

**THE PRESIDENT OF
THE REPUBLIC OF INDONESIA**

ACT OF THE REPUBLIC OF INDONESIA
NUMBER 23 OF 1999
CONCERNING
BANK INDONESIA

WITH THE BLESSING OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that in order to maintain the continuity of the implementation of the national development in order to establish a just and prosperous Indonesian society based on Pancasila and the Constitution of 1945, the implementation of the economic development is aimed at the realization of a national economy which sides with the people economy, equitable, independent, reliable, just and able to compete in the international economic sphere;
 - b. that in order to support the realization of the national economy as mentioned above and in line with the challenges of a more complex economic development and establishment, a more progressive financial system and a more competitive and integrated international economy, the monetary policy shall be emphasized on efforts to maintain the stability of the rupiah value;

- c. that in order to formulate and implement an effective and efficient monetary policy, a sound, transparent, reliable and accountable financial system is needed which is supported by a smooth, expeditious, accurate and safe payment system, along with banking regulations and supervision based on the prudential principles;
- d. that in order to assure the accomplishment of maintaining the stability of the rupiah value, it is necessary to have an independent Central Bank;
- e. that in accordance with the abovementioned considerations, the Act Number 13 of 1968 concerning Central Bank is no longer appropriate and has to be replaced with a new Act on Bank Indonesia;

- In view of :
- 1. Article 5 paragraph (1), Article 20 paragraph (1), Article 23, and Article 33 of the Constitution of 1945;
 - 2. Chapter IV letter A item 1a of the Decree of the People's Consultative Assembly of the Republic of Indonesia Number X/MPR/1998;
 - 3. Article 3 of the Decree of the People's Consultative Assembly of the Republic of Indonesia Number XI/MPR/1998;
 - 4. The Decree of the People's Consultative Assembly of the Republic of Indonesia Number XVI/MPR/1998;

With the approval of

THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

HAS DECREED :

To enact : ACT CONCERNING BANK INDONESIA.

CHAPTER I
GENERAL PROVISION

Article 1

The terminologies used in this act shall have the following meaning :

1. Board of Governors is the management of Bank Indonesia;
2. Governor is the chairman of and concurrently a member of the Board of Governors;
3. Senior Deputy Governor is the vice chairman and concurrently a member of the Board of Governors;
4. Deputy Governor is a member of the Board of Governors;
5. Bank is a Commercial Bank and a Rural Bank as referred to in the prevailing banking Act;
6. Payment system is a system which includes regulations, institutions, and mechanisms, used in conducting a transfer of funds in order to fulfil an obligation arising out of an economic activity;
7. Financing based on Syariah Principle is a provision of money or any claim which is similar as such based on an agreement between Bank Indonesia and a Bank which requires such Bank to repay the money or such claim after a certain period with a fee or production sharing;
8. Bank Indonesia Regulation is a legal provision which is prescribed by Bank Indonesia and binds every individual or entity and publized in the State Gazette of the Republic of Indonesia;
9. The Board of Governors Regulation is a legal provision which is prescribed by the Board of Governors and contains internal regulations on, among other things, disciplines of the implementation of tasks and authority of the Board of Governors, employment, and the organization of Bank Indonesia;
10. Monetary policy is a policy prescribed and implemented by Bank Indonesia in order to achieve and maintain the stability of the value of rupiah which is conducted among other things through the management of money circulation and or interest rate;
11. General Reserves are funds derived from part of the surplus of Bank Indonesia which may be used to cope any possible risk arising from the implementation of the tasks and authority of Bank Indonesia;

12. Special Purposed Reserves are funds derived from part of the surplus of Bank Indonesia which may be used among other things for any replacement or renewal of fixed asset and equipment needed in the implementation of the task and authority of Bank Indonesia as well as for any investment.

Article 2

- (1) The currency unit of the Republic of Indonesia is rupiah abbreviated as Rp.
- (2) Rupiah currency is a legal tender in the territory of the Republic of Indonesia.
- (3) Any activity using money or having a purpose of payment, or any obligation which has to be fulfilled by money, if it is conducted in the territory of the Republic of Indonesia, shall use rupiah currency, except otherwise prescribed by Bank Indonesia Regulation.
- (4) Every person or entity in the territory of the Republic of Indonesia shall be prohibited to refuse the rupiah currency for any payment or for any fulfilment of an obligation which should be performed by using currency as referred to in paragraph (3).
- (5) The exception as referred to in paragraph (3) is allowed for any payment in a certain place or region, for the purpose of payment, or fulfilment of any obligation which should be performed by using foreign currencies based on a written agreement, which shall be prescribed by Bank Indonesia Regulation.

