



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF
INDONESIA NUMBER 194/PMK.02/2011

CONCERNING

PROCEDURES FOR APPLICATION OF MULTIYEAR CONTRACT APPROVAL IN
PROCUREMENT OF GOVERNMENT GOODS / SERVICES

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering : a. that in order to implement the approval of Multiyear Contract in Procurement of Government Goods / Services, Regulation of the Minister of Finance Number 56/PMK.02/2010 on Procedures for Application of Multiyear contract Approval in Procurement of Government Goods / Services;
- b. that in its development, in order to implement the provisions of Article 16 paragraph (1) of Presidential Decree Number 42 of 2002 on Guidelines for State Revenue and Expenditure Budget Implementation as amended several times, lastly by Presidential Decree Number 53 of 2010 and the provisions of Article 52 paragraph (2) Presidential Decree Number 54 of 2010 on Procurement of Government Goods / Services, the Regulation of Minister of Finance Number 56/PMK.02/2010 needs to be reviewed.
- c. that in accordance with the considerations as referred to in point a and point b, a Regulation of Minister of Finance on Procedures for Application of Multiyear contract Approval in Procurement of Government Goods / Services needs to be regulated;
- In View of : 1. [Act Number 17 of 2003](#) concerning State Finance (State Gazette of the Republic of Indonesia of 2003 Number 47, Supplement to State Gazette of the Republic of Indonesia Number 4286);
2. [Act Number 1 of 2004](#) concerning State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to State Gazette of the Republic of Indonesia Number 4355);
3. [Government Regulation Number 20 of 2004](#) concerning Government Work Plan (State Gazette of the Republic of Indonesia of 2004 Number 74, Supplement to Gazette of Republic of Indonesia Number 4405);
4. [Government Regulation Number 90 of 2010](#) concerning Preparation of Work Plan and Budget of Ministries /



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 2 -

Agencies (State Gazette of the Republic of Indonesia of 2010 Number 152, Supplement to State Gazette of the Republic of Indonesia Number 5178);

5. [Government Regulation Number 42 of 2002](#) concerning Guidelines for State Revenue and Expenditure Budget Implementation (State Gazette of the Republic of Indonesia of 2002 Number 73, Supplement to State Gazette of the Republic of Indonesia Number 4212) as amended several times, lastly by Presidential Decree Number 53 of 2010;
6. [Presidential Regulation Number 54 of 2010](#) on Procurement of Government Goods / Services;
7. [Presidential Decree Number 56/P of 2010](#);

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING PROCEDURES FOR APPLICATION OF MULTIYEAR CONTRACT APPROVAL IN PROCURMENT OF GOVERNMENT GOODS / SERVICES.

Article 1

In this Regulation of the Minister of Finance:

1. Contract is a written agreement between a Commitment Making Official (PPK) and Goods / Services provider or self-managed implementer.
2. Multiyear Contract is a contract whose performance of work burdens State Revenue and Expenditure Budget (APBN) in more than 1 (one) Fiscal Year.

Article 2

- (1) A Multiyear Contract for activities with a value of over Rp10,000,000,000.00 (ten billion Rupiahs) shall obtain approval from the Minister of Finance.
- (2) Exempted from the provisions as referred to in paragraph (1) is for any Multiyear Contract that is partly or entirely funded by Foreign Loan/Grant (PHLN).

Article 3

- (1) Application for Multiyear Contract approval is proposed by Ministers / Head of Agencies to the Minister of Finance together with the submission of Work Plan and Budget of State Ministries / Agencies of relevant Fiscal Year.
- (2) The submission of application as referred to in paragraph (1) must be completed with:



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 3 -

- a. Certificate of Absolute Responsibility (SPTJM) from the Budget User that states it has met technical feasibility and fund availability in support of on-top Multiyear Contract implementation.
 - b. Certificate of Budget User, clarifying that:
 - 1) the remaining fund that is not used in relevant year shall not be revised to be used in the same Fiscal Year; and
 - 2) procurement / acquisition of land required to support the infrastructure development has been accomplished.
- (3) Completeness of the Multiyear Contract approval application as referred to in paragraph (2) must fulfill the following conditions:
- a. Completed with the scope of types and complete stages of activity/job, term of job to be completed, and summary of estimated budget need per year.
 - b. Clear from any documents that show names of respective participants / winning candidates of tender.
- (4) Ministers / Head of Agencies may propose the Multiyear Contract approval application to the Minister of Finance not in the same time with the submission of Work Plan and Budget of State Ministries / Agencies (RKA-KL) in case of:
- a. Force majeure;
 - b. Implementing a Central Government policy;
 - c. Complying with a mandate of legislation;
 - d. Executing a final and binding judicial decision.

Article 4

For a Multiyear Contract with complexity in land procurement / acquisition, such as infrastructure development work that requires land acquisition in a great number, among others, airport, port, road, irrigation, electricity transmission, and railway, the Budget User has to attach a Certificate of Absolute Responsibility (SPTJM) stating that:

- a. The Budget User shall complete the land procurement / acquisition simultaneously with the infrastructure development work within the Multiyear Contract Period;
- b. The Budget User shall maintain the implementation of activities according to the plan; and
- c. All charges incurred due to delay of the task completion caused by delay in completion of land procurement / acquisition cannot be imposed to the State Revenue and Expenditure Budget except under a final and binding judicial decision.



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 4 -

Article 5

- (1) The completion process of Multiyear Contract approval shall be conducted by the Directorate General of Budget.
- (2) The completion process as referred to in paragraph (1) shall be conducted at the latest of 7 (seven) work days after the documents are received completely.

Article 6

- (1) The Minister of Finance may extend the Multiyear Contract approval in the case of particular conditions that causes delay in the Multiyear Contract work completion.
- (2) Particular conditions as referred to in paragraph (1) consist of:
 - a. Force majeure, including natural disasters, non-natural disasters, strike, fire, and/or other industrial disruption as referred to in the joint decree of the Minister of Finance and relevant technical minister.
 - b. Non-force majeure, including change in design due to unforeseen conditions / factors, and adjustment of conditions that is applicable in other countries.
- (3) Application of Multiyear Contract approval extension shall be proposed by Ministers / Head of Agencies in this case the Secretary General / Main Secretary / Secretary to the Minister of Finance together with justifiable reasons and considerations.
- (4) The proposal of application as referred to in paragraph (3) can be completed with the audit result of Financial and Development Supervisory Body on remaining tasks, of which the Multiyear Contract approval extension shall be proposed.
- (5) The provisions concerning proposal of Multiyear Contract approval application as referred to in Article 3 shall apply mutatis mutandis to the application process of Multiyear Contract approval extension.

Article 7

- (1) Ministers / Head of Agencies in this case the Secretary General / Main Secretary / Secretary may propose changes in intra-year funding composition in the current Multiyear Contract period to the Minister of Finance in this case the Director General of Budget.
- (2) The proposal of composition changes as referred to in paragraph (1) is completed with a Certificate of Absolute Responsibility (SPTJM) from the Budget User / the Proxy



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 5 -

of Budget User together with justifiable reasons concerning changes of fund composition.

Article 8

- (1) Ministers / Head of Agencies shall be fully responsible on the formal and material validity on everything related to the application of Multiyear Contract approval proposed to the Minister of Finance, including material stated in the certificate as regulated in this Regulation of Minister of finance.
- (2) The Multiyear Contract approval by the Minister of Finance is not a recognition / endorsement on the validity or legality of Goods / Services procurement and/or appointment of winner of Goods / Services provider.

Article 9

- (1) Ministers / Head of Agencies as the Budget User shall be fully responsible for work contracted in multiyear, including in providing budget in each year of the contract period, in accordance with the expenditure limit decided in Budget Section of relevant State Ministries / Agencies.
- (2) The remaining budget of Multiyear Contract work in a particular Fiscal Year shall not be distributed in the next Fiscal Year and is may not be additional expenditure budget proposal in the Draft of Revised State Revenue and Expenditure Budget in the relevant Fiscal Year.

Article 10

- (1) In order to maintain the continuity of quality, efficiency, and effectiveness, as well as the unity of process and accountability of performance, the Minister of Finance may stipulate Multiyear Contract approval on tasks such as information service provision, sales of obligation, services / licenses of hardware / software, software development, and network / bandwidth lease.
- (2) The proposal of Multiyear Contract approval as referred to in paragraph (1) can be proposed by the Budget User provided that it is completed with:
 - a. Certificate of Absolute Responsibility (SPTJM) from the Budget User that states it has met technical feasibility and fund availability in support of on-top Multiyear Contract implementation; and
 - b. Certificate of Budget User, clarifying that the remaining fund that is not used in relevant year shall not be revised to be used in the same Fiscal Year.



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 6 -

Article 11

- (1) The Minister of Finance may consider to approve a Multiyear Contract on tasks as stated in the Work Plan and Budget of State Ministers / Agencies (RKA-KL) and tasks that are the Government priority policy, which under particular conditions the implementation cannot be completed in 1 (one) Fiscal Year.
- (2) Particular conditions as referred to in paragraph (1) consist of:
 - a. Force majeure, including natural disasters, non-natural disasters, strike, fire, and/or other industrial disruption as referred to in the joint decree of the Minister of Finance and relevant technical minister.
 - b. Non-force majeure, including change in design due to unforeseen conditions / factors, changes in government policy, changes in scope of work, changes in schedule implementation and adjustment of conditions that is applicable in other countries.
- (3) Approval of Multiyear Contract as referred to in paragraph (1) can be proposed by the Budget User completed with a Certificate of Absolute Responsibility (SPRJM) with justifiable explanation.

Article 12

Certificate of Absolute Responsibility (SPTJM) as referred to in Article 3 paragraph (2) point a, Article 4, Article 7 paragraph (2), Article 10 paragraph (2) point a and Article 11 paragraph (3) and the certificate as referred to in Article 3 paragraph (2) point b and Article 10 paragraph (2) point b shall be made using forms as stipulated in Appendix I to Appendix VI, which constitute integral and inseparable part of this Regulation of Minister of Finance.

Article 13

The Budget User / Proxy of Budget User submits a periodic presentation report every 6 (six) month to the Minister of Finance in this case the Director General of Budget for the Multiyear Contract approval stipulated by Minister of Finance and/or Ministers / Head of Agencies using report forms as stipulated in Appendix VII, which constitutes an integral and inseparable part of this Regulation of Minister of Finance.

Article 14



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 7 -

Technical provisions required in order to implement this Regulation of the Minister of Finance shall be further regulated by the Director General of Budget.

Article 15

- (1) Multiyear Contract that has been approved by the Minister of Finance as regulated in Regulation of Minister of Finance Number 56/PMK.02/2010 concerning Procedures for Application of Multiyear Contract Approval in Procurement of Government Goods / Services shall be remain valid.
- (2) Application of Multiyear Contract approval that has not been approved by the Minister of Finance has to be resubmitted by Ministers / Head of Agencies by fulfilling the provisions regulated in this Regulation of the Minister of Finance.

Article 16

At the time this Regulation of the Minister of Finance is valid, [Regulation of the Minister of Finance Number 56/PMK.02/2010](#) concerning Procedures for Application of Multiyear Contract Approval in Procurement of Government Goods / Services shall be revoked and deemed null and void.

Article 17

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 December 1, 2011
MINISTER OF FINANCE
Signed
AGUS D.W. MARTOWARDOJO



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 8 -

Promulgated in Jakarta

On December 1, 2011

MINISTER OF LAW AND HUMAN RIGHTS

Signed

AMIR SYAMSUDDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2011 NUMBER 765