

AMENDMENT TO REGULATION OF THE FINANCE MINISTER NO. 3/PMK.05/2014 CONCERNING THE PLACEMENT OF STATE MONEY IN COMMERCIAL BANKS

**(Regulation of the Finance Minister of
the Republic of Indonesia
No. 77/PMK.05/2016 dated April 29, 2016)**

BY THE GRACE OF ALMIGHTY GOD

THE FINANCE MINISTER OF
THE REPUBLIC OF INDONESIA,

Considering :

- a. that based on Article 36 of Government Regulation No. 39/2007 concerning the Management of State/Regional Finance, the Finance Minister has stipulated Regulation of the Finance Minister No. 3/PMK.05/2014 concerning the Placement of State Money in Commercial Banks;
- b. that to support the government's economic policy to boost economic growth in the real sector, it is necessary to revise several provisions on the placement of state money in commercial banks;
- c. that based on the considerations as referred to in letters a and b, it is necessary to stipulate Regulation of the Finance Minister concerning Amendment to Regulation of the Finance Minister No. 3/PMK.05/2014 concerning the Placement of State Money in Commercial Banks;

In view of :

1. Law No. 1/2004 concerning State Treasury (Statute Book of the Republic of Indonesia of 2004 No. 5, Supplement to Statute Book of the Republic of Indonesia No. 4355);
2. Government Regulation No. 39/2007 concerning the Management of State/Regional Finance (Statute Book of the Republic of Indonesia of 2007 No. 83, Supplement to Statute Book of the Republic of Indonesia No. 4738);
3. Regulation of the Finance Minister No. 3/PMK.05/2014 concerning the Placement of State Money in Commercial Banks;

DECIDES :

To stipulate :

REGULATION OF THE FINANCE MINISTER CONCERNING AMENDMENT TO REGULATION OF THE FINANCE MINISTER NO. 3/PMK.05/2014 CONCERNING THE PLACEMENT OF STATE MONEY IN COMMERCIAL BANKS.

Article I

Several provisions in Regulation of the Finance Minister No. 3/PMK.05/2014 concerning the Placement of State Money in Commercial Banks, shall be amended as follows:

1. Provisions in letter d Article 6 shall be amended so that it reads as follows:

Article 6

Commercial bank that may become the government's partner shall meet criteria at least :

- a. holding a valid business permit as a publicly-listed commercial bank;
- b. carrying out business activities in the territory of the Republic of Indonesia and the majority of shareholders/capital owners are Indonesian citizens/legal entities;
- c. included in the investment grade according to the ratings issued by at least 2 (two) different national/international rating agencies acknowledged by Bank Indonesia;
- d. composite sound level is a minimum of 3 (three) verified by the Financial Service Authority.

2. Provisions in letters d and f Article 8 shall be amended so that it reads as follows:

Article 8

(1) Commercial bank that meets the criteria as referred to in Article 6 can file an application for partnership to the Director General of Treasury in accordance with the announcement on the opening of partnership as referred to in Article 7.

(2) The application for partnership as referred to in paragraph (1) shall be filed to the Director General of Treasury by submitting the following documents:

- a. an application for BUMPUN signed by the president director;
- b. a written statement of pledge to comply with all provisions related to the placement of state money signed by the president director;
- c. a copy of business permit as a commercial bank;

- d. a copy of written statement issued by the authorized institution that it has gone public;
 - e. a copy of document issued by at least 2 (two) different national/international rating agencies acknowledged by Bank Indonesia, indicating that the relevant bank is included in the investment grade;
 - f. a copy of written statement of bank soundness already verified and validated by the Financial Service Authority; and
 - g. a copy of financial statement in the last period already audited by public account's office.
- (3) The copies of documents as referred to in paragraph (2) letters c, d, e, f, and g shall be validated by the authorized bank official.

3. Provisions in Article 14 are amended so that it reads as follows:

Article 14

- (1) The placement of state money in BUMPUN is done through over-the-counter method.
- (2) The placement of state money as referred to in paragraph (1) is done with BUMPUN whose residual maximum placement is at least equal to the value of placement offered.
- (3) The placement of state finance as referred to in paragraph (1) is done according to the mechanism of placing state money in commercial banks as contained in the attachment which is an integral part of this Ministerial Regulation.

