

REGULATION OF THE MINISTER OF STATE-OWNED ENTERPRISES  
OF THE REPUBLIC OF INDONESIA  
NUMBER PER-03/MBU/08/2017  
ON  
GUIDELINES ON COOPERATION OF STATE-OWNED ENTERPRISES

BY THE BLESSINGS OF ALMIGHTY GOD

MINISTER OF STATE-OWNED ENTERPRISES OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that company value optimization, may be made by State-Owned Enterprises through mutual cooperation profitable with other parties as partners;
  - b. that in order to the cooperation as referred to inpoint a provides optimal results for the State-Owned Enterprises, a guideline for cooperation between State-Owned Enterprises and other parties is required;
  - c. that the cooperation between State-Owned Enterprises and other parties for the utilization of assets is currently regulated in Regulation of the Minister of State-Owned Enterprises Number PER-03/MBU/09/2014 on Guidelines of Utilization of Fixed Assets of State-Owned Enterprises;
  - d. that in order to adjust to its dynamics develop and create more competitive and productive investment climate based on corporate spirit in the State-Owned Enterprises, it is necessary to issue Guidelines on Cooperation of State-Owned Enterprises which includes the Guidelines for Fixed Asset Utilization of State-Owned Enterprises;

- e. that based on the considerations as referred to in point a to point d, it is necessary to issue Regulation of the Minister of State-Owned Enterprises on Guidelines on Cooperation of State-Owned Enterprises;

- Observing : 1. Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297);
2. 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);
3. Government Regulation Number 41 of 2003 on Delegation of Minister of Finance Position, Duty and Authority in Limited Corporation (*Perusahaan Perseroan*), General Corporation (*Perusahaan Umum*), and Service Corporation (*Perusahaan Jawatan*) To State Minister of State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4305);
4. Government Regulation Number 45 of 2005 on Establishment, Management, Supervision and Dissolution of State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2005 Number 117, Supplement to the State Gazette of the Republic of Indonesia Number 4556);
5. Presidential Regulation Number 41 of 2015 on Ministry of State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2015 Number 76) as amended by Presidential Regulation Number 41 of 2017 on Ministry of State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 74);

HAS DECIDED:

- To issue : REGULATION OF THE MINISTER OF STATE-OWNED ENTERPRISES ON GUIDELINES ON COOPERATION OF STATE-OWNED ENTERPRISES.

## Article 1

In this Ministerial Regulation:

1. State-Owned Enterprises, hereinafter abbreviated as SOEs means enterprises of which the equity is in whole or in majority part owned by the state through direct participation derived from the state's separated assets.
2. Cooperation means a legal agreement between SOEs and Partners to achieve common goals.
3. Partner means a party that cooperates with SOEs consisting of SOE subsidiaries, SOE affiliated companies and/or other parties.
4. Standard Operating Procedures hereinafter abbreviated as SOP means a guideline or reference to perform duties/jobs.

## Article 2

Principles that must be considered in the implementation of cooperation are as follows:

- a. Cooperation is carried out with regard to the principle of transparency, independence, accountability, responsibility, benefit, and fairness, as well as in accordance with the provisions of legislation;
- b. Cooperation is carried out for a certain period of time stipulated in the agreement and is not allowed to conduct cooperation indefinitely, except for cooperation in the form of the establishment of a joint venture company;
- c. Cooperation prioritizes synergies between SOEs and/or SOE subsidiaries and/or SOE affiliated companies and enhancement national business participation;
- d. In addition to Organ of Limited Corporation (*Perusahaan Perseroan*) or Organ of Public Corporation (*Perusahaan Umum*), any party is prohibited from interfering in the process and retrieval decision regarding cooperation in accordance with the provisions of legislation; and/or
- e. Board of Directors is responsible for implementing cooperation for the benefit of the company, and guarantee free from pressure, coercion and interference of other parties.

### Article 3

Cooperation is carried out based on the most optimum benefits for SOEs, which in its implementation adjusted to the each SOEs' characteristics and/or dynamics of the industry, sectoral, and/or needs.

### Article 4

Cooperation carried out by SOEs includes:

- a. Cooperation of which SOEs are as the partner of cooperation; and
- b. Cooperation of which SOEs are as the party seeking Partner.

### Article 5

Cooperation of which SOEs are as a partner of cooperation as referred to in Article 4 point a may be done by referring to the provisions of the partner of cooperation, with regard to the aspects of benefit and profits for SOEs.

### Article 6

- (1) Cooperation of which SOEs are as the party seeking Partner as referred to in Article 4 point b, is conducted based on the SOP determined by the Board of Directors.
- (2) SOP as referred to in section (1) must obtain approval from the Board of Commissioners/Board of Supervisors of the related SOEs with regard to this Ministerial Regulation.
- (3) SOP as referred to in section (1) is determined by the Board of Directors not later than 6 (six) months as of the date of promulgation of this Ministerial Regulation.
- (4) SOP as referred to in section (1) at least stipulate regarding:
  - a. mechanism for Partners selection, including direct appointment mechanisms;
  - b. required documents, including feasibility studies (covering the most optimum benefits obtained by SOEs), business plan (covering aspects of operating,

- financial, legal and market), risk management study and risk mitigation;
- c. partners' requirements/qualifications;
  - d. timeframe process of Partner selection not later than 90 (ninety) work days, as of the document of the application submitted by the Prospective Partner is accepted completely;
  - e. mechanism for cooperation extension, whether to the agreement that has ended, present agreement, or the future agreement; and/or
  - f. material of cooperation agreements which protecting the interests of SOEs.
- (5) SOP as referred to in section (4) must also stipulate the procedures for Partners appointment, which the cooperation process is conducted at the initiative of prospective Partners.
- (6) In the event that SOEs have the relevant SOP concerning cooperation with Partners, such SOP must be adjusted to the provisions of this Ministerial Regulation not later than 6 (six) months as of the date of promulgation of this Ministerial Regulation.
- (7) In the implementation of cooperation and drafting or adjustment of SOP as referred to in section (1) and section (3), the Board of Directors must take into account the sectoral provisions of legislation.

