LAW OF THE REPUBLIC OF INDONESIA
NUMBER 16 OF 2025
ON
THE FOURTH AMENDMENT TO LAW NUMBER 19 OF 2003
ON STATE-OWNED ENTERPRISES

BY THE GRACE OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Having considered :

a. that in order to preserve economic sovereignty as an integral part of national economic development, sectors of production which are essential to the state and affect the essential needs of the people are controlled by the state and utilized to the greatest extent for the prosperity of the people, thereby placing upon the state the responsibility to realize public welfare through State-Owned Enterprises as the extension of the state;
b. that optimizing the management of State-Owned Enterprises requires effective and efficient institutional transformation and a business paradigm, while remaining accountable and maintaining the state's supervisory authority to contribute to the development of the national economy in general and state revenue in particular;
c. that Law Number 19 of 2003 on State-Owned Enterprises, as repeteadly amended and most recently amended by Law Number 1 of 2025 on the Third Amendment to Law Number 19 of 2003 on State-Owned Enterprises, requires adjustments to its material contents to meet the legal needs of the people, and therefore requires amendment;
d. that based on the considerations as referred to in paragraphs a, b, and c, it is necessary to enact Law on the Fourth Amendment to Law Number 19 of 2003 on State-Owned Enterprises;

Having regard to :

1. Article 5 paragraph (1), Article 20, Article 21, and Article 33 of the 1945 Constitution of the Republic of Indonesia;
2. Decree of the People's Consultative Assembly of the Republic of Indonesia Number XVI/MPR/1998 on Economic Policies within the Framework of Economic Democracy;

3. Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia Number 70 Year 2003, Supplement to the State Gazette of the Republic of Indonesia Number 4297), as repeteadly amended and most recently amended by Law Number 1 of 2025 on the Third Amendment to Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2025 Number 25, Supplement to the State Gazette of the Republic of Indonesia Number 7097);

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

DECIDES:

To enact : LAW ON THE FOURTH AMENDMENT TO LAW NUMBER 19 OF 2003 ON STATE-OWNED ENTERPRISES.

Section I

Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297), as repeatedly amended by Laws:

a. Number 11 of 2020 on Job Creation (State Gazette of the Republic of Indonesia Year 2020 Number 245, Supplement to the State Gazette of the Republic of Indonesia Number 6573);
b. Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation to Become Law (State Gazette of the Republic of Indonesia Year 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
c. Number 1 of 2025 on the Third Amendment to Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2025 Number 25, Supplement to the State Gazette of the Republic of Indonesia Number 7097);

is amended as follows:

1. The provisions of Article 1 are amended to read as follows:

Article 1

In this Law:

1. State-Owned Enterprise, hereinafter abbreviated to the SOE, means an enterprise that meets at least one of the following criteria:
   a. its equity is wholly or predominantly owned by the Republic of Indonesia through direct equity participation; or
   b. the Republic of Indonesia holds special rights.
2. SOE Subsidiary means a subsidiary of an SOE and its derivatives, established by the SOE for the purpose of fulfilling the business interests of the SOE.

3. Limited Liability Company (*Perusahaan Perseroan*), hereinafter referred to as the Persero, means an SOE in the form of a limited liability company whose primary objective is to generate profit.
4. State-Owned Listed Company (*Perusahaan Perseoran Terbuka*), hereinafter referred to as the Listed Persero, means a Persero whose shares and number of shareholders meet specific criteria, or a Persero that conducts a public offering in accordance with the provisions of laws and regulations in the capital market sector.
5. Public Purpose Company (*Perusahaan Umum*), hereinafter referred to as the Perum, means an SOE whose entire capital is owned by the Republic of Indonesia and is not divided into shares, whose primary objective is to provide and ensure the availability of goods and/or services for public benefit in order to fulfill the essential needs of the people or to meet strategic needs, based on sound corporate governance principles.
6. State Budget (*Anggaran Pendapatan dan Belanja Negara*), hereinafter abbreviated to the APBN, means the annual financial plan of the state government approved by the House of Representatives of the Republic of Indonesia.
7. Board of Commissioners means the organ of Persero responsible for performing supervisory functions as referred to in the law on limited liability companies.
8. Board of Supervisors means the organ of Perum responsible for conducting general and/or specific supervision in accordance with the articles of association and for providing advice to the Board of Directors.
9. Board of Directors means the organ of the SOE that is authorized and fully responsible for the management of the SOE in the interest of the SOE, in accordance with its purposes and objectives, both in and out of the court, in accordance with the provisions of the articles of association.
10. SOE Assets means all forms of goods or types of property owned by the SOE that can be valued in monetary terms and possess exchange value and/or economic value.
11. Restructuring means a legal act undertaken for the purpose of performance improvement, value enhancement, recovery, or rescuing the company.
12. Merger means a legal act undertaken by one (1) or more SOEs to merge into an existing SOE, resulting in the transfer by operation of law of the aktiva (assets) and pasiva (liabilities and equity) of the merging SOEs to the surviving SOE, and the legal status of the merging SOEs subsequently terminated by operation of law.
13. Consolidation means a legal act undertaken by two (2) or more SOEs to consolidate by establishing a new

