REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA NUMBER 154/PMK.06/2011

CONCERNING

AMENDMENT TO REGULATION OF THE MINISTER OF FINANCE NUMBER 188/PMK.06/2008 REGARDING SETTLEMENT OF EX-FOREIGN / CHINESE-OWNED ASSETS

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE OF REPUBLIC OF INDONESIA,

Considering

a. that in order to realize the optimization of the management of Ex-Foreign / Chinese-Owned Assets in an orderly, effective, and accountable manner, it is necessary to make improvements to the Regulation of the Minister of Finance Number 188/PMK.06/2008 Settlement of Ex-Foreign / Chinese-Owned Assets;

b. Based on the considerations as referred to in letter a, it is necessary to stipulate a Regulation of the Minister of Finance on amendment to Regulation of the Minister of Finance Number 188/PMK.06/2008 On Settlement of Ex-Foreign / Chinese-Owned Assets;

In View of

1. Presidential Decree Number 56/P of 2010;

2. Regulation of the Minister of Finance Number 188/PMK.06/2008 Settlement regarding Ex-Foreign / Chinese-Owned Assets;

DECIDES:

To stipulate

REGULATION OF THE MINISTER OF FINANCE CONCERNING AMENDMENT TO REGULATION OF THE MINISTER OF FINANCE NUMBER 188/PMK.06/2008 REGARDING SETTLEMENT OF EX-FOREIGN / CHINESE-OWNED ASSETS.

Article I

Several provisions in Regulation of the Minister of Finance Number 188/PMK.06/2008 concerning Settlement of Ex-Foreign / Chinese-Owned Assets are amended as follows:

1. Provisions of item 1, item 3, item 4, and item 5 of Article 1 are amended to read as follows:
Article 1

In this Regulation of the Minister of Finance:

1. Ex-Foreign-Owned Assets / Ex-Chinese-Owned Assets, hereinafter referred to as the Ex-Foreign / Chinese-Owned Assets, are state-controlled assets under:
   a. Central War Authority Regulation Number Prt/Peperpu/032/1958 in conjunction with Central War Authority Regulation Number Kpts/Peperpu/0439/1958 in conjunction with Act Number 50 Prp. of 1960;
   b. Presidential Decree Number 2 of 1962;
   c. Presidential Decree Number 4 of 1962 in conjunction with Decree of the President / commander-in-chief of Indonesian Armed Forces / Great Leader of Revolution Number 52/KOTI/1964;

2. Minister is the Minister of Finance of the Republic of Indonesia.

3. Director General means the Director General within the Ministry of Finance that has authorities, duties and functions in state assets.

4. Regional Office refers to a Regional Office of the Directorate General of the Ministry of Finance that has authorities, duties and functions in state assets.

5. Service Office refers to a Service Office are under the Directorate General of the Ministry of Finance that has authorities, duties and functions in state assets.

6. Ministries / Agencies refer to state ministries / non-ministerial government agencies / state agencies.

7. Settlement Team means a Settlement Team of Ex-Foreign / Chinese-Owned Assets at Central Level.

8. Assistance Team is an Assistance Team for Settlement of Ex-Foreign / Chinese-Owned Assets at Regional Level.

2. Provisions of paragraph (2), paragraph (3) and paragraph (5) of Article 7 are amended to read as follows:

   Article 7

(1) Settlement of Ex-Foreign / Chinese-Owned Assets is preferred to be places for the implementation of government duties.

(2) In addition to being places for the implementation of
government duties referred to in paragraph (1), Ex-Foreign / Chinese-Owned Assets may be obtained by a third party by submitting an application to the Director General on behalf of the Minister.

(3) The third party as referred to in paragraph (2) is a party that constantly occupies / inhabits the Ex-Foreign / Chinese-Owned Assets at a minimum period of 5 (five) years and not a reincarnation / successor / substructure of an illicit / racially exclusive organization / association / foundation that previously mastered and / or had the said assets.

(4) In the event that the third party is a legal entity, the legal entity status must be an Indonesian legal entity that has no connection with the ownership of a foreign legal entity.

(5) For the purposes of the state, the Ex-Foreign / Chinese-Owned Assets can be registered for certificate on behalf of the Government of the Republic of Indonesia or a Provincial / Regency / City Government.

