

PROCEDURES FOR THE MANAGEMENT OF STATE PROPERTY NOT USED TO EXECUTE TASKS AND FUNCTIONS OF STATE MINISTRIES/INSTITUTIONS

(Regulation of the Minister of Finance Number 71/PMK.06/2016 dated April 26, 2016)

BY GRACE OF GOD THE ALMIGHTY

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that in the framework of controlling and arranging state property not used in the interest of the implementation of tasks and functions of ministries/institutions, Regulation of the Minister of Finance Number 250/PMK.06/2011 on Procedures for the Management of State Property Not Used to Execute Tasks and Functions of State Ministries/Institutions has been issued;
- b. that in the framework of responding to developments of conditions and practices as well as in order to enhance the effectiveness and assure the optimal use of state property in ministries/institutions by upholding high good governance, it is necessary to improve Regulation of the Minister of Finance Number 250/PMK.06/2011;
- c. that having regards to letters a and b, it is necessary to stipulate a regulation of the Minister of Finance on Procedures for the Management of State Property Not Used to Execute Tasks and Functions of State Ministries/Institutions;

In view of:

1. Law Number 1 Year 2004 on State Treasury (Statute Book of the Republic of Indonesia Year 2004 Number 5, Supplement to Statute Book of the Republic of Indonesia Number 4355);
2. Government Regulation Number 27 Year 2014 on the Management of State/Regional Property (Statute Book of the Republic of Indonesia Year 2014 Number 92, Supplement to Statute Book of the Republic of Indonesia Number 5533);
3. Presidential Regulation Number 28 Year 2015 on the Ministry of Finance (Statute Book of the Republic of Indonesia Year 2015 Number 51);

DECIDES:

To stipulate:

THE REGULATION OF THE MINISTER OF FINANCE ON PROCEDURES FOR THE MANAGEMENT OF STATE PROPERTY NOT USED TO EXECUTE TASKS AND FUNCTIONS OF STATE MINISTRIES/INSTITUTIONS.

CHAPTER I

GENERAL

Article 1

Referred to in this ministerial regulation:

1. State Property hereinafter abbreviated to BMN shall be all goods purchased or obtained at expense of the State Budget of Revenue and Expenditure or resulting from other legitimate acquisition.
2. State Property Not Used to Execute Tasks and Functions of Ministries/Institutions hereinafter called Idle BMN shall be BMN in the form of land and/or building not used in the interest of the implementation of tasks and functions of ministries/institutions.
3. Formerly Idle BMN shall be idle BMN already granted to goods management on the basis of account of transfer.
4. Goods Management shall be official authorized and responsible for the stipulation of policy and guidance as well as the management of BMN.
5. Goods User shall be official holding authority to use BMN.
6. Proxy of Goods User shall be head of working unit or official appointed by goods user to use goods under his/her control properly.
7. Use shall be an activity executed by goods user in managing or administering BMN in accordance with task and function of the said institution.
8. Utilization shall be the effective use of BMN not used to execute tasks and functions of ministries/institutions and/or the optimal use of BMN without changing the ownership status.
9. Transfer shall be the transfer of ownership of BMN.
10. Abolition shall be an action abolishing BMN from list of goods by issuing decision from official authorized to discharge goods management, goods user and/or proxy of goods user from administrative and physical responsibility for goods under his/her control.
11. Administration shall be a series of activities, covering bookkeeping, inventorying and reporting of BMN in

accordance with the provision of legislation.

12. State Ministry hereinafter ministry shall be government apparatus in charge of specified issue in the administration.
13. Institution shall be non-state ministry organization and other institution using budget, which is established to execute specified task on the basis of the Constitution of 1945 or other legislation.
14. Directorate General shall be the directorate general with the scope of task and responsibility covering the management of BMN.
15. Director General shall be the director general with the scope of task and responsibility covering the management of BMN.
16. Plan of the Need for State Property hereinafter abbreviated to RKBMN shall be a planning document of BMN for period of one year.

CHAPTER II

GENERAL PRINCIPLE

Article 2

Users of goods shall be obliged to transfer idle BMN in ministries/institutions constituting working units using goods to goods management.