Article 3

- (1) Rupiah currency shall not, in a certain amount, be brought outside or inside the custom territory of the Republic of Indonesia except with the approval of Bank Indonesia.
- (2) The implementation of the provision as referred to in paragraph (1) shall be prescribed by Bank Indonesia Regulation.

CHAPTER II
STATUS, DOMICILE, AND CAPITAL

Article 4

- (1) Bank Indonesia is a Central Bank of the Republic of Indonesia.
- (2) Bank Indonesia is an independent state institution, which is free from any interferences of the Government and or other parties, except for matters explicitly prescribed in this Act.
- (3) Bank Indonesia is a legal entity based on this Act.

Article 5

- (1) Bank Indonesia shall reside in the Capital of the Republic of Indonesia.
- (2) Bank Indonesia may have offices inside and outside the territory of the Republic of Indonesia.

Article 6

- (1) The capital of Bank Indonesia shall be at least Rp2.000.000.000.000,00 (two trillion rupiah).
- (2) The capital as referred to in paragraph (1) shall be increased up to 10% (ten percentage) of the total monetary liabilities, the funds of which derived from General Reserves or other sources.
- (3) The procedure to increase the capital using the funds derived from the General Reserves or other sources shall be prescribed by the Board of Governors Regulation.

CHAPTER III
OBJECTIVE AND TASKS

Article 7

The objective of Bank Indonesia is to achieve and maintain the stability of the rupiah value.

Article 8

Bank Indonesia shall, in order to achieve the objective as referred to in Article 7, have tasks as follows :

- a. to prescribe and to implement the monetary policy;
- b. to regulate and to safeguard the smoothness of the payment system;
- c. to regulate and to supervise Banks.

Article 9

- (1) Other parties shall not interfere with the implementation of the tasks of Bank Indonesia as referred to in Article 8.
- (2) Bank Indonesia shall refuse and or ignore any form of interferences conducted by any parties in the implementation of its tasks.

CHAPTER IV

THE TASK OF PRESCRIBING AND IMPLEMENTING THE MONETARY POLICY

Article 10

- (1) Bank Indonesia shall, in prescribing and implementing the monetary policy as referred to in Article 8 letter a, be authorized to :
 - a. prescribe monetary targets by taking into account the inflation rate target it has determined;
 - b. conduct a monetary control by using methods which includes but not limited to :
 - 1) open market operation in the money market, both rupiah and foreign exchange market;
 - 2) stipulation of the discount rate;
 - 3) stipulation of the minimum reserve requirements;
 - 4) management of credit and financing.
- (2) The methods of monetary management as referred to in paragraph (1) letter b may be conducted based on Syariah Principle.
- (3) The implementation of the provision as referred to in paragraph (1) letter b and paragraph (2) shall be prescribed by Bank Indonesia Regulation.

Article 11

- (1) Bank Indonesia may extend credit or financing based on Syariah Principle to a Bank for a maximum period of 90 (ninety) days to overcome its short term financial difficulty (*mismatch*).
- (2) The implementation of such extension of credit or financing based on Syariah Principle as referred to in paragraph (1), shall be guaranteed by the receiver Bank with a high quality and liquid collateral which value shall be at least equal to the amount of the accepted credit or financing.
- (3) The implementation of the provision as referred to in paragraph (1) and paragraph (2) shall be prescribed by Bank Indonesia Regulation.

Article 12

Bank Indonesia shall implement the exchange rate policy in accordance with the prescribed exchange rate system.

Article 13

- (1) Bank Indonesia shall manage the foreign exchange reserves.
- (2) Bank Indonesia shall, in managing the foreign exchange reserves as referred to in paragraph (1), implement various foreign exchange transactions.
- (3) Bank Indonesia may, in managing the foreign exchange reserves as referred to in paragraph (1), receive foreign borrowing.

Article 14

- (1) Bank Indonesia may conduct a macro or micro survey, periodically or at any time it deems necessary, to support the implementation of the tasks of Bank Indonesia as referred to in Article 8.
- (2) The implementation of such survey as referred to in paragraph (1) may be conducted by other parties assigned by Bank Indonesia.
- (3) Every entity shall, in conducting such survey as referred to in paragraph (1), provide information and data needed by Bank Indonesia.
- (4) Bank Indonesia or other parties as referred to in paragraph (2) shall keep confidential the source of the data and the individual data as referred to in paragraph (3), except otherwise explicitly stipulated in the prevailing acts.
- (5) The implementation of the provision as referred to in paragraph (1) and paragraph (2) shall be prescribed by Bank Indonesia Regulation.