3. Provisions of paragraph (1) and paragraph (2) of Article 8 are amended, and between paragraph (1) and paragraph (2) of Article 8, 1 (one) paragraph, namely paragraph (1a), is inserted, and after paragraph (3) of Article 8, 1 (one) paragraph, namely paragraph (4), is supplemented, so that Article 8 shall read as follows:

Article 8

(1) Settlement of ownership status of the Ex-Foreign / Chinese-Owned Assets can be done by:
   a. strengthening the legal status to be State Property;
   b. strengthening the legal status to be Regional Property;
   c. disposing of the mastery from the State to a third party by payment of compensation to the Government by depositing it to the State Treasury;
   d. returning to an individual rightful owner, or
   e. removing from the list of Ex-Foreign / Chinese-Owned Assets.

(1a) Settlement in the manner as referred to in paragraph (1) shall be done to the Ex-Foreign / Chinese-Owned Assets partially or entirely based on a proposal of a Ministry / Agency, relevant Provincial / Regency / City, a third party, and / or the Assistance Team.

(2) Changes in the settlement as referred to in paragraph (1) may be done after a determination of the Director General on behalf of the Minister upon a proposal of a
Ministry / Agency, relevant Provincial / Regency / City, a third party, and / or the Assistance Team.

(3) Determination of ownership status settlement conducted respectively in the manner as referred to in paragraph (1) shall be stipulated by the Minister of Finance, signed by the Director General on behalf of the Minister.

(4) The decision of the Minister as referred to in paragraph (3) includes data on current assets, including land, land location and other necessary information based on research by the Assistance Team.

4. Provisions of Article 9 are amended to read as follows:

Article 9

(1) Settlement of ownership status as referred to in Article 8 paragraph (1) letter a and letter b shall be made to the Ex-Foreign / Chinese-Owned Assets that have not been certificated or have been certificated on behalf of a Ministry / Agency or a Provincial / Regency / City Government.

(2) In case the Ex-Foreign / Chinese-Owned Assets that have been strengthened the status to be the State / Regional Property as referred to in paragraph (1) have not been certificated, relevant Ministry / Agency or Provincial / Regency / City Government shall immediately follow up with maintaining the certificate registration as per the provisions of legislation.

5. Provisions of paragraph (1), paragraph (2), paragraph (3) and paragraph (4) of Article 10 are amended, and between paragraph (1) and paragraph (2) of Article 10, 2 (two) paragraph, namely paragraph (1a) and (1b), are inserted, and between paragraph (2) and paragraph (3) of Article 10, 1 (one) paragraph, namely paragraph (2a), are inserted, so that Article 10 shall read as follows:

Article 10

(1) For settlement of ownership status as referred to in Article 8 paragraph (1) letter c, the implementation is regulated as follows:
   a. For assets that are used by private parties for commercial activities and homes, the amount of compensation is set at 100% (one hundred percent) of the value of assets.
b. For assets that are used by private parties for educational activities and / or social events, the amount of compensation is set by relief of 50% (fifty percent) of the value of assets.

c. For assets that are used by Civil Servants (PNS) / members of Indonesian National Army (TNI) / Indonesian Police (POLRI), who are still active, retired / after-service, or by widows / widowers of PNS / TNI / Police for residences, under a decree issued by a competent government agency, the amount of compensation is set by relief of 50% (fifty percent) of the value of assets.

d. For assets that are used for worship activities recognized by the Government, the amount of compensation is set at 0% (zero percent) of the value of assets.

(1a) The amount of compensation as referred to in paragraph (1) shall be calculated based on the assessment results of the Ex-Foreign / Chinese-Owned Assets date with the following provisions:

a. in case on the ground of the Ex-Foreign / Chinese-Owned Assets a new building with a new structure that is separate from the building of the Ex-Foreign / Chinese-Owned Assets has been established, the assessment is made on land and old buildings, or

b. in case on the ground of the Ex-Foreign / Chinese-Owned Assets a new building with the same structure and is part of the building renovation of the Ex-Foreign / Chinese-Owned Assets has been established, the assessment is made on land and all buildings.

(1b) The amount of compensation as referred to in paragraph (1) letter b, letter c and letter d can be set at 100% (one hundred percent) of the value of assets based on a proposal filed by a private party or PNS / TNI / POLRI, either still active, retired / after-service, as well as by a widow / widower of relevant PNS / TNI / POLRI.

(2) A third party that has obtained the Ex-Foreign / Chinese-Owned Assets in the manner referred to in paragraph (1) letter b, letter c, and letter d can do the transfer / handover / designation change after obtaining a written approval from the Director General on behalf of the Minister.

