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GENERAL

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THE PRESIDENT OF THE REPUBLIC OF INDONESIA

**PRESIDENTIAL DECREE OF THE REPUBLIC OF INDONESIA**

**NUMBER : 23 OF 2000 ; DATED : APRIL 7, 2000**

RE

**PUBLIC ENTERPRISE (PERUM) OF OCEAN FISHERY INFRASTRUCTURES**

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

- Considering** :
- a. that by the promulgation of Government Regulation No. 13/1998 on Public Enterprises (PERUM), the regulation of the Public Enterprise (PERUM) of Ocean Fishery Infrastructures as governed in Government Regulation No. 2/1990 on the Public Enterprise (PERUM) of Ocean Fishery Infrastructure needs to be adjusted;
  - b. that in connection with the matter in letter a, it is deemed necessary to re-stipulate the regulation on the Public Enterprise (PERUM) of Ocean Fishery Infrastructures by a Government Regulation;
- Bearing in mind** :
1. Article 5 sub-section 2 of the Constitution of 1945;
  2. Act No. 19 Prp of 1960 on State Enterprises (State Gazette No. 59/1960, Supplement to State Gazette No. 1989);
  3. Act No. 9/1969 on Stipulation of Government Regulation in lieu of Act No. 1/1969 on Types of State Businesses (State Gazette No. 16/1969, Supplement to State Gazette No. 2890) into Act (State Gazette No. 40/1969, Supplement to State Gazette No. 2904);

4. Act No. 9/1985 on Fishery (State Gazette No. 46/1985, Supplement to State Gazette No. 3299);
5. Government Regulation No. 70/1996 on Port Affairs (State Gazette No. 107/1996, Supplement to State Gazette No. 3661);
6. Government Regulation No. 13/1998 on Public Enterprises (PERUM) (State Gazette No. 16/1998, Supplement to State Gazette No. 3732);

**HAS DECIDED :**

To stipulate : **GOVERNMENT REGULATION ON PUBLIC ENTERPRISE (PERUM) OF OCEAN FISHERY INFRASTRUCTURE.**

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1**

In this Government Regulation referred to as :

1. Public Enterprise (PERUM) of Ocean Fishery Infrastructures, hereinafter referred to as *Enterprise*, shall be the State Enterprise as governed in Act No.9/1969, with the business activities in the scope of duties and authority of the Minister, in which the *entire capital* is owned by the State in the form of State assets which are separated and not divided into shares.
2. The promotion shall be the activity to provide guidelines for the Enterprise in the areas of planning, implementation and control in the hope that the *Enterprise can perform* duties and functions effectively and efficiently as well as developing properly.
3. The supervision shall be the *entire process of evaluation of the Enterprise, in the hope that the Enterprise performs* its duties and functions properly and it can achieve the goal which has been set.
4. Inspection/audit shall be the activity to evaluate the Enterprise by comparing the actual condition with the condition which should be conducted, both in the areas of *finance and technical operation*.
5. The board management as the business body shall be the activity of managing the Enterprise in an effort to achieve the goal of the Enterprise as the business body, in accordance with the policy on development of business which is laid down by the Minister of Finance and the promotion stipulated by the Minister.
6. The Minister of Finance shall be the Minister who represents the government in any participation of State assets which are separated to be included in the Enterprise.
7. The Minister shall be the Minister who is responsible for the fishery.
8. The Board of Executive Directors shall be the organ of the Enterprise which is responsible for the management of the Enterprise for the interest and goal of the Enterprise as well as to represent the Enterprise both inside and outside of the court.

9. The Supervision Council shall be the organ of the Enterprise which exercises supervision and provides advice to the Board of Executive Directors in running the management of the Enterprise.

**CHAPTER II  
ESTABLISHMENT OF ENTERPRISE  
Article 2**

The enterprise which was set up under Government Regulation No. 2/1990 is to be continued and its subsequent *business activities* are carried on under the provisions of this Government Regulation.

**CHAPTER III  
STATUTES ENTERPRISE  
First Part  
General  
Article 3**

- (1) The Enterprise as referred to in Article 2 is the State Enterprise which is assigned and authorized to provide services for fishery port service users and other business activities which are related to fishery.
- (2) The Enterprise carries out business activities on the basis of the provisions in this Government Regulation and other existing regulations.
- (3) By not minimizing the provisions in this Government Regulation, the Indonesian Act is applied to the Enterprise.

