

REGULATION OF THE MINISTER OF STATE-OWNED ENTERPRISES
OF THE REPUBLIC OF INDONESIA
NUMBER PER-05/MBU/04/2021
ON
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM OF STATE-
OWNED ENTERPRISES

BY THE BLESSINGS OF ALMIGHTY GOD

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

- Considering :
- a. that in order to implement the purpose of establishment of State-Owned Enterprises to actively participate in providing guidance and assistance for middle-class entrepreneurs and community development around the State-Owned Enterprises, Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises as amended several times and last by Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/04/2020 on the Third Amendment to Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises;
 - b. that in order to optimize the implementation of guidance and assistance program for middle-class entrepreneurs

and community development around the State-Owned Enterprises that is oriented to achieve sustainable purposes that more integrated, directed measurable impact and accountable and a part of company business approach, it is necessary in perfecting Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises as amended several times and last by Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/04/2020 on the Third Amendment to Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises;

- c. that based on considerations as referred to in point a and point b, it is necessary to issue Regulation of the Minister of State-Owned Enterprises on Social and Environmental Responsibility Program of State-Owned Enterprises;

- Observing :
1. Article 17 section (3) of the 1945 Constitution of the Republic of Indonesia;
 2. 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);
 3. Law Number 39 of 2008 on State Ministries (State Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916);
 4. Government Regulation Number 41 of 2003 on Delegation of Position, Duty and Authority of the Minister of Finance to State-Owned Limited Liability Company (Persero), State-Owned Public Company (Perum) and State-Owned Service Company (Perjan) to the 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);
5. 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);
 6. Presidential Regulation Number 81 of 2019 on Ministry of State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2019 Number 235);
 7. Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/03/2021 on Organization and Work Procedures of Ministry of State-Owned Enterprises (State Bulletin of the Republic of Indonesia of 2021 Number 251);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF STATE-OWNED ENTERPRISES ON SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM OF STATE-OWNED ENTERPRISES.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Ministerial Regulation:

1. State-Owned Enterprises, hereinafter abbreviated as SOEs, means an enterprise which equity is owned by the state either majority or entirely through direct equity participation deriving from the restricted state assets.
2. State-Owned Limited Liability Company (*Perusahaan Perseroan*), hereinafter referred to as Persero, means an SOE in the form of a limited liability company which equity is divided into shares which entirely or at least 51% (fifty- one percent) of the shares are owned by the State of the Republic of Indonesia with the main objective is to gain profits.

3. State-Owned Listed/Registered Company, hereinafter referred to as Listed/Registered Persero, means Persero which equity and number of shareholders have fulfilled specific criteria or Persero which has conducted public offering in accordance with the legislation in the sector of capital market.
4. Public Corporation (*Perusahaan Umum*), hereinafter referred to as Perum, means an SOE which capital entirely owned by the state and not divided into shares, which objective is for public service in the form of high-quality goods and/or service provision and at the same time to gain profits under the principles of corporate governance.
5. Minister means the minister appointed and/or given the power to represent the government as the shareholder of the state in Persero and owner of the capital on Perum which regards to the legislation.
6. Board of Directors means the organ of SOEs, which responsible for the management of SOEs for the interest and objective of SOEs, also to represent SOEs both in and out of the court of law.
7. Board of Commissioners means the organ of Persero, which duties are to conduct supervision and advise the Board of Directors in performing management activity of Persero.
8. Board of Supervisors means the organ of Perum, which duties are to conduct supervision and advise the Board of Directors in performing management activity of Perum.
9. General Meeting of Shareholders, hereinafter referred to as GMS, means the organ of Persero holding the ultimate power in Persero and holding all authority which are not delegated to the Board of Directors or the Board of Commissioners with in the limit specified by law and/or articles of association.
10. SOE Subsidiary means a limited liability company that most of its shares owned by an SOE or a limited liability company controlled by an SOE.
11. SOE Affiliated Company means a limited liability company that most of its shares owned by an SOE Subsidiary, joint SOE Subsidiaries, or joint SOE Subsidiary and SOE, or

limited liability company controlled by an SOE Subsidiary, joint SOE Subsidiaries, or joint SOE Subsidiary and SOE.

