



Finance Minister
THE REPUBLIC OF INDONESIA

COPY

REGULATION OF FINANCE MINISTER

NO 99/PMK.02/2009

ON

RICE SUBSIDY FOR LOW INCOME COMMUNITY IN 2009

FINANCE MINISTER,

- Having Considered
- a. that pursuant to Presidential Instruction Number 8 of 2008 on Rice Policy, Perum (State-Owned Company) BULOG (State Logistics Agency) is duly assigned by the Government to provide and distribute subsidized rice for low income community;
 - b. that pursuant to the consideration as set forth in letter a, it is deemed necessary to enact Regulation of Finance Minister on Rice Subsidy for Low Income Community Year 2009;
- Having observed
- 1. Law Number 17 of 2003 on State Finance (State Gazette of The Republic of Indonesia Number 47 of 2003, Supplement to the State Gazette of The Republic of Indonesia Number 4286);
 - 2. Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of The Republic of Indonesia Number 70 of 2003, Supplement to the State Gazette of The Republic of Indonesia Number 4297);
 - 3. Law Number 1 of 2004 on State Treasury (State Gazette of The Republic of Indonesia Number 5 of 2004, Supplement to the State Gazette of The Republic of Indonesia Number 4355);
 - 4. Law Number 15 of 2004 on Monitoring of State Budget Management and Responsibilities (State Gazette of The Republic of Indonesia Number 66 of 2004, Supplement to the State Gazette of The Republic of Indonesia Number 4400);
 - 5. Law Number 41 of 2008 on State Budget of 2009 (State Gazette of The Republic of Indonesia Number 171 of 2008, Supplement to the State Gazette of The Republic of Indonesia Number 4920);
 - 6. Government Regulation Number 7 of 2003 on Establishment of Perum (State-Owned Company) BULOG (State Logistics Agency) (State Gazette of The Republic of Indonesia Number 171 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4920);
 - 7. Government Regulation Number 45 of 2005 on The Establishment, Management, Monitoring and Dissolution of State Owned Enterprises (State Gazette of The Republic of Indonesia Number 117 of 2005, Supplement to the State Gazette of The Republic of Indonesia Number 4556);



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8. Government Regulation Number 8 of 2006 on Reporting of Finance and Performance of Government Institutions (State Gazette of The Republic of Indonesia Number 25 of 2006, Supplement of the State Gazette of The Republic of Indonesia Number 4614);
9. Presidential Decree Number 42 of 2002 on Guidelines for the Implementation of State Revenue and Expenditure Budget of The Republic of Indonesia (State Gazette of The Republic of Indonesia Number 73 of 2002, Supplement to the State Gazette of The Republic of Indonesia Number 4212) as amended by Presidential Decree Number 72 of 2004 (State Gazette of The Republic of Indonesia Number 92 of 2004, Supplement to the State Gazette of The Republic of Indonesia Number 4418);
10. Presidential Decree Number 20/P of 2005;
11. Presidential Regulation Number 72 of 2008 on Breakdown of Central Government's Budget of 2009;
12. Regulation of Finance Minister Number 82/PMK.05/2007 on Procedures for Disbursement of Fund for Expenditures on State Budget through the General State Treasury Account;
13. Regulation of Finance Minister Number 171/PMK.05/2007 on Accounting and Financial Report Systems of the Central Government;
14. Regulation of Finance Minister Number 196/PMK.05/2008 on Procedures for Preparation and Presentation of Subsidized Expenses and Other Expenses in Financial Report in Costs and Estimates Budget;

HAS DECIDED:

To enact : REGULATION OF FINANCE MINISTER ON RICE SUBSIDY FOR LOW INCOME COMMUNITY YEAR 2009.

CHAPTER 1

GENERAL PROVISIONS

Article 1

Terminologies used in this Regulation of Finance Minister are defined as follows For the purpose of this Regulation of Finance Minister, the following words have the following meanings:

1. Perum BULOG is a StateOwned Enterprise established pursuant to Government Regulation Number 7 of 2003 on The Establishment of Perum BULOG;
2. Representative of Budget User, hereinafter referred to as KPA, is an Representative responsible for the management of budget at the respective Ministry/Institution;
3. Verification is an activity to check the documents for the implementation of rice supply and/or distribution;



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4. Verification Report is a document containing the verification results which is duly signed by KPA/Officer in Charge and a third party;
5. Payment Order, later mentioned as SPM, is a document issued by/used by Budget User/KPA to cash funding allocation from List of Budget Implementation;
6. Subsidy Reserve Account/PSO is an account owned by Finance Minister to receive Subsidy Reserve Fund/PSO.

