

**REGULATION OF THE GOVERNMENT
IN LIEU OF THE LAW OF THE REPUBLIC OF INDONESIA
NUMBER 1 OF 2020**

ON

**STATE FINANCIAL POLICIES AND STABILITY OF FINANCIAL SYSTEM FOR THE
HANDLING OF CORONA VIRUS DISEASE 2019 (COVID-19) PANDEMIC AND/OR IN
THE EVENT OF ENCOUNTERING THREAT WHICH RISKS NATIONAL ECONOMY
AND/OR STABILITY OF FINANCIAL SYSTEM¹**

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that the spread of Corona Virus Disease 2019 (COVID-19) has been declared by World Health Organization (*Organisasi Kesehatan Dunia*) as pandemic in the majority of states throughout the world, including in Indonesia, showing the increase from time to time and has inflicted human casualties, and material losses which continue to rise, thus it has implication toward the aspects of social, economy, and public welfare;
- b. that implication of Corona Virus Disease 2019 (COVID-19) pandemic has affected, *inter alia*, against the slowing down of national economic growth, decrease in state revenue, and increase in state expenditure and financing, therefore various Government's efforts are required to perform the rescue of health and national economy, with the focus on spending for health, social safety net (*jaring pengaman sosial*), as well as restoration of economy, including affected business sectors and societies;

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- c. that implication of Corona Virus Disease 2019 (COVID-19) pandemic has also affected to the worsening of financial system which is shown by the decrease in various domestic economic activities, therefore it is necessary to be jointly mitigated by the Government and Committee on Financial System Stability (*Komite Stabilitas Sistem Keuangan – KSSK*) to perform forward-looking (*antisipasi*) acts in the event of maintaining stability of financial sector;
- d. that based on consideration as referred to in letter a, letter b, and letter c, Government and related agencies have to promptly take extraordinary policies and measures in the event of rescuing national economy and stability of financial system through various relaxation policies relating to the implementation of State Revenue and Expenditure Budget (*Anggaran Pendapatan dan Belanja Negara – APBN*), specifically by increasing spending for health, expenditure for social safety net (*jaring pengaman sosial*), and restoration of economy, as well as strengthening authorities of various agencies within financial sector;
- e. that conditions as referred to in letter a, letter b, letter c, and letter d, have fulfilled parameter as state of emergency which grants authority to the President to enact Regulation of the Government in Lieu of Law as addressed under Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;
- f. that based on considerations as addressed under letter a, letter b, letter c, letter d, and letter e, as well as in order to accommodate a robust legal ground for Government and related agencies to take such policies and measures within a very immediate time period, it is deemed necessary to enact Regulation of the Government in Lieu of Law on State Financial Policies and Stability of Financial System for the Handling of Corona Virus Disease 2019 (COVID-19) Pandemic and/or in the Event of Encountering Threat which Risks National Economy and/or Stability of Financial System;

In view of:

Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;

HAS DECIDED:

To enact:

REGULATION OF THE GOVERNMENT IN LIEU OF LAW ON STATE FINANCIAL POLICIES AND STABILITY OF FINANCIAL SYSTEM FOR THE HANDLING OF CORONA VIRUS DISEASE 2019 (COVID-19) PANDEMIC AND/OR IN THE EVENT OF ENCOUNTERING THREAT WHICH RISKS NATIONAL ECONOMY AND/OR STABILITY OF FINANCIAL SYSTEM.

CHAPTER I

SCOPE

Article 1

- (1) In order to fulfill the needs for the organization of state governmental affairs, State Revenue and Expenditure Budget (APBN) is formulated, which consists of state revenue budget, state expenditure budget, and budget financing.
- (2) In order to implement State Revenue and Expenditure Budget (APBN) as referred to in paragraph (1), Law [Number 20 of 2019](#) on State Revenue and Expenditure Budget for 2020 Fiscal Year has been enacted.
- (3) In order to implement State Revenue and Expenditure Budget (APBN) as referred to in paragraph (1) and paragraph (2), in the event of:
 - a. handling of Corona Virus Disease 2019 (COVID-19) pandemic; and/or
 - b. encountering threat which risks national economy and/or stability of financial system,it is deemed necessary to establish state financial policy and policy on stability of financial system.

- (4) State financial policy as referred to in paragraph (3) encompasses state revenue policy, including policy in the sector of taxation, state expenditure policy, including policy in the sector of regional finance, and financing policy.
- (5) Policy on stability of financial system as referred to in paragraph (3) encompasses policy for the handling of issues of financial institution which risk national economy and/or stability of financial system.

CHAPTER II

STATE FINANCIAL POLICIES

First Division

Budgeting and Financing

Article 2

- (1) In the event of implementation of state financial policy as referred to under Article 1 paragraph (4), Government is authorized to:
 - a. determine the threshold for budget deficit, with the following provisions:
 1. exceeding 3% (three percent) of Gross Domestic Product (*Produk Domestik Bruto* – PDB) during the handling period of Corona Virus Disease 2019 (COVID-19) and/or in order to encounter threat which risks national economy and/or stability of financial system, up to the end of 2022 Fiscal Year;
 2. since 2023 Fiscal Year, the deficit rate will return to be no higher than 3% (three percent) of Gross Domestic Product (PDB); and
 3. adjustment to the deficit rate as referred to in point 1 toward the rate as referred to in point 2 is performed in phases.
 - b. perform adjustment to the amount of mandatory spending (*belanja wajib*) as addressed in provisions under related laws and regulations;
 - c. perform shifting of budget among organizational units, inter-functions, and/or inter-programs;

- d. perform conduct which affects to the charging expense [*pengeluaran atas beban*] of State Revenue and Expenditure Budget (APBN), of which, the budget for the financing of such expenditure is not yet available or not sufficiently available, as well as determining the process and method for procurement of goods/services;
 - e. use budget which is sourced from:
 - 1. Remaining Budget (*Sisa Anggaran Lebih – SAL*);
 - 2. endowment fund and accumulation of education endowment fund;
 - 3. fund which is controlled by the state with certain criteria;
 - 4. fund which is managed by Public Service Entity; and/or
 - 5. fund which is derived from decrease in State Capital Participation at State-Owned Enterprise (*Badan Usaha Milik Negara – BUMN*);
 - f. issue Government Bonds and/or Government Islamic Securities with special purpose, specifically in the event of Corona Virus Disease 2019 (COVID-19) pandemic, hence it may be purchased by Bank Indonesia, State-Owned Enterprise (BUMN), corporate investor, and/or retail investor;
 - g. establish financing sources of Budget which are originated from domestic and/or overseas;
 - h. grant loan to Deposit Insurance Corporation;
 - i. perform focusing on the use of budget allocation for certain activities (refocusing), adjustment to allocation, and/or cut/postponement of budget distribution on Transfer to Region and Village Fund, with certain criteria;
 - j. give grant to Regional Government; and/or
 - k. make deregulation of mechanism and simplification of document within state financial sector.
- (2) Further provisions on state financial policy as referred to in paragraph (1), are addressed under Regulation of the Minister of Finance.

Second Division
Policy within Regional Finance Sector

Article 3

- (1) In the event of implementation of policy within regional finance sector as referred to under Article 1 paragraph (4), Regional Government is given the authority to perform focusing on the use of budget allocation for certain activities (refocusing), alteration to allocation, and the use of Regional Revenue and Expenditure Budget.
- (2) Provisions on focusing on the use of budget allocation for certain activities (refocusing), alteration to allocation, and the use of Regional Revenue and Expenditure Budget as referred to in paragraph (1), are addressed under Regulation of the Minister of Interior Affairs.

Third Division
Policy within Taxation Sector

Article 4

- (1) Policy within taxation sector as referred to under Article 1 paragraph (4) encompasses:
 - a. adjustment to tariff of Income Tax for domestic corporate Taxpayer and permanent establishment;
 - b. taxation treatment for Trading Through Electronic System (*Perdagangan Melalui Sistem Elektronik* – PMSE) activities;
 - c. time extension for exercise of rights and fulfillment of taxation obligations; and
 - d. granting of authority to Minister of Finance to provide customs facilities in the forms of exemption or reduction of import duty in the event of handling of emergency condition, as well as restoration and strengthening of national economy.
- (2) Trading Through Electronic System (PMSE) as referred to in paragraph (1) letter b is trading, of which, its transaction is performed through a set of electronic devices and procedures.

Article 5

- (1) Adjustment to tariff of Income Tax for domestic corporate Taxpayer and permanent establishment as referred to under Article 4 paragraph (1) letter a takes form as decrease in tariff of Article 17 paragraph (1) letter b Law on Income Tax, to be:
 - a. in sum of 22% (twenty-two percent), which prevails in 2020 Fiscal Year and 2021 Fiscal Year; and
 - b. in sum of 20% (twenty percent), which prevails in 2022 Fiscal Year.
- (2) Domestic Taxpayer:
 - a. in the forms of Public Company;
 - b. with the number of total paid-up shares which are traded on stock exchange in Indonesia, 40% (forty percent) at minimum; and
 - c. fulfills certain requirements,
may secure tariff in sum of 3% (three percent) lower from tariff as referred to in paragraph (1) letter a and letter b.
- (3) Further provisions on certain requirements as referred to in paragraph (2) letter c are addressed under or based on Regulation of the Government.

Article 6

- (1) Taxation treatment for Trading Through Electronic System (PMSE) activities as referred to under Article 4 paragraph (1) letter b takes form as:
 - a. imposition of Value-Added Tax for utilization of Intangible Taxable Goods and/or Taxable Services from outside of Customs Areas within Customs Areas via Trading Through Electronic System (PMSE); and
 - b. imposition of Income Tax or electronic-transaction tax for Trading Through Electronic System (PMSE) activities as performed by foreign tax subject who fulfills the provisions on significant economic presence.
- (2) Imposition of Value-Added Tax for utilization of Intangible Taxable Goods and/or Taxable Services from outside of Customs Areas within Customs Areas via Trading Through Electronic System (PMSE) as referred to in paragraph (1) letter a follows provisions as referred to under the Law on Value-Added Tax of Goods and Services and Luxury-Goods Sales Tax.

- (3) Value-Added Tax which is imposed for utilization of Intangible Taxable Goods and/or Taxable Services from outside of Customs Areas within Customs Areas as referred to in paragraph (2) is collected, paid, and reported by foreign merchant, foreign service provider, foreign Operator of Trading Through Electronic System (*Penyelenggara Perdagangan Melalui Sistem Elektronik – PPMSE*), and/or domestic Operator of Trading Through Electronic System (PPMSE), as appointed by Minister of Finance.
- (4) Operator of Trading Through Electronic System (PPMSE) as referred to in paragraph (3) is businesses providing electronic communication means as used for trading transactions.
- (5) Foreign merchant or foreign service provider as referred to in paragraph (3) is individual or entity which resides or is domiciled outside of Customs Areas who performs transaction with the buyer of goods or receiver of services within Customs Areas via electronic system.
- (6) Foreign merchant, foreign service provider, and/or foreign Operator of Trading Through Electronic System (PPMSE) who fulfills provisions on significant economic presence may be treated as permanent establishment and be imposed with Income Tax.
- (7) Provisions on significant economic presence as referred to in paragraph (6) takes form as:
 - a. gross circulation of consolidated business group reaching certain figure;
 - b. sales in Indonesia reaching certain figure; and/or
 - c. active users of digital media in Indonesia reaching certain figure;
- (8) In case determination as permanent establishment as referred to in paragraph (6) cannot be performed due to enforcement of treaty with government of another state in the event of avoidance of double taxation and prevention of tax evasion, foreign merchant, foreign service provider, and/or foreign Operator of Trading Through Electronic System (PPMSE) who fulfills provisions on significant economic presence, is imposed with electronic-transaction tax.
- (9) Electronic-transaction tax as referred to in paragraph (8) is imposed against transaction on sales of goods and/or services from outside of Indonesia via Trading

Through Electronic System (PMSE) to buyer or user in Indonesia, that is performed by foreign tax subject, either directly or via foreign Operator of Trading Through Electronic System (PPMSE).

