



FINANCE MINISTER
OF THE REPUBLIC OF INDONESIA

COPY
REGULATION OF THE FINANCE MINISTER
NUMBER 79/PMK.010/2009

ON

ADMINISTRATIVE SANCTION IN THE FORM OF FINES
AND PROCEDURE OF COLLECTION FROM INSURANCE COMPANIES,
REINSURANCE COMPANIES OR INSURANCE BUSINESS SUPPORTING COMPANIES

THE FINANCE MINISTER,

- Having considered :
- a. that to improve the discipline in the implementation of fines payment imposed on Insurance Company, Reinsurance Company or Insurance Business Supporting Company that are late in submitting or do not submit annual financial report, independent auditor report on annual financial report and/or annual operational report, it is necessary to improve the provisions concerning the procedure in imposing administration sanction in the form of fines as regulated under the Decree of the Finance Minister Number 422/KMK.06/2004
 - b. that based on the consideration referred to in letter a, it is necessary to enact a Regulation of the Finance Minister regarding Administrative Sanction in the form of Fines and Procedure of the Collection from Insurance Companies, Reinsurance Companies or Insurance Business Supporting Companies.
- Having observed :
1. Law Number 49 Prp of 1960 regarding Committee for State Receivable (State Gazette of the Republic of Indonesia Number 156 of 1960, Supplement to the State Gazette of the Republic of Indonesia Number 2104);
 2. Law Number 2 of 1992 regarding Insurance Business (State Gazette of the Republic of Indonesia Number 13 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3467);
 3. Law Number 20 of 1972 regarding Non Tax State Revenues (State Gazette of the Republic of Indonesia Number 43 of 1997, Supplement to the State Gazette of the Republic of Indonesia Number 3687);



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4. Government Regulation Number 73 of 1992 regarding Administration of Insurance Business (State Gazette of the Republic of Indonesia Number 120 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3506) as amended several times and last by the Government Regulation Number 81 of 2008 (State Gazette of the Republic of Indonesia Number 212 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4954)
5. Government Regulation Number 22 of 1997 regarding Type and Payment of Non-Tax State Income (State Gazette of the Republic of Indonesia Number 57 of 1997, Supplement to the State Gazette of the Republic of Indonesia Number 3694)
6. Presidential Regulation Number 89 of 2006 regarding Committee for State Receivables
7. Presidential Decree Number 20/P of 2005;
8. Decree of the Finance Minister Number 422/KMK.06/2003 on operating Insurance Companies and Reinsurance Companies
9. Decree of the Finance Minister Number 424/KMK.06/2003 regarding Sound Finance of Insurance Companies and Reinsurance Companies as amended several times and last by the Regulation of the Finance Minister Number 158/PMK.010/2008;
10. Decree of the Finance Minister Number 425/KMK.06/2003 regarding Permits and Administration of Business Activities of Insurance Business Supporting Company;
11. Regulation of the Finance Minister Number 122/PMK.06/2007 regarding Membership and Work System of Committee for State Receivables
12. Regulation of the Finance Minister Number 128/PMK.06/2007 regarding Management of State Receivables

HAS DECIDED:

To enact : REGULATION OF THE FINANCE MINISTER ON ADMINISTRATIVE SANCTION IN THE FORM OF FINES AND PROCEDURE OF COLLECTION FROM INSURANCE



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COMPANIES, REINSURANCE COMPANIES OR INSURANCE
BUSINESS SUPPORTING COMPANIES
CHAPTER 1
GENERAL PROVISIONS

Article 1

For the purpose of this Regulation of Finance Minister, the following words have the following meanings

1. Fines mean a sum of money which shall be payable to the State as sanction on the violation to Law Number 2 of 1992 regarding Insurance Business and/or its implementing guidelines.
2. Interest means a sum of money as a result of not fulfilling the obligations to pay fines within a stipulated period of time.
3. Company means Insurance Companies, Reinsurance Companies or Insurance Business Supporting Companies as referred to in the Government Regulation Number 73 of 1992 as amended several times and last by the Government Regulation Number 81 of 2008, that shall submit annual financial report, independent auditor report on annual financial report and/or annual operational report.
4. Report means annual financial report, independent auditor report on annual financial report and/or annual operational report which shall be submitted by the Company to the Finance Minister according to the laws and regulations on insurance.
5. State Receivables mean a sum of money which shall be payable to the State or entities which are directly or indirectly controlled by the State, based on agreements, regulations or any other reasons.
6. Minister means the Finance Minister of the Republic of Indonesia.

CHAPTER II

ADMINISTRATIVE SANCTIONS IMPOSED IN THE FORM OF FINES

Article 2

- (1) Company shall submit a Report to the Minister.
- (2) Company which is late in submitting or does not submit a Report as referred to in paragraph (1) shall be imposed an administrative sanction in the form of fines as regulated under Article 38 paragraphs (1) and (2) of the Government Regulation Number 73 of 1992 regarding the Administration



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of Insurance Business as amended several times and last by
Government Regulation Number 81 of 2008.

- (3) Submission of Report as referred to in paragraph (1) shall be due by 30 April at 17:00 hours WIT.
- (4) In the event that 30 April is a holiday the the submission of the Report shall be due by the first business day after 30 April at 17:00 WIT.

Article 3

Computation regarding sum of administrative sanction in the form of fines starting from the first day after the report submission period shall be due as referred to in Article 2 paragraphs 3 and 4 up to the date of receipt of the Report by the Insurance Bureau of Capital Market and Financial Institution Supervisory Board (Bapepam-LK) .

Article 4

Letter for the administration sanctions imposed in the form of fines shall be issued by the Chairman of Bapepam-LK on behalf of the Minister after:

- a. Report as referred to in Article 2 paragraph (1) has been received by the Insurance Bureau of Bapepam-LK ; or
- b. The sum of fines has reached a maximum value as referred to in Article 38 paragrph (2) of the Government Regulation Number 73 of 1992 as amended several times and last by the Government Regulation Number 81 of 2008.

Article 5

- (1) Company which business license has been revoked and has an obligation to pay fines for delay in submitting the report or does not submit a report shall remain be obligated to pay fines as referred to in Article 2 paragraph (2).
- (2) For Company whose business license is revoked and does not submit Report as referred to in paragraph (1), the number of days of delay shall be computed after the report submission is due up to 1 (one) day prior to the date of revocation of business license.



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CHAPTER III

PROCEDURE FOR PAYMENT AND FINES COLLECTION

Article 6

- (1) Administrative sanction in the form of fines shall be payable to the State Treasury by using a form of Non-Tax Payment Slip (SSBP, *Surat Setoran Bukan Pajak*) with the code of Revenues Budget Item (MAP, *Mata Anggaran Penerimaan*) as stated in the letter stipulating the sanction.
- (2) Photocopy of SSBP which is evidence of the payment of administrative sanction in the form of fines as referred to in paragraph (1) shall be submitted to the Secretary of Bapepam-LK c.q. Head of Finance Division with copies to the Head of Insurance of Bapepam-LK at the latest 7 (seven) days since the date of the said payment of fines.

Article 7

- (1) Payment of administrative sanction in the form of fines shall be made at the latest 30 (thirty) days since the letter on the imposition of administration sanctions in the form of fines is issued.
- (2) If administrative sanctions in the form of fines have not been settled within the period of time as stipulated in paragraph (1), the Chairman of Bapepam-LK shall issue a first warning letter to the Company to immediately settle the administrative sanction in the form of fines together with 2% (two percent) interest per month at the latest 14 (fourteen) days since the first warning letter is issued.
- (3) If within the time period as referred to in the first warning letter, the administrative sanction in the form of fines and the interest as referred to in paragraph (3) are not settled, the Chairman of Bapepam-LK shall issue a second warning letter with a period for settlement at the latest 14 (fourteen) days since the issuance of the second warning letter.
- (4) If within the period as referred to in the second warning letter, administrative sanction in the form of fines and the interest have not been settled, the administrative sanction in the form of fine and the interest shall be categorized as uncollectible receivables.