CHAPTER V
THE TASK OF REGULATING AND SAFEGUARDING THE SMOOTHNESS OF
THE PAYMENT SYSTEM

Article 15

- (1) Bank Indonesia shall, in regulating and safeguarding the smoothness of the payment system as referred to in Article 8 letter b, be authorized :
 - a. to implement, and grant approval and license of, the arrangement of the payment system service;
 - b. to require the operator of the payment system service to submit reports on its activities;
 - c. to determine the use of payment instruments.
- (2) The implementation of the authority as referred to in paragraph (1) shall be prescribed by Bank Indonesia Regulation.

Article 16

Bank Indonesia shall be authorized to regulate the interbank clearing system both in rupiah and or foreign currencies.

Article 17

- (1) The arrangement of the interbank clearing system both in rupiah and or foreign currencies shall be conducted by Bank Indonesia or other parties upon the approval of Bank Indonesia.
- (2) The implementation of the provision as referred to in paragraph (1) shall be prescribed by Bank Indonesia Regulation.

Article 18

- (1) Bank Indonesia shall arrange the final settlement of interbank payment transaction both in rupiah and or foreign currencies.
- (2) The arrangement of the final settlement of the interbank payment transaction as referred to in paragraph (1) may be conducted by other parties upon the approval of Bank Indonesia.
- (3) The implementation as referred to in paragraph (1) and paragraph (2) shall be prescribed by Bank Indonesia Regulation.

Article 19

Bank Indonesia shall be authorized to prescribe the type, value, characteristic of currency to be issued, the material used and the effective date of such money as a legal tender.

Article 20

Bank Indonesia shall be the sole institution which is authorized to issue and circulate rupiah currency as well as to revoke, withdraw and destroy such currency from the circulation.

Article 21

The currency issued by Bank Indonesia shall be exempted from any stamp duties.

Article 22

Bank Indonesia shall not provide any compensation on any currency which is lost or destroyed because of any reason.

Article 23

- (1) Bank Indonesia may revoke and withdraw rupiah money from the circulation with a compensation of the same value.
- (2) In the event that within 5 (five) years after the date of revocation as referred to in paragraph (1) there is still a sum of currency which has not been exchanged, the value of such currency shall then be calculated as revenues of the current fiscal year.
- (3) The currency which was exchanged after the end of such term as referred to in paragraph (2) shall be calculated as expenditures of the current fiscal year.
- (4) The right to claim the exchange of currency which has been revoked, shall no longer be valid after a period of 10 (ten) years since the revocation date.
- (5) The implementation of such revocation and withdrawal of currency from the circulation as referred to in paragraph (1) shall be prescribed by Bank Indonesia Regulation.

CHAPTER VI

THE TASK OF REGULATING AND SUPERVISING BANKS

Article 24

Bank Indonesia shall, in implementing the task as referred to in Article 8 letter c, prescribe regulations, grant and revoke license of an institutional and certain business activities of a Bank, implement Banking supervision and impose sanction on a Bank in accordance with the prevailing regulations.

Article 25

- (1) Bank Indonesia shall, in implementing the task to regulate Banks, be authorized to prescribe the banking regulations which contains the prudential principles.

- (2) The implementation of the authority as referred to in paragraph (1) shall be prescribed by Bank Indonesia Regulation.

Article 26

Bank Indonesia shall, with regard to its authority in granting licenses as referred to in Article 24 :

- a. grant and revoke a business license of a Bank;
- b. grant a license on the opening, closing, and the changing of the address of a Bank's office;
- c. provide an approval on ownership and management of a Bank;
- d. grant a license to a Bank to conduct certain business activities.

Article 27

Banking supervision conducted by Bank Indonesia as referred to in Article 24 shall be a direct and an indirect supervision.

Article 28

- (1) Bank Indonesia shall oblige a Bank to submit reports, information and explanation in accordance with the procedure prescribed by Bank Indonesia.
- (2) The obligation as referred to in paragraph (1) shall, if deemed necessary, also be imposed on a Bank's holding company, subsidiary company, related parties and affiliated parties.

Article 29

- (1) Bank Indonesia shall conduct an examination on a Bank, both periodically and at any time it deems necessary.

- (2) The examination as referred to in paragraph (1) shall, if deemed necessary, also be conducted on the Bank's holding company, subsidiary company, related parties, affiliated parties and debtor.
- (3) The Bank and such parties as referred to in paragraph (2) shall provide to the examiner :
 - a. the required information and data;
 - b. an opportunity to examine the whole books, documents, and physical instruments related to the Bank's activities;
 - c. other necessary things.

Article 30

- (1) Bank Indonesia may assign other parties, for and on behalf of Bank Indonesia, to exercise the examination as referred to in Article 29 paragraph (1) and paragraph (2).
- (2) Other parties who exercise the examination as referred to in paragraph (1), shall keep confidential the information and data obtained in such examination.
- (3) Requirements which should be fulfilled by other parties assigned by Bank Indonesia as referred to in paragraph (1) shall be prescribed by Bank Indonesia Regulation.

Article 31

- (1) Bank Indonesia may instruct a Bank to temporarily terminate a part or the whole of a certain transaction if, according to Bank Indonesia's evaluation on such transaction, it is presumed that such transaction is a banking crime.
- (2) Bank Indonesia shall, based on the evaluation as referred to in paragraph (1), send an investigation team to examine the truth of the presumption.
- (3) In the event that the result of such investigation as referred to in paragraph (2) does not provide a sufficient evidence, Bank Indonesia shall, at the same day, revoke the instruction of termination of such transaction as referred to in paragraph (1).

Article 32

- (1) Bank Indonesia shall regulate and develop interbank information system.
- (2) The information system as referred to in paragraph (1) may be extended by adding other entities in the financial sector.
- (3) The arrangement of such information system as referred to in paragraph (1) and paragraph (2) may be conducted by Bank Indonesia and or other parties upon the approval of Bank Indonesia.

Article 33

In the event that, according to Bank Indonesia's evaluation, a condition of a Bank endangers the survival of its business and or endangers the banking system or there occurs a banking problem which is detrimental to national economy, Bank Indonesia may take any measures as stipulated in the prevailing banking act.

Article 34

- (1) The banking supervision tasks will be conducted by an independent supervisory board of financial services sector which shall be established by an Act.
- (2) The establishment of such supervisory entity as referred to in paragraph (1) will be taken place not later than December 31, 2002.

Article 35

As long as the supervisory entity as referred to in Article 34 has not been established, the banking regulation and supervision task shall be conducted by Bank Indonesia.

CHAPTER VII
THE BOARD OF GOVERNORS

Article 36

Bank Indonesia shall, in implementing its tasks, be presided by the Board of Governors.

Article 37

- (1) The Board of Governors shall consist of a Governor, a Senior Deputy Governor, and at least 4 (four) or at the maximum of 7 (seven) Deputy Governors.
- (2) The Board of Governors shall be presided by the Governor, with the Senior Deputy Governor as Vice Governor.
- (3) In the absence of the Governor and the Senior Deputy Governor, the Governor or the Senior Deputy Governor shall appoint a Deputy Governor to preside the Board of Governors.
- (4) In the event that such appointment as referred to in paragraph (3) failed to take place for any reason, a Deputy Governor who has held the longest term of office shall accordingly act as the chairman of the Board of Governors.

Article 38

- (1) The Board of Governors shall implement the tasks and authority of Bank Indonesia as prescribed in this act.
- (2) The discipline and the procedure for implementation of the works of the Board of Governors shall be prescribed by the Board of Governors Regulation.

Article 39

- (1) The Board of Governors shall represent Bank Indonesia before and outside the court.
- (2) The authority to represent as referred to in paragraph (1) shall be conducted by the Governor.
- (3) The Governor may delegate the authority to represent as referred to in paragraph (2) to the Senior Deputy Governor and or to one or more of Deputy Governors or one or more of Bank Indonesia's employees, and or other parties especially appointed for that purpose.
- (4) The delegation of such authority as referred to in paragraph (2) may be provided with a substitution right.

Article 40

To enable for a nominee to be appointed as a member of the Board of Governors, such nominee shall meet the requirements which, among other things, are :

- a. an Indonesian national;
- b. having an excellent personal quality and morality;
- c. having skill and experience in the field of economic, financial, banking, or law.

Article 41

- (1) The Governor and the Senior Deputy Governor shall be nominated and appointed by the President upon the approval of the House of Representatives.
- (2) The Deputy Governor shall be nominated by the Governor and appointed by the President upon the approval of the House of Representatives.
- (3) In the event that the the House of Representatives does not approve the nominees for Governor or for Senior Deputy Governor as referred to in paragraph (1) or the nominees for Deputy Governor as referred to in paragraph (2) the President or the Governor shall propose a new nominees.

- (4) In the event that the House of Representatives does not approve the nominees as referred to in paragraph (3) for the second time, the President shall reappoint the Governor or the Senior Deputy Governor or the Deputy Governor for the same office, or, upon the approval of the House of Representatives, appoint the Senior Deputy Governor or the Deputy Governor for a higher office in the structure of the Board of Governors by taking into account the provision as referred to in paragraph (5) and paragraph (6).
- (5) The member of the Board of Governors shall be appointed for 5 (five) year term of office and may be reappointed for the same office at the maximum of one subsequent term of office.
- (6) The replacement of member of the Board of Governors whose term of office has been terminated shall be conducted periodically every year and at a maximum of 2 (two) persons.

Article 42

- (1) The Governor, Senior Deputy Governor, and Deputy Governors shall, prior to his/her appointment, take an oath or vow in accordance with his/her religion before the Chief Justice of the Supreme Court.
- (2) The oath or vow as referred to in paragraph (1) shall be read as follows.

“I swear/promise that I, to become a Governor/a Senior Deputy Governor/a Deputy Governor of Bank Indonesia shall, directly or indirectly under any name and for any reason, not give or promise to give anything to anybody. I swear/promise that I shall, in conducting or refraining from conducting something during this term of office, not receive, directly or indirectly from anybody, any promise or gift in any form. I swear/promise that I will implement the tasks and obligation of a Governor/a Senior Deputy Governor/a Deputy Governor of Bank Indonesia with my best effort and with full responsibility. I swear/promise that I shall be loyal to the state, constitution, and the state guideline”.

Article 43

- (1) The meeting of the Board of Governors shall be held :

- a. at least once in a month in order to prescribe the general monetary policy which may be attended by one minister or more representing the Government with a right to speak without any voting right;
 - b. at least once in a week in order to evaluate the implementation of the monetary policy as referred to in letter a or to prescribe other principle and strategic policies.
- (2) The meeting of the Board of Governors shall be lawful if attended by at least more than half of the member of the Board of Governors.
 - (3) The decision making of the meeting of the Board of Governors as referred to in paragraph (1) shall be taken through a deliberation to reach an agreement. If such agreement cannot be reached, the Governor shall determine the final decision.
 - (4) In a state of emergency and the meeting of the Board of Governors cannot be held since the number of the member of the Board of Governors attended in the meeting does not fulfil the provision as referred to in paragraph (2), the Governor or at least 2 (two) member of the Board of Governors may prescribe a policy and or take a decision.
 - (5) The policy and or the decision of the Governor or a Deputy Governor as referred to in paragraph (4), shall be reported at the latest at the following meeting of the Board of Governors.
 - (6) The discipline and procedure of the meeting of the Board of Governors shall be prescribed by the Board of Governors Regulation.

Article 44

- (1) The Board of Governors shall appoint and discharge the employees of Bank Indonesia.
- (2) The Board of Governors shall prescribe regulations concerning employment, wages system, reward, retirement and elderly allowance, as well as other income of the employees of Bank Indonesia.
- (3) The implementation of such provision as referred to in paragraph (1) and paragraph (2) shall be prescribed by the Board of Governors Regulation.

Article 45

The Governor, Senior Deputy Governor, Deputy Governors, and or an official of Bank Indonesia shall not be punished for any decisions or policies taken in accordance with the tasks and authority as prescribed in this Act, as long as it has been conducted with good faith.

Article 46

- (1) A consanguinity relationship up to the third degree and a relationship between parents-in-law among the members of the Board of Governors shall be prohibited.
- (2) In the event that after the appointment, it is proved that the relationship as referred to in paragraph (1) exists or occurs between the members of the Board of Governors, one of those members shall, within 7 (seven) working days after such relationship is proved to be existed or occurred, resign from his/her office.
- (3) In the event that one of the members of the Board of Governors as referred to in paragraph (2) is not willing to resign, the President shall decide that both members resign from their office.

Article 47

- (1) The member of the Board of Governors shall, individually or collectively, be prohibited from :
 - a. having any direct or indirect interests on any enterprises;
 - b. holding any other position concurrently in other entities, except his/her tasks require him/her to hold such position;
 - c. holding a position in the management of and or being a member of a political party.
- (2) A member of the Board of Governors shall, in the event that he/she violates one of the prohibition as referred to in paragraph (1) letter a, letter b, and letter c, resign from his/her office.

Article 48

Any member of the Board of Governors shall not be discharged during his/her term of office, unless it is conducted upon a resignation of such member, or upon any evidence which proves that such member have committed a crime, or permanently prevented from serving his/her office.

Article 49

In the event that a member of the Board of Governors is presumed to commit a crime, a prior written approval of the President shall be obtained in order to summon, to hold a hearing, and to conduct an investigation.

Article 50

- (1) In the event of any vacancy of the office of the Governor, Senior Deputy Governor, and or Deputy Governor caused by any reasons as referred to in Article 46 paragraph (2) and paragraph (3), Article 47 paragraph (2), and Article 48, the President shall appoint a new Governor, Senior Deputy Governor, and or Deputy Governor in accordance with Article 41 paragraph (1), paragraph (2), paragraph (3), paragraph (4), for the rest of the term of office of such office.
- (2) In the event that vacancy of the office of the Governor as referred to in paragraph (1) has not been occupied, the Senior Deputy Governor shall implement the tasks of the Governor as an acting Governor.
- (3) In the event that the Senior Deputy Governor as referred to in paragraph (2) is also prevented from occupying such office, a Deputy Governor who has held the longest term of office shall implement the tasks of the Governor as an acting Governor.

Article 51

- (1) Salary, other income and facilities of the Governor, Senior Deputy Governor and Deputy Governor shall be prescribed by the Board of Governors.

- (2) The amount of such salary and other income of the Governor as referred to in paragraph (1), shall be determined at the maximum 2 (two) times the salary and other income of an employee of the highest rank in Bank Indonesia.
- (3) The implementation of the provision as referred to in paragraph (1) and paragraph (2) shall be prescribed by the Board of Governors Regulation.

CHAPTER VIII RELATIONSHIP WITH THE GOVERNMENT

Article 52

Bank Indonesia shall act as the account holder of the Government.

Article 53

Bank Indonesia may, for and on behalf of the Government, receive foreign borrowing, administer, as well as settle the claim and financial liabilities of the Government toward foreign parties.

Article 54

- (1) The Government shall request Bank Indonesia's opinion and or invite Bank Indonesia in a cabinet meeting which discusses economic, banking and financial matters related to the tasks of Bank Indonesia or other matters within the authority of Bank Indonesia.
- (2) Bank Indonesia shall provide an opinion and consideration to the Government concerning the State Budget and other policies related to the tasks and authority of Bank Indonesia.

Article 55

- (1) The Government shall, in the event that the Government will issue the state debt securities, hold a prior consultation with Bank Indonesia.
- (2) The Government shall, before issuing the state debt securities as referred to in paragraph (1), consult with the House of Representatives.
- (3) Bank Indonesia may assist the issuance of the state debt securities issued by the Government as referred to in paragraph (1).
- (4) Bank Indonesia shall not purchase for itself the state debt securities as referred to in paragraph (1), except in a secondary market.
- (5) The legal act of Bank Indonesia of purchasing the state debt securities other than in a secondary market as referred to in paragraph (4), shall be null and void.

Article 56

- (1) Bank Indonesia shall not provide any credit to the Government.
- (2) In the event that Bank Indonesia violate the provision as referred to in paragraph (1), the agreement to extend credit to the Government shall be null and void.

CHAPTER IX

INTERNATIONAL RELATIONS

Article 57

- (1) Bank Indonesia may cooperate with other Central Banks and international organizations and entities.
- (2) In the event that it is required that a member of an international entity and or multilateral entity as referred to in paragraph (1) shall be a state, Bank Indonesia may act as a member for and on behalf of the state of the Republic of Indonesia.

CHAPTER X
ACCOUNTABILITY AND BUDGET

Article 58

- (1) Bank Indonesia shall disclose information to the public through mass media at the beginning of every fiscal year, which contains :
 - a. an evaluation on the implementation of the monetary policies of the previous year;
 - b. a proposal of monetary policies and the prescription of the following year monetary targets by taking into account the inflation rate targets as well as the development of the economic and financial condition.
- (2) The information as referred to in paragraph (1), shall also be submitted in writing to the President and the House of Representatives.
- (3) Bank Indonesia shall submit a report on the development of the implementation of its tasks and authority to the House of Representatives every 3 (three) months.
- (4) Without prejudice to the obligation as referred to in paragraph (3), Bank Indonesia shall submit an explanation on the implementation of its tasks and authority if requested by the House of Representatives.

Article 59

The Supreme Audit Board may conduct special examination on Bank Indonesia at the request of the House of Representatives if deemed necessary.

Article 60

- (1) The fiscal year of Bank Indonesia is a calendar year.
- (2) The Board of Governors shall, at the latest of 15 (fifteen) days prior to the beginning of a fiscal year, prescribe the annual budget of Bank Indonesia which

should be submitted to the House of Representatives and the Government along with the evaluation of the budget implementation of the current year.

- (3) Every increase of the amount of required expenditures in the current year shall have a prior approval from the Board of Governors.

Article 61

- (1) Bank Indonesia shall, at the latest 30 (thirty) days after the expiration of a fiscal year, complete the compiling of the annual financial report of Bank Indonesia.
- (2) Bank Indonesia shall, at the latest 7 (seven) days after the report as referred to in paragraph (1) has been compiled, submit the report to the Supreme Audit Board which will examine the report.
- (3) The Supreme Audit Board shall, at the latest 90 (ninety) days since the examination as referred in paragraph (2), submit the report to the House of Representatives.
- (4) Bank Indonesia shall publicize the annual financial report of Bank Indonesia to the public through mass media.

Article 62

- (1) The surplus derived from the activities of Bank Indonesia shall be distributed as follows :
 - a. 30% (thirty percentage) for the Special Purpose Reserves;
 - b. the rest of the surplus shall be accumulated as a General Reserves so that the total amount of the capital and the General Reserves reaches 10% (ten percentage) of all monetary liabilities as referred to in Article 6 paragraph (2).
- (2) The rest of the surplus shall, after the distribution referred to in paragraph (1), be submitted to the Government.
- (3) The Government shall, in the event that the capital becomes less than Rp2.000.000.000.000,00 (two trillion rupiah) as referred to in Article 6 paragraph (1), cover the shortage upon the approval of the House of Representatives.
- (4) The surplus of Bank Indonesia as referred to in paragraph (1) shall be exempted from any income taxes.

Article 63

Bank Indonesia shall make a condensed weekly balance sheet which shall be publicized in the State Bulletin of the Republic of Indonesia.

Article 64

- (1) Bank Indonesia may only conduct an equity participation in any legal entities or any other entities deemed necessary in the implementation of the tasks of Bank Indonesia upon the approval of the House of Representatives.
- (2) The funds required for such investment as referred to in paragraph (1) may only be obtained from the Special Purpose Reserves.

CHAPTER XI

CRIMINAL PROVISIONS AND ADMINISTRATIVE SANCTIONS

Article 65

Whoever wilfully violates the provision as referred to in Article 2 paragraph (3), shall be subject to a confinement for a minimum of 1 (one) month and a maximum of 3 (three) months and a fine for a minimum of Rp2.000.000,00 (two million rupiah) and a maximum of Rp6.000.000,00 (six million rupiah).

Article 66

Whoever wilfully violates the provision as referred to in Article 2 paragraph (4), shall be subject to an imprisonment for a minimum of 1 (one) year and a maximum of 3 (three) years, and a fine for a minimum of Rp1.000.000.000,00 (one billion rupiah) and a maximum of Rp3.000.000.000,00 (three billion rupiah).

Article 67

Whoever interferes the implementation of the tasks of Bank Indonesia as referred to in Article 9 paragraph (1), shall be subject to an imprisonment for a minimum of 2 (two) years and a maximum of 5 (five) years and a fine for a minimum of Rp2.000.000.000,00 (two billion rupiah) and a maximum of Rp5.000.000.000,00 (five billion rupiah).

Article 68

The member of the Board of Governors and/or an official of Bank Indonesia who violates the provision of Article 9 paragraph (2), shall be subject to an imprisonment for a minimum of 2 (two) years and a maximum of 5 (five) years and a fine for a minimum of Rp2.000.000.000,00 (two billion rupiah) and a maximum of Rp5.000.000.000,00 (five billion rupiah).

Article 69

Any entity which does not comply with the obligation as referred to in Article 14 paragraph (3) shall be subject to a fine of a maximum of Rp50.000.000,00 (fifty million rupiah).

Article 70

- (1) Any violation to the provision as referred to in Article 55 paragraph (4) shall be subject to an imprisonment for a minimum of 1 (one) year and a maximum of 3 (three) years, and a fine for a minimum of Rp6.0000.000.000,00 (six billion rupiah) and a maximum of Rp15.000.000.000,00 (fifteen billion rupiah).

- (2) A prosecution for the violation as referred to in paragraph (1), shall be conducted against those who give the instruction, commit the action, or act as the leader in such action, or, against all of those who conduct the abovementioned actions.

Article 71

- (1) The Governor, Senior Deputy Governor, Deputy Governor, employees of Bank Indonesia, or other parties assigned or approved by Bank Indonesia to perform a certain task who illegally disclose any confidential information and other data which is obtained due to his/her position, shall be subject to an imprisonment of a minimum of 1 (one) year and to a maximum of 3 (three) years and a fine for a minimum of Rp1.000.000.000,00 (one billion rupiah) and a maximum of Rp3.000.000.000,00 (three billion rupiah).
- (2) In the event that such violation as referred to in paragraph (1) is conducted by an entity, such entity shall be subject to a fine of a minimum of Rp3.000.000.000,00 (three billion rupiah) and a maximum of Rp6.000.000.000,00 (six billion rupiah).
- (3) The confidential information and other data as referred to in paragraph (1) shall be prescribed by the Board of Governor Regulation.