CHAPTER III

CRITERIA FOR IDLE BMN

Article 3

- (1) Criteria for Idle BMN shall cover:
 - a. BMN under control of goods user, which are not used; or
 - b. BMN under control of goods user, which are used but not suitable to task and function of ministries/institutions.
- (2) Excluded from the provision as meant in paragraph (1) letter a, BMN shall not come into criteria for idle BMN in the case of:
 - a. BMN being already planned for use by the said ministries/institutions before the expiration of the second year; or
 - b. BMN being already planned for the utilization in one year as from the moment when BMN is indicated idle.

- (3) BMN declared as BMN having idle indication as meant in paragraph (2) shall apply as from the issuance of written request for clarification by goods management.

CHAPTER IV

AUTHORITY AND RESPONSIBILITY

Part One

Authority and Responsibility of Goods Management

Article 4

- (1) The Minister of Finance as goods management shall have authority and responsibility to:
- ask written clarification from goods user/proxy of goods user;
 - inquire the use and utilization of BMN having idle indication;
 - examine information and answer from goods user/proxy of goods user;
 - stipulate BMN as idle BMN;
 - apply administrative examination and physical inspection to idle BMN which is to be transferred by goods user;
 - impose sanction on goods user/proxy of goods user and lift up sanction already imposed on goods user/proxy of goods user;
 - administer formerly idle BMN;
 - supervise, control, secure and maintain formerly idle BMN;
 - prepare and manage budget of the security and maintenance of formerly idle BMN;
 - stipulate status of the use, utilization or transfer of formerly idle BMN; and
 - abolish formerly idle BMN from the list of management goods.
- (2) The authority and responsibility as meant in paragraph (1) shall be functionally executed by the Director General.
- (3) The Director General on behalf of the Minister of Finance may delegate part of the authority and responsibility as meant in paragraph (1) to structural official within the Directorate General.
- (4) Technique of the functional implementation of goods management shall be stipulated by the Director General on behalf of the Minister of Finance.

Part Two

Responsibility of Goods User/Proxy of Goods User

Article 5

- (1) Ministers/leaders of institutions as goods user shall be responsible for BMN having idle indication and/or idle BMN in ministries/institutions they lead.
- (2) The responsibility as meant in paragraph (1) shall cover:
 - a. submitting answer to BMN having idle indication to goods user;
 - b. securing, maintaining, supervising and controlling idle BMN not yet transferred to goods management;
 - c. settling administrative and legal issues attaching to idle BMN before the transfer to goods management;
 - d. transferring idle BMN to goods management;
 - e. signing account of the transfer of idle BMN to goods management; and
 - f. abolishing idle BMN already transferred to goods management from the list of management goods by issuing decision on the abolition.
- (3) Ministers/leaders of institutions shall delegate the specified responsibility as meant in paragraph (1) to proxy of goods user.

Article 6

- (1) Head of Office as proxy of goods user shall be responsible for BMN having idle indication and/or idle BMN within the office that he/she leads.
- (2) The responsibility as meant in paragraph (1) shall cover:
 - a. submitting answer to BMN having idle indication to goods management;
 - b. securing, maintaining, supervising and controlling idle BMN not yet transferred to goods management;
 - c. settling administrative and legal issues attaching to idle BMN;
 - d. transferring idle BMN to goods user; and
 - f. abolishing idle BMN already transferred to goods management from the list of goods of proxy of goods user on the basis of abolition decision.

CHAPTER V

SOURCE OF INFORMATION, WRITTEN

CLARIFICATION, INQUIRY AND EXAMINATION

Part One

Source of Information

Article 7

Source of information about BMN having idle indication in ministries/institutions constituting working units of the said goods user shall be among others:

- a. report on the supervision and control over BMN by goods management;
- b. report on the supervision and control over BMN by goods user/proxy of goods user;
- c. written information and/or report from goods user/proxy of goods user;
- d. semester and annual report of goods user/proxy of goods user;
- e. recapitulation report of ministries/institutions;
- f. report on result of audit by the Finance Auditor Board in the form of finding with regards to BMN having idle indication in the audited ministries/institutions;
- g. report on result of the supervision by government internal supervisory apparatuses in the form of finding with regards to BMN having idle indication in ministries/institutions constituting working unit of the said good user;
- h. information from mass media, either printed or electronic; and/or
- i. public report received by goods user, directly or indirectly.

