

REGISTRATION OF GOVERNMENT APPRAISER IN THE INTEREST OF THE REVALUATION OF ASSETS OF STATE-OWNED BUSINESS ENTITIES OR REGIONAL ADMINISTRATION-OWNED BUSINESS ENTITIES UNDERTAKING PUBLIC OFFERING IN THE CAPITAL MARKET

**(Regulation of the Financial Service Authorities
Number 21/POJK.04/2016, dated April 12, 2016)**

BY GRACE OF GOD THE ALMIGHTY

THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICE AUTHORITIES

Considering:

- a. that in the framework of supporting the government economic policy related to the revaluation of assets of state business entities and regional administration-owned business entities, the value of revaluation result may be stipulated by government appraisers within the Directorate General of State Property of the Ministry of Finance of the Republic of Indonesia;
- b. that appraiser profession eligible to provide valuation service for state-owned business entities and regional administration-owned business entities already executing public offering in capital market is obliged to register first at the Financial Service Authorities;
- c. that having regards to letters a and b, it is necessary to stipulate a regulation of the Financial Service Authorities on Registration of Government Appraisers in the interest of the revaluation of assets of state-owned business entities and regional administration-owned business entities undertaking public offering in capital market;

In view of:

1. Law Number 8 Year 1995 on Capital Market (Statute Book of the Republic of Indonesia Year 1995 Number 64, Supplement to Statute Book of the Republic of Indonesia Number 3608);
2. Law Number 21 Year 2011 on the Financial Service Authorities (Statute Book of the Republic of Indonesia Year 2011 Number 111, Supplement to Statute Book of the Republic of Indonesia Number 5253);

3. Government Regulation Number 27 Year 2014 on 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);
4. Regulation of the Minister of Finance Number 191/PMK. 010/2015 as already amended by Regulation of the Minister of Finance Number 233/PMK.03/2015 on Revaluation of Fixed Assets in the interest of taxation for applications submitted in 2015 and 2016 (State Gazette of the Republic of Indonesia Year 2015 Number 1916);

DECIDES :

To stipulate:

THE REGULATION OF THE FINANCIAL SERVICE AUTHORITIES ON REGISTRATION OF GOVERNMENT APPRAISER IN THE INTEREST OF REVALUATION OF ASSETS OF STATE-OWNED BUSINESS ENTITIES OR REGIONAL ADMINISTRATION-OWNED BUSINESS ENTITIES UNDERTAKING PUBLIC OFFERING IN CAPITAL MARKET.

CHAPTER I

GENERAL PROVISION

Article 1

Referred to in this regulation as:

1. Financial Service Authorities hereinafter abbreviated to OJK shall be the financial service authorities as meant in Law Number 21 Year 2011 on Financial Service Authorities.
2. Government Appraiser shall be civil servant appraiser within DJKN, who is appointed by proxy of the Minister of Finance as well as assigned, authorized to value and responsible for valuation, including result of the valuation independently.
3. Capital market government appraiser shall be government appraiser registered at OJK.
4. Valuation shall be a process of activity executed by capital market government appraiser to grant a value opinion on the basis of the objective and relevant data and/or facts by using a specified method or technique to specified object on the valuation date.
5. Indonesian Government Appraiser Association hereinafter abbreviated to IPPI, shall be organization of government appraiser profession.

6. Directorate General of State Property hereinafter called DJKN shall be first-echelon unit within the Ministry of Finance assigned to formulate as well as implement technical policy and standardization in the field of state property, state receivables and auction.
7. Profession Education shall be a basis education for capital market government appraiser with the substance covering the valuation and/or legislation in the capital market and other financial service, which is organized by the Ministry of Finance, OJK and/or other party approved or recognized by OJK.
8. Advanced Profession Education hereinafter abbreviated to PPL shall be advanced education for capital market government appraiser with the substance covering the valuation and/or legislation in the field of capital market and other financial service, which is organized by the Ministry of Finance, OJK and/or other parties approved or recognized by OJK.
9. Public Offering shall be an activity of stock offering executed by issuer to sell stock to communities on the basis of the procedures regulated in the capital market law.
10. Periodical Report on Activity of Capital Market Government Appraiser shall be a report containing information about activity of government appraiser in the framework of the revaluation of assets of state-owned business entities or regional administration-owned business entities which undertake public offering in capital market for one year.

CHAPTER II

REGISTRATION OF GOVERNMENT APPRAISER

Part One

Requirement for the Registration of Government Appraiser

Article 2

Government appraisers undertaking valuation activity in the field of capital market shall be registered first at OJK and fulfill the requirements as governed in this regulation.

Article 3

The requirements for the registration of government appraiser as meant in Article 2 shall be as follows:

- a. having status as government appraiser;
- b. never committing disgraceful act and/or sentenced for committing crime in the financial service sector; and
- c. already becoming member of IPPI.

Part Two

Registration Document of Government Appraiser

Article 4

Application for the registration of government appraiser as supporting capital market profession shall be submitted to OJK BY using the format of application for the registration of government appraiser as supporting capital market profession as contained in the attachment, which constitutes an integral part of this regulation.

