



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE
NUMBER 94/PMK.02/2011

CONCERNING

PROCEDURES ON BUDGET PROVISION, CALCULATION,
PAYMENT, AND ACCOUNTABILITY OF FERTILIZER SUBSIDY

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE,

- Considering
- a. That in order to support food security, fertilizer subsidy fund is allocated on National Budget;
 - b. That in order to improve provisions concerning procedures on budget provision, calculation, payment, and accountability of fertilizer subsidy, it is necessary to re-manage the procedures on budget provision, calculation, payment, and accountability of fertilizer subsidy, which is previously regulated by Regulation of the Minister of Finance Number 120/PMK.02/2010;
 - c. That based on consideration as referred in letter a and letter b, it is necessary to stipulate Regulation of the Minister of Finance concerning Procedures on Budget Provision, Calculation, Payment, and Accountability of Fertilizer Subsidy;
- 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 19 Year 2003 concerning State Owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 4297);
 - 3. 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);



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4. Act Number 15 Year 2004 concerning State Financial 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);
5. Act Number 10 Year 2010 concerning the National Budget of Budget Year 2011 (State Gazette of the Republic of Indonesia Year 2010 Number 126, Supplement to State Gazette of the Republic of Indonesia Number 5167);
6. Government Regulation Number 45 Year 2005 concerning Establishment, Management, Supervision, and Disbandment of State Owned Enterprises (State Gazette of the Republic of Indonesia Year 2005 Number 117, Supplement to State Gazette of the Republic of Indonesia Number 4556);
7. Government Regulation Number 8 Year 2006 concerning Financial Report and Government Institutions Performance (State Gazette of the Republic of Indonesia Year 2006 Number 25, Supplement to State Gazette of the Republic of Indonesia Number 4614);
8. Presidential Decree Number 42 Year 2002 concerning National Budget Implementation Guidelines (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;
9. Presidential Regulation Number 77 Year 2005 concerning Subsidized Fertilizer as Goods under Supervision as amended by Presidential Regulation Number 15 Year 2011;
10. Presidential Regulation Number 24 Year 2010 concerning Position, Task, and Function of State Ministry, as well as Organization Structure, Task, and Function of Echelon I;
11. Presidential Decree Number 56/P Year 2010;
12. Regulation of the Minister of Finance Number 134/PMK.06/2005 concerning Payment Guidelines on National Budget Implementation;
13. Regulation of the Minister of Finance Number 171/PMK.05/2007 concerning Central Government Accounting System and Financial Report;
14. Regulation of the Minister of Finance Number 196/PMK.05/2008 concerning Procedures and Presentation of Subsidy Expenditure and Other Financial Expenditures on Budget Funding and Calculation Section;



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15. Regulation of the Minister of Finance Number 104/PMK.02/2010 concerning Guidelines on State Ministry/Agency Budget Formulation and Review of Budget Year 2011 as amended by Regulation of the Minister of Finance Number 193/PMK.02/2010;
16. Regulation of the Minister of Finance Number 250/PMK.05/2010 concerning Procedures on National Budget Disbursement at State Treasurer's Liabilities in State Treasury Service Office;
17. Regulation of the Minister of Finance Number 256/PMK.05/2010 concerning Procedures on Reserve Fund Deposit and Disbursement;

In view of

- : 1. Regulation of the Minister of Trade Number 21/M-DAG/PER/6/2008 concerning Subsidized Fertilizer Procurement and Distribution for Agriculture Sector as amended by Regulation of the Minister of Trade Number 07/M-DAG/PER/2/2009;
2. Regulation of the Minister of Agriculture Number 06/Permentan/SR.130/2/2011 concerning Subsidized Fertilizer Highest Need and Retail Price (HRT) for Agriculture Sector of Budget Year 2011 as amended by Regulation of the Minister of Finance Number 22/Permentan/SR.130/4/2011;

DECIDES:

To stipulate

: REGULATION OF THE MINISTER OF FINANCE CONCERNING PROCEDURES ON BUDGET PROVISION, CALCULATION, PAYMENT, AND ACCOUNTABILITY OF FERTILIZER SUBSIDY.

CHAPTER I

GENERAL PROVISIONS

Article 1

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

1. Fertilizer Manufacturer is company that produce non-organic and organic fertilizer in the country as stipulated by Minister of Agriculture Sector.
2. Subsidy Reserve Account/Public Service Obligation (PSO) is an account owned by Minister of Finance used to collect subsidy reserve fund/PSO.
3. Line I to Line IV is the fertilizer warehouse location as referred in Regulation of the Minister of Trade that regulates Subsidized Fertilizer Procurement and Distribution for Agriculture Sector.
4. Primary Selling Price, which is hereinafter referred to as PSP, is



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cost for procurement and distribution of subsidized fertilizer by Fertilizer Manufacturer.

5. Highest Retail Price, which is hereinafter referred to as HRT, is the highest price for subsidized fertilizer at line IV as stipulated by Minister of Trade.
6. Fertilizer Distribution Volume is the subsidized fertilizer volume distributed by Fertilizer Manufacturer as stipulated by Minister of Agriculture.
7. Letter of State Treasurer Work and Budget Plan Stipulation, which is hereinafter referred to as LST WBPS, is a document of budget allocation stipulation in accordance with organization and program unit as well as is written in details on the working unit of Budget Section in State Treasurer.
8. Budget Implementation Entry List, which is hereinafter referred to as BIEL, is a budget implementation document prepared by Budget User/Budget User Authority and is legalized by Director General of Treasury or the Regional Head of Directorate General of Treasury on behalf of Minister of Finance acting as State Treasurer.
9. Payment Order, which is hereinafter referred to as PO, is a document issued/used by Budget User/Budget User Authority/PO Signatory Official to disburse fund allocation derived from Budget Implementation Filling-in Form or other equalized document.
10. Budget User Authority, which is hereinafter referred to as BUA, is an official that is given the authority and responsibility by the Budget User to use fund entitled to Budget User.

Article 2

In order to implement the subsidized fertilizer activity, Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture appointed as BUA.

CHAPTER II

FERTILIZER SUBSIDY

Article 3

- (1) Subsidized fertilizer type is stipulated by Minister of Agriculture in accordance with the applicable law and regulation.
- (2) Subsidy delivery as referred in item (1) is conducted through Fertilizer Manufacturer.



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Article 4

The total Fertilizer Subsidy for each type of fertilizer is calculated from the discrepancies between PSP (IDR/Kg) deducted by HRT (IDR/Kg) multiplied by Fertilizer Delivery Volume (Kg).

CHAPTER III

PRIMARY SELLING PRICE

Article 5

- (1) Minister of Agriculture suggest the PSP to Minister of Finance as the formulation material of National Budget Draft (NB Draft).
- (2) PSP used as the National Budget preparation material as referred in item (1) is used as fertilizer subsidy fund allocation base.
- (3) PSP as referred in item (2) is delivered by Minister of Finance to Minister of Agriculture to be stipulated.
- (4) PSP as referred in item (3) is used as fertilizer subsidy calculation base and payment for Fertilizer Manufacturer.

CHAPTER IV

PROCEDURES ON FERTILIZER SUBSIDY PROVISION AND
PAYMENT

Article 6

- (1) Funds for fertilizer subsidy are allocated in National Budget.
- (2) Director General of Budget – Ministry of Finance shall deliver the fertilizer subsidy ceiling notification to Director General of Agricultural Infrastructure and Facility-Ministry of Agriculture as BUA.
- (3) Notification as referred in item (2) becomes the base for Director General of Agricultural Infrastructure and Facility-Ministry of Agriculture as BUA to suggest fund provision to Director General of Budget-Ministry of Finance.
- (4) Based on the suggestion as referred in item (3), Director General of Budget – Ministry of Finance shall issue LST WBPS.
- (5) LST WBPS as referred in item (4) is delivered in written form to Director General of Budget – Ministry of Finance and Director General of Agricultural Infrastructure and Facility – Ministry of



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Finance as BUA.

- (6) Based on LST WBPS as referred in item (5), Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture as BUA shall prepare the concept of BIEL and deliver in written form to Director General of Budget – Ministry of Finance in order to acquire legalization.
- (7) BIEL that has been legalized as referred in item (6) becomes the implementation base of fertilizer subsidy payment.