SOE, which by operation of law acquires the aktiva and pasiva of the consolidating SOEs, and the legal status of the consolidating SOEs subsequently terminated by operation of law.

14. Acquisition means a legal act undertaken by an SOE to acquire shares of another SOE and/or a limited liability company, resulting in a transfer of control over the respective SOE or limited liability company.
15. Spin-off means a legal act undertaken by an SOE to separate part of its business, resulting in the transfer by operation of law of all aktiva and pasiva of the SOE to two (2) or more SOEs, or the transfer of part of its aktiva and pasiva by operation of law to one (1) or more SOEs.
16. Privatization means the sale of shares owned by the Republic of Indonesia in a Persero, whether in part or in whole, to another party.
17. General Meeting of Shareholders, hereinafter abbreviated to the GMS, means the corporate organ that holds authority not granted to the Board of Directors or the Board of Commissioners, within the limits set forth in the law on limited liability companies.
18. Day means a working day.
19. Central Government means the President of the Republic of Indonesia who holds executive power of the Republic of Indonesia, assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
20. House of Representatives of the Republic of Indonesia (*Dewan Perwakilan Rakyat Republik Indonesia*), hereinafter abbreviated to the DPR RI, means the House of Representatives of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
21. State-Owned Enterprises Regulatory Agency (*Badan Pengaturan BUMN*), hereinafter referred to as the BP BUMN, means a government agency administering government duties in the field of SOE regulation.
22. Minister of Finance means the minister administering government affairs in the field of finance.
23. Daya Anagata Nusantara Investment Management Agency, hereinafter referred to as the Agency, means the agency that carries out government duties in the field of SOE management as regulated in this Law.
24. Investment Holding Company, hereinafter referred to as the Investment Holding, means a company responsible for managing dividends and/or optimizing the SOE Assets, as well as other duties as determined by the Agency.
25. Operational Holding Company, hereinafter referred to as the Operational Holding, means a company responsible for supervising the operational activities of an SOE and other duties as determined by the Agency.

2. The provisions of Article 2 are amended to read as follows:

Article 2

(1) The objectives of establishing an SOE are to:
   a. generate profit;
   b. contribute to the development of the national economy in general and state revenue in particular;
   c. become a pioneer in business activities that cannot yet be undertaken by the private sector and cooperatives;
   d. empower, support and build partnerships with micro, small and medium enterprises, cooperatives and the community;
   e. as a Persero, provide and ensure the availability of high quality and competitive goods and/or services;
   f. as a Perum, ensure the availability of goods and/or services for public benefit in order to meet the essential needs of the people and for strategic needs; and
   g. develop strategic industries based on research, innovation, and technology that synergize with other countries.

(2) The activities of SOEs must be in accordance with objectives and not conflict with laws and regulations, public order, and/or morality.

(3) The Republic of Indonesia owns one percent (1%) of the shares in the SOE which are Series A Dwiwarna shares, through the head of the BP BUMN and ninety-nine percent (99%) of the shares in the SOE which are Series B shares, through the Agency.

3. The provisions of Article 3A are amended to read as follows:

Article 3A

(1) The President, as the Head of Government, holds the authority to manage SOEs as part of the state's executive power in the field of state financial management.

(2) The authority as referred to in paragraph (1) includes ownership of state restricted assets in the SOEs.

(3) The President forms the BP BUMN.

(4) The BP BUMN as referred to in paragraph (3) is under and directly responsible to the President.

(5) The authority as referred to in paragraphs (1) and (2) is delegated to the BP BUMN and/or the Agency as the shareholder, acting as the Central Government's representative in the ownership of state restricted assets.

(6) Provisions on the formation of the BP BUMN as referred to in paragraph (3) are regulated by a Presidential Regulation.

4. The provisions of Article 3B are amended to read as follow:

Article 3B

The head of BP BUMN as the representative of the Central Government as a regulator has the duties to formulate policies, regulate, foster, and supervise the implementation of SOE management policies.

