



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF
INDONESIA NUMBER 218/PMK.02/2011

CONCERNING

PROCEDURES FOR BUDGET PROVISION, CALCULATION, PAYMENT, AND
ACCOUNTABILITY OF 3 KILOGRAM TUBE LIQUEFIED PETROLEUM GAS (LPG)
SUBSIDY

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering : a. that in order to reduce the society burden, the 3 Kilogram Tube Liquid Petroleum Gas (LPG) subsidy has been allocated in the State Revenue and Expenditure Budget and/or the Revised State Revenue and Expenditure Budget;
- b. that in order to complete the stipulation on procedures for budget provision, calculation, payment, and accountability of 3 Kilogram Tube Liquid Petroleum Gas (LPG) subsidy, which is regulated in Regulation of Minister of Finance Number 03/PMK.02/2009, as amended by Regulation of Minister of Finance Number 215/PMK.02/2007, it is necessary to regulate procedures for budget provision, calculation, payment, and accountability of 3 Kilogram Tube Liquid Petroleum Gas (LPG) subsidy.
- c. That in accordance with the considerations as referred to in point a and point b, it is necessary to stipulate a Regulation of the Minister of Finance concerning Procedures of Budget Provision, Calculation, Payment, and Accountability of 3 Kilogram Tube Liquid Petroleum Gas (LPG) Subsidy;
- In View of : 1. [Act Number 8 of 1983](#) concerning Value Added Tax on Goods and Services and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 1983 Number 51, Supplement to State Gazette of the Republic of Indonesia Number 3264) as amended by [Act Number 42 of 2009](#) (State Gazette of the Republic of Indonesia of 2009 Number 150, Supplement to State Gazette of the Republic of Indonesia Number 5069);
2. [Act Number 22 of 2001](#) concerning Natural Oil and Gas (State Gazette of the Republic of Indonesia of 2001 Number 136, Supplement to State Gazette of the Republic of Indonesia Number 4152);



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3. [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);
4. [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);
5. [Act Number 15 of 2004](#) concerning Investigation of Management and Accountability of State Finance (State Gazette of the Republic of Indonesia of 2004 Number 66, Supplement to State Gazette of the Republic of Indonesia of 2004 Number 4400);
6. [Act Number 10 of 2010](#) concerning State Revenue and Expenditure Budget for 2011 Fiscal Year (State Gazette of the Republic of Indonesia of 2010 Number 126, Supplement to State Gazette of the Republic of Indonesia Number 5167) as amended by [Act Number 11 of 2011](#)(State Gazette of the Republic of Indonesia of 2011 Number 81, Supplement to State Gazette of the Republic of Indonesia Number 5233);
7. [Act Number 22 of 2011](#) on State Revenue and Expenditure Budget for 2012 Fiscal Year (State Gazette of the Republic of Indonesia of 2011 Number 113, Supplement to State Gazette of Indonesia Number 5254);
8. [Government Regulation Number 36 of 2004](#) concerning Downstream Activities of Natural Oil and Gas (State Gazette of the Republic of Indonesia of 2004 Number 124, Supplement to State gazette of the Republic of Indonesia Number 4436);
9. [Government Regulation Number 8 of 2006](#) concerning Financial and Performance Reporting of Government Agencies (State Gazette of the Republic of Indonesia of 2006 Number 25 Supplement to State Gazette of the Republic of Indonesia Number 4614);
10. [Presidential Decree Number 42 of 2002](#) concerning Guidelines for State Revenue and Expenditure Budget Implementation (State Gazette of the Republic of Indonesia Number 4212), as amended by [Presidential Regulation Number 53 of 2010](#);
11. [Presidential Decree Number 104 of 2007](#) concerning Provision, Distribution, and Pricing of 3 Kilogram Tube Liquid Petroleum Gas (LPG);
12. [Presidential Decree Number 56/P of 2010](#);
13. [Regulation of Minister of Finance Number](#)



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- [153/kmk.012/1982](#) concerning Rupiah Exchange Rate on the United States Dollar Applied to Natural Oil and Gas Companies;
14. [Regulation of Minister of Finance Number 134/PMK.06/2005](#) concerning Payment in State Revenue and Expenditure Budget Implementation;
 15. [Regulation of Minister of Finance Number 91/PMK.05/2007](#) concerning Standard Account Chart;
 16. [Regulation of Minister of Finance Number 171/PMK.05/2007](#) concerning Financial Accounting and Reporting System of Central Government;
 17. [Regulation of Minister of Natural Resources of Mineral Number 28 of 2008](#) concerning Retail Price of 3 Kilogram Tube Liquid Petroleum Gas (LPG) for Domestic and Micro Enterprise Usage;
 18. [Regulation of Minister of Finance Number 196/PMK.05/2009](#) concerning Procedures for Preparation and Presentation of Financial Statements of Subsidy Expenditure and Other Expenditures at Budget Financing Calculation Section;
 19. [Regulation of Minister of Finance Number 196/PMK.05/2009](#) concerning Stipulation of State General treasury Account;
 20. [Regulation of Minister of Finance Number 256/PMK.05/2010](#) concerning Procedures for State Revenue and Expenditure Budget Disbursement on Budget Section Expense of State General Treasurer at State Treasury Service Office;
 21. [Regulation of Minister of Finance Number 256/PMK.05/2010](#) concerning Procedures for Saving and Disbursement of Reserve Fund.

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING PROCEDURES FOR BUDGET PROVISION, CALCULATION, PAYMENT, AND ACCOUNTABILITY OF 3-KILOGRAM TUBE LIQUEFIED PETROLEUM GAS (LPG) SUBSIDY.

Article 1

In this Regulation of the Minister of Finance:

1. Liquefied Petroleum Gas, hereinafter referred to as LPG, refers to hydrocarbon gas melted with pressure to ease storage, loading, and processing that basically



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consists of propane, butane, or mixture of both.

2. 3 Kilogram Tube LPG, hereinafter referred to as 3 Kilogram Tube LPG, is LPG filled in a tube of 3 kilograms.
3. Standard Price is a price that is based on the LPG market index price applicable to the relevant month plus the distribution charge (including handling) and normal business margin.
4. Enterprise is a company in the form of corporation that runs a fixed, continuous business and is established in accordance with the provisions of legislation as well as operated and located within the territory of the Republic of Indonesia that obtains a duty from the government to conduct the procurement and distribution activities of 3 Kilogram Tube LPG in accordance with the provisions of legislation.
5. 3 Kilogram Tube LPG consumers are households and micro enterprises in accordance with the provisions of legislation.
6. Proxy of Budget User or *Kuasa Pengguna Anggaran*, hereinafter referred to as KPA, is an officer who gets an authority and responsibility from the Budget User to use budget authorized to him.
7. Determination Letter of State General Treasurer's Working Plan and Budget or *Surat Penetapan Rencana Kerja dan Anggaran Bendahara Umum Negara*, hereinafter referred to as SP RKA-BUN, is a document of budget allocation determination as per organization and program units and is detailed into working units in accordance with a review of planning and budgeting document containing programs and activities of Budget Section of State General Treasury in one fiscal year and budget required to perform them.
8. Budget Implementation Checklist or *Daftar Isian Pelaksanaan Anggaran*, hereinafter referred to as DIPA, is a budget implementation document prepared by the Budget User/Proxy of Budget User and is approved by the Director General of Treasury or Head of Director General of Treasury Regional Office on behalf of the Minister of Finance as a State General Treasurer.
9. Reserve Fund Account is an account owned by the Minister of Finance as a State General Treasurer, to be used to save reserve fund.



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Article 2

- (1) In order to implement the subsidy budget of 3 Kilogram Tube LPG, the Minister of Finance as the Budget User appoints the Director General of Budget as KPA.
- (2) Director General of Budget may delegate the authority of KPA to an official of echelon II within the Directorate General of Budget.
- (3) KPA as referred to in paragraph (1) issues the decision to assign:
 - a. An official who is authorized to conduct actions that cause budget expenditure / responsible person of activities / commitment maker, hereinafter referred to as Commitment Making Official (*Pejabat Pembuat Komitmen – PPK*);
 - b. An official who is authorized to test bills to the state and sign the Payment Order (*Surat Perintah Membayar – SPM*), hereinafter referred to as SPM Signing Official; and
 - c. Expenditure Treasurer, if needed.
- (4) A copy of the decision letter as referred to in paragraph (2) shall be submitted to the State Treasury Service Office (KPPN) Head of working Partner.