- (10) Income tax as referred to in paragraph (6) or electronic-transaction tax as referred to in paragraph (8) is paid and reported by foreign merchant, foreign service provider, and/or foreign Operator of Trading Through Electronic System (PPMSE).
- (11) Foreign merchant, foreign service provider, and/or foreign Operator of Trading Through Electronic System (PPMSE) as referred to in paragraph (3) and paragraph (10), may appoint representative which is domiciled in Indonesia to collect, pay, and report due Value-Added Tax as referred to in paragraph (3) and/or in order to fulfill Income-Tax obligation as referred to in paragraph (6) or electronic-transaction tax as referred to in paragraph (8).
- (12) The sums of tariff, imposition basis, and procedures for calculation of Income Tax as referred to in paragraph (6) and electronic-transaction tax as referred to in paragraph (8) are addressed under Regulation of the Government.
- (13) Further provisions on:
 - a. procedures for appointment, collection, and payment, as well as reporting of Value-Added Tax as referred to in paragraph (3);
 - b. significant economic presence as referred to in paragraph (7), procedures for payment and reporting of Income Tax or electronic-transaction tax as referred to in paragraph (10); and
 - c. procedures for appointment of representative as referred to in paragraph (11), are addressed under Regulation of the Minister.

Article 7

- (1) Foreign merchant, foreign service provider, foreign Operator of Trading Through Electronic System (PPMSE), and/or domestic Operator of Trading Through Electronic System (PPMSE) who fail to fulfill provisions as referred to under Article 6 paragraph (3) and foreign merchant, foreign service provider, and/or foreign Operator of Trading Through Electronic System (PPMSE) who fail to fulfill provisions as referred to under Article 6 paragraph (10), are imposed with administrative

sanctions in accordance with the Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#).

- (2) Provisions on establishment, collection, and legal remedy on imposition of Value-Added Tax for utilization of Intangible Taxable Goods and/or Taxable Services from outside of Customs Areas within Customs Areas via Trading Through Electronic System (PMSE), as well as imposition of Income Tax or electronic-transaction tax for foreign tax subject who fulfills provisions on significant economic presence as referred to under Article 6, are implemented in accordance with the Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#).
- (3) Against the actor of Trading Through Electronic System (PMSE) activities as referred to in paragraph (1), in addition to being imposed with administrative sanctions, it is also imposed with sanction in the forms of termination of access, after warning has been delivered.
- (4) Termination of access as referred to in paragraph (3) is performed in case provisions as referred to under Article 6 paragraph (3) or Article 6 paragraph (10) are not fulfilled until the deadline which is determined in the warning as referred to in paragraph (3).
- (5) Minister who organizes governmental affairs within the sectors of communication and informatics is authorized to perform termination of access upon request from Minister of Finance.
- (6) Provisions on procedures for termination of access as referred to in paragraph (5) are enforced in accordance with provisions under laws and regulations within the sectors of electronic information and transaction.
- (7) Further provisions on procedures for:
 - a. delivery of warning as referred to in paragraph (3); and
 - b. request for termination of access as referred to in paragraph (5),are addressed under Regulation of the Minister of Finance.

Article 8

In order to provide easiness for exercise of rights and/or fulfillment of taxation obligations due to the occurrence of Corona Virus Disease 2019 (COVID-19) pandemic, time extension is given for exercise of rights and fulfillment of taxation obligations as referred to under Article 4 paragraph (1) letter c, with the following provisions:

- a. upon filing of objection from Taxpayer with the deadline for filing of objection as referred to under Article 25 paragraph (3) of Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#), ends within force-majeure [*keadaan kahar*] period due to Corona Virus Disease 2019 (COVID-19) pandemic, such deadline for filing of objection is extended for 6 (six) months at maximum;
- b. upon repayment of tax overpayment as referred to under Article 11 paragraph (2) of Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#), of which, the deadline for repayment ends within force-majeure period due to Corona Virus Disease 2019 (COVID-19) pandemic, such deadline for repayment is extended for 1 (one) month at maximum;
- c. upon exercising of rights of Taxpayer, which encompass:
 1. request for repayment of tax overpayment as referred to under Article 17B paragraph (1) of Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#);
 2. filing of objection letter as referred to under Article 26 paragraph (1) of Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#);
 3. request for deduction or elimination of administrative sanction, deduction or annulment of tax provision which is inaccurate, annulment of examination result, as referred to under Article 36 paragraph (1) of Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation, as amended several times and most recently by Law [Number 16 of 2009](#),

with the deadline for issuance of notice or decree ends within force-majeure period due to Corona Virus Disease 2019 (COVID-19) pandemic, such deadline for issuance of such notice or decree is extended for 6 (six) months at maximum.

- d. establishment of force-majeure time period due to Corona Virus Disease 2019 (COVID-19) pandemic as referred to in letter a, letter b, and letter c refers to establishment of the Government through Head of National Board for Disaster Management.

Article 9

Minister of Finance assumes the authority to grant customs facilities in the form of exemption or reduction of import custom in the events of:

- a. handling of Corona Virus Disease 2019 (COVID-19) pandemic; and/or
- b. encountering threat which risks national economy and/or stability of financial system.

Article 10

- (1) Alteration to import goods which are granted with exemption of import custom based on its consumption purpose as referred to under Article 25 paragraph (1) of Law [Number 10 of 1995](#) on Customs as amended by Law [Number 17 of 2006](#) on Amendment to Law [Number 10 of 1995](#), is addressed under Regulation of the Minister of Finance.
- (2) Alteration to import goods which may be granted with exemption or reduction of import custom based on its consumption purpose as referred to under Article 25 paragraph (1) of Law [Number 10 of 1995](#) on Customs as amended by Law [Number 17 of 2006](#) on Amendment to Law [Number 10 of 1995](#), is addressed under Regulation of the Minister of Finance.

Fourth Division
Implementation of National Economic Restoration Program

Article 11

- (1) In the event of supporting state financial policy as referred to under Article 1 paragraph (4) and in order to perform the rescue of national economy, Government carries out national economic restoration program.
- (2) Program as referred to in paragraph (1) aims to protect, maintain and increase economic capability of businesses and real sector and financial sector in the course of operating its business.
- (3) National economic restoration program as referred to in paragraph (1) and paragraph (2) may be performed through State Capital Participation, placement of fund and/or investment of the Government, and/or guarantee activity using the scheme as determined by the Government.
- (4) State Capital Participation as referred to in paragraph (3) is performed through appointed State-Owned Enterprise (BUMN).
- (5) Placement of fund and/or investment of the Government as referred to in paragraph (3) may be directly performed by the Government and/or through appointed financial institution, investment manager, and/or another agency.
- (6) Guarantee scheme as referred to in paragraph (3) may be directly carried out by the Government and/or through one or several appointed guarantee enterprises.
- (7) Implementation of national economic restoration program is further addressed under Regulation of the Government.

Fifth Division
Implementation of State Financial Policy

Article 12

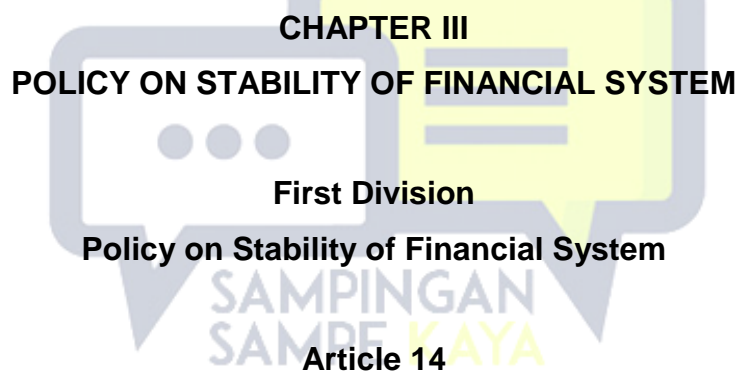
- (1) Implementation of state financial policy and measures as referred to under Article 2 up to Article 11 is performed by still regarding good governance.

- (2) Alteration to posture and/or details of State Revenue and Expenditure Budget (APBN) in the event of implementation of state financial policy and measures as referred to under Article 2 up to Article 11 is addressed under or based on Regulation of the President.

**Sixth Division
Reporting**

Article 13

The use of budget in the event of implementation of state financial policy and measures as referred to under Article 2 up to Article 12 is reported to the Government in Financial Report of Central Government.



In the event of maintaining stability of financial system during the condition when Corona Virus Disease 2019 (COVID-19) pandemic occurs and/or in order to encounter the threat of economic crisis and/or to stability of financial system, it is deemed necessary to establish policy on financial system stability as referred to under Article 1 paragraph (5).

Article 15

- (1) In the event of implementation of policy on stability of financial system as referred to under Article 14, Committee on Stability of Financial System, hereinafter referred to as KSSK [*Komite Stabilitas Sistem Keuangan*], is given the authority to:

- a. hold meeting via face-to-face or via utilization of information technology in order to formulate and establish measures for the handling of issue on stability of financial system; and
 - b. establish scheme for the provision of support by the Government for the handling of issue on financial service institution and stability of financial system which risks national economy.
- (2) If in the meeting as referred to in paragraph (1) letter a, utilization of information technology is performed, opinion of each KSSK member, decision making, and decision of KSSK are delivered in the meeting in verbal and be recorded, as well as decision of meeting is affixed with initial and/or later signed by members of KSSK and it binds all members of KSSK.
- (3) Further provisions on scheme for provision of support as referred to in paragraph (1) letter b are addressed under Regulation of the Government.



Second Division
Authority and Implementation of Policy by Bank Indonesia

Article 16

- (1) In order to support the implementation of authority of KSSK in the event of handling of issue on stability of financial system as referred to under Article 15 paragraph (1), Bank Indonesia is given the authority to:
- a. grant short-term liquidity loan or short-term liquidity financing based on sharia principles to Systematically Important Bank or bank other than Systematically Important Bank
 - b. grant Special Liquidity Loan to Systematically Important Bank which undergoes liquidity issue and fails to fulfill requirements for the granting of short-term liquidity loan or short-term liquidity financing based on sharia principles, as guaranteed by the Government and be granted based on Decree of KSSK;
 - c. purchase long-term Government Bonds and/or Government Islamic Securities in primary market for the handling of issue on financial system which risks

- national economy, including Government Bonds and/or Government Islamic Securities which are issued with special purpose, specifically in the event of Corona Virus Disease 2019 (COVID-19) pandemic;
- d. purchase/repo state securities as owned by Deposit Insurance Corporation for handling costs of issue on solvability of Systematically Important Bank and bank other than Systematically Important Bank;
 - e. address mandatory proceeds and use of foreign exchange for citizens, including provisions on handing-over, repatriation, and conversion of foreign exchange in the event of maintaining stability of macro-economy and financial system; and
 - f. grant funding access to corporation/private party by the way of repo of Government Bonds or Government Islamic Securities as owned by corporation/private party through banking.
- (2) Provisions on mandatory proceeds and use of foreign exchange as referred to in paragraph (1) letter e, are addressed under Regulation of Bank Indonesia.
- (3) Since the entry into force of Regulation of Bank Indonesia as referred to in paragraph (2), all provisions under laws and regulations which are in contradictory with such Regulation of Bank Indonesia, are declared to be invalid based on this Regulation of the Government in Lieu of Law.

Article 17

- (1) In the course of granting short-term liquidity loan or short-term liquidity financing based on sharia principles by Bank Indonesia as referred to under Article 16 paragraph (1) letter a:
- a. Financial Services Authority performs assessment on fulfillment of requirements/adequacy of solvability and soundness level of Systematically Important Bank or bank other than Systematically Important Bank; and
 - b. Bank Indonesia, together with Financial Services Authority, performs assessment on fulfillment of adequacy of collateral and estimation of capacity of Systematically Important Bank or bank other than Systematically Important

Bank to return short-term liquidity loan or short-term liquidity financing based on sharia principles.

- (2) Based on assessment result as referred to in paragraph (1), Bank Indonesia decides the granting of short-term liquidity loan or short-term liquidity financing based on sharia principles.

Article 18

- (1) In case Systematically Important Bank has received short-term liquidity loan as referred to under Article 17 paragraph (1), it still undergoes liquidity issue, Systematically Important Bank may file request for Special Liquidity Loan (*Pinjaman Likuiditas Khusus* – PLK) to Bank Indonesia.
- (2) Upon the request from Systematically Important Bank as referred to in paragraph (1), Bank Indonesia, in coordination with Financial Services Authority, requests meeting of KSSK to be held.
- (3) In the meeting as referred to in paragraph (2), KSSK addresses and decides the granting of Special Liquidity Loan (PLK) by taking the following considerations:
 - a. Assessment by Financial Services Authority which contains at least information on recent financial condition of Systematically Important Bank in question; and
 - b. recommendation from Bank Indonesia by regarding assessment result which is performed by Financial Services Authority as referred to in letter a.
- (4) Further provisions on scheme and mechanism for the granting of Special Liquidity Loan (PLK) are jointly addressed between Minister of Finance and Governor of Bank Indonesia.