5. The provisions of Article 3C are amended to read as follows:

Article 3C

To carry out the duties as referred to in Article 3B, the head of BP BUMN as the representative of the Central Government with the approval of the President has the authority to:

a. determine the general policy direction of SOEs;
b. determine SOE governance policies;
c. determine the SOE roadmap and submit it to the relevant complementary organ of the DPR RI in charge of SOE affairs;
d. organize and give assignments to SOEs;
e. regulate the procedures and main contents of key performance indicators;
f. determine the criteria for write-offs and write-downs for SOE assets;
g. establish SOEs;
h. conduct inspections on SOEs;
i. propose a Privatization plan to the privatization committee;
j. approve the Agency's work plan;
k. optimize the role of SOEs as agents of economic and social development in line with the national development priorities;
l. supervise SOE compliance with governance policies, performance indicators, and government assignments; and
m. exercise other authority as determined by the President.

6. The provisions of Article 3D are amended to read as follows:

Article 3D

Further provisions on the duties of the head of BP BUMN as the representative of the Central Government acting as regulator as referred to in Article 3B, and the authority of the head of BP BUMN as the representative of the Central Government as referred to in Article 3C, are regulated in a Government Regulation.

7. The provisions of Article 3E are amended to read as follows:

Article 3E

(1) In carrying out the management of SOEs, the President delegates part of his or her authority to an Agency established under this Law.
(2) The Agency as referred to in paragraph (1) constitutes an Indonesian legal entity wholly owned by the Government of Indonesia.
(3) The Agency as referred to in paragraph (2) aims to enhance and optimize investments and operations of SOEs as well as other sources of funding.
(4) The Agency as referred to in paragraph (1) is accountable to the President.
(5) In order to ensure dividend contributions for investment management, the head of BP BUMN appoints representatives to the Investment Holding and Operational Holding, subject to the approval of the President.

8. The provisions of Article 3F are amended to read as follows:

Article 3F

(1) The Agency has the duty to manage the SOEs.
(2) In performing the duty as referred to in paragraph (1), the Agency has the authority to:
    a. manage dividends of the Investment Holding, dividends of the Operational Holding, and dividends of SOEs in accordance with its share ownership;
    b. approve the increase and/or decrease of equity participation in SOEs derived from the management of dividends of the Investment Holding, the Operational Holding, and the SOEs as referred to in subparagraph a;
    c. establish the Investment Holding and the Operational Holding;
    d. approve proposals for write-offs and/or write-downs of SOE assets as proposed by the Investment Holding or the Operational Holding;
    e. provide loans, receive loans, and encumber assets with the approval of the President;
    f. act as a guarantor for the Investment Holding with the approval of the board of supervisors;
    g. ratify and consult with the relevant complementary organ of the DPR RI in charge of SOEs on the corporate planning and budgeting of the Investment Holding and the Operational Holding; and
    h. stipulate strategic guidelines/policies in the following areas:
        1. accounting and finance;
        2. development and investment;
        3. operations and procurement of goods and/or services;
        4. information technology;
        5. human resources;
        6. risk management and internal control;

7. legal affairs and compliance;
8. social and environmental responsibility programs; and
9. environmental, social, and governance (ESG) programs.

9. The provisions of Article 3G are amended to read as follows:

Article 3G

(1) The capital of the Agency is sourced from:
   a. state equity participation; and/or
   b. other sources.
(2) The state equity participation as referred to in paragraph (1) subparagraph a may be derived from:
   a. cash funds;
   b. state-owned assets originating from the APBN or other lawful acquisitions; and/or
   c. state-owned shares.
(3) The capital of the Agency is set at a minimum of Rp1,000,000,000,000,000.00 (one quadrillion rupiah).
(4) The capital of the Agency as referred to in paragraph (3) may be increased through state equity participation and/or other sources.

10. The provisions of Article 3H are amended to read as follows:

Article 3H

(1) The Agency may carry out investments, either directly or indirectly, and may cooperate with third parties.
(2) Any profit or loss incurred by the Agency in carrying out the investments as referred to in paragraph (1) constitutes the Agency's profit or loss prior to the allocation of reserves.
(3) Where the Agency earns profits as referred to in paragraph (2), a portion of such profits is designated as state revenue to be deposited into the state treasury, after reserves have been allocated to cover or mitigate the risk of loss arising from investment activities and/or to accumulate capital.
(4) Further provisions on the reserves to cover or bear the risk of loss from investments and/or to accumulate capital as referred to in paragraph (3) are regulated by Government Regulation.

