conflict with Islamic law principles and legislation. For example, it aims to prevent the possibility of money laundering practices through waqf.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 23

A *Waqif* endows money as waqf through an LKS-PWU, which is done in writing, and subsequently, the LKS-PWU issues a certificate of waqf money. The placement of waqf money through LKS-PWU is intended as a deposit (*wadi'ah*). Subsequently, *Nazhir* may manage it by considering the *Waqif's* intent and the recommendations of an investment manager (if any).

Article 24

Section (1)

Sufficiently clear.

Section (2)

The term "recommendation from related institutions" in this section means recommendations provided by Bank Indonesia for banking institutions and the Department of Finance for non-banking financial institutions.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term "have functions to receiving deposits (*wadi'ah*)" means an LKS-PWU offering financial deposit products under a deposit contract (*akad titipan*) with the stipulation that the recipient of the deposited funds may manage these funds until instructed otherwise by the *Nazhir*.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 25

Point a

Such announcement may be made through any means in order that public may know hereof.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Article 26

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term "amount of cash waqf" means the nominal value of the waqf money that must be included in the cash waqf certificate

and aligned with the minimum amount applicable at the relevant LKS-PWU.

Point e

Sufficiently clear.

Point f

The term "time period" refers to a limited period (*muqqat*) or an unlimited period (*muabbad*).

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The presence of *mauqf alaih* is not required due to the difficulty of determining a representative for the general public as the *mauqf alaih*.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Section (1)

Sufficiently clear.

Section (2)

The term "waqf assets received by *Nazhir* in this section means that it is not owned by the *Nazhir* but to be managed and developed by the *Nazhir* in accordance with the intended purpose of the waqf assets.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Point (a)

Sufficiently clear.

Point (b)

The administrative requirements for waqf as referred to in this point b include the examination of:

- a. the status of the waqf assets and the completeness of ownership documents for the waqf assets by the *Waqif*.
- b. the qualifications of the *Waqif*, *Nazhir*, and witnesses.

The examination of the administrative requirements for the waqf assets is intended to ensure that the asset is indeed under the control of the *Waqif*. The qualifications for the *Waqif* are as

stated in Article 8, section (1) of Law Number 41 of 2004 on Waqf.

Point (c)

Sufficiently clear.

Point (d)

The signature of the *mauquf alaih* is included in the AIW in the event that the *Waqif* specifically appoints a particular *mauquf alaih*.

Point (e)

Point 1

Sufficiently clear.

Point 2

Sufficiently clear.

Point 3

Sufficiently clear.

Point 4

Sufficiently clear.

Point 5

The term "authorized institution" means the institution responsible for registering waqf assets, such as motor vehicles by the local Regional Police, Ships by the Harbor Master/Directorate General of Sea Transportation, Shares of public companies by PT Kustodian Sentral Efek Indonesia, Shares of private companies by the board of directors of the respective company. Each entity processes the name change on the certificate/proof of ownership for the respective movable assets.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Section (1)

The term "official administering waqf affairs" in this article means officials administering waqf at the regency/municipal and provincial levels.

Section (2)

The term "other officials appointed by the Minister" means officials administering waqf affairs or notaries appointed by the Minister.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Section (1)

The term "registration certificate" means to confirm that the ownership of the relevant movable asset is indeed recorded by the respective institution and that there is no record of disputes or encumbrances involving other parties.

Section (2)

The term "other proof of purchase" includes, for example, an auction report if the movable item was obtained through a public auction.

Section (3)

The term "local government institution" means the urban village head/rural village head and subdistrict head where the movable assets are located.

Article 42

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Section (1)

The management and development of waqf assets can include constructing office buildings, shopping centres, supermarkets, hotels, hospitals, apartments, rental homes, tourist attractions, and/or other businesses that do not conflict with Islamic law principles and legislation.

Section (2)

Sufficiently clear.

Article 46

The term "abandoned waqf assets" in this article refers to waqf asset that have not been productively managed by the respective *Nazhir* for a considerable period, even though multiple *Nazhir* replacements have been attempted.

Article 47

The term "relevant institution" in this article refers to government institutions authorized to oversee the allocation of waqf assets, the BWI, and representatives of the *Mauquf alaih*.

Article 48

Section (1)

The BWI regulation mentioned includes provisions governing the feasibility study requirements for developing waqf assets.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Sufficiently clear.

Article 53

Sufficiently clear.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Sufficiently clear.

Article 57

Sufficiently clear.

Article 58

Sufficiently clear.

Article 59

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Sufficiently clear.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 4668