



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF  
REGULATION OF THE MINISTER OF FINANCE  
NUMBER 89/PMK.05/2011

CONCERNING

PROCEDURES ON SOFT REQUIREMENTS STATE LOAN GRANTING TO  
NATIONAL ELECTRICITY COMPANY THROUGH  
INDONESIA INVESTMENT CENTER

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE,

Considering : That in order to conduct the provision of Article 4 of Presidential Regulation Number 9 Year 2011 concerning Assignment to Indonesia Investment Center to Grant Loan with Soft Requirement to National Electricity Company, it is necessary to stipulate Regulation of the Minister of Finance concerning Procedures on Soft Requirements State Loan Granting to National Electricity Company Through Indonesia Investment Center;

In view of : 1. Act Number 47 Year 2009 concerning National Budget of budget Year 2010 (State Gazette of the Republic of Indonesia Year 2009 Number 156, Supplement to State Gazette of the Republic of Indonesia Number 5075) amended by Act Number 2 Year 2009 (State Gazette of the Republic of Indonesia Year 2010 Number 69, Supplement to State Gazette of the Republic of Indonesia Number 5132);  
2. Government Regulation Number 1 Year 2008 concerning State Investment (State Gazette of the Republic of Indonesia Year 2008 Number 14, Supplement to State Gazette of the Republic of Indonesia Number 4812);  
3. Presidential Regulation Number 9 Year 2011 concerning Assignment to Indonesia Investment Center to Grant Loan with Soft Requirements to National Electricity Company;  
4. Presidential Decree Number 56/P Year 2010;

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING PROCEDURES ON SOFT REQUIREMENTS STATE LOAN GRANTING TO NATIONAL ELECTRICITY COMPANY THROUGH



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INDONESIA INVESTMENT CENTER.

CHAPTER I

GENERAL PROVISIONS

Article 1

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

1. Indonesia Investment Center, which is hereinafter referred to as IIC, is an investment implementation unit as the working unit that stipulates Public Services Agency Financial Management Pattern (PSA-FMP) assigned and responsible to implement State Investment based on policy stipulated by the Minister of Finance.
2. National Electricity Company, which is hereinafter referred to as NEC, is an enterprise assigned by the Government to provide electricity for public.
3. Repayment is a liability fulfillment by NEC as the loan grantee by paying the principal and interest as well as other legal expenses in accordance with Loan Agreement.
4. Loan Agreement is a written agreement in order to grant State loan with soft requirements between IIC and NEC.

CHAPTER II

IIC ASSIGNMENT TO GRANT LOAN  
WITH SOFT REQUIREMENTS

Article 2

- (1) Government assigns IIC to grant loan with soft requirements to NEC.
- (2) Loan as referred in item (1) is IDR 7,500,000,000,000 (seven trillion five hundred billion rupiah), derived from National Budget of Budget Year 2010.
- (3) Loan as referred in item (1), is granted in order to close the financing gap of NEC due to procurement and replacement of transformer as well as reinforcement of installation, transmission, and distribution, as well as other investment.
- (4) NEC financing gap to be closed with loan as referred in item (3) is in the form of:
  - a. Replacement of paid internal cash by NEC for procurement and replacement of transformer, reinforcement of installation, transmission, and distribution, and other investment, in accordance with goods/service procurement conducted by NEC and the goods/service provider since October 2009 to the effective date of the Loan Agreement, which payment is conducted by NEC



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- since January 2010 to the effective date of Loan Agreement;
- b. Payment for procurement and replacement of transformer, reinforcement of installation, transmission, and distribution, as well as other investment, in accordance with the goods/service procurement conducted by NEC and the goods/service provider since October 2009 to the effective date of the Loan Agreement, which its payment has not been made available by NEC to the effective date of the Loan Agreement; and/or
  - c. Payment for procurement and replacement of transformer, reinforcement of installation, transmission, and distribution, as well as other investment, in accordance with the goods/service procurement contract conducted by NEC and the goods/service provider after the Loan Agreement comes into force.

CHAPTER III

SOFT REQUIREMENTS LOAN GRANTING

First Part

Loan Requirements

Article 3

- (1) Loan requirements as referred in Article 2 item (1), is stipulated as follows:
  - a. Loan repayment period is 15 (fifteen) years;
  - b. Principal repayment grace period is 5 (five) years; and
  - c. Lending rate is based on interest rate of Bank Indonesia Certificates.
- (2) The total interest rate as referred in item (1) letter c is the lowest interest rate of Bank Indonesia certificate on the latest Bank Indonesia Certificates issued at the Loan Agreement signing date.