Article 19

- (1) Bank Indonesia may purchase long-term Government Bonds and/or Government Islamic Securities as referred to under Article 16 paragraph (1) letter c in primary market which are designated as source of funding for the Government.
- (2) Source of funding for the Government as referred to in paragraph (1) is used in the event of national economic restoration, including maintaining the sustainability of

- management of state finance, granting loan and increase in capital to Deposit Insurance Corporation, as well as funding for banking restructuring in times of crisis.
- (3) Further provisions on scheme and mechanism for the purchase of Government Bonds and/or Government Islamic Securities in primary market in paragraph (1) are jointly addressed between Minister of Finance and Governor of Bank Indonesia, by taking the following considerations:
- a. market condition of Government Bonds and/or Government Islamic Securities;
 - b. impact to inflation; and
 - c. type of Government Bonds and/or Government Islamic Securities.

Third Division

Authority and Implementation of Policy by Deposit Insurance Corporation

Article 20

- (1) In order to support the implementation of authority of KSSK in the event of handling of issue on stability of financial system as referred to under Article 15 paragraph (1), Deposit Insurance Corporation is given the authority to:
- a. perform preparation for handling and increase in intensity of preparation with Financial Services Authority, for handling of issue on solvability of bank;
 - b. conduct the following acts:
 1. sell/repo of owned Securities to Bank Indonesia;
 2. issuance of bond;
 3. loan from other party; and/or
 4. loan from the Government,in case Deposit Insurance Corporation is estimated will undergo liquidity issue for the handling of bank failure;
 - c. perform decision making in order to perform or do not perform the rescue of bank other than Systematically Important Bank which is declared as bank failure, by taking into considerations, *inter alia*, economic condition, complexity of bank's issue, needed handling time, availability of investor, and/or

- effectiveness on handling of bank's issue, as well as not only considering estimation of least cost (least cost test); and
- d. formulate and implement policy on guarantee of saving for group of customers, by taking into consideration the source of fund and/or designation of saving, as well as amount of value which is guaranteed for such group of customers, as addressed under Regulation of the Government.
- (2) Further provisions on exercise of authority of Deposit Insurance Corporation in the event of performing measures for the handling of issue on stability of financial system as referred to in paragraph (2) are addressed under Regulation of the Government.

Article 21

- (1) Preparation on handling and increase in intensity of preparation with Financial Services Authority as referred to under Article 20 paragraph (1) letter a, *inter alia*, exchange of recent data and information from Financial Services Authority to Deposit Insurance Corporation and/or joint examination of Financial Services Authority and Deposit Insurance Corporation against bank in question.
- (2) Preparation on handling as referred to in paragraph (1) is performed when the bank is determined as the bank under intensive supervision and increase in intensity of preparation is performed when the bank is determined as bank under special supervision.

Article 22

- (1) In order to prevent financial-system crisis which risks national economy, Government may organize guarantee program beyond the program on guarantee of saving as addressed under Law on deposit insurance corporation.
- (2) Provisions on organizing agency for guarantee program, funding, scope and value of guarantee as referred to in paragraph (1) are established under Regulation of the Government.

Fourth Division

Authority and Implementation of Policy by Financial Services Authority

Article 23

- (1) In order to support the implementation of authority of KSSK in the event of handling of issue on stability of financial system as referred to under Article 15 paragraph (1), Financial Services Authority is given the authority to:
 - a. hand down written order to financial services institution to perform merger, consolidation, acquisition, integration and/or conversion;
 - b. establish exemption for certain parties from obligation to perform disclosure principle within the sector of capital market in the event of prevention and handling of financial-system crisis; and
 - c. establish provisions on utilization of information technology in the course of organization of General Meeting of Shareholders or other meetings, of which, based on provisions under laws and regulations, must be performed by parties to financial services industry.
- (2) Further provisions on exercise of authority of Financial Services Authority in the event of implementing policy on stability of financial system as referred to in paragraph (1) are addressed under Regulation of the Financial Services Authority.

Fifth Division

Authority and Implementation of Policy by Government

Article 24

- (1) In order to support the implementation of authority of KSSK in the event of handling of issue on stability of financial system as referred to under Article 15 paragraph (1), Government is given the authority to grant loan to Deposit Insurance Corporation.
- (2) Provisions on requirements and procedures for the granting of loan by Government to Deposit Insurance Corporation as referred to in paragraph (1) are addressed under Regulation of the Minister of Finance.

Article 25

Granting of loan by Government to Deposit Insurance Corporation as referred to under Article 24 is performed in case Deposit Insurance Corporation undergoes liquidity issue which risks the economy and financial system as the impact of Corona Virus Disease (COVID-19) pandemic.

CHAPTER IV PROVISIONS ON SANCTIONS

Article 26

- (1) Any person who deliberately ignores, fails to fulfill, fails to perform or hinders the exercise of authority of Financial Services Authority as referred to under Article 23 paragraph (1) letter a, is sentenced with imprisonment of 4 (four) years at minimum and fines in sum of IDR 10,000,000,000.00 (ten billion rupiahs) at minimum or imprisonment of 12 (twelve) years at maximum and fines in sum of IDR 300,000,000,000.00 (three hundred billion rupiahs) at maximum.
- (2) If violation as referred to in paragraph (1) is performed by corporation, it is sentenced with fines in sum of IDR 1,000,000,000,000 (one trillion rupiahs) at minimum.

CHAPTER V

FINAL PROVISIONS

Article 27

- (1) Costs which are expensed by the Government and/or agencies which are members of KSSK in the event of implementation of state revenue policy, including policy within the sector of taxation, state revenue policy, including the policy within the sector of regional finance, financing policy, policy on stability of financial system, and national economic restoration program, are part of economic costs for the saving of economy from crisis and are not state losses.
- (2) Members of KSSK, Secretary to KSSK, secretariat members of KSSK, and official or employees of Ministry of Finance, Bank Indonesia, Financial Services Authority,

as well as Deposit Insurance Corporation, and other officials, who are related to implementation of this Regulation of the Government in Lieu of Law, cannot be charged, either from civil liability or criminal liability, if in the course of performing duties, it is based on good faith and in accordance with provisions under laws and regulations.

- (3) All conducts, including decree which is taken based on this Regulation of the Government in Lieu of Law, is not object for claim which may be filed to administrative judiciary.