**Second Part  
Domicile and Duration  
Article 4**

The Enterprise is domiciled and has its Head Office in Jakarta.

**Article 5**

*The Enterprise is set up an indefinite period.*

**Third Part  
Characteristic, Purpose and Goal  
Article 6**

The characteristic of the business of the Enterprise is to provide services for public benefits and at the same time to earn profit on the basis of the *principles of management* of the enterprise.

**Article 7**

The purpose and goal of the Enterprise are :

- a. to increase the income of fishermen by providing and improving the facilities and or infrastructures of fishery ports;

- b. *to develop entrepreneurship of fishery and to stimulate and or encourage the business of fishery industries and the marketing of fishery products;*
- c. *to introduce and to develop the technology of processing fishery products and the system of cold chains, in the fishery trade and distribution;*
- d. *to develop and promote the fishery economy as the component of activities of fishermen and fishery society.*

**Fourth Part**  
**Activities and Development of Business**  
**Article 8**

To achieve the purpose and goal as referred to in Article 7, the Enterprise carries out the following activities :

- a. *conducting public service in the area of fishery infrastructures;*
- b. *providing the facilities which are related to the government program to develop fishery industries in Indonesia;*
- c. *developing, maintaining and operating piers for anchorage and unloading/loading fish;*
- d. *terminal services;*
- e. *helping overcome the problems faced by fishermen/ships relating to the facilities or infrastructures of fishery ports;*
- f. *operating and providing assistance of management of assets of the third party, which is related to the fishery business;*
- g. *carrying out other activities which can support the achievement of the purpose and goal of the enterprise as referred to in Article 7, with the approval of the Minister of Finance.*

**Article 9**

To support the financing of corporate activities in the framework of achieving the purpose and goal of the Enterprise as referred to in Article 7, the Enterprise can :

- a. *establish cooperation or joint ventures with other business bodies;*
- b. *set up subsidiaries of the Enterprise;*
- c. *conduct capital participation in other business bodies.*

**Article 10**

- (1) The Enterprise carries out the activities as referred to in Article 8 in :
  - a. *The Fishery Port in Muara Baru, Jakarta;*
  - b. *The Fishery Port in Pekalongan, Central Java;*
  - c. *The Fishery Port in Belawan, North Sumatera;*
  - d. *The Fishery Port in Brondong, East Java;*
  - e. *The Fishery Port in Lampulo, Aceh;*

- f. The Fishery Port in Pemangkat, West Kalimantan;
- g. The Fishery Port in Banjarmasin, South Kalimantan;
- h. The Fishery Port in Tarakan, East Kalimantan;
- i. The Fishery Port in Prigi, East Java.

- (2) The addition of other fishery ports is stipulated by the Presidential Decree at the recommendation of the Minister, after having obtained approval from the Minister of Finance.

**Fifth Part  
Capital  
Article 11**

- (1) The capital of the Enterprise is the State assets which are separated from the State Budget and not divided into shares.
- (2) *The amount of the capital of the Enterprise at the time this Government Regulation is promulgated is the entire value of the capital participation of the State in the Enterprise.*

**Article 12**

Any addition and reduction of the capital participation of the State in the Enterprise are stipulated by the Government Regulation.

**Article 13**

- (1) The issuance of bonds in the framework of mobilizing private funds by the Enterprise is stipulated by the Government Regulation.
- (2) The plan for issuing the bonds as referred to in sub section 1 shall be notified by the Enterprise to certain creditors.

**Article 14**

- (1) *If the Enterprise issues bonds as referred to in Article 13 sub section 1 and subsequently the State reduces its capital participation in the Enterprise, the reduction of the capital participation of the State shall be notified to creditors before it is stipulated by the Government Regulation.*
- (2) The reduction of the State capital participation as referred to in sub section 1 shall not harm the interest of the third party.

**Article 15**

All liquid instruments which are not immediately used by the Enterprise are stored in banks in accordance with the existing regulations.

**Sixth Part  
Promotion  
Article 16**

- (1) The promotion of the Enterprise is conducted by The Minister of Finance and the

implementation of the promotion is daily conducted by the Minister.

- (2) The promotion of the Enterprise as referred to in sub-section 1 is conducted by stipulating the policy on development of business.
- (3) The policy on development of business is the direction in achieving the goal of the Enterprise, involving investment, financing of the business, funding resources, the use of business returns of the Enterprise and other policies on development.
- (4) The daily promotion as referred to in sub-section 1 is conducted by providing guidelines for the Board of Executive Directors and the Supervision Council in running the operational activities of the Enterprise.
- (5) The guidelines as referred to in sub-section 4 are prepared on the basis of the policy on the business development as referred to in sub-section 2.
- (6) In the framework of strengthening the promotion and supervision of the Enterprise, the Minister of Finance and the Minister at any time when needed can ask for the information from the Board of Executive Directors and Supervision Council.

#### **Article 17**

The Minister of Finance and or the Minister are not responsible for all consequences of the legal action committed by the Enterprise and are not responsible for the loss of the Enterprise exceeding the value of State assets which have been separated into the Enterprise, except if :

- a. The Minister of Finance and or the Minister both directly and indirectly with bad intentions utilize the Enterprise for personal interests only;
- b. The Minister of Finance and or the Minister are involved in the action against the laws which is committed by the Enterprise; or
- c. The Minister of Finance and or the Minister both directly and in directly illegally utilize the assets of the Enterprise.

#### **Seventh Part Board of Executive Directors Article 18**

- (1) The management of the Enterprise is conducted by the Board Executive of Directors.
- (2) The number of members of the Board of Executive Directors is maximally 5 (five) people, and one of them is appointed by the President Director.
- (3) The addition of the number of members of the Board of Executive Directors exceeding the total as referred to in sub-section 2, is conducted with the approval of the President.

#### **Article 19**

Those who can be appointed to become members of the Board of Executive Directors are individuals who :

- a. meet the criteria for expertise, integrity, leadership, experience and good conduct as well as having dedication to develop the business for the progress of the Enterprise;
- b. are able to take legal actions and never declared bankrupt or never become members of the Board of Executive Directors, Directors or the Supervision Council who are declared guilty causing a limited liability company or PERUM to be declared bankrupt; and
- c. are Indonesian citizens.

#### **Article 20**

- (1) Members of the Board of Executive Directors are not permitted to have family relationship up to the third degree both horizontally and vertically, including the relationships caused by marriage.
- (2) If the family relationship as referred to in sub-section 1 takes place after the appointment of the members of the Board of Executive Directors, the members of the Board of Executive Directors shall submit requests to the Minister of Finance in order to be able to continue the post.
- (3) The requests to the Minister of Finance as referred to in paragraph 2 are submitted within a maximal period of 1 (one) month starting from the occurrence of the family relationship.
- (4) The Members of the Board of Executive Directors as referred to in paragraph 2 can continue the post until the issuance of the Decree of the Minister of Finance for the Members of the Board of Executive Directors concerning the continuation of the post.
- (5) The Decree of the Minister of Finance as referred to in paragraph 4 is given within a maximal period of 2 (two) months as of the filing of requests as referred to in paragraph 2 submitted.
- (6) In the case that the Decree of the Minister of Finance has not yet been issued within the period as referred to in paragraph 5, the Minister of Finance is considered having given the decision that the members of the Board of Directors can continue the post.

#### **Article 21**

Members of the Board of Executive Directors are not permitted to concurrently hold the posts of :

- a. The President Director or the Managing Director in the State Regional and Private Enterprises or other posts relating to the management of the Enterprise;
- b. other structural and functional posts in agencies/institutions in the Central Government or Regional Administrations;
- c. other posts in accordance with the provisions in the existing regulations.

#### **Article 22**

- (1) Members of the Board of Executive Directors are appointed and dismissed by the Minister of Finance on the basis of the proposal of the Minister.

- (2) *Members of the Board of Executive Directors are appointed for a period of 5 (five) years and they can be reappointed.*

#### **Article 23**

- (1) *Members of the Board of Executive Directors can be dismissed before the expiry of the term of service by the Minister of Finance after having obtained considerations from the Minister, if based on reality the members of the Board of Executive Directors :*
- a. *fail to do their duties properly;*
  - b. *fail to implementing the provisions in legislation and or provisions in this Government Regulation;*
  - c. *are involved in the action which creates losses to the Enterprise;*
  - d. *are imprisoned because of criminal acts and or making errors related to the management of the Enterprise.*
- (2) *The decision on the dismissal because of the reasons as referred to in sub section 1 letters a, b and c is made after the relevant person is given the opportunity to defend him/her self.*
- (3) *The self-defence as referred to in sub-section 2 is conducted in writing and submitted to the Minister of Finance within a period of 1 (one) month as of the member of the Board of Executive Directors concerned is notified in writing by the Minister of Finance concerning the plan for the dismissal.*
- (4) *While the plan for dismissal as referred to in sub-section 3 is under the process, the member of the Board of Directors concerned can continue his/her duty.*
- (5) *If within a period of 2 (two) months as of the date of the submission of the self-defense as referred to in sub-section 3 of the Minister of Finance does not give the decision on dismissal of the member of the Board of Executive Directors, the plan for the dismissal becomes void.*
- (6) *The dismissal because of the reason as referred to in sub-section 1 letter d, is dishonorable dismissal.*
- (7) *The status as the member of the Board of Executive Directors ends by the issuance of the decision on the dismissal by the Minister of Finance.*