CHAPTER II

APPOINTMENT OF PERUM BULOG BY GOVERNMENT

Article 2

For the purpose of maintaining national economy stability, increasing farmers' income, increasing food resilience, and developing rural economy, Perum BULOG is duly appointed by the Government to supply and distribute subsidized rice for low income community.

Article 3

- (1) For the purpose of implementing the Government's appointment pursuant to this Regulation of Finance Minister, Perum BULOG shall prepare Master Budget to be effected in the Company's Work Plan and Budget;
- (2) Any amendment to Master Budget of Perum BULOG as referred to in paragraph (1) shall get prior recommendations from the Finance Minister before it is effected in Perum BULOG's revised Work Plan and Budget.

CHAPTER III

RICE PURCHASE PRICE

Article 4

- (1) The Government set Rice Purchase Price by for Perum BULOG for Rp 5.500,00 (five thousands five hundreds rupiah) per kg;



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- (2) Rice Purchase Price as referred to in paragraph (1) shall be used as the basis for Perum BULOG to determine rice sale price by Perum BULOG

CHAPTER V

RICE SUBSIDY FOR LOW INCOME COMMUNITY

Article 5

- (1) Perum BULOG shall supply subsidized rice for low income community in the amount of 3.330.000 tons;
- (2) The quantity of subsidized rice distribution for low income community set at 3.330.000 tons as referred in paragraph (1) is based on the following assumptions:
 - a. The distribution period is 12 months;
 - b. The Number of Targeted Households (RTS) is 18.500.000 RTS;
 - c. Allocation per RTS is 15 kg/RTS per month; and
 - d. Sale price is Rp 1,600.00 (one thousand six hundred rupiah) per kg net at distribution line.
- (3) For the purpose of implementing Rice Subsidy for Low Income Community, Government has set the tariff for Rice Subsidy for Low Income Community for Rp 3.900,00 (three thousands nine hundreds rupiah) per kg, which is calculated from the difference between the Rice Purchase Price by Government at Rp 5,500,00 (five thousands five hundreds rupiah) per kg as referred to in Article 4 paragraph (1) and Subsidized Rice Sale Price for low income community set at Rp 1.600,00 (one thousand six hundreds rupiah) per kg as referred to in paragraph (2);
- (4) By considering the quantity of distributing subsidized rice for low income community plan set at 3,300,000 tons as referred to in paragraph (1) and tariff of Rice Subsidy for Low Income Community set at Rp 3.900,00 (three thousands nine hundreds rupiah) per kg as referred to in paragraph (3), Government has allocated fund from RASKIN Staples Subsidy Program in State Budget of Year 2009 in the amount of Rp. 12,987,000,000,000,00 (twelve trillion nine hundred eighty seven billion rupiah);
- (5) Subsidy fund as referred to in paragraph (4) is disbursed through Perum BULOG.



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CHAPTER V

PROCEDURES FOR SUPPLY AND PAYMENT OF RICE SUBSIDY FOR LOW INCOME COMMUNITY

Article 6

- (1) Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare is appointed as KPA for the implementation of Rice Subsidy for Low Income Community;
- (2) Director General of Budget sends written notice about the ceiling for Rice Subsidy for Low Income Community to Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare;
- (3) The notice as referred to in paragraph (2) shall be the basis for Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare to submit fund allocation proposal to Director General of Budget;
- (4) Pursuant to the proposal as referred to in paragraph (3), Director General of Budget issues Line Item Budget for Each Line Agency (SP-SAPSK);
- (5) SP-SAPSK as referred to in paragraph (4) shall be sent in writing to Director General of Treasury and Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare;
- (6) Pursuant to the SP-SAPSK as referred to in paragraph (4), Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as KPA shall prepare a concept of List of Budget Implementation (DIPA) and submit it in writing to Director General of Treasury for authorization;
- (7) DIPA which has been validated as referred to in paragraph (6) shall become the basis for executing the payment of Rice Subsidy for Low Income Community.

Article 7

- (1) Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as KPA issues a decree to appoint a Treasury Officer:
 - a. Officer who has been mandated an authority to perform an act resulting in disbursement of expenses budget/becomes the Person-in-charge of that activity, /commitment officer hereinafter referred to as Commitment Officer; and

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- b. Officer who has been mandated an authority to issue invoice to the state and sign SPM hereinafter referred to as SPM Signatory Officer.
- (2) A copy of Decree as referred to in paragraph (1) shall be sent to Director General of Treasury c.q Director of State Budget Management as the General State Treasurer Authority.