12. Social and Environmental Responsibility Program of SOEs, hereinafter referred to as SOEs TJSL (*Tanggung Jawab Sosial dan Lingkungan*) Program, means an activity as an enterprise commitment for sustainable development by providing benefit to the economy, social, environment as well as law and governance with principles of more integrated, directed, measurable impact and accountable and a part of enterprise business approach.
13. Micro and Small Enterprises Funding Program, hereinafter referred to as MSEs Funding Program, means a program to develop the capability of micro and small enterprises to be firmer and independent.

CHAPTER II

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM OF STATE-OWNED ENTERPRISES

Article 2

SOEs are obligated to implement the SOEs TJSL Program by fulfilling the provisions regulated in this Ministerial Regulation.

Article 3

The SOEs TJSL Program is aimed to:

- a. provide benefit for development of economy, social, environment as well as legal and governance development for the enterprises.
- b. contribute to enhance value-added for the enterprise with the principles of integrated, directed and measurable impact as well as accountable.
- c. develop micro and small enterprises to be firmer and independent as well as community around the enterprises.

Article 4

The SOEs TJSL Program is implemented by applying principles as:

- a. integrated, that is based on risks analysis and business process having relation to the stakeholders;
- b. directed, that is having clear direction in fulfilling enterprise purpose;
- c. measurable impact, that is having contribution and providing benefit resulting in change and value-added for the stakeholders and company; and
- d. accountability, that is accountable to prevent the abuse and deviation potentials.

Article 5

The SOEs TJSL Program is implemented based on the following main pillars:

- a. social, to achieve basic human rights with a certain quality fairly and equally to enhance welfare for all the people;
- b. environment, to manage sustainable nature and environmental resources as pillars for all life;
- c. economy, to achieve economic growth with a certain quality through sustainable job and business opportunities, innovation, inclusive industry, adequate infrastructure, assessable clean energy and supported by the partnership; and
- d. law and governance, to realize legal certainty and governance that is effective, transparent, accountable and participative in order to create security stability and law-based country.

CHAPTER III

MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM OF STATE-OWNED ENTERPRISES

Part One

General

Article 6

- (1) The SOEs TJSL Program is implemented systematically and integrated to ensure implementation and success of SOEs TJSL Program according to the priority and/or achievement of the SOEs TJSL Program purposes based on the work plan.

- (2) The SOEs TJSL Program as referred to in section (1) covers the following stages:
 - a. planning;
 - b. implementation;
 - c. supervision; and
 - d. monitoring and evaluation.

Part Two

Planning

Article 7

- (1) The Board of Directors formulates the SOEs TJSL Program planning as a strategy and instructions to ensure the effectiveness and success of the SOEs TJSL Program.
- (2) The planning as referred to in section (1) must at least cover:
 - a. prognosis of SOEs TJSL Program of the previous year;
 - b. projection of program plan and budget of SOEs TJSL Program;
 - c. determination of priority of sustainable development goals; and
 - d. performance targets.
- (3) In formulating the SOEs TJSL Program planning as referred to in section (2), the Board of Directors must consider:
 - a. impact and risk of SOEs' activities;
 - b. needs and potentials arise;
 - c. excellence and local wisdom;
 - d. sustainability orientation and expected impact; and
 - e. focus and aim of sustainable development.
- (4) The planning as referred to in section (1) is projected in documents of work plan and budget of SOEs TJSL Program.
- (5) The work plan and budget of SOEs TJSL Program as referred to in section (4) is a part of the work plan and budget of enterprise validated by the GMS/Minister.

Part Three
Implementation

Article 8

The Board of Directors implements the SOEs TJSL Program in accordance with the work plan and budget of the enterprises validated by the GMS/Minister.