(2a) It is exempted from having to obtain a written approval from the Director General on behalf of the Minister as referred to in paragraph (2) if the third party has made
a payment of 100% (one hundred percent) as referred to in paragraph (1b).

(3) The approval as referred to in paragraph (2) may be provided with an obligation to the third party to return the relief granted as calculated with the following provisions:

a. 50% (fifty percent) of the current value of the land and the previous value of the building for use as referred to in paragraph (1) letter b and letter c is transferred / handed over / changed in designation to become the use as referred to in paragraph (1) letter a;

b. 50% (fifty percent) of the current value of the land and the previous value of the building for use as referred to in paragraph (1) letter d is transferred / handed over / changed in designation to become the use as referred to in paragraph (1) letter b or letter c, or

c. 100% (one hundred percent) of the current value of the land and the previous value of the building for use as referred to in paragraph (1) letter d is transferred / handed over / changed in designation to become the use as referred to in paragraph (1) letter a.

(4) The approval as referred to in paragraph (2) and the obligation for the third party to return the relief as referred to in paragraph (3) do not apply, but are still reported to the Minister of Finance, in case:

a. assets are in severely damaged condition due to natural disasters or other causes beyond the human ability (force majeure), which led to the need to get the assets transferred / handed over / changed in designation, and / or

b. consideration in the implementation of the defense strategic plan.

6. Between Article 10 and Article 11 2 (two) articles, namely Article 10A and Article 10B, are inserted, to read as follows:

Article 10A

Settlement of ownership status as referred to in Article 8 paragraph (1) letter d shall be implemented in the event of a final and binding judicial decision and / or if the third party can prove truly and validly that the relevant assets are at his possession.
Article 10B

Settlement of ownership status as referred to in Article 8 paragraph (1) letter e is carried out in the event of:

a. a final and binding judicial decision and no other remedy, and / or

b. a proposal from the Assistance Team because the Ex-Foreign / Chinese-Owned Assets:

1) are not found;

2) are lost / destroyed due to natural disasters (force majeure);

3) in the past have been exchanged with the third party-owned assets by the Ministry / Agency or the Provincial / Regency / City Government without an approval of the Minister and are equipped with a statement that all the causes and effects of the asset exchange are the sole responsibility of the Ministry / Agency or the relevant Provincial / Regency / City Government;

4) are not in accordance with the regional spatial plan or city arrangement, and / or

5) have been used for public purposes, such as:

   a) public roads, including road access as per the provisions of legislation, highways, railroads, drinking water / clean water supply and / or drainage owned by the Government;

   b) reservoirs, dams and other waterworks building, including irrigation channels;

   c) ports, airports, railway stations or terminals owned by the Government;

   d) general markets held by the Government;

   e) general cemetery facilities owned by the Government;

   f) public safety facilities, such as embankments for flood, lava and other disasters;

   g) representatives of foreign countries, the United Nations and international organizations under the auspices of the United Nations;

   h) landfills owned by the Government;

   i) nature reserves owned by the Government or cultural heritage;

   j) landscape owned by the Government and / or

   k) generators, turbines, transmission and distribution of electricity as well as inseparable supporting installation.

7. Article 11 is deleted.
8. Provisions of Article 12 are amended to read as follows:

Article 12

Charging of certificate registration as referred to in Article 8 paragraph (1) letter a and letter b shall be conducted in accordance with the provisions of legislation.

9. Provisions of paragraph (1), paragraph (2), paragraph (3) and paragraph (4) of Article 13 are amended to read as follows:

Article 13

(1) Payment of compensation to the Government as referred to in Article 8 paragraph (1) letter c can be made in cash or gradually with a maximum repayment period of 24 (twenty four) months from the issuance date of a letter from the Director General on behalf of the Minister on approval of compensation rate to the Government.

(2) In case the payment as referred to in paragraph (1) exceeds a predetermined period of time, a new value of assets is defined, as set forth in a letter of the Director General on behalf of the Minister.

(3) The difference between the new value of assets as referred to in paragraph (2) and the compensation payment before the end of the payment period as referred to in paragraph (1) shall be paid in cash with a maximum repayment period of 6 (six) months from the issuance date of a letter from the Director General on behalf of the Minister on approval of the compensation rate to the Government.

(4) In case the payment as referred to in paragraph (3) exceeds a predetermined period of time, the third party proposing the proposed settlement by way of compensation payment should give a cash reward to the Government as a form of asset utilization lease by taking into account the compensation payment before the expiry of the payment period.