11. The provisions of Article 3N are amended to read as follows:

Article 3N

(1) The Board of Supervisors consists of:
   a. a chairperson concurrently serving as a member;
   b. a vice chairperson concurrently serving as a member;

c. representatives from the ministry responsible for synchronizing and coordinating the implementation of ministerial affairs in the administration of government in the fields of the economic affairs, the ministry administering goverment affairs in the field of finance, and the ministry administering goverment affairs in the field of investment, as well as the BP BUMN as the members; and
d. state officials or other parties as the members.

(2) The chairperson, vice chairperson, and members of the board of supervisors as referred to in paragraph (1) are appointed and dismissed by the President.

(3) The chairperson, vice chairperson, and members of the board of supervisors as referred to in paragraph (1) are appointed for a term of office of five (5) years and may only be reappointed for one (1) additional term of office.

12. The provisions of Article 3X are amended to read as follows:

Article 3X

(1) The organs and employees of the are subject to the laws and regulations governing good governance and good business practices.

(2) The Agency determines its personnel system, salary system, rewards, pension programs and old-age benefits, as well as other forms of compensation for the employees of the Agency.

(3) The Agency may not be declared bankrupt, unless it can be proven to be in a state of insolvency.

13. The provisions of Article 3Y are amended to read as follows:

Article 3Y

The head of BP BUMN as well as the organs and employees of the Agency cannot be held legally liable for loss if they can prove that:

a. the loss as referred to in Article 3H paragraph (2) were not caused by their fault or negligence;
b. they have conducted the management in good faith and with due care in accordance with the objectives of the investment and the principles of good governance and good business practices;
c. they have no conflict of interest, either directly or indirectly, in the investment management actions; and
d. they did not obtain any unlawful personal benefit.

14. The provisions of Article 3AA are amended to read as follows:

Article 3AA

(1) Further provisions on the governance of the Agency as referred to in Articles 3E to 3Z are regulated by a Government Regulation.

(2) To the extent that it has been specifically regulated in this Law, provisions of laws and regulations governing state financial management separated into SOEs, state treasury, non-tax state revenue, and limited liability companies do not apply to the Agency, while still observing the principles of good governance and good business practices.

15. The provisions of Article 3AB are amended to read as follows:

Article 3AB

(1) In exercising the authority of the Agency as referred to in Article 3F paragraph (2), the Agency establishes an Investment Holding.
(2) The Investment Holding has the duties to:
    a. manage investments;
    b. optimize assets to enhance investment value; and
    c. carry out other duties as assigned by the Agency.
(3) The Investment Holding constitutes a legal entity in the form of a limited liability company.
(4) All shares of the Investment Holding are owned by the Agency.

16. The provisions of Article 3AC are amended to read as follows:

Article 3AC

In performing the duties as referred to in Article 3AB paragraph (2), the Investment Holding has the authority to undertake the following actions:
a. prepare and propose the corporate planning and budgeting of the Investment Holding;
b. manage SOE dividends;
c. carry out asset optimization;
d. issue debt securities and/or receive loans;
e. provide loans and/or guarantees to Operational Holding, SOEs, or SOE Subsidiaries;
f. manage and administer the assets of the Investment Holding;
g. propose write-offs and/or write-downs of the assets of the Investment Holding to the Agency;
h. propose management contracts to the Agency for approval; and
i. perform other actions as determined by the head of BP BUMN or the Agency, or as regulated in the articles of association of the Investment Holding.

17. The provisions of Article 3AE are amended to read as follows:

Article 3AE

(1) To be eligible for appointment as a member of the Board of Directors of the Investment Holding, a person must meet the following requirements:

a. be an Indonesian citizen;
b. be legally competent to perform legal acts;
c. be physically and mentally healthy;
d. be no older than sixty (60) years of age at the time of the initial appointment;
e. not be an administrator and/or member of a political party;
f. possess experience and/or expertise in the fields of investment, economics, finance, banking, law, and/or corporate management for at least fifteen (15) years;
g. have never been sentenced to imprisonment for committing an offense;
h. have never been declared bankrupt or served as a company official responsible for a company's bankruptcy; and
i. not be declared as an individual of disgraceful conduct in the field of investment or other fields in accordance with the provisions of laws and regulations.

(2) Members of the Board of Directors of the Investment Holding are prohibited from having family relationships or parents of daughter/son-in-law with:
a. other members of the Board of Directors of the Investment Holding;
b. members of the Board of Commissioners of the Investment Holding;
c. employees of the Investment Holding;
d. members of the board of supervisors of the Agency; and/or
e. members of the executive body of the Agency.