Article 72

- (1) Without prejudice to the criminal provision as referred to in Article 65, Article 66, Article 67, Article 68, Article 69, Article 70, and Article 71, the Board of Governors may impose an administrative sanction on Bank Indonesia's employees and other parties who do not perform his/her obligation in accordance with this Act.
- (2) The administrative sanction as referred to in paragraph (1) may be in the form of :
 - a. a fine; or
 - b. a warning; or
 - c. a revocation or an annulment of a business license by a competent institution if the violation is conducted by an entity; or
 - d. an imposition of a disciplinary sanction if such violation is conducted by a business entity.

- (3) Further provision on the administrative sanction shall be prescribed by Bank Indonesia Regulation or the Board of Governors Regulation.

CHAPTER XII

TRANSITIONAL PROVISIONS

Article 73

All assets and liabilities of Bank Indonesia under Act Number 13 of 1968 concerning Central Bank shall, based on this act, become assets and liabilities of Bank Indonesia under this Act.

Article 74

- (1) The Liquidity Credit of Bank Indonesia extended as program credit which is still outstanding and has not reached the maturity period, which has been approved but has not been disbursed, shall be transferred based on an agreement to a State Owned Enterprise designated by the Government within 6 (six) months since the effective date of this act.
- (2) The State Owned Enterprise as referred to in paragraph (1) may manage the funds obtained from the installment payment and or the pay off of the principal debt and the interest of the credit liquidity up to the expiration of such credit liquidity term.
- (3) Interest subsidy of such credit liquidity within the management of the State Owned Enterprise as referred to in paragraph (2) shall remain in the account of the Government.

Article 75

- (1) With the coming into force of this Act, the Managing Directors who have been appointed based on Act Number 13 of 1968 concerning Central Bank shall be discharged and reappointed as members of the Board of Governors under the following arrangement :

- a. The Governor and a Deputy Governor shall be reappointed for 4 (four) years of the first term of office;
 - b. 2 (two) Deputy Governors shall be reappointed for 1 (one) year of the first term of office;
 - c. 2 (two) Deputy Governors shall be reappointed for 2 (two) years of the first term of office;
 - d. 2 (two) Deputy Governors shall be reappointed for 3 (three) years of the first term of office.
- (2) At the latest 3 (three) weeks since the effectiveness of this Act, the President shall propose a candidate of Senior Deputy Governor in accordance with Article 40 and Article 41 for the first term of office for 5 (five) years.
- (3) The member of the Board of Governors as referred to in paragraph (1) letter b, letter c, and letter d shall be approved by the House of Representatives upon the nomination of the Governor.

Article 76

- (1) The provision which prohibits Bank Indonesia to purchase for itself the state debt securities as referred to in Article 55 paragraph (4) shall be effective at latest January 1, 2000, except for the financing of banking restructuring.
- (2) Bank Indonesia may, for any claims on the state debt securities which have been directly purchased by Bank Indonesia and still have not reached the maturity period, extend the term of the claims at a maximum of 10 (ten) years since the maturity date if it is deemed necessary by the Government upon the approval of the House of Representatives.
- (3) The Government shall, in the event that the term of the claims has to be extended, propose the application of the term extension of such claims at the latest 30 (thirty) days prior to the due date of such claims.

Article 77

Bank Indonesia shall, within a maximum of 2 (two) years term after the effective date of this Act, divest all of its investment in legal or other entities which is not in accordance with the provision as referred to in Article 64 paragraph (1).

Article 78

- (1) With the coming into force of this Act, Act Number 13 of 1968 concerning Central Bank and other implementing regulations which are in contrary with this act shall be no longer valid.
- (2) The implementation regulation of Act Number 13 of 1968 concerning Central Bank and other implementation regulations shall, as long as they have not been renewed and are not in contrary with this Act, remain in force.

CHAPTER XIII
FINAL PROVISIONS

Article 79

This Act shall come into force on the date of its enactment.

For the public to be informed, it is instructed to promulgate this Act in the State Gazette of the Republic of Indonesia.

Executed in Jakarta

On 17 May, 1999

PRESIDENT OF THE REPUBLIC OF INDONESIA

signed

BACHARUDDIN JUSUF HABIBIE

Enacted in Jakarta

On 17 May, 1999

MINISTER OF STATE OF STATE SECRETARY OF
THE REPUBLIC OF INDONESIA

PROF. DR. H. MULADI, SH