Article 9

- (1) The Board of Directors formulates a standard operating procedure as guidance to implement SOEs TJSL Program.
- (2) The formulation of standard operating procedure as referred to in section (1) is carried out in accordance with the good corporate governance and characteristics of each SOE.
- (3) The standard operating procedure as referred to in section (1) must obtain approval from the Board of Commissioners/Board of Supervisors of related SOE in accordance with this Ministerial Regulation.

Article 10

- (1) The implementation of the SOEs TJSL Program may be carried out in the form of:
 - a. funding and development of micro and small enterprises; and/or
 - b. other assistance and/or activities.
- (2) In implementing the SOEs TJSL Program for funding and capacity-building micro and small enterprises as referred to in section (1), the SOE may specifically form an MSEs Funding Program.

Article 11

- (1) In implementing the SOEs TJSL Program, the SOE may run the MSEs Funding Program.
- (2) The MSEs Funding Program implementation as referred to in section (1) is prioritized for micro and small enterprises assisted by SOE.

- (3) The criteria of MSEs able to be assisted by SOEs as referred to in section (2) are:
- a. owned by an Indonesian Citizen;
 - b. micro and small Enterprises that have not yet met the criteria or have loan access to Funding institution or bank;
 - c. micro and small Enterprises with the business in line with the business field and/or support the main business of the Company/SOE;
 - d. prioritized for micro and small enterprises located in the work area of the SOE;
 - e. independent, not a subsidiary or branch that is owned, possessed, or affiliated, either directly or indirectly, with the medium or large enterprises;
 - f. in the form of individual business and/or a group of people, enterprise not a legal entity, or enterprise as a legal entity, including micro enterprise and cooperative;
 - g. having business potential and prospects to be developed.

Article 12

- (1) The MSEs Funding Program is implemented in the form of:
- a. Working capital provision in the form of loan and/or sharia funding for the amount of loan and/or sharia funding for each micro and small enterprises for a maximum of Rp250,000,000.00 (two hundred and fifty million rupiah).
 - b. Additional loan in the form of loan and/or sharia funding for funding the short-term needs for a maximum of 1 year for meeting the order of the partner of micro and small enterprises for a maximum of Rp100,000,000.00 (one hundred million rupiah).
- (2) The working capital provided in the form of loan as referred to in section (1) has an administration service charge of 6% (six percent) per year with a loan period/tenor for a maximum of 3 (three) years.
- (3) If the sharia funding is provided based on:

- a. sale and purchase principle, the margin projection resulted is equal to the margin for the amount of administration charge service as referred to in section (2); or
- b. profit-sharing principle, the profit-sharing ratio for SOE starts from 10% (ten percent) to the maximum of 50% (fifty percent) under the agreement.

Article 13

Procedures for distributing loan and/or sharia funding in the MSEs Funding Program are carried out as follows:

- a. Prospective of assisted micro and small enterprises submit a business plan and/or proposal to the SOE of which contains data for at least:
 1. name and address of the business unit;
 2. name and address of owner/manager of the business unit;
 3. proof of identity of owner/manager;
 4. business field;
 5. business license or business certificate from the authorities;
 6. bank account;
 7. business plan and financial need; and
 8. a letter stating of never and/or not being a micro and small enterprise assisted by other company/SOE.
- b. SOE carries out selection and evaluation for the proposal submitted by the prospective of assisted micro and small enterprises.
- c. In the event that the SOE gets a potential prospective of assisted micro and small enterprise, before the agreement, the prospective of micro and small enterprise must first complete the administration process related to the plan of working capital provision by the company/SOE concerned.
- d. The working capital provision for prospective of assisted micro and small enterprises is projected is made in the form of an agreement and/or contract that at least covers:

1. name and address of the company/SOE and the assisted micro and small enterprise;
2. rights and obligation of the company/SOE and the assisted micro and small enterprise;
3. amount of loan and its allocation; and
4. loan requirements (minimum loan period, principal payment schedule and loan administration fee);
5. amount of loan administration fee, sales margin or profit-sharing ratio.

Article 14

- (1) The SOE in distributing the MSEs Funding Program as referred to in Article 12 may cooperate with other SOEs, SOE Subsidiaries or SOEs Affiliated Companies having business as funding institutions and banking or being able to give distribute the loans.
- (2) The procedures for cooperation as referred to in section (1) are projected is made in the form of an agreement and/or contract that at least covers rights and obligations as well as duties and responsibilities of each party.

Article 15

The loan quality of MSEs Funding Program is rated based on the punctuality of principal payment and loan administration fee payment of the assisted micro and small enterprises.

Article 16

The classification of working capital loan quality is determined as follows:

- a. current, in the event of principal and administration fee payment is on time or there is delay in principal and/or administration fee payment not later than 30 (thirty) days as of the maturity date of instalment payment, in accordance with the mutually agreed agreement;
- b. sub-standard, in the event of delay in principal instalments and/or administration fee payments that exceed 30 (thirty) days to 180 (one hundred and eighty) days as of the maturity

- date of instalments payment, in accordance with the mutually agreed agreement;
- c. doubtful, in the event of delay in principal instalments and/or administration fee payments that exceed 180 (one hundred and eighty) days to 270 (two hundred and seventy) days as of the maturity date of instalments payment, in accordance with the mutually agreed agreement;
 - d. loss, in the event of delay in principal instalments and/or administration fee payments that exceed 270 (two hundred and seventy) days as of the maturity date of instalments payment, in accordance with the mutually agreed agreement.

Article 17

- (1) To the sub-standard, doubtful and loss loan quality, a recovery loan scheme may be carried out by rescheduling or reconditioning if it meets the following criteria:
 - a. The assisted micro and small enterprises have good faith or are cooperative to the rescue scheme that is carried out;
 - b. The assisted micro and small enterprises are still running and have business prospects; and
 - c. The assisted micro and small enterprises are still able to pay the instalments.
- (2) The reconditioning may be carried out at the same time with rescheduling.
- (3) In the event of reconditioning, the arrears of loan administration fee may be written off and/or the next loan administration fee that has not yet reached maturity.

Article 18

- (1) The loss payment that the recovery has been tried but failed to be recovered, is classified in other assets with bad debt post.
- (2) The loss receivables occurred due to force majeure is classified in other assets with problem loan post without going through the recovery loan process.

Article 19

Procedures for settlement of problem loans are determined by the Minister.

Article 20

- (1) The source of funds of the SOEs TJSL Program is derived from:
 - a. program budget counted as funds in SOE in the current fiscal year;
 - b. allowance for a share of results of SOE in the previous fiscal year; and/or
 - c. other legal sources in accordance with the provisions of legislation.
- (2) The source of funds for the MSEs Funding Program, in addition to the source of funds as referred to in section (1) may be derived from:
 - a. balance of Partnership Program fund that is allocated until the end of 2015; and/or
 - b. loan administration fee/margin/profit-sharing, deposit interest and/or demand deposit fee of the partnership program fund.
- (3) The amount of SOE TJSL Program fund is determined in the work plan and budget of the enterprise validated by the GMS/Minister.

Article 21

- (1) The operating cost of SOE TJSL Program is to be SOE's cost.
- (2) The development cost for micro and small enterprises is to be a part of SOE TJSL Program fund.

Part Four

Monitoring and Evaluation

Article 22

- (1) The Board of Directors is fully responsible for the SOE TJSL Program implementation.

- (2) The Board of Directors carries out the monitoring and evaluation to ensure the SOE TJSL Program is implemented right on target as planned.
- (3) The Board of Directors carries out the evaluation of SOE TJSL Program implementation to rate the performance and benefits achievement both for SOE and the environment.
- (4) The Board of Commissioners/Board of Supervisors of SOE carries out the supervision of SOE TJSL Program implementation.