(3) Further provisions on the requirements for the Board of Directors of the Investment Holding as referred to in paragraph (1) and the prohibitions applicable to the Board of Directors of the Investment Holding as referred to in paragraph (2) are regulated in a Regulation of the BP BUMN.

18. The provisions of Article 3AH are amended to read as follows:

Article 3AH

(1) The Board of Commissioners of the Investment Holding consists of one (1) president commissioner, at least one (1) member of the Board of Commissioners, and one (1) independent member of the Board of Commissioners.

(2) The independent member of the Board of Commissioners comes from professional backgrounds.

19. The provisions of Article 3AI are amended to read as follows:

Article 3AI

(1) To be eligible for appointment as an independent member of the Board of Commissioners of the Investment Holding, a candidate for the independent member of the Board of Commissioners of the Investment Holding must meet the following requirements:
   a. be an Indonesian citizen;
   b. be legally competent to perform legal acts;
   c. be physically and mentally healthy;
   d. be no more than sixty-five (65) years of age at the time of initial appointment;
   e. not be an administrator and/or a member of a political party;
   f. have experience and/or expertise in the fields of investment, economics, finance, banking, law, and/or corporate management for at least thirty (30) years;
   g. have never been sentenced to imprisonment for committing an offense;
   h. have never been declared bankrupt or served as a company official responsible for a company's bankruptcy;
   i. not be declared an individual of disgraceful conduct in the field of investment or other fields in accordance with the provisions of laws and regulations; and
   j. meet other requirements in accordance with the provisions of laws and regulations on limited liability companies and SOEs.

(2) Members of the Board of Commissioners of the Investment Holding are prohibited from having familial relationships up to the second degree or parents of daughter/son-in-law with:
   a. members of the Board of Directors of the Investment Holding;
   b. other members of the Board of Commissioners of the Investment Holding;
   c. employees of the Investment Holding;
   d. members of the board of supervisors of the Agency; and/or
   e. members of the executive body of the Agency.

(3) Further provisions on the requirements for the Board of Commissioners of the Investment Holding as referred to in paragraph (1) and the prohibitions applicable to the Board of Commissioners of the Investment Holding as referred to in paragraph (2) are regulated in a Regulation of the BP BUMN.

20. The provisions of Article 3AK are amended to read as follows:

Article 3AK

(1) In exercising the authority of the Agency as referred to in Article 3F paragraph (2), the Agency establishes an Operational Holding.

(2) The Operational Holding has the following duties:
   a. to conduct the operational management of SOEs; and
   b. to carry out other duties as determined by the Agency.
(3) The Operational Holding constitutes a legal entity in the form of a limited liability company.
(4) All shares of the Operational Holding are owned by the Agency.

21. The provisions of Article 3AL are amended to read as follows:

Article 3AL

In carrying out its duties as referred to in Article 3AK paragraph (2), the Operational Holding is authorized to undertake the following actions:
a. prepare and propose the corporate planning and budgeting of the Operational Holding;
b. issue debt securities and/or receive loans;
c. provide loans and/or guarantees to SOEs or SOE Subsidiaries;
d. manage and administer the assets of the Operational Holding, SOEs, and SOE Subsidiaries;
e. propose write-offs and/or write-downs of the assets of the Operational Holding and/or SOEs to the Agency;
f. propose management contracts of the Operational Holding to the Agency for approval; and
g. perform other actions as determined by the head of BP BUMN or the Agency, or as regulated in the articles of association of the Operational Holding.

22. Article 3AM is deleted.

23. The provisions of Article 4A are amended to read as follows:

Article 4A

(1) Any state equity participation for the establishment of the Agency and SOEs whose funding originates from the APBN as referred to in Article 4 paragraph (3) is stipulated by a Government Regulation.
(2) Any change in state equity participation originating from the APBN as referred to in Article 4 paragraph (3) in the form of equity increase or reduction, including changes in the ownership structure of state shares in a Persero, is stipulated by a Government Regulation.
(3) The head of BP BUMN proposes state equity participation for the purposes of:
   a. establishment of the Agency and SOEs as referred to in paragraph (1);
   b. changes in state equity participation to the Agency as referred to in paragraph (2);

c. additional state equity participation to the Agency; and/or
d. Central Government assignments, to the complementary organ of the DPR RI in charge of SOEs for approval.

(4) The state equity participation for the establishment of SOEs as referred to in paragraph (1) and changes in state equity participation to SOEs as referred to in paragraph (2) is carried out by the head of BP BUMN.

(5) State capital in SOEs originating from equity participation, whether for the purpose of establishment of SOEs or changes thereto, constitutes assets of the SOEs that is owned by and becomes the responsibility of the respective SOEs.