Article 28

When this Regulation of the Government in Lieu of Law enters into force:

1. provisions on time period as addressed under Article 11 paragraph (2), Article 17B paragraph (1), Article 25 paragraph (3), Article 26 paragraph (1), and Article 36 paragraph (1c) of Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262), as amended several times and most recently by Law [Number 16 of 2009](#) on Stipulation of Regulation of the Government in Lieu of Law [Number 5 of 2008](#) on Fourth Amendment to Law [Number 6 of 1983](#) on General Provisions on and Procedures for Taxation to Become Law (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);
2. Article 55 paragraph (4) of Law [Number 23 of 1999](#) on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 3843), as amended several times and most recently by Law [Number 6 of 2009](#) on Stipulation of Regulation of the Government in Lieu of Law [Number 2 of 2008](#) on Second Amendment to Law [Number 23 of 1999](#) on Bank Indonesia to Become Law (State Gazette of the Republic of Indonesia of 2009 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 4962);

3. Article 12 paragraph (3), alongside with its elucidation, Article 15 paragraph (5), Article 22 paragraph (3), Article 23 paragraph (1), Article 27 paragraph (3), and Article 28 paragraph (3) of Law [Number 17 of 2003](#) on State Finance (State Gazette of the Republic of Indonesia of 2003 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4286);
4. Article 3 paragraph (3) of Law [Number 1 of 2004](#) on State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);
5. Article 22 paragraph (2) and paragraph (3) of Law [Number 24 of 2004](#) on Deposit Insurance Corporation (State Gazette of the Republic of Indonesia of 2004 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 4420), as amended by Law [Number 7 of 2009](#) on Stipulation of Regulation of the Government in Lieu of Law [Number 3 of 2008](#) on Amendment to Law [Number 24 of 2004](#) on Deposit Insurance Corporation to Become Law (State Gazette of the Republic of Indonesia of 2009 Number 8, Supplement to the State Gazette of the Republic of Indonesia Number 4963);
6. Article 27 paragraph (1), alongside with its elucidation, Article 36, Article 83, and Article 107 paragraph (2) of Law [Number 33 of 2004](#) on Financial Balance Between Central Government and Regional Governmental Affairs (State Gazette of the Republic of Indonesia of 2004 Number 126, Supplement to the State Gazette of the Republic of Indonesia Number 4438);
7. Article 171 of Law [Number 36 of 2009](#) on health (State Gazette of the Republic of Indonesia of 2009 Number 144, Supplement to the State Gazette of the Republic of Indonesia Number 5063);
8. Article 72 paragraph (2), alongside with its elucidation, of Law [Number 6 of 2014](#) on Village (State Gazette of the Republic of Indonesia of 2014 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 5495);
9. Article 316 and Article 317 of Law [Number 23 of 2014](#) on Regional Governmental Affairs (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as amended several times and most recently by Law [Number 9 of 2015](#) on Second

Amendment to Law [Number 23 of 2014](#) on Regional Governmental Affairs (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);

10. Article 177 letter c point 2, Article 180 paragraph (6), and Article 182 of Law [Number 17 of 2014](#) on People's Consultative Assembly, House of Representatives, Regional Representative Council, and Regional House of Representatives (State Gazette of the Republic of Indonesia of 2014 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 5568), as amended several times and most recently by Law [Number 13 of 2019](#) on Third Amendment to Law [Number 17 of 2014](#) on People's Consultative Assembly, House of Representatives, Regional Representative Council, and Regional House of Representatives (State Gazette of the Republic of Indonesia of 2019 Number 181, Supplement to the State Gazette of the Republic of Indonesia Number 6396);
11. Article 20 paragraph (2) and paragraph (3) of Law [Number 9 of 2016](#) on Prevention and Handling of Financial-System Crisis (State Gazette of the Republic of Indonesia of 2016 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 5872); and
12. Article 11 paragraph (22), Article 40, Article 42, and Article 46 of Law [Number 20 of 2019](#) on State Revenue and Expenditure Budget of 2020 Fiscal Year (State Gazette of the Republic of Indonesia of 2019 Number 198, Supplement to the State Gazette of the Republic of Indonesia Number 6410),

are declared to be invalid, insofar they are relating to state financial policy for the handling of spread of Corona Virus Disease 2019 (COVID-19) and/or in the event of encountering threat which risks national economy and/or stability of financial system based on this Regulation of the Government in Lieu of Law.

Article 29

This Regulation of the Government in Lieu of Law enters into force on its promulgation date.

For the purposes of public cognizance, it has been ordered that the promulgation of this Regulation of the Government in Lieu of Law should be achieved through its publication in the State Gazette of the Republic of Indonesia

Enacted in Jakarta

on 31 March 2020

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed.

JOKO WIDODO

Promulgated in Jakarta

on 31 March 2020

MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA

signed.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 87

**ELUCIDATION
OF
REGULATION OF THE GOVERNMENT
IN LIEU OF LAW OF THE REPUBLIC OF INDONESIA
NUMBER 1 OF 2020
ON
STATE FINANCIAL POLICIES AND STABILITY OF FINANCIAL SYSTEM FOR THE
HANDLING OF CORONA VIRUS DISEASE 2019 (COVID-19) PANDEMIC AND/OR IN
THE EVENT OF ENCOUNTERING THREAT WHICH RISKS NATIONAL ECONOMY
AND/OR STABILITY OF FINANCIAL SYSTEM**

I. GENERAL

In 2020, the world experiences Corona Virus Disease 2019 (COVID-19) pandemic disaster. The spread of Corona Virus Disease 2019 (COVID-19) brings risk toward public health and it has even taken tolls for those who are infected in various parts of the world, including Indonesia.

Corona Virus Disease 2019 (COVID-19) pandemic has also actually disrupted economic activities and brings huge implication toward the economy of majority of countries throughout the world, including Indonesia. Global economic growth is estimated to be decreased from 3% (three percent) to only 1.5% (one-point five percent) or even lower than that.

Development of Corona Virus Disease 2019 (COVID-19) pandemic also potentially disrupts economic activities in Indonesia. One of its implications takes form as decrease in Indonesia's economic growth which is estimated may reach 4% (four percent) or lower, depending on how long and how severe the spread of Corona Virus Disease 2019 (COVID-19) pandemic affects or even immobilizes public activities and economic activities.