Second Part

Additional Cost

Article 4

- (1) In relation with loan granting as referred in Article 2 item (1), IIC may charge additional cost to NEC.
- (2) Further provisions concerning additional cost as referred in item (1) is stipulated in the Loan Agreement.

Third Part

Loan Agreement

Article 5



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- (1) President Director of NEC shall propose soft requirements loan application to the head of IIC with attachment of intended loan use plan to close the financing gap of NEC due to procurement and replacement of transformer, reinforcement of installation, transmission, and distribution, as well as other investment.
- (2) Based on application as referred in item (1), IIC shall process the referred application in accordance with Standard Operating Procedures applied by IIC.

Article 6

- (1) Soft requirement loan granting is conducted based on Loan Agreement between IIC with NEC signed by the Head of IIC and President Director of NEC.
- (2) Loan Agreement as referred in item (1), is at minimum, includes:
  - a. Parties identity;
  - b. Rights and obligation;
  - c. Loan value;
  - d. Loan purposes;
  - e. Loan requirement;
  - f. Disbursement schedule and procedures;
  - g. Sanction;
  - h. Repayment mechanism/principal return partially or totally; and
  - i. Force majeure event.

Article 7

As the requirement of the Loan Agreement is effective, NEC shall deliver the following documents:

- a. State Owned Enterprises Minister approval as Share Holders General Meeting;
- b. NEC Board of Commissioners approval; and
- c. Legal advice by the head/management of NEC corporate legal service unit.

CHAPTER IV

LOAN FUND MECHANISM DISBURSEMENT

Article 8

- (1) Loan fund disbursement is conducted in stages through special account opened by NEC in commercial bank.
- (2) NEC shall notify the special account as referred in item (1) to IIC.



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Article 9

- (1) President Director of NEC shall propose loan fund disbursement application to the Head of IIC with at minimum with attachment of Letter of Statement stating that NEC is responsible, formally and materially, on the use of loan fund, which is written in the Statement of Absolute Liability.
- (2) Statement of Absolute Liability as referred in item (1) is made in accordance with the format as referred in Appendix I as an integrated part of this Regulation of the Minister of Finance.
- (3) Statement of Absolute Liability as referred in item (1) is signed by President Director of NEC.

Article 10

- (1) Loan disbursement is conducted in accordance with the following provisions:
  - a. First stage disbursement as initial deposit is 20% (twenty percent) of the loan value.
  - b. The following stage disbursement is to re-deposit the special account to the same amount of initial deposit, with attachment of Statement of Absolute Liability as referred in Article 9 and is completed with newspaper subscription account on special account that presents balance at maximum of 10% (ten percent) of the total initial deposit and is enclosed with Statement of Expenditure.
- (2) Statement of Expenditure as referred in item (1) letter b is made in accordance with format as referred in Appendix II as an integrated part of this Regulation of the Minister of Finance.

CHAPTER V  
REPAYMENT

Article 11

- (1) Repayment consists of principal repayment, loan interest, and other cost.
- (2) Loan principal is repaid every 6 (six) months.
- (3) Loan principal as referred in item (2) is repaid for the first time at the time of grace period ends and loan principal is repaid henceforth to the end of the Loan Agreement.
- (4) Loan interest is repaid every April 1 and October 1 including while on the grace period.
- (5) Calculation base to determine the total loan interest is according to the actual days with regard that 1 (one) year is calculated as 360 (three hundred sixty) days.



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- (6) Other costs are repaid in accordance with the promissory agreement in Loan Agreement.
- (7) In the event that NEC is late in paying the interest and/or loan principal, NEC shall be charged with fine based on Loan Agreement.

CHAPTER VI

REPORTING, MONITORING AND AUDIT

Article 12

NEC is obliged to deliver report to IIC concerning the use of loan fund received from IIC every 3 (three) months after the first loan fund disbursement.

Article 13

- (1) The Head of IIC, periodically or at any time, may conduct monitoring in order to monitor and evaluate the Loan Agreement implementation.
- (2) In order to monitor as referred in item (1), the Head of IIC may ask assistance of external auditor to conduct audit on Loan Agreement implementation.
- (3) In order to conduct the assignment of soft requirement loan granting to NEC, the Head of IIC may establish team assigned to monitor and evaluate the use of loan fund.