Article 5

The application for the registration as meant in Article 4 shall be accompanied by the following documents:

- a. copy of the decision of the Minister of Finance on the appointment as government appraiser;
- b. recommendation from DJKN, which certifies that the said person is feasible to consider to conduct activity as government appraiser in the capital market;
- c. copy of taxpayer code number on behalf of the government appraiser;
- d. copy of valid resident identity card;
- e. latest photo sizing 4x6 cm with red background, one sheet;
- f. copy of evidence of membership in IPPI; and
- g. sufficiently duty stamped letter of statement by using the format of letter of statement of government appraiser as contained in the attachment, which constitutes an integral part of this regulation, certifying that the government appraiser:
 1. has never committed disgraceful act and/or has never been sentenced for committing crime in the field of financial service;
 2. is ready to abide by code of conduct of profession prepared by IPPI;
 3. is ready to act independently, objectively and professionally in executing the valuation; and
 4. is ready to fulfill summon to undergo examination and/or investigation by OJK with regards to the fulfillment of the legislation in force.

Part Three

Examination of Registration Document of Government Appraiser

Article 6

In the framework of the registration of government appraiser conducting activity in the capital market,

OJK May ask additional document to support the fulfillment of the requirement as meant in Article 5.

Article 7

In the case of the application as meant in Article 4 not fulfilling the requirement, in no later than 45 (forty five) working days as from the receipt of the document, OJK shall be obliged to grant notification to applicant, which certifies that:

- a. the application has not met the requirement; or
- b. the application is rejected.

Article 8

Applicant not completing the shortcoming of document required and/or not received by OJK in 45 (forty five) days after the date of the notification as meant in Article 7 letter a, shall be deemed already aborting the application for the registration of government appraiser already submitted and the applicant may submit new application.

Article 9

In the case of the application for the registration as meant in Article 4 already matching the requirement, in no later than 45 (Forty five) days following the receipt of the application completely, OJK shall stipulate certificate of registration of supporting capital market profession to applicant.

Article 10

The document already submitted to OJK shall become OJK property.

CHAPTER III

SCOPE OF VALUATION

Article 11

- (1) The scope of valuation executed by capital market government appraiser shall cover the valuation of property in the interest of revaluation of fixed assets of state-owned business entities or regional administration-owned business entities.
- (2) The state-owned business entities or regional administration-owned business entities as meant in paragraph (1) shall only be limited to state-owned business entities or regional administration-owned business entities

already undertaking public offering in the capital market.

CHAPTER IV

RESTRICTIOON OF VALUATION ASSIGNMENT

Article 12

- (1) The provision of valuation service for clients constituting state-owned business entities or regional administration-owned business entities already executing public offering in the field of capital market may only be executed by a capital market government appraiser maximally 5 (Five) years consecutively as from the date of the valuation report in the first valuation assignment.
- (2) A capital market government appraiser may receive again the valuation assignment from client constituting the state –owned business entities or regional administration-owned business entities as meant in paragraph (1) after the appraiser does not conduct the valuation assignation to the state-owned business entities or regional administration-owned business entities for one year as from the date of the valuation report in the last valuation assignment.

CHAPTER V

OBLIGATION AND PROHIBITION ON CAPITAL MARKET GOVERNMENT APPRAISER

Part One

Obligation of Capital Market Government Appraiser

Article 13

- (1) Capital market government appraiser shall be obliged to:
 - a. abide by code of conduct of capital market government appraiser profession prepared by IPPI;
 - b. act independently, objectively and professionally in executing the valuation;
 - c. conduct valuation in accordance with the scope of valuation activity as contained in the certificate of registration of supporting capital market profession;
 - d. attend PPL minimally 5 (five) training hours every year;
 - e. report the participation in PPL as meant in letter d to OJK, accompanied by supporting evidence, periodically in no later than January 15 of the ensuing year;
 - f. submit to OJK periodical report on activity of capital market government appraiser in no later than January 15 of the ensuing year, prepared by using the format of periodical report on activity of capital

market government appraiser as contained in the attachment, which constitutes an integral part of this regulation;

- g. report to OJK any change in data and information about capital market government appraiser, accompanied by supporting document; and
 - h. fulfill summon to undergo examination and/or investigation by OJK with regards to the fulfillment of the legislation in force.
- (2) In the case of January 15 as meant in paragraph (1) letter e or letter f being holiday, the report shall be submitted in no later than one working day afterward.
- (3) The periodical report on activity of capital market government appraiser as meant in paragraph (1) letter f shall contain information about activity executed by capital market government appraiser as from January 1 to December 31 or as from the registration at OJK if the appraiser is registered less than one year at OJK.
- (4) The periodical report on activity of capital market government appraiser as meant in paragraph (1) letter f shall be accompanied by report in digital form.
- (5) The report on participation in PPL as meant in paragraph (1) letter e and periodical report on activity of capital market government appraiser as meant in paragraph (1) letter f, may be submitted by several capital government appraisers simultaneously in one introductory letter.

Article 14

The obligation as meant in Article 13 paragraph (1) letter d shall start to apply for the ensuing year as from the moment when the capital market government appraiser secures certificate of registration from OJK.

Article 15

In the case of profession education and/or PPL being not realized in one year, OJK may stipulate other provision.

Part Two

Prohibition on Capital Market Government Appraiser

Article 16

In the case of a capital market government appraiser assuming double position in the party securing license and/or having registration statement already effective, the capital market government appraiser shall

be prohibited from providing valuation service potential to cause conflict of interest to party where the capital market government appraiser assumes double position.

Article 17

A capital market government appraiser may not undertake activity in the capital market in the case of the appraiser :

- a. being relieved; or
 - b. being dismissed,
- as government appraiser by DJKN.

CHAPTER VI

SANCTION

Article 18

- (1) Without reducing the penal provision in the capital market sector, OJK shall be authorized to impose administrative sanction on capital market government appraiser violating the provision in this regulation in the form of:
 - a. written warning;
 - b. fine, namely the obligation to pay a specified amount of money;
 - c. nullification of registration; and
 - d. freezing of certificate of registration.
- (2) The administrative sanction as meant in paragraph (1) letter b, letter c and letter d may be imposed with or without preceded by the administrative sanction in the form of the written warning as meant in paragraph (1) letter a.
- (3) The administrative sanction in the form of fine as meant in paragraph (1) letter b may be imposed separately or collectively with the imposition of the administrative sanction as meant in paragraph (1) letter c and letter d.

Article 19

Besides the administrative sanction as meant in Article 18 paragraph (1), OJK may take specified measure against capital market government appraiser violating the provision in this regulation.

Article 20

OJK may announce the imposition of administrative sanction as meant in Article 18 paragraph (1) and the specified measure as meant in Article 19 to the public.

CHAPTER VII

CONCLUSION

Article 21

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 12, 2016

THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICE AUTHORITIES

sgd

MULIAMAN D. HADAD

Promulgated in Jakarta

On April 18, 2016

THE MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA

sgd

YASONNA H. LAOLY

STATUTE BOOK OF THE REPUBLIC OF INDONESIA

YEAR 2016 NUMBER 67

**ELUCIDATION
ON
REGULATION OF THE FINANCIAL SERVICE AUTHORITIES
NUMBER 21 /POJK.04/2016
REGARDING
REGISTRATION OF GOVERNMENT APPRAISER IN THE INTEREST OF THE REVALUATION OF ASSETS OF
STATE-OWNED BUSINESS ENTITIES OR REGIONAL ADMINISTRATION-OWNED BUSINESS ENTITIES UN-
DERTAKING PUBLIC OFFERING IN THE CAPITAL MARKET**

I. GENERAL

Any of the government policies in driving up domestic economy is the provision of relief or incentive in the taxation sector. The taxation incentive is granted to the revaluation of assets, particularly property assets, which is executed by state-owned business entities, regional administration-owned business entities and private companies. By the tax incentive, state-owned business entities, regional administration-owned business entities and private companies are expected to revalue their assets so that the value of corporate assets may increase.

In the framework of supporting the plan of state-owned business entities and regional administration-owned business entities planning to revalue assets, the government through the Ministry of Finance stipulates Regulation of the Minister of Finance Number 191/PMK.010/2015 as already amended by Regulation of the Minister of Finance Number 233/PMK.03/2015 on Revaluation of Fixed Assets in the interest of taxation for application submitted in 2015 and 2016, to authorized government appraisers to value the revaluation of assets of state-owned business entities and regional administration-owned business entities.

Pursuant to Article 64 of Law Number 8 Year 1995 on Capital Market, appraiser profession which may provide service for companies already executing public offering in the capital market (Issuers) must be registered first at the Financial Service Authorities. The regulation also applies to appraisers planning to provide valuation service for state-owned business entities or regional administration-owned business entities already having status as issuers in the capital market sector.

Substance of governance in regulation in the field of capital market and Bapepam-LK, which rules registration, independency and periodical report of appraiser conducting activity in the capital market sector is not right if it is applied to government appraiser planning to value the revaluation of assets of state-owned business entities and regional administration-owned business entities having status as issuer. By the consideration, the

regulation of the Financial Service Authorities is expected to enhance the effectiveness of supervision over the government appraisers.

II. ARTICLE BY ARTICLE

Article 1 up to Article 10

Sufficiently clear

Article 11

Paragraph (1)

Property valuation means, among others:

- a. real property valuation;
- b. personal property valuation;
- c. project construction/development valuation;
- d. property development valuation;
- e. plantation asset valuation;
- f. fishery asset valuation;
- g. forestry asset valuation;
- h. mining asset valuation; and/or
- i. other property valuation.

Paragraph (2)

Sufficiently clear

Article 12 up to Article 21

Sufficiently clear

SUPPLEMENT TO STATUTE BOOK OF THE REPUBLIC OF INDONESIA NUMBER 5869

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