#### **Article 24**

- (1) *The Board of executive Directors is assigned and have the authority :*
- a. *to direct, manage the Enterprise in accordance with the goal of the Enterprise by always improving the effectiveness and the efficiency of the Enterprise;*
  - b. *to control, maintain and manage the assets of the Enterprise;*
  - c. *to represent the Enterprise inside and outside the court;*

- d. to implement the policy on business development in managing the Enterprise, which has been set by the Minister of Finance;
  - e. to stipulate the policy on the Enterprise in accordance with the guidelines of operational activities laid down by the Minister of Finance;
  - f. to prepare the long Term Plan and Work Plan and Budget of the Enterprise;
  - g. to conduct and maintain the book-keeping and administration of the Enterprise in accordance with normal practice for an Enterprise;
  - h. to prepare the organizational structure and working system of the Enterprise complete with the details of duties;
  - i. to establish business cooperation to set up subsidiaries of the Enterprise and to transfer the capital to other business bodies by the approval of the Minister of Finance;
  - j. to appoint and to dismiss employees of the Enterprise in accordance with the existing regulations;
  - k. to fix the salaries, pensions/old age pensions and other incomes for the employees of the Enterprise and to govern all other personnel matters, in accordance with the existing regulations;
  - l. to prepare the Annual Report and periodical report.
- (2) To perform the duties and authority as referred to in sub-section 1, the Board of executive Directors is authorized to stipulate the technical and non-technical policy in accordance with the policy of the Enterprise as referred to in sub-section 1 letter e.

#### Article 25

- (1) In performing duties of the Enterprise as referred to in Article 24 :
- a. The President Director can take actions on behalf of the Board of Directors on the basis of the approval of the members of the Board of Executive Directors;
  - b. Executive Directors have the right and authority to take actions on behalf of the Board of Executive Directors, each for the area which belongs to the duty and authority concerned.
- (2) If one of the members of the Board of Executive Directors or some members of the Board of Executive Directors are absent to perform duties or if the post is vacant and the successors are not appointed yet or are not holding the post yet, the post is held by other members of the Board of Directors, who are temporarily appointed by the Minister of Finance;
- (3) Within the maximal period of 2 (two) months as of the condition as referred to in sub section 2, the Minister of Finance appoints new members of the Board of Executive Directors to hold the vacant post as referred to in sub-section 2.

- (4) If all members of the Board of Executive Directors, are absent to perform their duties or the posts of the Board of Executive Directors are vacant and not yet appointed, temporarily the management of the Enterprise is conducted by the Supervision Council.
- (5) In performing duties and authority as referred to in Article 24 sub-section 1 letter c, the Board of Executive Directors can carry out themselves or *delegate the authority to* :
- a. one or some members of the Board of Executive Directors; or
  - b. one or some employees of the Enterprise both individually and jointly; or
  - c. other persons or bodies;

who are specifically designated for that purpose.

#### **Article 26**

In performing duties, the Board of Executive Directors shall pay attention and give dedication fully to their duties, obligations and achievement of the goal of the Enterprise.

#### **Article 27**

Members of the Board of Executive Directors as referred to in Article 25 sub-section 5 letter a are not authorized to represent the Enterprise, if :

- a. there is a case in front of the court between the Enterprise and the members of the Board of Executive Directors concerned;
- b. members of the Board of Directors concerned have the interest which is against the interest of the Enterprise.

#### **Article 28**

The amount and the type of the income of the Board of Executive Directors are stipulated in accordance with the existing regulations.

#### **Article 29**

- (1) Meeting of the Board of Executive Directors are held at least once a month.
- (2) In the meeting as referred to in sub-section 1 matters which are discussed are the matters related to the Enterprise in accordance with the duties, authority and obligations.
- (3) The decision of the meeting is made on the basis of consultation for agreement.
- (4) In the case that agreement is not reached, the decision is made on the basis of the majority votes.
- (5) A summary is prepared for every meeting.

#### **Article 30**

- (1) The Long Term Plan as referred to in Article 24 sub-section 1 letter f, shall carry at least:

- a. evaluation of the implementation of the previous Long Term Plan;
  - b. position of the Enterprise at the time the Enterprise prepares the Long Term Plan;
  - c. assumptions used to prepare the Long Term Plan;
  - d. the setting of targets, strategies, policies and work programs of the long term plan and the relationship among the elements concerned.
- (2) The draft of the Long Term Plan which has been signed jointly by the Supervision Council is submitted to the Minister of Finance through the Minister, for legalization.
- (3) The legalization by the Minister of Finance as referred to in sub-section 2 is conducted after being jointly discussed with the Minister.

**Article 31**

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**To be continued**

Stipulated in : Jakarta  
on : February 21, 2000

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

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ABDURRAHMAN WAHID  
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GENERAL

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THE PRESIDENT OF THE REPUBLIC OF INDONESIA

**PRESIDENTIAL DECREE OF THE REPUBLIC OF INDONESIA  
NUMBER : 23 OF 2000 ; DATED : APRIL 7, 2000**

RE

**PUBLIC ENTERPRISE (PERUM) OF OCEAN FISHERY INFRASTRUCTURES**

(Continuation From Warta CAFI No. 58)

**Article 31**

- (1) The Work Plan and the Budget of the Enterprise as referred to in Article 24 sub-section 1 letter f shall carry at least :
- a. work plan of the Enterprise;
  - b. *budget of the Enterprise*;
  - c. main financial projection of the Enterprise;
  - d. other matters which need legalization by the Minister of Finance.

- (2) The Work Plan and the Budget of the Enterprise as referred to in sub section 1 are submitted to the Minister of Finance through the Minister, at the latest 60 (sixty) days before the fiscal year is started, to obtain legalization.
- (3) The Work Plan and the Budget of the Enterprise as referred to in sub-section 1 are legalized by the Minister of Finance at the latest 30 (thirty) days after the on-going fiscal year.
- (4) In the case that the Work Plan and the Budget of the Enterprise have not yet been legalized by the Minister of Finance as referred to in sub-section 2, the Work Plan and the Budget of the Enterprise are considered valid for implementation as long as they meet the procedures for preparing the Work Plan and the Budget of the Enterprise.
- (5) The authority to legalize the Work Plan and the Budget of the Enterprise as referred to in sub-section 2 can be delegated by the Minister of Finance to the Minister.

**Eighth Part  
Supervision Council  
Article 32**

- (1) The Supervision Council is set up in the Enterprise.
- (2) The number of the members of the Supervision Council is adjusted to the need of the Enterprise, at least totalling 2 (two) people and maximally 5 (five) people, one of whom is appointed as the Chairman of the Supervision Council.
- (3) The Supervision Council Council with good will and a high sense of responsibility performs duties for the interest and goal of the Enterprise.

**Article 33**

Those who can be appointed as the Supervision Council are individuals who :

- a. have dedication, understand problems of management of the Enterprise and can provide adequate time to perform duties; and
- b. are able to execute legal actions and never declared bankrupt or become members of the Board of Executive Directors, Directors or the Supervision Council who are declared guilty causing a Perseroan/Limited Liability company PERUM to be declared bankrupt.

**Article 34**

Members of the Supervision Council are not justified to have interests opposed to or disturbing the interests of the Enterprise.

**Article 35**

The Supervision Council consists of the elements of officials from the relevant technical Ministries, Ministry of Finance and other ministries/agencies whose activities relate to the Enterprise, or other officials who are proposed by the Minister.

**Article 36.**

- (1) *Members of the Supervision Council are appointed and dismissed by the Minister of Finance based on the recommendation of the Minister.*
- (2) *Members of the Supervision Council can be appointed for the term of service which is the same as that of the members of the Board of Executive Directors and they can be reappointed.*
- (3) *The time of appointment of members of the Supervision Council is not same as the time of the appointment of members of the Board of Executive Directors.*