Article 3

- (1) Subsidy of 3 Kilogram Tube LPG consists of price subsidy and Value Added Tax (VAT) on the price subsidy.
- (2) Price subsidy shall be calculated in accordance with the multiplication of 3 Kilogram Tube LPG subsidy per kilogram by the volume of 3 Kilogram Tube LPG per kilogram that is submitted to the 3 Kilogram Tube LPG Consumers as stipulated in accordance with the provisions of Legislation.
- (3) Price subsidy as referred to in paragraph (2) is calculated with the following formula:

SH	= SHKg x V
SHL	= [(HJE LPG – PPN – MA) – HP LPG]
SH	= Price Subsidy
SHL	= Price Subsidy per Kilogram
V	= Volume of 3 Kilogram Tube LPG (Kg)
HJE LPG	= Price of 3 Kilogram Tube LPG (Rp/Kg)
VAT	= Value Added Tax (Rp/ Kg)



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MA = Agent Margin (Rp/Kg)

HP LPG = Standard Price of 3 Kilogram Tube LPG (Rp/Kg)

- (4) Price subsidy per kilogram as referred to in paragraph (2) is a state expenditure for 3 Kilogram Tube LPG Consumers through the Enterprise on submission of 3 Kilogram Tube LPG calculated from the difference of retail price per kilogram of 3 Kilogram Tube LPG after being reduced by VAT and agent margin used in the calculation of 3 Kilogram Tube LPG subsidy in the State Budget and/or Revised State Budget of relevant fiscal year with the Standard Price of 3 Kilogram Tube LPG.
- (5) Retail price per kilogram of 3 Kilogram Tube LPG is a retail price per kilogram of 3 Kilogram Tube LPG in the country stipulated based on the provisions of legislation.
- (6) Standard Price of 3 Kilogram Tube LPG shall be calculated in accordance with the provisions of legislation.
- (7) In the Standard Price per Kilogram of 3 Kilogram Tube LPG as referred to in paragraph (7) includes margin.
- (8) The amount of margin as referred to in paragraph (8) is given to the Enterprise in accordance with the provisions of Legislation.
- (9) VAT on price subsidy as referred to in paragraph (1) shall be calculated based on the amount of price subsidy multiplied by VAT tariff based on the provisions of legislation.

Article 4

- (1) Subsidy of 3 Kilogram Tube LPG is provided to the 3 Kilogram Tube LPG Consumers users based on the provisions of legislation.
- (2) The distribution of 3 Kilogram Tube LPG to the 3 Kilogram Tube LPG Consumers as referred to in paragraph (2) shall be conducted by the Government through the Enterprise.

Article 5

- (1) Subsidy fund of 3 Kilogram Tube LPG is allocated in the State Budget and/or Revised State Budget.
- (2) Director General of Budget conveys a notification of the subsidy limit of 3 Kilogram Tube LPG to KPA.



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- (3) In accordance with the notification as referred to in paragraph (2), KPA proposes the provision of subsidy fund of 3 Kilogram Tube LPG to the Director General of Budget.
- (4) In accordance with paragraph (3), the Director general of Budget issues SP RK-BUN.
- (5) SP RKA-BUN as referred to in paragraph (4), is conveyed literally to the Director general of Treasury and KPA.
- (6) In accordance with SP RKA-BUN as referred to in paragraph (5), KPA issues DIPA concept, which is subsequently submitted to the Director General of Treasury for approval.
- (7) Approved DIPA as referred to in paragraph (6) shall be the basis of the subsidy payment of 3 Kilogram Tube LPG.

Article 6

In case the DIPA limit on the subsidy expenditure of 3 Kilogram Tube LPG stipulated in one fiscal year with reference to the State Budget and/or Revised State Budget does not fulfill the needs of 3 Kilogram Tube LPG subsidy in the current fiscal year, the limit can be added by revising SP RKA-BUN as referred to in Article 5 paragraph (4) and DIPA as referred to in Article 5 paragraph (7) upon approval of the Minister of Finance in accordance with the provisions of legislation.

Article 7

- (1) Director of Enterprise shall every month propose a payment request of 3 Kilogram Tube LPG subsidy to KPA.
- (2) Payment request of 3 Kilogram Tube LPG subsidy for 1 (one) month can be conveyed in the following 1 (one) month.
- (3) Payment request of 3 Kilogram Tube LPG subsidy as referred to in paragraph (1) must be included with complete supporting data, consisting of:
 - a. Sale volume of 3 Kilogram Tube LPG to domestic 3 Kilogram Tube LPG Consumers attached with the submission evidence of 3 Kilogram Tube LPG;
 - b. Index market price of LPG;
 - c. Standard Price of 3 Kilogram Tube LPG;
 - d. Buying rate of Bank Indonesia in the current month;
 - e. Tax invoice of 3 Kilogram Tube LPG subsidy charged to KPA



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- f. Calculation of the number of 3 Kilogram Tube LPG subsidy in accordance with the data as referred to in point a, point b, point c, point d and point e.