Article 23

- (1) Every SOE is obligated to formulate an SOE TJSL Program financial and implementation report.
- (2) The SOE TJSL Program financial and implementation report as referred to in section (1) is reported in periodic report and annual report.
- (3) The SOE TJSL Program financial and implementation report as referred to in section (2) is a unit with periodic report and annual report of SOE performance that is projected in a certain chapter.
- (4) The annual MSEs Funding Program financial and implementation report must be audited by the public accountant office separated from SOE financial report audit.

CHAPTER IV

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE OF STATE-OWNED ENTERPRISES

Article 24

- (1) The Board of Directors establishes an SOE TJSL Committee to carry out the mapping and formulation of SOE TJSL Program.
- (2) The TJSL Committee as referred to in section (1) is established at the levels of SOE holding company and SOE.
- (3) The TJSL Committee has functions to:

- a. carry out coordination inter unit/directorate to formulate target and guide to SOE TJSL Program;
- b. carry out mapping and formulation of SOE TJSL Program; and
- c. assist the Board of Directors in monitoring and evaluating the SOE TJSL Program implementation.

Article 25

The Board of Directors in optimizing the SOE TJSL Program implementation, may collaborate with other SOEs, SOE Subsidiaries, SOE Affiliated Company, and/or legal entity established by SOE for social and humanitarian purposes for SOE TJSL Program distribution.

CHAPTER V

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM

PERFORMANCE OF SOEs

Article 26

The performance measurement of SOE TJSL Program is implemented in accordance with the Regulation of the Minister of SOEs in management contract and key performance indicators.

Article 27

- (1) SOE carries out publicity for SOE TJSL Program implementation both using internal communication media and collaboration with parties aside from SOEs to support information dissemination of SOE TJSL Program implementation.
- (2) In carrying out publicity for SOE TJSL Program implementation as referred to in section (1), the SOE prioritizes communication from the aspect of SOE TJSL Program impact from the benefit recipient.

CHAPTER VI
TRANSITIONAL PROVISION

Article 28

- (1) Distribution of partnership program and environmental development program carried out by SOE or distributing SOE that has been implemented and has not yet finished before this Ministerial Regulation comes into force, is still effective until the end of the agreement of the said distribution of partnership program and environmental development program.
- (2) The standard operating procedure for SOE TJSL Program that exists before this Ministerial Regulation comes into force, is still effective as long as not contradictory to or has not yet been adjusted under this Ministerial Regulation.

CHAPTER VII
CLOSING PROVISIONS

Article 29

- (1) For Persero/Limited Liability Company that not all the shares are owned by the state, this Ministerial Regulation is forced:
 - a. directly by the Board of Directors; or
 - b. through confirmation in the GMS of Persero/Limited Liability Company concerned.
- (2) For Listed/Registered Persero, this Ministerial Regulation is forced:
 - a. directly by the Board of Directors; or
 - b. through validated in the GMS of Listed/Registered Persero concerned,
by considering the provisions in the field of capital market.
- (3) SOE may force this Ministerial Regulation to the Subsidiaries.

Article 30

At the time this Ministerial Regulation comes into force, all implementing regulations of Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises as amended several times and last by Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/04/2020 on the Third Amendment to Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises (State Bulletin of the Republic of Indonesia of 2020 Number 341), are declared to remain effective to the extent not contrary to the provisions of this Ministerial Regulation.

Article 31

At the time this Ministerial Regulation comes into force, Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises as amended several times and last by Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/04/2020 on the Third Amendment to Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/07/2015 on Partnership Program and Environmental Development Program of State-Owned Enterprises (State Bulletin of the Republic of Indonesia of 2020 Number 341), is repealed and declared ineffective.

Article 32

This Ministerial Regulation comes into force on the date of its promulgation and is retroactive as of the work plan and budget of SOE TJSL Program of financial year 2021.

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 8 April 2021

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

signed

ERICK THOHIR

Promulgated in Jakarta
on 20 April 2021

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

signed

WIDODO EKATJAHJANA

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Jakarta, 11 January 2022

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,