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- (5) The administration of uncollectible receivables as referred to in paragraph (4) shall be assigned by Bapepam-LK to the Committee for State Receivables/Directorate General of State Treasury at the latest 14 (fourteen) days since the administrative sanctions in the form of fines are categorized as uncollectible receivables.

Article 8

In the event the Company has not paid administrative sanction in the form of fines, the administrative sanction in the form of fines shall be declared as the debt of the Company to the State and shall be included in the financial report of the concerned Company.

Article 9

Prior to the expiration of the period of time for the payment of administrative sanction in the form of fines as referred to in Article 7, the business license of the Company which has been imposed administrative sanction in the form of fines shall be revoked, and as such the provisions regarding procedure for fines collection referred to in Article 7 shall remain be applicable.

Article 10

- (1) In the event that Bapepam-LK decided on administration sanction in the form of fines together with Company business permit revocation, the payment of administrative sanction in the form of fines shall be made according to the provisions in Article 7 paragraph (1) of this Regulation of Finance Minister.
- (2) If within the period referred to in paragraph (1) administrative sanction in the form of fine has not been settled, the administrative sanction in the form of fine shall be considered as uncollectible receivables
- (3) Uncollectible receivables as referred to in paragraph (2) shall be assigned by Bapepam-LK to the Committee for State Receivables/Directorate General of State Wealth at the latest 14 (fourteen) days since administrative sanctions in the form of fines are categorized as uncollectible receivables.



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Article 11

This Regulation of the Finance Minister shall be applicable to the submission of Report that expires on the 31 December 2008 etc.

Article 12

In the event that the Company is subject a sanction for Limitation on Business Activities for not submitting a report, the revocation of sanction for Limitation on Business Activities may only be carried out if the Report has been submitted to the Minister and the photocopy of SSBP has been submitted to the Secretary of Bapepam and Financial Institution for the attention of the Section Head of Finance with a copy to the Head of Insurance of Bapepam-LK.

CHAPTER IV

TRANSITIONAL PROVISIONS

Article 13

The following actions shall apply for State Receivables resulting from the imposition of administrative sanctions in the form of fines on a Company already existing prior the enactment of this Regulation of the Finance Minister :

- a. Chairman of Bapepam-LK within a period of at the most 6 (six) months since the enactment of this Regulation of Finance Minister shall issue a notice to a Company to immediately settle the fines at the latest 14 (fourteen) days since the issuance of the notice;
- b. If the fines have not been settled within the period of time referred to in the notice as referred to in letter a, the administrative sanctions in the form of fines shall be considered as uncollectible receivables, the administration of which shall be assigned or submitted to the Chairman of Bapepam-LK to the Committee for State Receivables /Directorate General of State Assets Management.



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CHAPTER V
CLOSING PROVISIONS

Article 14

With the enactment of this Regulation of Finance Minister the provisions concerning payment of administrative sanction in the form of fines as referred to in Article 33 of the Decree of Finance Minister Number 422/KMK.06/2003 on the operation of Insurance Companies and Reinsurance Companies shall be revoked and declared no longer applicable.

Article 15

This Regulation of the Finance Minister shall be applicable on the date of its promulgation.

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

Enacted in Jakarta.
On 22 April 2009

FINANCE MINISTER

(signed)

SRI MULYANI INDRAWATI

Promulgated in Jakarta
On 22 April 2009
MINISTER OF JUSTICE AND HUMAN RIGHTS

(signed)

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 72 OF 2009

Copy is in conformity with the original
Head of General Affairs Bureau
for
Head of Administration, Ministry of Finance

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



FINANCE MINISTER
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Antonius Suharto
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