



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF  
REGULATION OF THE MINISTER OF FINANCE  
NUMBER 78/PMK.05/2011

CONCERNING

INELIGIBLE BACKLOG SETTLEMENT TOWARDS FOREIGN LOAN AND GRANT  
THROUGH SPECIAL ACCOUNT MECHANISM

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE,

- Considering
- a. That in the event of foreign loan and grant withdrawal through special account mechanism, unrequested bailouts/or unreimbursed bailouts/or non reimbursement bailouts by the foreign loan and grantor incur (*backlog*);
  - b. That in regards with backlog as referred in letter a, definite non reimbursement backlog by foreign loan and grantor incurs (*ineligible*);
  - c. That in the State Treasurer Financial Report Balance Sheet and Central Government Financial Report Balance Sheet, realized backlog value within 12 (twelve) months since the date of backlog reporting is not reflected yet;
  - d. That based on consideration as referred in letter a, letter b, and letter c, it is necessary to stipulate regulation concerning backlog;
  - e. That based on consideration as referred in letter a, letter b, letter c, and letter d, it is necessary to stipulate Regulation of the Minister of Finance concerning Ineligible Foreign Loan and Grant Backlog through Special Account Mechanism;
- In view of
- 1. Act Number 17 Year 2003 concerning State Financial (State Gazette of the Republic of Indonesia Year 2003 Number 47, Supplement to State Gazette of the Republic of Indonesia Number 4286);
  - 2. Act Number 1 Year 2004 concerning State Treasury (State Gazette of the Republic of Indonesia Year 2004 Number 5, Supplement to State Gazette of the Republic of Indonesia Number 4355);
  - 3. Act Number 15 Year 2004 concerning State Financial



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- Management and Accountability Audit (State Gazette of the Republic of Indonesia Year 2004 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 4400);
4. Government Regulation Number 10 Year 2011 concerning Procedures for Procurement of Foreign Loans and Grants (State Gazette of the Republic of Indonesia Year 2011 Number 23 Supplement to State Gazette of the Republic of Indonesia Number 5202);
  5. Government Regulation Number 71 Year 2010 concerning Governmental Accounting Standard (State Gazette of the Republic of Indonesia Year 2010 Number 123, Supplement to State Gazette of the Republic of Indonesia Number 5165);
  6. President of the Republic of Indonesia Decree Number 42 Year 2002 concerning Guidelines on National Budget Implementation (State Gazette of the Republic of Indonesia Year 2002 Number 73, Supplement to State Gazette of the Republic of Indonesia Number 4212), as several times amended most recently by Presidential Regulation Number 53 Year 2010 (State Gazette of the Republic of Indonesia Year 2010 Number 74, Supplement to State Gazette of the Republic of Indonesia Number 5135);
  7. Regulation of the Minister of Finance Number 143/PMK.05/2006 concerning Mechanism for Withdrawal of Foreign Loans and/or Grants;
  8. Regulation of the Minister of Finance Number 171/PMK.05/2007 concerning Central Government Accounting and Financial Reporting System ;

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING INELIGIBLE BACKLOG SETTLEMENT TOWARDS FOREIGN LOAN AND GRANT THROUGH SPECIAL ACCOUNT MECHANISM.

Article 1

In this Regulation of the Minister of Finance, the definition of:

1. Backlog foreign loan and/or grant, which is henceforth referred to as Backlog, is the use of government bailout funds in order to conduct foreign loan and/or grant withdrawal through special account mechanism that is unrequested and/or unreimbursed and/or non reimbursement by the foreign loan and/or grantor.
2. Ineligible backlog is unrequested reimbursement by foreign loan/grantor.
3. Foreign loan/grantor, which is henceforth is referred to as FLG, is a foreign governments, multilateral organizations, financial



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institutions, and non-financial institutions, which domicile and conduct business outside the territory of the Republic of Indonesia that give loan/grant to government.

4. Foreign Loan and/or Grant Agreement, which is abbreviated as FLGA, is an agreement or other agreement equalized that refers the agreement concerning foreign loan/grant between Governments with FLG.
5. Closing Date/ Closing Account is the dead line for foreign loan and/or grant funds withdrawal that its reimbursement is requested to FLG on the expenses executed by the government.
6. State Treasurer Financial Report, which is henceforth abbreviated as STFR, is the state treasurer joint financial report entities, information of finance included in the State Treasurer Management, and other related units that manage and/or posses unreported Government assets in the State Ministry/Institutions Financial Report that consist of Budget Realization Report, Balance Sheet, Cash Flow Report, and Notes on Financial Report.
7. Central Government Financial Report, which is henceforth referred to as CGFR, is the state financial management accountability in one period that consists of Budget Realization Report, Balance Sheet, Cash Flow Report, and Notes on Financial Report.
8. Special Account, which is henceforth referred to as SA, is an account opened by Minister of Finance in Bank Indonesia or commercial banks to collect particular foreign loan and/or grant funds in the form of initial deposit for the need of activities funding during a specific period and after the account is being used it shall be re-deposited by proposing replenishment/reimbursement to FLG.
9. Empty Special Account, which is henceforth is referred to as Empty SA, is a condition when funds on special account is zero/insufficient to pay the spending that is funded by foreign loan and/or grant.
10. Bailout is Pure Rupiah funds used to pay the temporary spending sourced from foreign loan and/or grant, which is caused by one of the others empty SA that its reimbursement shall be requested to FLG.

Article 2

- (1) Backlog settlement on ineligible foreign loan/grant due to empty SA shall be conducted through accounting correction.



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- (2) Accounting correction, as referred in item (1), shall be conducted by Directorate General of Treasury c.q. Directorate Management of State Treasurer based on Decision of Director General of Treasurer, after suggestion is issued by Director General of Debt Management.
- (3) Correction, as referred in item (1), is delivered to Directorate Accounting and Financial Report as correction material for Balance Sheet State Treasurer Financial Report and Balance Sheet Government Goods and Service Procurement Policy Board.
- (4) The total backlog as referred in item (1) is for the first time stipulated by Decision of the Minister of Finance.

Article 3

The total backlog on PHLN after accounting correction is conducted is presented in Balance Sheet of State Treasurer Financial Report and Balance Sheet of Government Goods and Service Procurement Policy Board as the down payment derived from State Treasurer account.

Article 4

Presented backlog in Balance Sheet LK BUN and Balance Sheet LKPP is managed by Directorate General of Treasurer in this matter Directorate Management of State Treasury through:

1. Administration of Bail Out transaction on spending funded by foreign loan/grant;
2. Administration of Bail Out reimbursement transaction funded by foreign loan/grant; and
3. Active action for reimbursement of Bail Out use in spending funded by foreign loan/grant.

Article 5

Backlog is stated as ineligible in the event that the following requirements incur:

1. Foreign loan/grant with Closing Date/Closing Account status; and/or
2. Inappropriate spending with the provision in Foreign Loan/Grant Agreement.

Article 6

Further provisions required in order to conduct this Regulation of the Minister of Finance shall be stipulated by Regulation of Director General of Treasury.

Article 7

This Regulation of the Minister of Finance shall come into force on



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its promulgation date.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta  
On April 12, 2011  
MINISTER OF FINANCE,

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta  
On April 18, 2011  
MINISTER OF JUSTICE AND HUMAN RIGHTS,

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 218