4. Provisions in paragraphs (1) and (3) Article 15 are amended so that the article reads as follows:

Article 15

- (1) In the placement of state money, the Director General of Treasury shall stipulate a decision on over-the-counter transactions.
- (2) The authority to stipulate a decision of the Director General of Treasury as referred to in paragraph (1), can be delegated to the Director of State Cash Management.
- (3) Based on the decision on over-the-counter transactions as referred to in paragraph (1), the Director of State Cash Management shall settle placement transactions to the placement account in BUMPUN.
- (4) The settlement as referred to in paragraph (3) shall be done in accordance with the law and regulation.

5. Provisions in Article 19 shall be amended so that the article reads as follows:

Article 19

- (1) BUMPUN shall give remuneration to the placement of state money.
- (2) The remuneration as referred to in paragraph (1) comes in the form of interest or yield.
- (3) Minimum remuneration for the placement of state money in rupiah in commercial banks shall be 70% (seventy percent) of BI rate.
- (4) Maximum remuneration for the placement of state money in rupiah in commercial banks shall be as much as BI rate.
- (5) Minimum remuneration for the placement of state money in foreign currency in commercial banks shall be 70% (seventy percent) of home currency rate.

Article II

This Regulation shall come into force as from the date of promulgation For public cognizance, this Ministerial Regulation shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On April 29, 2016

THE FINANCE MINISTER OF
THE REPUBLIC OF INDONESIA,
sgd.

BAMBANG P.S. BRODJONEGORO

Promulgated in Jakarta

On May 3, 2016

THE DIRECTOR GENERAL OF
LAW AND REGULATION OF THE LAW AND HUMAN RIGHTS MINISTRY
THE REPUBLIC OF INDONESIA,
sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2016 NO. 682

ATTACHMENT

THE MECHANISM OF PLACING STATE MONEY IN COMMERCIAL BANKS

The placement of state money in commercial banks is done through over-the-counter method. The

placement of state money in commercial banks is limited to commercial banks as partners of the placement of state money (BUMPUN) whose residual maximum placement must be at least equal to the value of placement offered. The placement of state money in commercial banks is started by contacting BUMPUN directly through electronic and/or manual procedures. The electronic procedure is realized using Reuters application and/or Bloomberg application. The manual procedure is realized by sending a letter/document of placement offer to selected BUMPUN through courier, email, facsimile, or recorded phone. The manual procedure will be used if the electronic procedure cannot be done.

The placement of state money in commercial banks using over-the-counter method is done as follows:

1. The selection of BUMPUN to receive placement offer.

The Director General of Treasury in this case the Director of State Cash Management must first conduct a research on maximum fund placement limit of BUMPUN by comparing it with the value of placement to be offered. Based on the result of the research, the Director General of Treasury in this case the Director of State Cash Management will find selected BUMPUN to receive placement offer.

2. The sending of placement information to selected BUMPUN.

The Director General of Treasury in this case the Director of State Cash Management conveys information on placement plan to selected BUMPUN covering value and tenure of placement.

3. Request for quotation to selected BUMPUN.

The Director General of Treasury in this case the Director of State Cash Management can ask for quotation from selected BUMPUN covering interest rate/yield on the value of placement offered.

4. Receipt of quotation from BUMPUN.

The Director General of Treasury in this case the Director of State Cash Management receives quotation of interest rate/yield from selected BUMPUN in accordance with tenure and value of placement.

5. Agreement on placement of state money.

If an agreement on the placement of state money has been reached, the agreement must be contained in a decision of the Director General of Treasury and be delegated to the Director of State Cash Management.

6. Settlement of placement transactions.

The settlement of placement transactions is done by transferring placement fund from the account of fund managed by the Treasury Dealing Room (TDR) to the placement account in BUMPUN.

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

BAMBANG P.S. BRODJONEGORO

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