Disruption of economic activities will have implication toward alteration to the posture of State Revenue and Expenditure Budget (APBN) of 2020 Fiscal Year, either from the perspective of State Revenue, perspective of State Expenditure, or perspective of Financing. Potential alteration to APBN of 2020 Fiscal Year is

originated from the disruption of economic activities or otherwise. Interruption to economic activities will have huge potential in disrupting APBN of 2020 Fiscal Year from the perspective of State Revenue.

Response of state financial and fiscal policies are necessary in order to encounter the risk of Corona Virus Disease 2019 (COVID-19) pandemic, *inter alia*, in the forms of increase in spending to mitigate health risk, protect the public and maintain business activities. Stress toward financial sector will affect APBN of 2020 Fiscal Year, specifically from the perspective of Financing.

Implication of Corona Virus Disease 2019 (COVID-19) pandemic has also affected against the threat on the worsen state of financial system which is shown by the decrease in various domestic economic activities because measures for handling Corona Virus Disease 2019 (COVID-19) pandemic which have risk on the instability of macro-economy and financial system which is required to be jointly mitigated by the Government, and policy coordination in KSSK, hence various Governmental efforts and related agencies are necessary in order to perform forward-looking (*antisipasi*) act in order to maintain the stability of financial sector.

The spread of Corona Virus Disease 2019 (COVID-19) pandemic which affects and threatens Indonesia's economic growth, *inter alia*, due to the decrease in state revenue, as well as uncertainty of global economy, requires extraordinary (*luar biasa*) policies and measures within the sector of state finance, including within the sectors of taxation and regional finance, and financial sector, which must be immediately taken by the Government and related agencies in bid to overcome such urgent condition in the event of saving of health, national economy, with the focus on spending of health, social safety net (*jaring pengaman sosial*), as well as restoration of affected business sector. Therefore, adequate legal product is necessary in order to provide robust ground for the Government and related agencies for making of policies and measures in question.

In accordance with Decision of Constitutional Court Decision Number 138/PUU-VII/2009, the condition as mentioned above has fulfilled the parameter of state emergency [*kegentingan yang memaksa*] in the event of stipulation of Regulation of the Government in Lieu of Law, *inter alia*:

1. due to the urgent need to overcome legal issues in prompt manner based on Law;
2. Law which is needed is not yet exist, thus there is a loophole or inadequacy of existing Law; and
3. the loophole condition cannot be overcome by enacting Law using ordinary procedure which requires a relatively long period, while such urgent condition requires certainty to be settled.

Based on matters as mentioned above, in the course of state emergency, in accordance with provisions under Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia, the President is authorized to enact Regulation of the Government in Lieu of Law.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

Letter a

In the event of handling of Corona Virus Disease 2019 (COVID-19) pandemic, of which, *inter alia*, affecting toward:

- a. slowing down of national economy, decrease in state revenue, and increase in state spending and financing; and
- b. the worsen state of financial system, which is shown by the decrease in various domestic economic activities,

Government is deemed to immediately take extraordinary (*luar biasa*) policy and measures within the sector of state finance in the event of saving of health, and national economy, with the focus on spending for health, social safety net (*jaring pengaman sosial*), and economic restoration, including for



affected business sectors and societies, as well as maintaining the stability of financial sector.

For that reason, rate adjustment of budget deficit which exceeds 3% (three percent) of Gross Domestic Product (PDB) is necessary to be undertaken. After the handling period of Corona Virus Disease 2019 (COVID-19) pandemic and/or in the event of encountering threat which risks national economy, the deficit rate is gradually turns back to be in sum of 3% (three percent) of Gross Domestic Product (GDP) at maximum in 2023 Fiscal Year. The amount of loan which is performed in the event of implementation of such deficit stretch is capped to be 60% (sixty percent) of Gross Domestic Product (PDB) at maximum.

Letter b

With the entry into force of this Regulation of the Government in Lieu of Law, the amount of mandatory spending (*belanja wajib*) which is addressed under various laws may be adjusted by the Government, *inter alia*:

- a. Budget for health in sum of 5% (five percent) of state revenue and expenditure budget, excluding the wage, as addressed under Law [Number 36 of 2009](#) on Health;
- b. Budget for village which is sourced from State Revenue and Expenditure Budget in sum of 10% (ten percent) of and excluding Regional Transfer fund, as addressed under Law [Number 6 of 2014](#) on Village; and
- c. Sum of Public Allocation Fund against Net Domestic Revenue as addressed under Law [Number 33 of 2004](#) on Financial Balance between Government and Regional Governmental Affairs.

Adjustment to the amount of mandatory spending (*belanja wajib*) as referred to under this article is not performed against allocation of budget for education in sum of 20% (twenty percent) in current year as mandated under the 1945 Constitution of the Republic of Indonesia.

Against region which is struck or not yet struck by Corona Virus Disease 2019 (COVID-19) pandemic, it may use a part or entire infrastructure

spending in sum of 25% (twenty-five percent) of Public Fund Transfer (*Dana Transfer Umum* – DTU) for handling of Corona Virus Disease 2019 (COVID-19) pandemic, either for health sector, or for social safety net (*jaring pengaman sosial*) in the forms of provision of logistic, as well as its distribution and/or other spending which is urgent in nature as established by the Government.

Letter c

Self-explanatory.

Letter d

Government grants authority to treasury official and official for procurement of goods and services to perform act toward the expense [*beban*] of State Revenue and Expenditure Budget (APBN), of which, the budget to finance such expense is not yet available or insufficient, in case procurement of goods and services relating to the handling effort of Corona Virus Disease 2019 (COVID-19) pandemic.

Letter e

Point 1

Self-explanatory.

Point 2

“Accumulation of education endowment fund” refers to accumulation of endowment fund from previous years and excluding portion of education endowment fund which is allocated in State Revenue and Expenditure Budget in the current year.

Point 3

Self-explanatory.

Point 4

Self-explanatory.

Point 5

“State Capital Participation” refers to state capital participation in the forms of *dana segar* (fresh money).

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

“Adjustment to allocation of Transfer to Region and Village Fund”, *inter alia*, takes forms as:

1. adjustment to allocation of Sharing-Revenue Fund is performed based on economic development and/or state revenue;
2. adjustment to allocation of Public Allocation Fund per region is based on certain criteria as established by Minister of Finance;
3. addition/reduction of allocation of Special Transfer Fund, shifting of allocation between the sectors of Physical DAK or adjustment to the use of Special Transfer Fund due to certain condition which requires urgent budget; and/or
4. adjustment to the ceiling for Village Fund budget.