Part Two

Written Clarification

Article 8

- (1) Goods management shall submit a written request for clarification to goods user/proxy of goods user on the basis of the information source as meant in Article 7.
- (2) The written request for clarification as meant in paragraph (1) shall contain substance covering but not limited to:
 - a. identity and whereabouts of BMN having idle indication;
 - b. the use;
 - c. plan for the use in 2 (two) years as from the moment when BMN is indicated idle;
 - d. implementation of the utilization; and/or
 - e. plan for the utilization in one year as from the moment when BMN is indicated idle.

Article 9

- (1) Goods user/proxy of goods user shall prepare and submit answer in no later than 2 (two) months as from

the issuing date of the written request for clarification.

- (2) In the case of the answer as meant in paragraph (1) containing plan for the use of BMN having idle indication, it shall be completed by documents in the form of:
 - a. completing list of budget realization;
 - b. work plan and budget of ministries/institutions;
 - c. RKBMN; and/or
 - d. letter of approval related to the improvement of organization.
- (3) In the case of the answer as meant in paragraph (1) containing plan for the utilization of BMN having idle indication, it shall be accompanied by documents in the form of:
 - a. recommendation about the utilization of BMN from goods user/proxy of goods user to goods management; and/or
 - b. recommendation from prospective partner of the utilization to goods user/proxy of goods user.
- (4) In the case of the answer as meant in paragraph (1) being submitted by proxy of goods user, it shall be:
 - a. accompanied by a sufficiently duty stamped letter of statement signed by proxy of goods user; and
 - b. made available to goods user.
- (5) The letter of statement as meant in paragraph (4) letter a shall certify at least:
 - a. responsibility of proxy of goods user for the granted answer; and
 - b. the answer of proxy of goods user has secured written approval from goods user.

Article 10

- (1) Goods user shall monitor the realization of the plan for the use or plan for the utilization in accordance with the answer from goods user/proxy of goods user as meant in Article 9.
- (2) The monitoring as meant in paragraph (1), shall be executed by methods, among others:
 - a. asking for the progress of the realization of plan for the use or plan for the utilization, including the required related documents; and/or
 - b. monitoring directly in the form of site visit.

Article 11

Goods user/proxy of goods user shall submit progress of the realization of the plan for the use or plan for the utilization in accordance with the answer as meant in Article 9 paragraph (1) to goods user every semester until the deadline of the plan for the use as meant in Article 8 paragraph (2) letter c or the plan for the

utilization as meant in Article 8 paragraph (2) letter e.

Part Two

Inquiry

Article 12

- (1) Goods management shall inquire the use and utilization of BMN having idle indication in the case of:
- goods management still needing clarity about substance of the answer submitted by goods user/proxy of goods user as meant in Article 9 paragraph (1);
 - goods user/proxy of goods user not submitting the answer up to the deadline as meant in Article 9 paragraph (1);
 - the monitoring as meant in Article 10 finding a problem; or
 - goods user/proxy of goods user not submitting the progress of the realization of the plan for the use or plan for the utilization as meant in Article 11.
- (2) The inquiry as meant in paragraph (1) shall be intended to obtain answer to questions and other issues related to the existence, use, plan for use, realization of the utilization and plan for the utilization of BMN having idle indication.
- (3) Report on the implementation of the inquiry shall contain:
- officer executing the inquiry;
 - identity of BMN having idle indication;
 - clarity about the whereabouts/physical condition of BMN having idle indication;
 - the use, plan for the use, realization of the utilization, or plan for the utilization of BMN having idle indication;
 - synchronization between the function and allocation of BMN having idle indication and the task and function of ministries/institutions; and
 - synchronization between plan for the use of BMN having idle indication and task and function of ministries/institutions.

