

ACCOUNTANCY TREATMENT ON TRANSACTION OF ELECTRIC POWER SALES AND PURCHASE AGREEMENT

**(Regulation of Authority on Financial Service of R.I
Number 6/POJK.04/2017, dated March 1, 2017)**

WITH THE BLESSING OF THE ONE AND ONLY GOD

BOARD OF COMMISSIONERS OF FINANCIAL SERVICE AUTHORITY

Considering:

- a. whereas, the objective of development of electric power is to secure available electric power in sufficient volume, good quality, and reasonable price for the purpose of improving welfare of the people fairly and evenly and accomplish continuous development;
- b. whereas, there is significant urgent need for electric power supply for public interest not yet sufficiently provided by the Government so that it needs to carry out Accelerated Construction of Electric Power Infrastructure in Indonesia;
- c. whereas, as part of administration affair of the operator, the Authority on Financial Service needs to support Accelerated Construction of Electric Power Infrastructure program;
- d. whereas, based on the consideration referred to in letter a, letter b, and letter c, it is necessary to stipulate Regulation of Authority on Financial Service concerning Accountancy treatment on Transaction based on Electric Power Sales and Purchase Agreement.;

In view of:

- 1. Law Number 8 Year 1995, concerning Capital Market (Statute Book of the Republic Indonesia Year 1995 Number 64, Supplement to Statute Book of the Republic Indonesia Number 3608);

2. Law Number 21 Year 2011 concerning Authority on Financial Service (Statute Book of the Republic Indonesia Year 2011 Number 111, Supplement to Statute Book of the Republic Indonesia Number 5253);
3. Regulation of President Number 4 Year 2016, concerning Accelerated Construction of Electric Power Infrastructure (Statute Book of the Republic Indonesia Year 2016 Number 8) as amended by Regulation of President Number 14 Year 2017, concerning amendment to Regulation of President Number 4 Year 2016, concerning Accelerated Construction of Electric Power Infrastructure (Statute Book of the Republic Indonesia Year 2017 Number 27);

D E C I D E S :

To stipulate:

REGULATION OF AUTHORITY ON FINANCIAL SERVICE CONCERNING ACCOUNTANCY TREATMENT ON TRANSACTION BASED ON OF ELECTRIC POWER SALES AND PURCHASE AGREEMENT.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in the Regulation of Authority on Financial Service shall be:

1. Issuer shall be Party issuing Public Offer.
2. Public Company shall be Company which shares belong to at least by 300 (three hundred) Shareholders and possessing paid up capital of at least Rp.3.000.000.000,00 (three billion Rupiahs) or a number of Shareholders and paid up capital as stipulated in Government Regulation.
3. Electric Power Sales and Purchase Agreement shall be Concession, Deed, Contract, Indenture, or other agreement pertaining to or related to supply of electric power provided by:
 - a. Issuer or Public Company which business activity is to supply electric power for public interest and is

assigned based on Regulation of President for Accelerated Construction of Electric Power Infrastructure, either as Seller or as Buyer of electric power; and

- b. Issuer or Public Company which activity is to supply electric power making transaction with Issuer or Public Company as referred to in letter a.

CHAPTER II

ACCOUNTANCY TREATMENT

Article 2

- (1) The basis for compiling Financial Report by Issuer or Public Company shall be principle of accountancy that applies in general.
- (2) Principle of Accountancy generally applies as referred to in paragraph (1) covers:
 - a. Standard Financial Accountancy issued by the Board of Standard Financial Accountancy (DSAK) of Indonesia Accountants Association (IAI);
 - b. Standard Financial Accountancy issued by the Board of Syariah Standard Accountancy (DSAS) of Indonesia Accountants Association (IAI); and
 - c. provisions on financial accountancy as stipulated by the Authority on Financial Service.
- (3) In existence of difference between Standard Financial Accountancy as referred to in paragraph (2) letter a and letter b with that of Standard Financial Accountancy as referred to in paragraph (2) letter c, Issuer or Public Company shall be obliged to apply Standard Financial Accountancy as referred to in paragraph (2) letter c.

Article 3

Transaction based on Electric Power Sales and Purchase Agreement is treated as Sales and Purchase transaction.

CHAPTER III

PROVISION ON PENALTY

Article 4

- (1) Without prejudice to the criminal provision on Capital Market, Authority on Financial Service has the authority on administrative penalty on any party committing violation of the provisions in Regulation on this Authority on Financial Service, including any party causing violation to take place in the form of:
- a. written reminder;
 - b. penalty, namely obligation to pay a certain amount of money;
 - c. limitation of business activity;
 - d. freezing business activity;
 - e. revoking business license;
 - f. revoking approval; and
 - g. revoking registration.
- (2) Administrative penalty as referred to in paragraph (1) letter b, letter c, letter d, letter e, letter f, or letter g may be charged with or without prior written reminder as referred to in paragraph (1) letter a.
- (3) Administrative penalty in the form of a fine as referred to in paragraph (1) letter b dapat dikenakan secara tersendiri atau secara bersama-sama dengan pengenaan administrative penalty as referred to in paragraph (1) letter c, letter d, letter e, letter f, atau letter g.

Article 5

Other than the administrative penalty as referred to in Article 4 paragraph (1), Authority on Financial Service may take certain action against any party committing violation of the provisions in this Regulation on Authority on Financial Service.

Article 6

Authority on Financial Service may announce administrative penalty as referred to in Article 4 paragraph (1) and take certain action as referred to in Article 5 to public.

CHAPTER IV

TRANSITIONAL PROVISION

Article 7

(1) Issuer OR Public Company making transaction as referred to in Article 3 shall be obliged to apply the amendment to policy on accountancy prospectively for the period of Book Year commences January 1, 2017.

(2) In the event that Issuer or Public Company referred to in paragraph (1) intends to apply the amended policy of accountancy earlier, Issuer or Public Company may apply such amended policy of accountancy prospectively for periode Book Year effective January 1, 2016.

Article 8

(1) At expiry of the assignment under Regulation of President for Accelerated Construction of Electric Power Infrastructure of Issuer or Public Company, Issuer or Public Company shall be obliged to apply Standard Financial Accountancy as referred to in Article 2 paragraph (2) letter a and letter b prospectively.

(2) The obligatory Standard Financial Accountancy as referred to in paragraph (1) applies on Financial Report for period Book Year after expiry of the assignment under Regulation of President for Accelerated Construction of Electric Power Infrastructure.

CHAPTER V

CLOSING PROVISION

Article 9

This Regulation on Authority on Financial Service takes effect on the date it is enacted.

For public recognition, this Regulation of Authority on Financial Service shall be announced by placing it in the Statute Book of the Republic Indonesia.

Stipulated di Jakarta

Dated March 1, 2017

CHAIRMAN OF BOARD OF COMMISSIONERS OF

AUTHORITY ON FINANCIAL SERVICE,

sgd.

MULIAMAN D. HADAD

Enacted in Jakarta

Dated March 2, 2017

MINISTER OF LAW AND HUMAN RIGHTS OF

OF THE REPUBLIC INDONESIA,

sgd.

YASONNA H. LAOLY

STATUTE BOOK OF THE REPUBLIC INDONESIA

YEAR 2017 NUMBER 37

ELUCIDATION

to be continued

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