

REGULATION OF THE MUNICIPALITY OF BUKITTINGGI
NUMBER 13 OF 2019
ON
PERUSAHAAN PERSEROAN DAERAH BANK PEMBIAYAAN RAKYAT SYARIAH
JAM GADANG

BY THE BLESSINGS OF ALMIGHTY GOD

MAYOR OF BUKITTINGGI,

- Considering :
- a. that in order to realize the vision and mission of the local government to develop an economic system that is efficient, healthy, and to increase regional revenues, it is necessary to develop a people's credit banking system based on justice, togetherness, equity and benefit in accordance with sharia principles;
 - b. that the local community's need for sharia banking services is increasing, so that perusahaan perseroan daerah bank perkreditan rakyat jam gadang needs to change its business activities to become an islamic rural bank;

- c. that in the context of exercising the authority of the Local Government in the implementation of regional autonomy and guaranteeing legal certainty in the implementation of changes in the business activities of perusahaan perseroan daerah bank perkreditan rakyat jam gadang into an islamic rural bank, it is necessary to regulate it in the form of a regional regulation;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regional Regulation on **Perusahaan Perseroan Daerah Bank Pembiayaan Rakyat Syariah Jam Gadang** ;

- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 9 of 1956 on Establishment of Autonomous Regions for Big Cities within the Province of Central Sumatra (State Gazette of the Republic of Indonesia of 1956 Number 20);
3. Law Number 40 of 2007 on Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);
4. Law Number 21 of 2008 on Sharia Banking (State Gazette of the Republic of Indonesia of 2008 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 4867);
5. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, last by Law Number 9 of 2015 on the Second Amendment to

- Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
6. Government Regulation Number 54 of 2017 on Local-Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to the State Gazette of the Republic of Indonesia Number 6173);
 7. Regulation of the Financial Services Authority Number 3/POJK.03/2016 on Islamic Rural Banks (State Gazette of the Republic of Indonesia of 2016 Number 15, Supplement to State Gazette of the Republic of Indonesia Number 5839);
 8. Regulation of the Financial Services Authority Number 64/POJK.03/2016 on Changes in Business Activities of Conventional Banks to Sharia Banks (State Gazette of the Republic of Indonesia Year 2016 Number 295, Supplement to the State Gazette of the Republic of Indonesia Number 5985);
 9. Regulation of the Financial Services Authority Number 24/POJK.03/2018 on Implementation of Governance for Islamic Rural Banks (State Gazette of the Republic of Indonesia of 2018 Number 228, Supplement to State Gazette of the Republic of Indonesia Number 6266);
 10. Regulation of the Minister of Home Affairs Number 94 of 2017 on Management of Rural Banks Owned by Local Governments;

With the joint approval of:

THE MUNICIPAL HOUSE OF REPRESENTATIVES
and
THE MAYOR OF BUKITTINGGI

HAS DECIDED:

To issue : REGIONAL REGULATION ON PERUSAHAAN PERSEROAN
DAERAH BANK PEMBIAYAAN RAKYAT SYARIAH JAM
GADANG

Article 1

In this Regional Regulation:

1. Region means the Municipality of Bukittinggi.
2. Local Government means the Mayor as an element of the Local Government organizer who leads the implementation of government affairs which are the authority of the autonomous region.
3. Perusahaan Perseroan Daerah Bank Pembiayaan Rakyat Jam Gadang, hereinafter referred to as PT. BPRS Jam Gadang (Perseroda) means an Islamic Rural Bank which is a Local-Owned Limited Liability Company in the form of a limited liability company whose capital is divided into shares which are wholly or at least 51% (fifty one percent) of the shares are owned by the Local Government.
4. General Meeting of Shareholders, hereinafter abbreviated as **GMS**, means the organ of a local-owned limited liability company that holds the highest power in a local-owned limited liability company and holds all the powers that are not delegated to the board of directors or board of

commissioners.