**Article 37**

- (1) *Members of the Supervision Council are dismissed before their terms of service expire by the Minister of Finance after having obtained considerations from the Minister, if based on reality the members of the Supervision Council :*
  - a. *do not properly perform their duties;*
  - b. *do not implement the provisions of legislation and or provisions in this Government Regulation;*
  - c. *get involved in actions which create great losses to the Enterprise; or*
  - d. *are sentenced because they are guilty of committing crimes and or errors relating to their duties, namely conducting supervision in the Enterprise.*
- (2) *The decision on the dismissal as referred to in sub section 1, letters a, b and c is made after the relevant members are given the opportunity to defend themselves.*
- (3) *The self-defence as referred to in sub section 2 is conducted in writing and submitted to the Minister of Finance within a period of 1 (one) month as from the members of the Supervision Council concerned are notified in writing by the Minister of Finance about the plan for the dismissal.*
- (4) *As long as the plan for the dismissal as referred to in sub-section 3 is still under process, the members of the Supervision Council concerned can perform their duties.*
- (5) *If within a period of 2 (two) months as from the date of submission of the self-defence as referred to in sub-section 3 the Minister of Finance does not give the decision on the dismissal of the members of the Supervision Council, the plan for the dismissal becomes void.*
- (6) *The dismissal for the reason as referred to sub-section 1 letter d, is dishonourable dismissal.*
- (7) *The status as the Supervision Council ends by the issuance of the decision on the dismissal by the Minister of Finance.*

**Article 38**

- (1) *The Supervision Council performs the following duties :*
  - a. *to exercise supervision over the management of the Enterprise, which is conducted*

- b. by the Board of Executive Directors;  
to provide advice for the Board of Executive Directors to conduct the management of the Enterprise.
- (2) The supervision as referred to in sub-section 1 letter a includes the supervision over the implementation of :
- a. The Work Plan and Budget of the Enterprise;
  - b. provisions in this Government Regulation;
  - c. the policies which are stipulated by the Minister of Finance and the guidelines prepared by the Minister;
  - d. the existing provisions in legislation.

#### **Article 39**

- (1) In performing duties, the Supervision Council shall :
- a. give opinions and recommendations to the Minister of Finance and Minister the concerning the Work Plan and Budget of the Enterprise proposed by the Board of Executive Directors;
  - b. follow the developments of activities of the Enterprise, give opinions and recommendations to the Minister of Finance and the Minister concerning the problems which are considered important to the management of the Enterprise;
  - c. immediately report to the Minister of Finance and the Minister, if there are tendencies of degradation in the performance of the Enterprise;
  - d. provide advice for the Board of Executive Directors in running the management of the Enterprise.
- (2) The Supervision Council reports the performance of its duties as referred to in sub-section 1 to the Minister of Finance and the Minister periodically and occasionally if needed.

#### **Article 40**

In performing its duties and obligations, the Supervision Council has the following authority:

- a. examining books, correspondence and other documents, cash for the purpose of verification and auditing the assets of the Enterprise;
- b. entering the yard, building and office which are used by the Enterprise;
- c. asking for explanations from the Board of Executive Directors and or other officials concerning all problems involving the management of the Enterprise;
- d. asking for the Board of Executive Directors and or other officials with the approval of the Board of Executive Directors to attend the Meeting of the Supervision Council of the Enterprise;
- e. attending meetings of the Board of Executive Directors and giving viewpoints on the matters discussed;

- f. on the basis of the provisions in this Government Regulation, giving approval or assistance to the Board of Executive Directors to commit certain legal actions;
- g. on the basis of the provisions in this Government Regulation or the Decision of the Joint Discussion Meetings, conducting management actions of the Enterprise in case that the Board of Executive Directors is absent; and
- h. temporarily dismissing the Board of Executive Directors by mentioning the reasons for the dismissal.

#### **Article 41**

For smooth performance of the duties of the Supervision Council, the Minister of Finance can appoint a Secretary of the Supervision Council with the budget from the Enterprise.

#### **Article 42**

If deemed necessary, the Supervision Council can seek the assistance of professionals on a contract basis for a certain period of time with the budget from the Enterprise.

#### **Article 43**

All expense needed for performance of duties of the Supervision Council are charged to the Enterprise and they are clearly published in the *Work Plan and Budget of the Enterprise*.

#### **Article 44**

- (1) The meeting of the Supervision Council is held at least once in 3 (three) months.
- (2) The meeting as referred to in sub-section 1 discusses matters relating to the Enterprise in accordance with the duties, authority and obligations of the Supervision Council.
- (3) The decision of the meeting of the Supervision Council is made on the basis of consultation for consensus.
- (4) In the case that the consensus fails to be reached, the decision is made on the basis of the majority votes.
- (5) Summaries are made for such meetings.

#### **Ninth Part Setting Tariffs Article 45**

At the proposal of the Board of Executive Directors, the Minister sets the tariffs for services and certain facilities in accordance with the existing regulations.

#### **tenth Part Internal Control Unit Article 46**

- (1) The Internal Control Unit exercises internal control over the finance and operations of the Enterprise.
- (2) The Internal Control Unit as referred to in sub-section 1 is led by a Head, who is responsible to the President Director.

**Article 47**

The Internal Control Unit performs the following duties :

- a. *assisting the President Director in conducting internal financial audit and operations of the Enterprise, and evaluating the control, management and applications in the Enterprise, as well as providing recommendations for improvements;*
- b. *providing information on the result of the audit or the result of the performance of duties of the Internal Control Unit as referred to in letter a to the Board of Executive Directors.*

**Article 48**

The Board of Executive Directors shall heed and immediately take steps needed against everything pointed out in the report on result of audit prepared by the Internal Control Unit.

**Article 49**

At the written request of the Supervision Council, the Board of Executive Directors provides information on the result of the audit or the result of the performance of duties of the Internal Control Unit as referred to in article 47 letter b.

**Article 50**

In performing its duties, the Internal Control Unit shall keep the smooth performance of duties of other organizational units in the Enterprise in accordance with their respective duties and responsibilities.

**Eleventh Part  
Accountancy and Reporting System  
Article 51**

The book year of the Enterprise is the calendar year, except otherwise stipulated by the Minister of Finance.

**Article 52**

Annual calculations are made in accordance with the existing Standard of Financial Accountancy.

**Article 53**

Within a period of 5 (five) months following the closure of the book year of the Enterprise, the Board of Executive Directors shall submit the Annual Report as referred to in Article 24 sub section 1 letter 1 to the Minister of Finance and the Minister which shall contain at least :

- a. The Annual calculation consisting of the balance of the end of the book year which has just passed and the calculation on profit and loss from the relevant book year and the explanation on the document;
- b. the report on the condition and the progress of the Enterprise as well as the results which have been achieved;

- c. main activities of the Enterprise and the changes during the book year;
- d. details of the problems during the book year which affect the activities of the Enterprise;
- e. names of the members of the Board of Executive Directors and Supervision Council; and
- f. salaries and allowances for members of the Board of Executive Directors and Supervision Council.

#### **Article 54**

- 1. The Annual Report is signed by all members of the Board of Executive Directors and the Supervision Council and submitted to the Minister of Finance and the Minister.
- 2. In the case that there are members of the Board of Executive Directors or Supervision Council who do not sign the Annual Report as referred to in paragraph 1, the reasons shall be mentioned in writing.

#### **Article 55**

- 1. The Annual Calculation is submitted by the Agency for Financial Control and Development to the Board of Executive Directors for auditing.
- 2. The audit as referred in paragraph 1 can be conducted by the Public Accountant who is appointed by the Agency for Financial Control and Development with the understanding that the result of the audit is approved by the Agency for Financial Control and Development.
- 3. If the Enterprise mobilizes private funds, the audit of the Annual Calculation is conducted by the Public Accountant.
- 4. The report on the result of the audit of the Agency for Financial Control and Development or Public Accountant as referred to in paragraph 1,2 and 3 is submitted in writing by the Board of Executive Directors to the Minister and the Minister of Finance for ratification.
- 5. The Annual Calculation as referred to in paragraph 4 is announced in newspapers (dailies).

#### **Article 56**

- 1. The ratification as referred to in Article 55 paragraph 4 relieves the Board of Executive Directors of the responsibilities for everything published in the Annual Calculation.
- 2. In the case that the Annual Calculation submitted and ratified is not true and or misleading, members of the Board of Executive Directors and Supervision Council are directly responsible for the third party which is harmed.
- 3. The Members of the Board of Executive Directors and the Supervision Council are relieved of the responsibilities as referred to in paragraph 2, if the reality shows that the condition is not created by their mistakes.

#### **Article 57**

1. Periodical reports, both quarterly reports, semester reports and other reports on the performance of the Enterprise are submitted to the Supervision Council.
2. Copies of the periodical reports as referred to in paragraph 1 are submitted to the Minister of Finance and Minister,

#### **Article 58**

The Annual Report, Annual Calculation, periodical reports and other reports as referred to in this Part, are submitted in the models, contents and procedures for report preparation in accordance with the existing regulations.

#### **Twelfth Part Employees of Enterprise Article 59**

The recruitment, appointment, placement, dismissal, status, ranks, posts, salaries/wages, welfare of and appreciation for employees of the Enterprises are governed and stipulated by the Board of Executive Directors in accordance with the existing regulations.

#### **Article 60**

All provisions on echelons of posts which are valid for Civil Servants are not valid for the Enterprise.

#### **Thirteenth Part Utilization of Profit Article 61**

1. In each book year, the Enterprise shall set aside a certain amount from the net profit for designated reserves, depreciation and other reasonable reductions.
2. Forty-five per cent (45%) of the setting aside of the net profit as referred to in paragraph 1 it utilized for :
  - a. general reserves, conducted until the reserves reach at least double the capital subscribed;
  - b. social and education purposes;
  - c. production service'
  - d. pension fund contribution; and
  - e. donation and compensation.
3. The percentage of the net profit sharing of the Enterprise as referred to in paragraph 2 is further stipulated by the Minister of Finance.

#### **Article 62**

1. All net profits after being deducted by reserves as referred to in Article 61 are remitted to the Overall Development Fund.
2. The Overall Development Fund which becomes the right of the State is paid up to the State General Treasurer after retification of the Annual Report in accordance with the provision

stipulated in this Government Regulation.

**Fourteenth Part  
Other Provisions  
Article 63**

The procedures for selling, transferring or burdening of fixed assets of the Enterprise as well as the receipt medium/long term loans and the provision of credits in whatever forms and methods as well as non collection and write-off from accounting of claims and supplies of goods by the Enterprise are stipulated by the Minister of Finance.

**Article 64**

The procurement of goods and services of the Enterprise which utilizes direct funds from the State Budget is conducted in accordance with the provisions on the implementation of the State Budget.

**Article 65**

1. Apart from organs of the Enterprise, other parties are not permitted to interfere in the management of the Enterprise.
2. The organs of the Enterprise as referred to in paragraph 1 are the Board of Executive Directors and the Supervision Council.
3. Ministries/Government agencies are not justified to burden the Enterprise with all forms of expenditures.
4. The Enterprise is not justified to finance the expenditures of Ministries/Government agencies.

**Article 66**

1. The Board of Executive Directors can only submit requests to the Public Court in order that the Enterprise be declared bankrupt on the basis of the approval of the Minister of Finance.
2. In the case that the bankruptcy takes place because of the fault or carelessness of the Board of Executive Directors and assets of the Enterprise not adequate to cover the loss resulting from the bankruptcy, each member of the Board of Executive Directors shall be responsible for the loss.
3. Members of the Board of Executive Directors who can prove that the bankruptcy is not their faults or carelessness, are not responsible for the loss.

**Article 67**

1. Members of the Board of Executive Directors and all employees of the Enterprise create losses to the Enterprise because of their illegal actions, shall offset the losses.
2. The provision on the compensation as referred to in paragraph 1 from the Members of the Board of Executive Directors are stipulated by the Minister of Finance, while from the employees of the Enterprise, it is stipulated by the Board of Executive Directors in

accordance with the existing regulations.

**Article 68**

All documents and securities including those of the accounting and administration of the Enterprise are kept in the Enterprise or other places in accordance with the existing regulations.

**Article 69**

1. The dissolution of the Enterprise and the appointment of the liquidator are stipulated by the Government Regulation.
2. All assets of the Enterprise after being liquidated, become the State property.
3. The liquidator accounts for the liquidation to the Minister of Finance.
4. The Minister of Finance gives relief of responsibility for the performance of work which has been settled by the liquidator.

**Article 70**

The leaders of the organizational units in the Enterprise are responsible for the built-in control within their respective duties.

**CHAPTER IV  
TRANSITIONAL PROVISION**

**Article 72**

With the enactment of this Government Regulation, the Government Regulation No. 2/1990 is declared void.

**Article 73**

This Government Regulation shall come into force the date of promulgation. For public cognizance, this Government Regulation shall be placed in the State Gazette of the Republic of Indonesia.

Promulgated in Jakarta  
On April 7, 2000  
Acting STATE SECRETARY OF  
THE REPUBLIC OF INDONESIA,  
sgd  
BONDAN GUNAWAN

Stipulated in Jakarta  
On April 7, 2000  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA  
sgd  
ABDURRAHMAN WAHID

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 48/2000

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