#### Article 7

The SOP determined by the Board of Directors as referred to in Article 6 section (1) or section (6), and its amendments, if any, must be reported to the Minister of SOEs not later than 1 (one) month as of the date of determination of the SOP.

#### Article 8

- (1) Each cooperation is stated in an agreement between SOEs and Partners.
- (2) The agreement as referred to in section (1) must protect the interests of SOEs at least stipulates:

- a. type and value of compensation/return, method of payment and/or completion, time of payment and delivery of compensation/return;
  - b. rights and obligations of the parties;
  - c. default and sanction in the event that the Partner does not fulfill its contractual obligations;
  - d. priority dispute resolution settlement through deliberation and consensus, and alternative dispute resolution along with its legal domicile/jurisdiction;
  - e. indemnity of SOEs by Partners from legal liability at the time of the cooperation agreement end;
  - f. transfer of knowledge from Partners to SOEs (if any);
  - g. termination of the agreement and its consequences caused, including regarding return delivering to the object of the cooperation agreement; and
  - h. absence of provisions that binding and/or require SOEs to extend the agreement of cooperation.
- (3) For cooperation of establishment of a joint venture company, the provision as referred to in section (2) point g and point h cannot be stipulated in the agreement between SOEs and Partners.
- (4) The type of compensation as referred to in section (2) point a, may be in the form of cash, other compensations, or other benefits for the company or benefits for the State.
- (5) In addition to the provisions as referred to in section (2), for cooperation related to land, buildings, and/or fixed assets owned by SOEs, the agreement as referred to in section (1) contains at least:
- a. prohibition from transferring them, except from the beginning of the cooperation was carried out in order to transfer them;
  - b. prohibition from guaranteeing the object of the agreement;
  - c. prohibition from binding collateral that exceeds the period of agreement on buildings/means/infrastructures as the results of cooperation; and

- d. Quality Assurance as the result of cooperation at the time agreement ends.

#### Article 9

The Board of Directors is obligated to evaluate the cooperation agreement that has not been implemented yet, if it has harmed the SOEs or not provide optimum benefits, still with regard to the provisions of legislation.

#### Article 10

For Limited Corporation/Limited Liability Companies which not fully owned by the state, the enforcement of this Ministerial Regulation carried out through direct adoption by the Board of Directors or through adoption with adjustments by the Board of Directors or inauguration in the GMS (General Meeting of Shareholders) of the related Limited Corporation/Limited Liability Company.

#### Article 11

For SOE subsidiaries and SOE affiliated companies, may enforce this Ministerial Regulation which confirmed in the GMS of the related subsidiary or affiliated company.

#### Article 12

- (1) Cooperation for the Utilization of Fixed Assets or other forms that have been implemented or have obtained approval in accordance with the provisions of the Articles of Association of each SOEs before the promulgation of this Ministerial Regulation, are remain in effect.
- (2) In the event of cooperation for the Utilization of Fixed Assets or other forms that are in the process of review and/or approval process in accordance with the provisions of the Articles of Association of each SOEs at the time this Ministerial Regulation is promulgated, still may be continued based on the previous applicable Ministerial Regulation, as long as the SOP has not been compiled or adjusted with the provisions of this

Ministerial Regulation or in the time of 6 (six) months (whichever is faster).

- (3) SOP on cooperation with existing Partners before this Ministerial Regulation takes effect, it is stated remain in effect as long as it does not contrary to or has not adjusted according to this Ministerial Regulation.

#### Article 13

Cooperation for the service needs of Government Institution in the airport and port area as part of airport and port facilities required by the legislation, the implementation of which is carried out in accordance with the provisions of legislation on airport and port.

#### Article 14

At the time this Ministerial Regulation comes into force, Regulation of the Minister of SOEs Number PER-13/MBU/09/2014 on Guidelines for Utilization of Fixed Assets of Stated-Owned Enterprises is repealed and declared ineffective.

#### Article 15

This Ministerial Regulation comes into force on the date of its promulgation.



In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta  
on 14 August 2017

MINISTER OF STATE-OWNED ENTERPRISES  
OF THE REPUBLIC OF INDONESIA

signed

RINI M. SOEMARNO

Promulgated in Jakarta  
on 21 August 2017

DIRECTOR GENERAL OF LEGISLATION  
OF MINISTRY OF LAW AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,

signed.

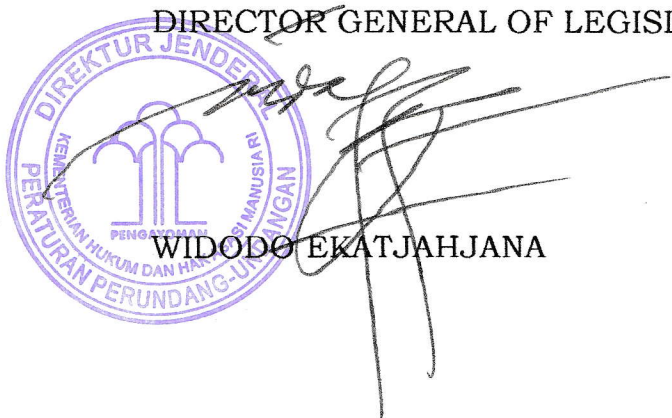
WIDODO EKATJAHJANA

STATE BULLETIN OF THE REPUBLIC OF INDONESIA NUMBER 1147 OF 2017

Jakarta, 8 November 2019

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

DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA