



FINANCE MINISTER
OF THE REPUBLIC OF INDONESIA

COPY

REGULATION OF THE FINANCE MINISTER

NUMBER 171/PMK.05/2009

ON

SCHEME FOR SUBSIDY ON WAREHOUSE RECEIPT

BY THE GRACE OF THE ONE ALMIGHTY GOD

THE FINANCE MINISTER

- Having considered :
- a. That to stabilize the commodity price of post-harvest agriculture products and to store the products, the Government has established the Off Farm Program for agriculture products under the Warehouse Receipt System;
 - b. That to ensure the continuity of the agriculture production upon the implementation of the Off Farm Program, the farmers should have access to financing facilities that are provided by Implementing Banks/Non-Banking Financial Institutions and place the warehouse receipt as collateral;
 - c. That based on the results from the meeting between the Budget Committee of the House of Representatives and the Government on 21 October 2008 to 24 October 2008, it is decided that farmers should be assisted and empowered through the provision of low-interest loans subsidized by the Government and through funding from banks and by placing the warehouse receipt as the collateral;
 - d. That in order to ensure effective and efficient management on the availability, the delivery and accountability of the funding, it is necessary to establish an integrated loan scheme.
 - e. That based on the considerations in letter a, letter b, letter c, and letter d, it is necessary to enact a Regulation of the Finance Minister on the Scheme for Subsidy on Warehouse Receipt;

- Having observed :
1. Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1992 Number 31, Supplement to the State Gazette of the Republic Indonesia number 3472) as amended in Law Number 10 of 1998 (State Gazette of the Republic of Indonesia of 1998 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 3790);



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2. Law Number 25 of 1992 on Cooperatives (State Gazette of the Republic of Indonesia of 1992 Number 116, Supplement to the State Gazette of the Republic Indonesia number 3502);
3. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to the State Gazette of the Republic Indonesia number 3843) as amended in Law Number 3 of 2004 (State Gazette of the Republic of Indonesia of 2004 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4357);
4. Law Number 17 of 2003 on State Finance (State Gazette of the Republic of Indonesia of 2003 Number 47, Supplement to the State Gazette of the Republic Indonesia number 4286);
5. Law Number 1 of 2004 on State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to the State Gazette of the Republic Indonesia number 4355);
6. Law Number 9 of 2006 on System on Warehouse Receipt (State Gazette of the Republic of Indonesia of 2006 Number 59, Supplement to the State Gazette of the Republic Indonesia number 4630);
7. Government Regulation Number 36 of 2007 on Implementation of Law Number 9 of 2006 on System on Warehouse Receipt (State Gazette of the Republic of Indonesia of 2007 Number 79, Supplement to the State Gazette of the Republic Indonesia number 4735);
8. Presidential Decree Number 84/P of 2009

HAS DECIDED:

To enact : REGULATION OF THE FINANCE MINISTER ON THE SCHEME FOR SUBSIDY ON WAREHOUSE RECEIPT

CHAPTER I

GENERAL PROVISIONS

Article 1

For the purpose of this Regulation of the Finance Minister, the following words shall have the following meaning:



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1. The Scheme for Subsidy on Warehouse Receipt, hereinafter referred to as S-SRG, means a loan facility provided to Farmers, Farmer Groups, Association of Farmer Groups and cooperatives, granted by Implementing Banks/Non Banking Financial Institutions that apply an interest that is subsidized by the Government, and secured by a collateral in the form of a warehouse receipt.
2. A Warehouse Receipt means a document proving the ownership of goods stored in the warehouse, issued by the warehouse manager.
3. The Technical Minister means the minister that is responsible for state issues on trade.
4. Farmers mean individual Indonesian citizens that manage an agriculture/plantation/fishery aquaculture business.
5. A Farmers Group means a group of several farmers/plantation cultivators/fishery owners that is established based on a common interest, common environment (social, economic, resources, locus) and a proximity for the purpose of promoting and developing the business of each member;
6. An Association of Farmer Groups means an association of several farmers' group that merge to work together in achieving scales of economy and business efficiency;
7. A Cooperative means a primary cooperative as referred to in Law Number 25 of 1992 on Cooperatives in which the members are farmers/plantation workers/fishery workers.
8. Participants of the S-SRG mean Farmers, Farmers Group, Association of Farmers Groups and Cooperatives that are endorsed by the Implementing Bank/Non-Bank Financial Institution to receive the S-SRG.
9. Interest subsidy means the portion of the interest expense that is borne by the government which is equal to the difference between the prevailing interest rate on S-SRG and the actual interest charged to the S-SRG participants.
10. The Supervisory Board of the System on the Warehouse Receipt hereinafter referred to as The Supervisory Board, means an organizational unit under the Technical Minister that is authorized to advise, regulate and supervise the implementation of the System on Warehouse Receipt.



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11. A Warehouse means any fixed and non-movable chamber that is not intended for public where tradable goods are kept and have fulfilled the requirements as stipulated by the Technical Minister.
12. The Warehouse Management means the management that operates the warehouse as a business entity. The management may operate their own warehouse or operate the warehouse owned by others to keep, maintain, and supervise the goods stored by the owner of the goods and is authorized to issue a warehouse receipt.
13. Registration Center for Warehouse Receipt –hereinafter referred to as Registration Center- means a legal business entity endorsed by the Supervisory Board to administer the warehouse receipt and the derivatives of the warehouse receipt, which includes administering the records, storage, transfer of ownership, charging the collateral rights, reporting, and providing information system and network.
14. The Implementing Bank means a commercial bank as defined in Article 1 figure 3 in Law Number 7 of 1992 on Banking as amended in Law Number 10 of 1998.
15. Non-Bank Financial Institution hereinafter referred to as LKNB means a financing company that manages public funds as defined in the Regulation of Bank Indonesia Number 1/9/PBI/1999 on Monitoring Foreign Exchange Activities and LKNB
16. Local Government means the local government that is defined in Article 3 Figure 1 Law Number 32 of 2004 on Local Government.
17. Commodities mean goods stored in the warehouse under the warehouse receipt system as stipulated by the Technical Minister.
18. Joint-Cooperation Financing Agreement, hereinafter referred to as PKP, means an agreement between the Director General of Treasury on behalf of the Finance Minister representing the Government of Indonesia and the Implementing bank/LKNB.



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19. The Policy Committee means the Programmed Loan Committee established by the Finance Minister and its membership consists of representatives of the ministries related to the programmed loans.

CHAPTER II
PURPOSE

Article 2

The purpose of the S-SRG is to facilitate Farmers, Farmers Group, Association of Farmers' Groups and Cooperatives to gain access to financing facilities provided by the Implementing Banks/LKNB that place the Warehouse Receipt as collateral to ensure the continuity of agriculture production.

CHAPTER III
OBJECT OF FINANCING

Article 3

Activities that are eligible to receive financing facilities through S-SRG are any productive activity that supports agriculture production.

Article 4

Activities that are eligible for S-SRG financing as referred to in Article 3 shall only be provided to Farmers, Farmers Groups, Association of Farmer Groups and Cooperatives

CHAPTER IV
FINANCING RESOURCES

Article 5

The Implementing Bank/LKNB finances and administers the financing of the S-SRG

CHAPTER V
FINANCING MECHANISM

Article 6

- (1) The Finance Minister c.q. Director General of Treasury assigns the Implementing Bank/LKNB upon request by the Implementing Bank/LKNB.



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- (2) The Implementing Bank is obligated to fulfill the following requirements:
- a. The bank shall submit a written commitment on providing a certain amount of funds to finance S-SRG; and
 - b. The bank shall have an operation standard and procedure in providing loans under the S-SRG.

Article 7

The Director General of Treasury on behalf of the Finance Minister shall approve the ceiling for the interest subsidy on the S-SRG, based on the following considerations:

- a. The S-SRG program and projected financing shall be based on the commodities as proposed annually by the Technical Minister to the Finance Minister;
- b. The capacity of the government in providing allocation for interest subsidy; and
- c. The commitment from the Implementing Bank/LKCNB in providing the funds for the S-SRG.

Article 8

- (1) The allocated ceiling for the S-SRG program for each Implementing Bank/LKCNB is set forth in the PKP.
- (2) Based on the allocated ceiling as referred to in paragraph (1), the Implementing Bank shall develop the Annual S-SRG Financing Plan.
- (3) The Annual S-SRG Financing Plan as referred to in paragraph (2) shall be submitted by the Implementing Bank/LKCNB to the Finance Minister and to the Technical Minister.

Article 9

- (1) The Implementing Bank/LKCNB shall determine the participants of the S-SRG based on the legality of the warehouse receipt that is placed as the collateral for the S-SRG and based on the guidelines set forth by the Finance Minister and the Technical Minister.
- (2) If a participant of the S-SRG as referred to in paragraph (1) does not comply with the legality of the Warehouse Receipt nor does it conform to the S-SRG Implementation Guidelines, then the Interest Subsidy that has been paid for said S-SRG Participant shall be recalculated and shall be offset for the next subsidized interest payment.



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Article 10

- (1) The S-SRG is provided directly to the S-SRG participant.
- (2) Participants of the S-SRG Program that are enjoying programmed loan facilities from the government are not eligible for receiving S-SRG.
- (3) The Technical Minister shall be responsible for effective and efficient implementation of the S-SRG as referred to in paragraph (1).
- (4) The S-SRG is implemented under the following condition:
 - a. The maximum value of the ceiling for the S-SRG shall be 70 % of the value of the Warehouse Receipt;
 - b. The ceiling value shall be determined by the Implementing Bank/LKCNB based on the highest value of the commodity of the Farmer/S-SRG up to Rp 75,000,000.00 (seventy five million rupiah) per Farmer;
 - c. The maximum value of the S-SRG ceiling as referred to in letter b shall be based on the number of Farmers in the Farmers Group, Cooperatives and the Association of the Farmers Group;
 - d. The maximum value of the S-SRG ceiling as referred to in letter b shall be reviewed from time to time based on the feasibility of the agribusiness proposed by the Technical Minister; and
 - e. The total debit balance of the S-SRG provided by the Implementing Bank/LKCNB from time to time for each commodity shall be at the maximum, equal to the allocated ceiling of the S-SRG as referred to in Article 8 paragraph (1).

Article 11

The Implementing Banks/LKCNB shall be responsible for taking necessary actions to ensure that the availability and the delivery of the S-SRG are implemented appropriately in terms of amount and in a timely manner in accordance with the program as set by the Government and shall comply with all the prevailing provisions in administering the S-SRG.



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CHAPTER VI
TERMS AND CONDITION FOR FINANCING

Article 12

- (1) The candidates for the S-SRG participants are Farmers, Farmers Group, Association of Farmers Groups and Cooperatives that hold Warehouse Receipts to be placed as collateral for the S-SRG.
- (2) The Warehouse Receipt -that is placed as an S-SRG collateral- is a document that shows full ownership of the collateral against a loan that does not require any other collateral, and should fulfill the following condition:
 - a. is issued by the Warehouse management based on Law Number 9 of 2006 and in compliance with its implementing provisions.
 - b. The title of the ownership of the Warehouse Receipt is on behalf of the Farmers, Farmers Groups, Association of Farmers Groups and Cooperatives; and
 - c. The types of commodities initially shall consist of rice husk, milled rice, corn, coffee, cacao, pepper, rubber and seaweed with reference to the Regulation of the Minister of Trade Number 26/M-Dag/Per/6/2007 on Goods that are Storable in Warehouses under the System of Warehouse Receipt.
- (3) Changes in the types of commodities as referred to in paragraph (2) letter c may be determined by the Technical Minister at any time.
- (4) The interest rate on the S-SRG is equivalent to the prevailing market rate provided that it is no higher than 5% (five per one hundred) above the interest rate for insured deposits in commercial Banks as stipulated by the Indonesian Deposit Insurance Corporation (LPS).
- (5) The interest rate charged to the S-SRG participants is 6% (six per one hundred)
- (6) The difference between the interest rate of the S-SRG and the interest rate charged to the S-SRG participants shall be the subsidy provided by the Government.
- (7) The interest rate on the S-SRG shall be valid for the tenor of the loan period.
- (8) The Finance Minister shall review the interest rate of the S-SRG and take into consideration the recommendation from the Technical Minister



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and/or the Policy Committee.

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Article 13

The Implementing Bank/LKNB shall be responsible for assuming the risks in financing the S-SRG.

Article 14

The Implementing Bank/LKNB is prohibited to charge any loan provisions and commitment fee to the S-SRG participants.

CHAPTER VII
SUBSIDY ON INTEREST

Article 15

- (1) The Government provides a subsidy for the S-SRG interest that is equal to the difference between the market interest rate as referred to in Article 12 paragraph (4) and the actual interest charged to the S-SRG participants.
- (2) The proportion of the S-SRG interest charged to the S-SRG participant shall be decided by the Director General of Treasury on behalf of the Finance Minister based on the recommendation from the Technical Minister.
- (3) The interest rate as referred to in paragraph (1) shall be notified in writing by the Director General of Treasury on behalf of the Finance Minister to the Implementing Bank/LKNB, with a copy to:
 - a. Coordinating Minister for Economic Affairs
 - b. Technical Minister; and
 - c. State Minister for National Development Planning/Head of the National Development Planning Agency

Article 16

The Government provides interest subsidy over the period of the S-SRG but not exceeding 6 (six) months, and not including any extension of the loan tenor and/or the extension of the due date of the Warehouse Receipt.



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Article 17

- (1) The interest subsidy shall be allocated in the Annual State Budget Plan (RAPBN) by the Finance Minister with reference to the projected amount as referred to in Article 7 letter a, in compliance with the S-SRG ceiling as referred to Article 8 paragraph (1).
- (2) Having allocated interest subsidy in the State Budget (APBN), the Finance Minister shall issue a Notice on the Line Item Budget for each Work Unit (SP-SAPSK) and the Budget Implementation List for Interest Subsidy (DIPA).

Article 18

- (1) The interest subsidy on S-SRG shall be paid every 3 (three) months.
- (2) The request for payment of the interest subsidy shall be submitted by the Implementing Bank/LKCNB to the Finance Minister for the attention of the Director General of Treasury by attaching the following documents:
 - a. The list of invoices for the calculated S-SRG interest subsidy and
 - b. The receipt for S-SRG interest subsidy payment signed by the Director of the Implementing Bank/LKCNB or the authorized person.
- (3) The payment for the S-SRG interest subsidy is based on the data of the S-SRG provided by the Implementing Bank/LKCNB and the data on the Warehouse Receipt submitted to the Registration Center.
- (4) The procedure for delivering the data on the Warehouse Receipt by the Registration Center shall comply with the S-SRG implementation guidelines as stipulated by the Technical Minister.
- (5) To ensure the accuracy of the calculation of the interest subsidy that has been paid as referred to in paragraph (3), the Finance Minister c.q. Director General of Treasury shall conduct periodic or continuous verification.
- (6) If necessary, the verification process as referred to paragraph (5) shall involve the technical Ministries.



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CHAPTER VIII
SUBSIDY ON INTEREST

Article 19

- (1) The guidelines on implementing the S-SRG shall be determined by the Technical Minister.
- (2) The Finance Minister and the Technical Minister shall be responsible for mentoring and managing the implementation of the S-SRG.
- (3) An Evaluation Meeting on the Implementation of the S-SRG shall be held periodically or at any time initiated by the Finance Minister and/or by Technical Minister involving the Coordinating Minister for Economic Affairs, Minister of Agriculture, Minister of Marine Affairs and Fisheries, State Minister for Cooperatives and Micro, Small and Medium Scale Businesses and the Directors of the Implementing Bank/LKCNB or its representatives.
- (4) The implementation of the S-SRG shall be in compliance with the regulations of the Technical Minister.

CHAPTER IX
EXAMINATION

Article 20

- (1) The Finance Minister and/or Technical Minister, at any time may conduct an examination on the implementation of the S-SRG provided by the Implementing Bank/LKCNB and examine the application of the S-SRG by the S-SRG participants.
- (2) In conducting the examination as referred to in paragraph (1), the Finance Minister and/or Technical Minister may request the assistance from internal or external functional examiners.
- (3) The Implementing Bank/LKCNB and/or the S-SRG Participant are obligated to:
 - a. Submit data and documents related to the S-SRG,
 - b. Provide responses or answers to the issues in question or needing clarification and



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c. Be cooperative in the examination process.

CHAPTER X
EXAMINATION

Article 21

- (1) The Implementing Bank/LKNB is obligated to prepare and submit a monthly report on the Provisions and Repayment of the S-SRG to the Finance Minister for the attention of the Director General of Treasury and/or to Technical Minister for the attention of the Supervisory Board at the latest on the 25th of the following month.
- (2) The Implementing Bank/LKNB is obligated to submit other reports related to the implementation of the S-SRG if necessary or required specifically by the Finance Minister and/or Technical Minister.

CHAPTER XI
SANCTION

Article 22

In the event, the Implementing Bank/LKNB violates the provisions as stipulated in this Regulation of the Finance Minister, the Implementing Bank/LKNB shall receive the following sanctions:

- a. Written Notice
- b. Suspension of the interest subsidy payment
- c. Termination of the interest subsidy

CHAPTER XII
CLOSING PROVISIONS

Article 23

- (1) Further provisions necessary for the implementation of the Regulation of the Finance Minister shall be stipulated under the Regulation of the Director General of Treasury.
- (2) The obligations, rights, duties and responsibilities of the Implementing Bank/LKNB and the financing mechanism and the funding procedure, the provision, payment administration of the interest subsidy, reporting, supervision and other provisions that are deemed necessary, shall be further arranged in the PKP.



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Article 24

This Regulation of the Finance Minister shall be effective as of the date of enactment.

In order that this Regulation is made known to the general public, it is hereby ordered that this Regulation be promulgated in the Official Gazette of the Republic of Indonesia.

Enacted in Jakarta
On 11 November 2009
Finance Minister

Signed

SRI MULYANI INDRAWATI

Promulgated in Jakarta
On 11 November 2009
MINISTER OF JUSTICE AND HUMAN RIGHTS,

Signed

PATRIALIS AKBAR

OFFICIAL GAZETTTE OF THE REPUBLIC INDONESIA OF 2009
NUMBER 423

This copy is in conformity with the original
Head of General Affairs Bureau
For
Head of Administration of Ministry of Finance

(signed and sealed with the seal of the General Affairs Bureau)

Antonius Suharto
NIP 060041107