(6) Further provisions on the procedures for state equity participation in the establishment of SOEs as referred to in paragraph (1) and changes in state equity participation as referred to in paragraph (2) are regulated by Government Regulation.

24. The provisions of Article 4B are amended to read as follows:

Article 4B

The profits as referred to in Article 2 paragraph (1) subparagraph a or losses incurred by SOEs constitute profits or losses of the SOEs.

25. The provisions of Article 4C are amended to read as follows:

Article 4C

(1) The Republic of Indonesia holds series A Dwiwarna shares with special rights in the SOEs.

(2) The ownership of series A Dwiwarna shares with special rights by the Republic of Indonesia as referred to in paragraph (1) is exercised through the BP BUMN and may be managed directly by the BP BUMN upon obtaining approval from the President.

(3) The series A Dwiwarna shares with special rights as referred to in paragraph (1) confer at least the following special rights:
a. the right to approve resolutions at the GMS;
b. the right to propose the agenda of the GMS;
c. the right to request and access company data and documents in accordance with the provisions of laws and regulations;
d. the right to appoint and dismiss members of the Board of Directors and the Board of Commissioners with the approval of the President; and
e. other rights as stipulated in the articles of association.

(4) Further provisions on the special rights as referred to in paragraph (3) are regulated by a Government Regulation.

26. Article 9G is deleted.

27. The provisions of Article 10 are amended to read as follows:

Article 10

(1) The establishment and management of a Persero are carried out in accordance with the provisions of laws and regulations governing limited liability companies, unless otherwise stipulated in this Law.
(2) The establishment of the Persero is proposed by the head of the BP BUMN to the President and is accompanied by a study on the establishment of the Persero.

28. The provisions of Article 14 are amended to read as follows:

Article 14

(1) The head of BP BUMN attends the GMS as the shareholder of the Persero.
(2) The Head of BP BUMN acts as the GMS in the event that all shares of the Persero are owned by the state, or acts as a shareholder of the Persero in the event that not all shares are owned by the state.

29. The provisions of Article 15A are amended to read as follows:

Article 15A

(1) To be eligible for appointment as a member of the Board of Directors of a Persero, a candidate for the Board of Directors must meet the following requirements:
    a. an Indonesian citizen;
    b. being physically and mentally healthy;
    c. not having any blood or marital relationship, either in a direct line or a collateral line up to the second degree, with any member of the Board of Directors of the Persero or the Board of Commissioners;
    d. possessing expertise and experience in managing a Persero or limited liability company for at least five (5) years;
    e. having integrity, leadership, experience, honesty, good conduct, and a strong dedication to advance and develop the Persero;
    f. being able to perform duties on a full-time basis; and
    g. other requirements in accordance with the provisions of laws and regulations on limited liability companies.
(2) In addition to the requirements referred to in paragraph (1), to be eligible for appointment as a member of the Board of Directors of a Persero, a person is legally competent to perform legal acts, unless within the last five (5) years prior to appointment he or she has:

a. been declared bankrupt;
b. served as a member of the Board of Directors, Board of Commissioners, or Board of Supervisors who, under a final and binding court decision, has been declared responsible for the bankruptcy of a Persero or Perum; or
c. been convicted for committing an offense that caused losses to state finances and/or related to the financial sector, and/or other offenses punishable by a minimum imprisonment of five (5) years.

(3) The requirements as referred to in paragraph (1) subparagraph a may be otherwise determined by BP BUMN.

30. The elucidation of Article 15B is amended as set forth in the elucidation.

31. The provisions of Article 15C are amended to read as follows:

Article 15C

(1) A member of the Board of Directors of a Persero shall sign a management contract and an integrity pact before their appointment as a member of the Board of Directors of the Persero.
(2) The management contract as referred to in paragraph (1) is submitted by the members of the Board of Directors of the Persero to the head of BP BUMN, the head of the executive body, and/or the GMS.

32. The provisions of Article 15G are amended to read as follows:

Article 15G

(1) The Board of Directors of a Persero shall prepare a long-term corporate planning which constitutes a strategic plan containing the targets and objectives of the Persero to be achieved within a period of five (5) years.
(2) The long-term corporate planning as referred to in paragraph (1) which has been jointly signed with the Board of Commissioners is submitted to the GMS for approval.
(3) The Board of Directors of a Persero shall prepare an annual corporate planning before the commencement of the upcoming fiscal year.
(4) The annual corporate planning as referred to in paragraph (3) also includes the annual corporate budgeting of the Persero for the upcoming fiscal year.
(5) The annual corporate planning as referred to in paragraph (3) is submitted to the GMS for approval.
(6) The annual corporate planning as referred to in paragraph (3) must first be reviewed by the Board of Commissioners prior to being submitted to the GMS.