(5) Payment as referred to in paragraph (1), paragraph (3), and paragraph (4) is a Non-Tax State Revenue to be paid directly by the third party to the State Treasury.

10 Provisions of Article 14 are amended to read as follows:

Article 14

Assets to be released to the third party in the manner as referred to in Article 8 paragraph (1) letter c or transferred / handed over / changed in designation as referred to in Article 10 paragraph (2) shall be firstly assessed in
accordance with the provisions of legislation.

11. Provisions of paragraph (2) of Article 15 are amended to read as follows:

Article 15

(1) In the exercise of authority as referred to in Article 5, the Director General on behalf of the Minister establishes the Settlement Team.

(2) Membership of the Settlement Team as referred to in paragraph (1) consists of elements from the central level agencies, among others:
   a. Ministry of Finance;
   b. Ministry of Justice and Human Rights;
   c. Ministry of Defence;
   d. Ministry of National Education;
   e. State Intelligence Agency (BIN);
   f. National Land Agency (BPN);
   g. Attorney General, and
   h. Police.

12. Provisions of paragraph (3) of Article 17 are amended to read as follows:

Article 17

(1) To assist the duties of the Settlement Team in the settlement of the Ex-Foreign / Chinese-Owned Assets in a region, the Director General establishes the Assistance Team.

(2) The Assistance Team as referred to in paragraph (1) is established in each Regional Office.

(3) Membership of the Assistance Team as referred to in paragraph (1) consists of elements of local level agencies, among others:
   a. Regional Office;
   b. Provincial and / or Regency / City Governments;
   c. Regional Office of the Ministry of Justice and Human Rights;
   d. Provincial National Land Agency Office and / or Regency / City Land Agency Office;
   e. Military Area Command;
   f. Regional State Intelligence Agency (BINDA);
   g. Attorney General;
   h. Regional Police, and
   i. Service Office.

(4) Membership of the Assistance Team as referred to in paragraph (3) is chaired by a Head of a Regional Office whose jurisdiction covers the work area of the relevant
13 Provisions of paragraph (1), paragraph (2) and paragraph (3) of Article 21 are amended to read as follows:

Article 21

(1) The Ministry / Agency, the Provincial / Regency / City Government, Assistance Team, or others can nominate the latest status of the data as referred to in Article 20 and / or new findings on the Ex-Foreign / Chinese-Owned Assets to the Settlement Team.

(2) The Settlement Team studies and verifies the new findings as referred to in paragraph (1) and can coordinate with the Ministry / Agency, the Provincial / Regency / City Government, Assistance Team and others as needed.

(3) Study results and verification of new findings are contained in Minutes signed by Chairman of the Settlement Team and submitted to the Director General to obtain a determination of as per the authority as referred to in Article 6.

(4) Based on the determination of the Director General as referred to in paragraph (3), the Settlement Team and / or the Assistance Team update the data of the Ex-Foreign / Chinese-Owned Assets as the basis for the next step implementation in the settlement of the Ex-Foreign / Chinese-Owned Assets.

14 Between Chapter V and Chapter VI, 1 (one) chapter, namely Chapter VA, is inserted, and between Article 21 and Article 22, 1 (one) article, namely Article 21A, is inserted, to read as follows:

CHAPTER VA

DETERMINATION OF SETTLEMENT OF OWNERSHIP STATUS

Article 21A

In the context of determination as referred to in Article 8, paragraph (4), if the data listed in Appendix as referred to in Article 20 has been amended under the study of the Assistance Team, the Director General on behalf of the Minister shall determine the settlement of ownership status of the Ex-Foreign / Chinese-Owned Assets based on the study results of the Assistance Team, supported by documents such as:
a. measurement results of the local Land Office;
b. Minutes of proposals / recommendations from the Assistance Team and / or
c. other supporting documents.

15 Provisions of Article 24 are amended to read as follows:

Article 24

Further provisions regarding technical guidelines for settlement of the Ex-Foreign / Chinese-Owned Assets shall be stipulated by the Director General.

Article II

1. At the time this Regulation of the Minister of Finance comes into force, all implementing regulations of Regulation of the Minister of Finance Regulation Number 188/PMK.06/2008 on Settlement of Ex-Foreign / Chinese-Owned Assets shall remain in force as long as not contrary to the provisions of this Ministerial Regulation.
2. 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 September 19, 2011
MINISTER OF FINANCE
Signed,
AGUS D.W. MARTOWARDOJO