Article 8

- (1) In accordance with the payment request of 3 Kilogram Tube LPG subsidy as referred to in Article 7 paragraph (1), KPA does research and verification on supporting data as referred to in Article 7 paragraph (3).
- (2) In the context of research and verification as referred to in paragraph (1), KPA may ask other supporting related to the calculation of 3 Kilogram Tube LPG subsidy to the Enterprise and/or other relevant institution.
- (3) In conducting the research and verification as referred to in paragraph (1), KPA may form a team.

Article 9

- (1) Result of the research and verification as referred to in Paragraph 8 shall be signed by a verifier and the Enterprise as a verified party.
- (2) Result of the research and verification as referred to in paragraph (1) shall be then included in minutes of 3 Kilogram Tube LPG subsidy verification signed by KPA and Director of Enterprise as a verified party.
- (3) Further provisions concerning the verification procedures shall be regulated by KPA.

Article 10

- (1) Amount of price subsidy that can be paid every month to the Enterprise is at the highest of 95% (ninety five percent) from the verification calculation.
- (2) Amount of VAT on the price subsidy that can be paid every month is 100% (one hundred percent) from the verification calculation.

Article 11

- (1) In case the subsidy amount of verification result is different from the number of payment requested by the Enterprise as referred to in Article 7 paragraph (1), the Enterprise is required to issue the tax invoice based on the number of verification result.
- (2) The Enterprise shall issue Tax Payment Form (SSP) based on the subsidy amount of verification result.



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- (3) Replacement tax invoice as referred to in paragraph (1) and SSP as referred to in paragraph (2) shall be submitted by the Enterprise to KPA.

Article 12

- (1) In accordance with the minutes of verification as referred to in Article 9 and the amount of 3 Kilogram Tube LPG subsidy that can be paid as referred to in Article 10, the SPM Signing Official makes, signs, and submits the SPM to KPPN of the working partner in accordance with the provisions of legislation.
- (2) VAT on price subsidy as referred to in Article 3 paragraph (9) shall be collected during the payment of price subsidy by cutting directly from the Enterprise bill on the relevant SPM.

Article 13

- (1) Correction on the number of 3 Kilogram Tube LPG that has been paid to the Enterprise as referred to in Article 12 shall be conducted quarterly.
- (2) The Enterprise shall submit a request of 3 Kilogram Tube LPG payment correction quarterly as referred to in paragraph (1) along with the supporting data as referred to in Article 7 paragraph (3) to KPA.
- (3) In accordance with the payment correction as referred to in paragraph (2), KPA conducts research and verification in accordance with the research and verification as referred to in Article 8 paragraph (1) and (2).
- (4) Result of research and verification as referred to in paragraph (3) shall be used as a basis of payment correction to 3 Kilogram Tube LPG subsidy.
- (5) Payment correction to 3 Kilogram Tube LPG subsidy as referred to in paragraph (4) shall be calculated in the 3 Kilogram Tube LPG subsidy payment of the following month.
- (6) The payment of price subsidy based on the corrected 3 Kilogram Tube LPG subsidy calculation as referred to in paragraph (5) is 100% (one hundred percent) payment.
- (7) Payment on the corrected 3 Kilogram Tube LPG subsidy payment as referred to in paragraph (5) shall be conducted by the 3 Kilogram Tube LPG subsidy payment mechanism as referred to in paragraphs 11 and 12.



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Article 14

Payment of price subsidy to the Enterprise as referred to in Article 10 paragraph (1) and Article 13 Paragraph (6) can be calculated with the Enterprise's obligation to the Government.

Article 15

- (1) The remaining subsidy budget of 3 Kilogram Tube LPG that has not been paid to the end of December in the current year due to the absence of document verification as referred to in Article 7 paragraph (3) shall be placed in Reserve Fund Account as referred to in the provisions of legislation.
- (2) Fund placement in the Reserve Fund Account as referred to in paragraph (1) shall be at the highest of remaining DIPA limit for 3 Kilogram Tube LPG subsidy.

Article 16

- (1) In the case of state revenue from the sale of 3 Kilogram Tube LPG, the Enterprise shall be required to deposit the sale result to the State Treasury as Net Income of Sale of 3 Kilogram Tube LPG.
- (2) Net Income as referred to in paragraph (1) shall be the excess of retail price per kilogram of 3 Kilogram Tube LPG after deducted by VAT and agent margin used in the calculation of 3 Kilogram Tube LPG subsidy in the State Budget and/or the Revised State Budget of the current fiscal year and the Standard Price of 3 Kilogram Tube LPG multiplied by the volume of 3 Kilogram Tube LPG per kilogram delivered to the 3 Kilogram Tube LPG Customers at a point of transfer established in accordance with the provisions of legislation.

Article 17

Payment of 3 Kilogram Tube LPG subsidy as referred to in Article 12 and 13 paragraph (7) and net income of 3 Kilogram Tube LPG sales as referred to in Article 16 is temporary.

Article 18

- (1) Payment of 3 Kilogram Tube LPG Subsidy fund and net income of 3 Kilogram Tube LPG sales shall be audited by an authorized auditor based on the provisions of legislation.
- (2) Report on audit as referred to in paragraph (1) shall be submitted to the Minister of Finance.



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- (3) Amount of 3 Kilogram Tube LPG subsidy and net income of 3 Kilogram Tube LPG sales in one fiscal year shall be finally based on the audit report as referred to in paragraph (2).

Article 19

- (1) In the event of less payment in the 3 Kilogram Tube LPG subsidy between the payment paid to the Enterprise and the audit result as referred to in Article 18, difference of the payment shall be paid to the Enterprise as long as it is budgeted in the State Budget and/or the Revised State Budget.
- (2) In the event the less payment fund as referred to in paragraph (1) has not been budgeted in the current year, the fund can be proposed to be budgeted in the State Budget and/or the Revised State Budget of the following fiscal year.
- (3) In the event of over payment in the 3 Kilogram Tube LPG subsidy between the payment paid to the Enterprise and the audit result as referred to in Article 18, excess of the payment shall be deposited to the State Treasury by the Enterprise.

Article 20

- (1) In the event of less payment in VAT of price subsidy paid to the Directorate General of Taxation and the audit result as referred to in Article 18, the less payment in VAT of price subsidy shall be paid by KPA to the Directorate General of Tax in accordance with the legislation as long as the price subsidy is in the State Budget and/or the Revised State Budget.
- (2) In the event the less payment fund as referred to in paragraph (1) has not been budgeted in the current year, the fund can be proposed to be budgeted in the State Budget and/or the Revised State Budget of the following fiscal year.
- (3) In the event of over payment in VAT of price subsidy paid to the Directorate General of Taxation and the audit result as referred to in Article 18, excess of the payment shall be deposited to the State Treasury by the Enterprise by using Account Code 423913 (Return of Other Expenditure of RM TAYL).

Article 21

In the case of tax bill issuance and/or tax assessment to



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collect the tax principal and/or administrative sanction as a result of the correction as referred to in Article 13 or correction by an authorized auditor as referred to in the provisions of legislation, payment procedures of the tax bill and/or tax assessment shall refer to the provisions of legislation.

Article 22

- (1) For difference of less payment of price subsidy that has been paid to the Enterprise with the audit report as referred to in Article 18, the Enterprise shall issue a bill together with a tax invoice as much as the difference of the audit result and the verification result as referred to in Article 13.
- (2) For difference of over payment of price subsidy that has been paid to the Enterprise with the audit report as referred to in Article 18, the Enterprise shall issue a return invoice as much as the difference of the audit result and the verification result as referred to in Article 13.

Article 23

Enterprise shall be responsible formally and materially for the implementation and use of price subsidy fund.

Article 24

KPA shall be responsible for the distribution of subsidy fund of 3 Kilogram Tube LPG to the Enterprise.

Article 25

Enterprise submits an accountability report of fund use of price subsidy to KPA.

Article 26

KPA holds accounting and reporting in accordance with the provisions of legislation.

Article 27

For VAT on price subsidy that has not been collected before the promulgation of this Ministerial Regulation, the procedures for calculation and payment shall follow the mechanism regulated in this Ministerial Regulation.



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Article 28

This Ministerial Regulation shall come into force to the extent the subsidy fund of 3 Kilogram Tube LPG is still allocated by State Revenue and Expenditure Budget and/or Revised State Revenue and Expenditure Budget.

Article 29

When this Ministerial Regulation comes into force, [Regulation of the Minister of Finance Number 215/PMK.02/2007](#) concerning Procedures for Procurement, Calculation, and Payment of 3 Kilogram Tube Liquefied Petroleum Gas (LPG) shall be revoked and deemed null and void.

Article 30

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 15, 2011
MINISTER OF FINANCE
Signed,
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
On December 15, 2011
MINISTER OF LAW AND HUMAN RIGHTS
Signed
AMIR SYAMSUDDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2011 NUMBER 836