Article 14

- (1) The external auditor as referred in Article 13 item (2), deliver the audit result on Loan Agreement implementation conducted by NEC to:
  - a. Head of IIC; and
  - b. Board of Commissioners of NEC.
- (2) In order to conduct audit as referred in item (1), NEC is obliged to:
  - a. Deliver the relevant data and document;
  - b. Give respond or answer to any questions or explanation request; and
  - c. Act cooperatively.

CHAPTER VII

CLOSING PROVISION

Article 15

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



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OF THE REPUBLIC OF INDONESIA

Republic of Indonesia.

Stipulated in Jakarta  
On June 15, 2011  
MINISTER OF FINANCE,

Signed

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta  
On June 15, 2011  
MINISTER OF JUSTICE AND HUMAN RIGHTS,

signed

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 346

APPENDIX I  
REGULATION OF THE MINISTER  
OF FINANCE  
NUMBER 89/PMK.05/2011  
CONCERNING  
PROCEDURES ON SOFT  
REQUIREMENTS STATE LOAN  
GRANTING  
TO NEC  
THROUGH INDONESIA  
INVESTMENT CENTER

**LETTER HEAD**

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**STATEMENT OF ABSOLUTE LIABILITY**

The undersigned:



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

Name : .....  
.....(1)

Position : .....  
.....(2)

State truthfully that, we:

1. Are responsible, formally and materially, on the use of soft requirement loan fund granted by Indonesia Investment Center to NEC.
2. If at a later date occur any mistakes/misuses in its use, we are committed to repay the referred loan fund to Indonesia Investment Center

In witness whereof this Statement of Absolute Liability is made truthfully.

Jakarta,.....

(3)

President Director

.....(4).....

(.....(1).....)

GUIDELINE FOR FILLING IN  
THE STATEMENT OF ABSOLUTE LIABILITY

NO.	CONTENT DETAILS
(1)	Filled in with full name
(2)	Filled in with position nomenclature
(3)	Filled in with date, month, and year
(4)	Filled in with the authorized official signature





MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

MINISTER OF FINANCE,

AGUS D.W. MARTOWARDOYO

APPENDIX II  
REGULATION OF THE  
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NUMBER  
89/PMK.05/2011  
CONCERNING  
PROCEDURES ON SOFT  
REQUIREMENTS STATE  
LOAN GRANTING  
TO NATIONAL  
ELECTRICITY COMPANY  
THROUGH INDONESIA  
INVESTMENT CENTER

**LETTER HEAD**

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STATEMENT OF EXPENDITURE

The undersigned :

Name : .....  
.....(1)

Position : .....  
.....(2)



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

State that, I, is responsible, formally and materially, on any expenditure conducted as well as on the correct calculation and levied tax deposit of the referred expenditures with details as follows:

NO	Goods/Service Provider	Details	Evidence		Total	Levied Tax	
			Date	Number		VAT	IT
I	Internal Cash Reimbursement	(5)	(6)	(7)	(8)	(9)	(10)
II	Payment :						
	(3)						
	(4)				IDR.....	IDR .....	IDR.....

The evidence of budget expenses and original tax deposit mentioned above is deposited in a proper way by NEC for administrative completeness and auditor audit.

In witness whereof, this Statement of Expenditure is truthfully made.

Jakarta,

.....(11)

President Director,

.....(12).....

(.....(13).....)

GUIDELINE FOR FILLING IN  
THE STATEMENT OF EXPENDITURE

NO	CONTENT DETAILS
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(1)	Filled in with full name
(2)	Filled in with position nomenclature
(3)	Filled in with goods/service provider funded in the form of internal cash reimbursement derived from NEC
(4)	Filled in with goods/service provider list paid from special account
(5)	Filled in with the name of work or procurement that includes the total goods/service and technical specification
(6)	Filled in with the date of transaction evidence on equalized receipt/document
(7)	Filled in with the number of transaction evidence
(8)	Filled in with the face value on equalized receipt/document (gross)
(9)	Filled in with total levied/charged VAT
(10)	Filled in with total levied/charged IT
(11)	Filled in with date, month, and year
(12)	Filled in with the authorized official signature
(13)	Filled in with full name

MINISTER OF FINANCE,

AGUS D.W.

MARTOWARDOYO