Article 7

- (1) Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture as BUA shall issue decision to appoint:
 - a. Officials authorized to conduct action that cause budget expenditure/ the party responsible for activity/commitment maker, which is hereinafter referred to as Commitment Making Official (CMO); and
 - b. Official authorized to test the invoice to state and sign the PO, which is hereinafter referred to as PO Signatory Official.
- (2) Copy of decision letter as referred in item (1) is delivered to the Head of local State Treasury Service Office that conduct the subsidy payment.

Article 8

- (1) Directors of Fertilizer Manufacturer shall propose subsidized fertilizer invoice to Director General of Agricultural Infrastructure and Facility - Ministry of Agriculture as BUA.
- (2) Based on Fertilizer Manufacturer invoice as referred in item (1), BUA shall assign verification team to conduct verification on fertilizer subsidy invoice document.
- (3) Further provisions concerning procedures on invoice and verification are regulated by Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture as BUA.

Article 9

- (1) In particular or urgent situation, Fertilizer Manufacturer shall fulfill the insufficient subsidized fertilizer supply in the region that belongs to other fertilizer manufacturer procurement and distribution responsibility.
- (2) Fulfillment of insufficient subsidized fertilizer supply as referred in item (1) is regulated by Minister of Agriculture, Minister of Industry, and Minister of Trade independently in accordance with their authorities.



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Article 10

A procedure on PO proposal and issuance in order of subsidized fertilizer payment is conducted in accordance with the applicable law and regulation.

Article 11

- (1) Fertilizer subsidy not to be paid to the end of December of the current year due to non-implementation of verification on fertilizer subsidy invoice document as referred in Article 8 is placed on Subsidy Reserve Account/Public Service Obligation (PSO) in accordance with the applicable law and regulation.
- (2) Fund placement on Subsidy Reserve Account/Public Service Obligation (PSO) as referred in item (1), is at maximum of the same amount with the remaining ceiling of BIEL for fertilizer subsidy expenditure.
- (3) Fund disbursement on Subsidy Reserve Account/Public Service Obligation (PSO) as referred in item (2) is conducted in accordance with the applicable law and regulation.

CHAPTER V

FERTILIZER SUBSIDY ACCOUNTABILITY, REPORTING, AND AUDIT

Article 12

Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture as BUA is fully responsible for fertilizer subsidy fund distribution in accordance with the applicable law and regulation.

Article 13

Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture as BUA shall conduct accounting and reporting in accordance with the applicable law and regulation.

Article 14

- (1) Fertilizer Manufacturer shall deliver accountability report of fertilizer subsidy budget use to Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture as BUA in accordance with the applicable law and regulation.
- (2) Accountability report as referred in item (1) is at minimum includes subsidized fertilizer distribution target and realization.

Article 15



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- (1) Fertilizer Subsidy as referred in Article 3 and Article 4 are audited by authorized auditor in accordance with the applicable law and regulation.
- (2) Audit result report as referred in item (1) is delivered to Director General of Agricultural Infrastructure and Facility – Ministry of Agriculture, Director General of Budget – Ministry of Finance, and Director General of Treasury – Ministry of Finance.
- (3) In the event that audit result report as referred in item (2) is stated that the total fertilizer subsidy fund borne by Government is less than the total fund paid by Government in one budget year, the over payment as referred must be deposited to State Treasury by Fertilizer Manufacturer by using Account Code 423913 (other expenditures return in rupiah on past budget year).
- (4) In the event that in audit result report as referred in item (2) is stated that fertilizer subsidy underpayment by the Government to Fertilizer Manufacturer is occur in one budget year, the referred underpayment can be suggested to be budgeted on National Budget of the following year.

CHAPTER VI

CLOSING PROVISION

Article 16

In order to implement fertilizer subsidy, Ministry of Finance and and Ministry Agriculture may establish team to conduct monitoring and evaluation in accordance with their authorities.

Article 17

This Regulation of the Minister of Finance shall come into force in the event that fund for fertilizer subsidy is allocated in National Budget.

Article 18

At the time of this Regulation of the Minister of Finance shall come into force, Regulation of the Minister of Finance Number 120/PMK.02/2010 concerning Procedures on Budget Provision, Calculation, Payment and Accountability of Fertilizer Subsidy is revoked and void.



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Article 19

This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

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

Stipulated in Jakarta

On June 27, 2011

MINISTER OF FINANCE,

Signed

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

On June 27, 2011

MINISTER OF JUSTICE AND HUMAN RIGHTS,

Signed

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 366