(7) In the event that the submitted annual corporate planning has not yet received approval from the GMS, the previous year's annual corporate planning remains in effect.
(8) Further provisions on the long-term corporate planning as referred to in paragraph (1) and the annual corporate planning as referred to in paragraph (3) are regulated in a Regulation of the BP BUMN.

33. The provisions of Article 15I are amended to read as follows:

Article 15I

Further provisions on the corporate planning as referred to in Article 15G and the annual report of a Persero as referred to in Article 15H are regulated in a Regulation of the BP BUMN.

34. The provisions of Article 27 are amended to read as follows:

Article 27

(1) The appointment and dismissal of the Board of Commissioners are carried out by the GMS.
(2) In the event that the head of BP BUMN acts as the GMS, the appointment and dismissal of the Board of Commissioners are determined by the head of BP BUMN.

35. The elucidation of Article 27B is amended as set forth in the elucidation.

36. The provisions of Article 27C are amended to read as follows:

Article 27C

(1) A member of the Board of Commissioners shall sign a management contract and an integrity pact prior to his or her appointment as a member of the Board of Commissioners.
(2) The management contract as referred to in paragraph (1) is submitted by the member of the Board of Commissioners to the head of BP BUMN, the head of the executive body, and/or the GMS.

37. The provisions of Article 35 are amended to read as follows:

Article 35

(1) The establishment of a Perum must meet, among others, the following criteria:
    a. its line of business or activities are related to the public interests;
    b. it is established not solely for the purpose of generating profit; and
    c. based on a feasibility study, it fulfills the economic requirements necessary for the establishment of a business entity.

(2) The authority of the President as referred to in Article 34 is delegated to the head of BP BUMN as the capital owner of the Perum.
(3) The establishment of a Perum is proposed by the head of BP BUMN to the President and is accompanied by a study on the establishment of the Perum.
(4) The establishment of the Perum as referred to in paragraphs (1) and (2) obtains legal entity status as of the promulgation of the Government Regulation on its establishment.
(5) The Government Regulation on the establishment of a Perum as referred to in paragraph (3), among others, include:
a. the stipulation of the establishment of the Perum;
b. the articles of association; and
c. the head of BP BUMN as the capital owner.

38. The provisions of Article 37 are amended to read as follows:

Article 37

The organs of a Perum consist of:
a. the head of BP BUMN;
b. the Board of Directors of the Perum; and
c. the Board of Supervisors.

39. The provisions of Article 38 are amended to read as follows:

Article 38

(1) The head of BP BUMN approves the business development policies of a Perum proposed by the Board of Directors of the Perum.
(2) The business development policies of a Perum as referred to in paragraph (1) are proposed by the Board of Directors of the Perum to the head of BP BUMN after obtaining approval from the Board of Supervisors.
(3) The policies as referred to in paragraph (1) are determined in accordance with the objectives of the relevant Perum.

40. The provisions of Article 39 are amended to read as follows:

Article 39

The head of BP BUMN is not held liable for any legal consequences arising from legal acts committed by a Perum and nor for losses incurred by the Perum exceeding the value of the state assets in the Perum, unless the head of BP BUMN:
a. either directly or indirectly, in bad faith, exploits the Perum solely for personal interests;
b. is involved in any unlawful acts committed by the Perum; or
c. either directly or indirectly unlawfully uses the assets of the Perum.

41. The provisions of Article 40 are amended to read as follows:

Article 40

Provisions on the procedures for the transfer of title, encumbrance of fixed assets of a Perum, as well as the proceeds of medium/long-term loans and the granting of loans in any form and methods, and the write-off of inventories and receivables and the write-down of receivables by a Perum are regulated by a Regulation of the BP BUMN.

42. The provisions of Article 43 are amended to read as follows:

Article 43

The use of the net profit of a Perum, including the determination of amount to be allocated for reserves as referred to in Article 42, are determined by the head of BP BUMN.

43. The provisions of Article 43A are amended to read as follows:

Article 43A

(1) The Board of Directors of a Perum consists of one (1) or more members of the Board of Directors of the Perum.
(2) Where the Board of Directors of the Perum consists of two (2) or more members, the division of duties and management authority among the members of the Board of Directors of the Perum is determined by the head of BP BUMN.

44. The provisions of Article 43B are amended to read as follows:

Article 43B

The appointment and dismissal of members of the Board of Directors of a Perum are determined by the head of BP BUMN.