Article 2

PT. BPRS Jam Gadang (Perseroda) is organized based on the following principles:

- a. sharia;
- b. economic democracy;
- c. prudence;
- d. legal certainty;
- e. orderly state administration;
- f. public interest;
- g. openness; and
- h. accountability.

Article 3

Establishment of PT. BPRS Jam Gadang (Perseroda) aims to:

- a. provide benefits for regional economic development;
- b. expand financial access to the public;
- c. encourage effective, efficient, and efficient financing for micro, small and medium enterprises in accordance with the provisions of legislation; and
- d. earn a profit or profit.

Article 4

- (1) PT. BPRS Jam Gadang (Perseroda) is a Regional Limited Liability Company Jam Gadang Rural Bank, which has changed its business activities to become an Islamic Rural Bank.
- (2) Regional Limited Liability Company Jam Gadang People's

Credit Bank as referred to in section (1) is a banking institution established based on the initiative of *niniak mamak, kurai lima jorong* community leaders and the Local Government as stipulated by Regional Regulation Number 5 of 2017 on Regional Limited Liability Company of Jam Gadang Rural Bank .

Article 5

- (1) PT. BPRS Jam Gadang (Perseroda) is domiciled and has its head office in the Region.
- (2) PT. BPRS Jam Gadang (Perseroda) can only open branch offices, within the province of West Sumatra.
- (3) PT. The Jam Gadang BPRS (Perseroda) may only open a cash office within the region and/or in the regency/municipality area which is directly adjacent to the Region.
- (4) Mobile cash and payment point activities can only be carried out within the Region.

Article 6

PT. BPRS Jam Gadang (Perseroda) includes:

- a. collect funds from the public in the form of:
 1. savings in the form of savings or equivalent based on *wadi'ah* contracts or other contracts that do not conflict with sharia principles; and
 2. investment in the form of deposits or savings or other equivalent forms based on *mudharabah* contracts or other contracts that do not conflict with sharia principles;

- b. distribute funds to the public in the form of:
 - 1. profit sharing financing based on *mudharabah* or *musyarakah* contracts ;
 - 2. financing based on *murabahah* , *salam* , or *istishna'* contracts ;
 - 3. financing based on *qardh* contract ;
 - 4. financing for leasing of movable or immovable goods to customers based on an *ijarah* contract or lease purchase in the form of *ijarah vomitiya bittamlik* ; and
 - 5. takeover of debt based on a *hawalah* contract ;
- c. placing funds in other sharia banks in the form of deposits based on wadi'ah contracts or investments based on *mudharabah* contracts and/or other contracts that do not conflict with sharia principles;
- d. transfer money, either for their own benefit or for the benefit of customers through the account of PT. BPRS Jam Gadang (Perseroda) existing in Islamic commercial banks, conventional commercial banks, and sharia business units; and
- e. provide products or carry out other Islamic rural bank business activities in accordance with sharia principles based on the provisions of legislation.

Article 7

PT. BPRS Jam Gadang (Perseroda) was established for an indefinite period as specified in the articles of association.

Article 8

- (1) Authorized capital of PT. BPRS Jam Gadang (Perseroda) is set at Rp. 20,000,000,000.00 (twenty billion rupiah), with a nominal value per share of Rp. 10,000.00 (ten thousand rupiah) with the composition consisting of:
 - a. Local Government's equity participation is at least Rp. 15,000,000,000.00 (fifteen billion rupiah) or 75% (seventy five percent) of shares; and
 - b. third party/public equity participation is maximum Rp.5,000,000,000.00 (five billion rupiah) or 25% (twenty-five percent) of shares.
- (2) Paid-up capital of PT. BPRS Jam Gadang (Perseroda) at least 25% (twenty five percent) of the Authorized Capital.
- (3) The change in authorized capital as referred to in section (1) is determined in the GMS in accordance with the provisions of the legislation.
- (4) Equity participation from the Region is a restricted local-owned assets.
- (5) Third party equity participation is carried out in accordance with the provisions of legislation.

Article 9

The transfer of shares of PT. BPRS Jam Gadang (Perseroda) is determined at the GMS in accordance with the provisions of the legislation.

Article 10

- (1) Shareholders of PT. BPRS Jam Gadang (Perseroda) is prohibited from withdrawing the paid-up capital.
- (2) In the event that shareholders intends to resign as a

shareholder, the said shareholder is obligated to transfer their share ownership to another party in accordance with the provisions of other legislation.

Article 11

- (1) PT. BPRS Jam Gadang (Perseroda) may be merged, consolidated, taken over, and dissolved.
- (2) The merger, consolidation, acquisition, and dissolution as referred to in section (1) are carried out based on the results of investment analysis, assessment of soundness level, and results of evaluation of PT. BPRS Jam Gadang (Perseroda).

Article 12

- (1) Dissolution of PT. The Jam Gadang BPRS (Perseroda) as referred to in article 11 is carried out after going through the GMS mechanism guided by the provisions of legislation in the field of Limited Liability Companies and Banking.
- (2) Dissolution of PT. The Jam Gadang BPRS (Perseroda) is stipulated by regional regulation.
- (3) Regional Assets resulting from the dissolution of PT. The Jam Gadang BPRS (Perseroda) as referred to in section (1) is returned to the Region.

Article 13

The regional equity participation that has been made by the Local Government to Perusahaan Perseroan Daerah Bank

Perkreditan Rakyat Jam Gadang, becomes the regional equity participation in PT. BPRS Jam Gadang (Perseroda) in accordance with this regional regulation.

Article 14

- (1) Further provisions regarding PT. BPRS Jam Gadang (Perseroda) is regulated in the articles of association of PT. BPRS Jam Gadang (Perseroda).
- (2) Articles of Association of PT. BPRS Jam Gadang (Perseroda) as referred to in section (1) is stated in a notarial deed in accordance with the provisions of the legislation.
- (3) Articles of Association of PT. The Jam Gadang BPRS (Perseroda) as referred to in section (1) and section (2) contains:
 - a. name and place of domicile;
 - b. purpose and objectives;
 - c. business activities;
 - d. standing period;
 - e. the amount of authorized and paid-up capital;
 - f. number of shares;
 - g. classification of shares and number of shares for each classification as well as the rights attached to each share;
 - h. nominal value of each share;
 - i. name of position and number of commissioners, sharia supervisory board members, and members of the board of directors;
 - j. determination of the place and procedure for holding the GMS;

- k. procedures for the appointment, replacement, dismissal of members of commissioners, members of the sharia supervisory board, and members of the board of directors;
 - l. duties and authorities of commissioners, sharia supervisory boards, and board of directors;
 - m. use of profits and dividend distribution; and
 - n. other provisions in accordance with the provisions of the legislation.
- (4) Articles of association as referred to in section (3) are drawn up in accordance with the provisions of legislation.

Article 15

Business activities of PT. BPR Jam Gadang which is conventional will still be implemented until the issuance of a permit to change business activities into an 'Islamic rural bank issued by the Financial Services Authority.

Article 16

At the time this Regional Regulation comes into force, Regional Regulation Number 5 of 2017 on Perusahaan Perseroan Daerah Bank Perkreditan Rakyat Jam Gadang (Regional Gazette of Municipality of Bukittinggi 2017 Number 5, Supplement to Regional Gazette of Municipality of Bukittinggi Number 5) is repealed and declared ineffective.

Article 17

This regional regulation comes into force on the date of promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of Municipality of Bukittinggi .

Issued in Bukittinggi
on 11 December 2019
MAYOR OF BUKITTINGGI,
signed
M. RAMLAN NURMATIAS

Promulgated in Bukittinggi
on 11 December 2019
SECRETARY OF MUNICIPALITY OF BUKITTINGGI,
signed
YUEN KARNOVA

REGIONAL GAZETTE OF MUNICIPALITY OF BUKITTINGGI OF 2019 NUMBER
13

Jakarta, 6 June 2022

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

ACTING DIRECTOR GENERAL OF LEGISLATION,



DHAHANA PUTRA