Article 8

- (1) Perum BULOG shall submits invoice for Rice Subsidy for Low Income Community to Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as Authorized Budget Administrator;
- (2) Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as Authorized Budget Administrator shall verify the invoice from Perum BULOG as referred to in paragraph (1);
- (3) Verification as referred to in paragraph (2) shall only be applied to documents submitted with invoice from Perum BULOG as referred to in paragraph (1).
- (4) In his verification Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as Authorized Budget Administrator may form a Verification Team.
- (5) Verification result shall be written in Verification Report.
- (6) Verification Report as referred to in paragraph (5) shall be one of the conditions to disburse Rice Subsidy for Low Income Community fund.
- (7) Further arrangement on guidelines and procedure of verification shall be decided by KPA

Article 9

- (1) Perum BULOG may receive first payment of Food Subsidy of RASKIN Program not more than $6/12 \times$ the ceiling of Food Subsidy of RASKIN Program.
- (2) Payment as referred to in paragraph (1) shall be settled for rice which has been bought by Perum BULOG, either those which have been distributed or those still in Perum BULOG.
- (3) Provision as referred to in Article 8 shall apply *mutatis mutandis* to the process of invoice submission for the first payment of Staples Subsidy of RASKIN Program.

- (4) The next payment shall be made by examining calculation from the figures



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in Verification Report of rice subsidy for low income community minus first payment.

- (5) Payment as referred to in paragraph (1) and paragraph (4) shall be made with close observation of state financial ability.

Article 10

- (1) If funding to support the activities as referred to in Article 2 has not been complied with and/or disbursement of payment as referred to in Article 9 has not been executed, Perum BULOG may apply for a bank loan to state-owned commercial banks and/or foreign exchange banks.
- (2) To apply for the bank loan as referred to in paragraph (1) Perum BULOG may submit a request for loan guarantee to Finance Minister.
- (3) The request as referred to in paragraph (2) shall attach Master Budget of Perum BULOG as the basis of evaluation by Finance Minister.
- (4) The amount of bank loan guaranteed by Government shall be based on the evaluation of Master Budget of Perum BULOG as referred to in paragraph (3).

Article 11

- (1) Documents needed for Verification of invoice from BULOG Public Corporation for payment as referred to in Article 9 paragraph (1) are as follow:
 - a. Declaration of rice supply per Regional Division; and
 - b. Declaration of Full responsibility from Head of Regional Division.
- (2) Documents needed for Verification of Invoice from Perum BULOG for payment as referred to in Article 9 paragraph (4) are as follow:
 - a. Request for allocation of subsidized rice for low income community from respective Local Government;
 - b. Recapitulation of Report of subsidized rice for low income community duly signed by authorized officer from Regional/Sub Regional Division of District/City government and local RASKIN team; and
 - c. Recapitulation of delivery order for distributing subsidized rice for low income community duly signed by local Regional/Sub Regional Division officer.

- (3) The documents as referred to in paragraph (1) and paragraph (2) shall attach



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Notice of Full Responsibility from Perum BULOG which states that Perum BULOG will take full responsibility formally and materially.

Article 12

- (1) Pursuant to Verification Report as referred to in Article 8 paragraph (6) and payment receipt, the Officer as referred to in Article 7 paragraph (1) letter b shall issue and submit SPM to Director General of Treasury cq. Director of State Budget Management as the General State Treasurer Authority.
- (2) Pursuant to the SPM as referred to in paragraph (1), Director of State Budget Management shall issue Fund Disbursement Order (SP2D).
- (3) Procedures for SP2D issuance for rice subsidy for low income community are implemented in accordance with abiding laws and regulations.

Article 13

- (1) Rice subsidy for low income community which has not been paid by the end of December 2009 as a result of unfinished verification of documents as referred to in Article 11 paragraph (2) shall be kept in Subsidy Reserve Account/PSO in accordance with laws and regulations.
- (2) The keeping of fund in Subsidy Reserved Account/PSO as referred to in paragraph (1) shall not exceed the ceiling in DIPA for purchasing rice subsidy for low income community.
- (3) The disbursement of fund from Subsidy Reserve- Account as referred to in paragraph (2) shall be implemented in accordance with laws and regulations.