“Focusing on the use of Village Fund” refers to, usable for, *inter alia*, cash transfer [*bantuan langsung tunai*] toward poor residents in village and activities for handling of Corona Virus Disease 2019 (COVID-19) pandemic.

Letter j

Grant to regional government is granted in the event of handling of natural disaster, non-natural-disaster, human disaster and/or fiscal stimuli policy in the event of reducing economic impact from such disaster.

Letter k

Self-explanatory.

Paragraph (2)

Self-explanatory.

Article 3

Paragraph (1)

“Focusing on the use of budget allocation for certain activities (refocusing)” refers to, including authority of Regional Government to perform alteration to allocation among programs.

Paragraph (2)

Self-explanatory.

Article 4

Self-explanatory.

Article 5

Paragraph (1)

Letter a

Example for calculation of tax due for domestic corporate Taxpayer and permanent establishment:

Taxable Income of PT A in 2020 Fiscal Year is in sum of IDR 1,000,000,000.00.

Due Income Tax for 2020 Fiscal Year: $22\% \times \text{IDR } 1,000,000,000.00 = \text{IDR } 220,000,000.00$.

Letter b

Example for calculation of tax due for domestic corporate Taxpayer and permanent establishment:

Taxable Income of PT A in 2022 Fiscal Year is in sum of IDR 1,500,000,000.00.

Due Income Tax for 2022 Fiscal Year: $20\% \times \text{IDR } 1,500,000,000.00 = \text{IDR } 300,000,000.00$

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Foreign merchant or foreign service provider may perform sale transaction using its own means of Trading Through Electronic System (PMSE), for instance, retail online (*pedagang eceran secara daring*). In addition, foreign merchant or foreign service provider may perform sale transaction using the means of domestic Operator of Trading Through Electronic System (PPMSE) or foreign Operator of Trading Through Electronic System (PPMSE).

Business model of Operator of Trading Through Electronic System (PPMSE), *inter alia*, marketplace or provider of platform/*pelantar* as a medium where foreign merchant or foreign service provider may publish offering of goods and/or services.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.



Paragraph (11)

“Representative” refers to party who is appointed by foreign merchant, foreign service provider, and/or foreign Operator of Trading Through Electronic System (PPMSE), of which, *inter alia*, may take form as entity in Indonesia.

Paragraph (12)

Self-explanatory.

Paragraph (13)

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Paragraph (1)

Self-explanatory.

Paragraph (2)

Under Regulation of the President in question, *inter alia*, addresses:



- a. Posture of State Revenue and Expenditure Budget (APBN) which contains details on the amount of State Revenue, State Expenditure, budget surplus/deficit, and Budget Financing; and
- b. Main points on details of State Revenue Budget, State Expenditure, and Budget Financing.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Paragraph (1)

“Committee on Financial System Stability” refers to committee which organizes prevention and handling of financial-system crisis in order to implement state interest and resilience within the sector of economy as referred to under Law on prevention and handling of financial-system crisis.

Coordination is organized upon request from one or more members and be coordinated with Secretariat to KSSK.

Letter a

Authority of KSSK to hold coordination meeting is not limited to the existence of indication of issue from the protocol of crisis management of each member of KSSK that may affect the stability of financial system. Measures for handling the issue on stability of financial system as established in coordinating meeting in question, including in case of determining time period on the commencement and expiration of condition on threat against economy and/or stability of financial system.

Letter b

Scheme for provision of support of Government as established by KSSK is a form of participation and existence of the state in the event of overcoming

issue on financial system which risks national economy by allocating budget in State Revenue and Expenditure Budget (APBN) in order to support the effort to realize financial system stability.

Paragraph (2)

Meeting transcript may be printed by Secretary to KSSK and such printed document is conveyed to Member of KSSK to be affixed with initial and/or signature which later having binding legal power since the decision has been made in such KSSK's meeting.

Paragraph (3)

Self-explanatory.

Article 16

Paragraph (1)

Letter a

"Systematically Important Bank" refers to Systematically Important Bank according to the Law on prevention and handling of financial-system crisis.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Self-explanatory.

Article 20

Paragraph (1)

Letter a

Self-explanatory.

Letter b

This provision also prevails for bank other than Systematically Important Bank.

Letter c

Self-explanatory.

Letter d

Group of deposit customers based on its ownership is, *inter alia*, individual customer, Central/Regional Government, and Body/Agency which is constituted by Law to perform management of public funds.

Paragraph (2)

Self-explanatory.

Article 21

Self-explanatory.

Article 22

Self-explanatory.

Article 23

Paragraph (1)

Letter a

Written order to financial services institution prevails both for financial services institution which performs merger, consolidation, acquisition, integration and/or conversion, and financial services institution which accepts merger, consolidation, acquisition, integration and/or conversion.

Letter b

“Certain parties” refer to issuer or public company, of which, its registration statement has been effective according to Law on capital market.

Letter c

Provisions which may be addressed by Financial Services Authority are, *inter alia*, on form and way of interaction, as well as participation among participants, as well as form of minute of meeting.

Paragraph (2)

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Self-explanatory.

Article 26

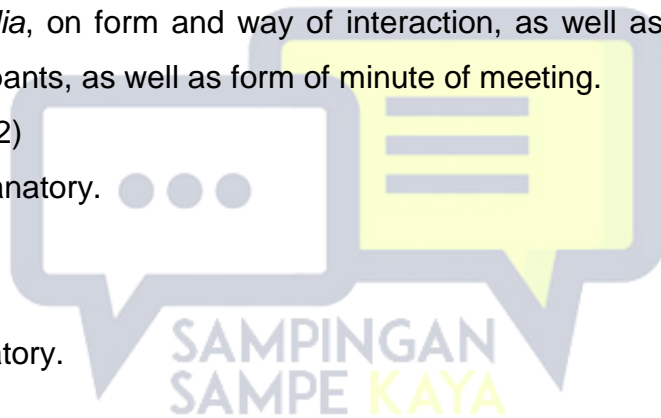
Self-explanatory.

Article 27

Self-explanatory.

Article 28

Self-explanatory.



Article 29

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 6485