Part Four

Examination

Article 13

- (1) Goods management shall examine:

- a. written information and/or report from goods user/proxy of goods user as meant in Article 7 letter c;
 - b. the answer from goods user/proxy of goods user as meant in Article 9 paragraph (1);
 - c. result of the monitoring as meant in Article 10; or
 - d. result of the inquiry as meant in Article 12.
- (2) The target of the inquiry as meant in paragraph (1) shall be among others:
- a. conformance between the informed data and data recorded in the list of management/user goods;
 - b. synchronization between function and allocation of BMN having idle indication and task and function of ministries/institutions constituting working unit of the said goods user; and
 - c. administrative and legal issues attaching to BMN having idle indication.
- (3) Report on result of the examination as meant in paragraph (2) shall contain:
- a. identity of officer executing the examination;
 - b. identification of BMN having idle indication;
 - c. identification of goods user/proxy of goods user;
 - d. identification of information source;
 - e. information/data from answer;
 - f. information about the condition of BMN having idle indication from result of the inquiry;
 - g. standard of goods;
 - h. standard of the need;
 - i. plan of the need;
 - j. analysis of conformance between function and allocation of BMN having idle indication; and
 - k. information about status of administrative and legal issue of BMN having idle indication.

CHAPTER VI

STIPULATION AND TRANSFER

Article 14

- (1) Result of the examination as meant in Article 13 shall be used by goods management as the basis for the stipulation of BMN having idle indication as idle BMN.
- (2) In the case of on the basis of result of the examination as meant in Article 13, BMN having idle indication failing to meet criteria as idle BMN, goods management shall notify it in writing to goods user/proxy of goods user.

- (3) In the case of on the basis of result of the examination as meant in Article 13, BMN having idle indication matching criteria as idle BMN, goods management shall stipulate BMN having idle indication as idle BMN.

Article 15

- (1) The stipulation of BMN having idle indication as idle BMN shall be written down into a decision of goods management.
- (2) The decision of goods management as meant in paragraph (1) shall be submitted in writing to goods user/proxy of goods user.
- (3) The decision of goods user as meant in paragraph (1) shall contain at least:
- a. basis of consideration;
 - b. identity of goods user transferring idle BMN;
 - c. identity of goods, among others:
 1. land data, such as status of ownership, location, acreage, acquisition year, and acquisition value; and
 2. building data, such as status of ownership, location, acreage, construction, acquisition year, acquisition value and book value.

Article 16

- (1) Goods user shall be obliged to transfer BMN already stipulated as idle BMN to goods management in no later than one month as from the submitting date of the decision on idle BMN as meant in Article 15 paragraph (2).
- (2) The transfer of idle BMN as meant in paragraph (1) shall be written down into an account of transfer between goods management and goods user, which contains:
- a. identity of parties;
 - b. basis for the implementation;
 - c. identity of idle BMN;
 - d. follow up of proxy of goods user to transfer physically idle BMN to State Asset and Auction Office; and
 - e. value of idle BMN, covering acquisition value and book value.
- (3) The transfer of idle BMN as meant in paragraph (1) shall be accompanied by:
- a. the whole documents related to the said idle BMN, including ownership document; and
 - b. statement from goods user certifying that no issue attaches to the idle BMN and the readiness of goods

user to hold responsibility fully if the idle BMN contains issue during his/her management.

- (4) If necessary, good management may check administratively, physically and legally idle BMN which is to be transferred to goods user before the signing of account of transfer.
- (5) In the case of any finding in the administrative check and physical inspection of idle BMN as meant in paragraph (4), the finding shall be written down into the account of transfer as meant in paragraph (2).

Article 17

- (1) In the case of idle BMN still containing legal issue as meant in Article 13 paragraph (2) letter c, the transfer from goods user as meant in Article 16 paragraph (1) may only be realized after the legal issue is settled by the goods user.
- (2) In the case of legal issue arising from the mistake/negligence in the use of BMN when the said BMN is under the management of the goods management following the signing of the account of transfer of idle BMN, it shall become the full responsibility of goods user managing the said BMN.

Article 18

Based on the decision of goods management as meant in Article 15 paragraph (1) and account of the transfer as meant in Article 16 paragraph (2):

- a. goods user shall issue decision on the abolition of BMN already stipulated as idle BMN from the list of user goods;
- b. goods management shall take the following measures:
 1. excluding idle BMN from the list of state property of ministries/institutions; and
 2. recording and registering the idle BMN from list of goods in goods management.

CHAPTER VII

SECURITY AND MAINTENANCE

Article 19

- (1) Goods user/proxy of goods user shall continue to secure and maintain BMN already stipulated as idle BMN until the goods are under control and management of goods management on the basis of account of transfer.
- (2) Goods management shall secure and maintain formerly idle BMN after the goods are under control and management of goods management on the basis of account of transfer.

- (3) The security for BMN as meant in paragraph (1) and paragraph (2) shall be among others:
- administrative security;
 - physical security; and
 - legal security.
- (4) The administrative security as meant in paragraph (3) letter a shall cover the inventorying, bookkeeping, reporting and storage of ownership document and other evidence related to idle BMN.
- (5) The physical security as meant in paragraph (3) letter b shall cover activities:
- building fence and installing border signs;
 - installing sign of control; and
 - guarding security.
- (6) The legal security as meant in paragraph (3) letter c shall cover but be not limited to the settlement of legal issue other than the issue as meant in Article 17 paragraph (2).

Article 20

- Cost used to execute the security and maintenance as meant in Article 19 shall come from the state budget of revenue and expenditure.
- The maintenance and security cost of formerly idle BMN under control of goods management may come from other legitimate financing sources.
- The formulation and management of budget in the framework of the security and maintenance of BMN shall refer to the provision of state finance legislation.

CHAPTER VIII

FOLLOW UP TO THE TRANSFER OF IDLE BMN

Article 21

To the formerly idle BMN, goods management shall apply:

- stipulation of status of the use;
- utilization;
- transfer; or
- abolition.

Article 22

The management of formerly idle BMN shall be prioritized to the implementation of task and function of ministries/institution.

Article 23

- (1) Ministries/institutions may submit application for the use of formerly idle BMN to goods management through RKBMN for the procurement of BMN.
- (2) Goods management shall examine the feasibility of the application as meant in paragraph (1) by referring to the standard of goods, standard of the need, and RKBMN for the procurement of BMN of the ministries/institutions.
- (3) Goods management shall approve or disapprove the application for the use of formerly idle BMN through the assessment of RKBMN.
- (4) In the case of the application of ministries/institutions as meant in paragraph (1) being approved, goods management shall issue decision on the stipulation of status of the use of BMN on the basis of result of the assessment of RKBMN as meant in paragraph (3).

Article 24

- (1) Ministries/institutions not yet formulating RKBMN may submit application for the use of formerly idle BMN to goods management.
- (2) The application submitted by ministries/institutions as meant in paragraph (1) shall be accompanied by:
 - a. reason of application for the use of formerly idle BMN;
 - b. objective of the use; and
 - c. the need for acreage of land and/or building.
- (3) To the basis of application as meant in paragraph (2) letter b and letter c, goods management shall examine the feasibility by referring to the standard of goods and standard of the need.
- (4) Goods management shall declare to approve or disapprove application of ministries/institution on the basis of result of the examination as meant in paragraph (3).
- (5) In the case of the application of ministries/institutions as meant in paragraph (1) being approved, goods management shall issue decision on the stipulation of status of the use of BMN.
- (6) In the case of the application of ministries/institutions as meant in paragraph (1) being not approved, goods management shall submit the rejection in writing to the ministries/institutions along with the underlying reason.

Article 25

Goods management shall transfer formerly idle BMN to ministries/institutions by account of transfer on the basis of the decision on stipulation of status of the use of BMN as meant in Article 23 paragraph (4) or Article 24 paragraph (5).

Article 26

Goods user shall submit the process of change in name of the ownership evidence on behalf of the government of the Republic of Indonesia c.q. the Ministries/Institutions in no later than 6 (six) months as from the signing date of the account of transfer as meant in Article 25.

Article 27

Based on the account of transfer as meant in Article 25:

- a. goods user shall record BMN already received in the list of user goods;
- b. good management shall abolish formerly idle BMN from the list of management goods by issuing abolition decision.

Article 28

Goods management may utilize or transfer formerly idle BMN.

CHAPTER IX

ADMINISTRATION

Article 29

- (1) In the case of BMN being already stipulated as idle BMN, goods user shall be obliged to:
 - a. reclassify the idle BMN from fixed assets to become other asset; and
 - b. disclose adequately in brief note of state property and note of financial statement.
- (2) In the case of idle BMN being already transferred to goods management, goods management shall be obliged:
 - a. exclude from the list of goods of proxy of goods user and balance as well as reclassify it into the list of idle BMN following the signing of account of transfer;
 - b. abolish from the list of user goods following the issuance of abolition decision; and

- c. disclose adequately in note of report on state property and note of financial statement.

Article 30

- (1) Goods management shall register formerly idle BMN into the list and book of goods in goods management in accordance with the classification and encoding of goods on the basis of the account of transfer as meant in Article 16 paragraph (2).
- (2) The list and book of goods as meant in paragraph (1) shall contain data about the management of BMN in the form of land and/or building formerly constituting idle BMN as from the date of transfer to goods management until the abolition.

Article 31

- (1) Goods management shall inventory formerly idle BMN under his management minimally once in 5 (five) years.
- (2) Goods management shall register and record result of the inventorying as meant in paragraph (1) into the list of goods in goods management.

Article 32

- (1) Goods management along with goods user and/or government internal supervisory apparatuses may inventory land and/or building in the framework of identifying idle BMN in goods user.
- (2) The inventorying as meant in paragraph (1) shall be executed through a joint team.

Article 33

Goods management shall prepare report on formerly idle BMN constituting part of semester and annual report on management goods.

Article 34

To the formerly idle BMN already transferred to goods user, goods management shall:

- a. exclude from the list of management goods and balance after the account of transfer is signed; and
- b. abolish from the list of goods in goods management following the issuance of abolition decision.

CHAPTER X

SANCTION

Article 35

Good user not transferring BMN already stipulated as idle BMN shall be subject to sanction in the form of:

- a. the freezing of maintenance funds of BMN for land and/or building already stipulated as idle BMN; and/or
- b. the postponement of the settlement of recommendation about the utilization, transfer and abolition of BMN submitted by goods user.

Article 36

Besides the sanction as meant in Article 35, goods management may also consider to disapprove recommendation about RKBMN of procurement submitted by the said ministries/institutions.

Article 37

In the case of goods user/proxy of goods user already transferring BMN stipulated as idle BMN, goods management shall revoke sanction already imposed on goods users.

CHAPTER XI

MISCELLANEOUS PROVISION

Article 38

The utilization or transfer of formerly idle BMN by goods management may be executed by public service board in goods management.

Article 39

In the framework of utilizing optimally BMN, goods management may change status of the use of BMN having idle indication and idle BMN in accordance with the provision of legislation related to the use of BMN.

Article 40

Further provision on technique of working procedure, model of letter and report needed in the framework of executing the ministerial regulation shall be regulated by a regulation of the Director General.

CHAPTER XII

TRANSITIONAL PROVISION

Article 41

With the enforcement of this regulation:

- a. the stipulation of idle BMN not yet completed by goods management until the stipulation of this ministerial regulation shall subsequently follow the provision in this ministerial regulation;
- b. the decision on the stipulation of idle BMN already issued by goods management in accordance with the provision in Regulation of the Minister of Finance Number 250/PMK.06/2011 on Procedures for the Management of State Property Not Used to Execute Tasks and Functions of Ministries/Institutions shall be declared void.

CHAPTER XIII

CONCLUSION

Article 42

The stipulation of status of the use, utilization, abolition and administration of formerly idle BMN shall refer to the provision of BMN legislation.

Article 43

The implementing regulation of Regulation of the Minister of Finance Number 250/PMK.06/2011 on Procedures for the Management of State Property Not Used to Execute Tasks and Functions of Ministries/Institutions shall be declared to remain effective as long as it does not contravene or has not been replaced by the new one on the basis of this regulation.

Article 44

With the enforcement of this regulation, Regulation of the Minister of Finance 250/PMK. 06/2011 on Procedures for the Management of State Property Not Used to Execute Tasks and Functions of Ministries/Institutions shall be revoked and declared null and void.

Article 45

The regulation shall come into force as from the date of promulgation.

For public cognizance, the regulation shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On April 26, 1 2016

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA

sgd.

BAMBANG P.S. BRODJONEGORO

Promulgated in Jakarta

On April 27, 2016

**THE DIRECTOR GENERAL OF LEGISLATION OF THE MINISTRY OF LAW AND HUMAN RIGHTS OF THE RE-
PUBLIC OF INDONESIA**

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

YEAR 2016 NUMBER 644

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