CHAPTER VI

ACCOUNTABILITY, REPORT, AND AUDIT
OF RICE SUBSIDY FOR LOW INCOME COMMUNITY

Article 14

- (1) Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as Authorized Budget Administrator shall be responsible for distribution of rice subsidy for low income community fund from State Treasurer to Perum BULOG.

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- (2) Perum BULOG shall take full responsibility for any allocation of rice subsidy for low income community fund.



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Article 15

Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as Authorized Budget Administrator shall conduct- accounting bookkeeping and prepares financial statement in accordance with laws and regulations.

Article 16

- (1) Perum BULOG shall submit quarterly reports on the realization of operational activities, which specify report of stocks, supply, distribution, and revenues from selling rice including possible costs and operational forecast until the end of the year, to Finance Minister cq. Director General of Budget, State Minister for State-Owned Enterprises cq. Deputy for Restructuring and Privatization Sector, and Coordinating Minister for the People's Welfare Sector cq. Deputy for Social Protection and Public Housing Sector Coordination, and Head of State Audit Bureau.
- (2) Perum BULOG shall submit an annual report on operational realization to Finance Minister cq. Director General of Budget, State Minister for State-Owned Enterprises cq. Deputy for Restructuring and Privatization Sector, and Coordinating Minister for the People's Welfare Sector cq. Deputy for Social Protection and Public Housing Sector, no later than March in the following fiscal year
- (3) Bank which gives loan to Perum BULOG shall submit quarterly reports on credit allocation for Perum BULOG to Finance Minister cq. Director General of Budget, State Minister for State-Owned Enterprises cq. Deputy for Restructuring and Privatization Sector, and Coordinating Minister for the People's Welfare Sector cq. Deputy for Social Protection and Public Housing Sector, and Executive Director of Perum BULOG.
- (4) Perum BULOG and its lending bank shall submit report on the realization of subsidy fund and report on the realization of overall revenues and selling of its rice commodity every end of fiscal year to Finance Minister cq. Director General of Budget, State Minister for State-Owned Enterprises cq. Deputy for Restructuring and Privatization Sector, and Coordinating Minister for the People's Welfare Sector cq. Deputy for Social Protection and Public Housing Sector, and Head of State Audit Agency.

Article 17

- (1) Rice subsidy for low income community as referred to in Article 5 paragraph (4) shall be audited by an authorized auditor in accordance with laws and



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regulations.

- (2) Audit report as referred to in paragraph (1) shall be submitted to Deputy for Coordination of Social Protection and People's Housing, Coordinating Ministry for The People's Welfare as Authorized Budget Administrator, Director General of Budget, and Director General of Treasury.
- (3) If the audit report specifies that the amount of rice subsidy for low income community fund borne by Government is lower than the amount payable by Government in one fiscal year, the aforesaid overpayment is non tax state revenue which shall be remitted by Perum BULOG Public Corporation to State Treasurer.
- (4) If the audit report specifies the deficit of payment for rice subsidy for low income community from Government to Perum BULOG in one fiscal year, the aforesaid deficit shall be proposed to be allocated in the following fiscal year's State Budget.

CHAPTER VII

MISCELLANEOUS

Article 18

In the event Perum BULOG acquires bank credit to implement Government appointment pursuant to this Finance Minister Regulation, every revenue BULOG Public corporation earns, either from bank credit management or from disbursement of rice subsidy for low income community fund, shall be deposited immediately to the lending bank as payment of Perum BULOG's loan and its interest.

CHAPTER VIII

TRANSITIONAL PROVISION

Article 19

If in the fiscal year 2010 Government still appoints Perum BULOG to implement the management of supply, distribution, and rice price control, this Regulation of Finance Minister may be used as the basis for implementing the aforesaid assignment until a new Regulation of Finance Minister has been enacted and governs the aforesaid assignment for fiscal year 2010.

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CHAPTER IX

CLOSING PROVISIONS

Article 20



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In order to assist Finance Minister in controlling and monitoring the implementation of this Government's appointment pursuant to this Regulation of Finance Minister, a team may be set up.

Article 21

This Regulation shall be in force since its enactment and be imposed retroactively since 1 January 2009

For the public to be informed, it is ordered that this Regulation is promulgated in the Official Gazette of the Republic of Indonesia.

Enacted in Jakarta

On 26 May 2009

FINANCE MINISTER

(signed)

SRI MULYANI INDRAWATI

Promulgated in Jakarta

On 26 May 2009

MINISTER OF JUSTICE AND HUMAN RIGHTS

(Signed)

ANDI MATTALATA

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 117 OF 2009

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

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

Antonius Suharto
NIP 060041107