45. The provisions of Article 43C are amended to read as follows:

Article 43C

(1) To be eligible for appointment as a member of the Board of Directors of a Perum, the following requirements must be met:
    a. an Indonesian citizen;
    b. being physically and mentally healthy;
    c. not having any blood or marital family relationship, either in a direct line and/or collateral line up to the second degree, with any member of the Board of Directors of the Perum and the Board of Supervisors;

d. possessing expertise and experience in managing a company for at least five (5) years;
e. having integrity, leadership, experience, honesty, good conduct, and a strong dedication to advancing and developing the Perum;
f. being able to perform duties on a full-time basis; and
g. other requirements in accordance with the provisions of laws and regulations.

(2) In addition to the requirements as referred to in paragraph (1), to be eligible for appointment as a member of the Board of Directors of a Perum, a person is legally competent to perform legal acts, unless within the last five (5) years prior to appointment, he or she has:
a. been declared bankrupt;
b. served as a member of the Board of Directors, Board of Commissioners, or Board of Supervisors which, under a final and binding court decision, has been declared responsible for the bankruptcy of a Limited Liability Company or a Perum; or
c. been convicted for committing an offense that caused losses to state finances and/or related to the financial sector, and/or any other offenses punishable by a minimum imprisonment of five (5) years.

(3) Further provisions on the requirements for the Board of Directors of a Perum as referred to in paragraph (1) are regulated in a Regulation of the BP BUMN.

46. The elucidation of Article 43D is amended as set forth in the elucidation.

47. The provisions of Article 43E are amended to read as follows:

Article 43E

(1) A member of the Board of Directors of a Perum shall sign a management contract and an integrity pact prior to their appointment as members of the Board of Directors of the Perum.
(2) The management contract as referred to in paragraph (1) is submitted by the member of the Board of Directors of the Perum to the head of BP BUMN.

48. The provisions of Article 43F are amended to read as follows:

Article 43F

The term of office of members of the Board of Directors of a Perum is determined by the head of BP BUMN.

49. The provisions of Article 43G are amended to read as follows:

Article 43G

(1) The position of the Board of Directors of a Perum terminates in the event of:
   a. passing away or permanent incapacity;
   b. expiration of the term of office; or
   c. dismissal prior to the expiration of the term of office due to no longer meeting the requirements to serve as a member of the Board of Directors of the Perum as referred to in Article 43C, or dismissal by the head of BP BUMN.

(2) Where a member of the Board of Directors of a Perum is dismissed prior to the expiration of the term of office as referred to in paragraph (1) subparagraph c, the head of BP BUMN shall provide the concerned Director with an opportunity to present their defense.

50. The provisions of Article 43I are amended to read as follows:

Article 43I

(1) The Board of Directors of a Perum shall prepare a long-term corporate planning which constitutes a strategic plan containing the targets and objectives to be achieved by the Perum within a period of five (5) years.

(2) The long-term corporate planning as referred to in paragraph (1), once jointly signed with the Board of Supervisors, is submitted to the Head of BP BUMN for approval.

(3) The Board of Directors of the Perum shall prepare an annual corporate planning prior to the commencement of the upcoming fiscal year.

(4) The annual corporate planning as referred to in paragraph (3) also includes the Perum's annual budget for the upcoming fiscal year.

(5) The annual corporate planning as referred to in paragraph (3) is submitted to the Head of BP BUMN for approval.

(6) The annual corporate planning as referred to in paragraph (3) must first be reviewed by the Board of Supervisors before being submitted to the Head of BP BUMN.

(7) Where the submitted annual corporate planning has not yet received approval from the Head of BP BUMN, the previous year's annual corporate planning remains in effect.

(8) Further provisions on the long-term corporate planning as referred to in paragraph (1) and the annual corporate planningas referred to in paragraph (3) are regulated in a Regulation of the Head of BP BUMN.

51. The provisions of Article 43J are amended to read as follows:

Article 43J

(1) The Board of Directors of a Perum shall submit an annual report to the Head of BP BUMN no later than six (6) months after the end of the Perum's fiscal year for approval.

(2) The annual report as referred to in paragraph (1) at least contains:
   a. financial statements, both consolidated and non-consolidated, consisting at least the balance sheet for the most recent fiscal year compared to the preceeding fiscal year, an income statement for the relevant fiscal year, a cash flow statement, a statement of changes in equity, and accompanying notes to the financial statements;
   b. a report on the activities of the Perum;
   c. a report on the implementation of corporate social and environmental responsibilities;
   d. a description of issues arising during the fiscal year that affected the business activities of the Perum;
   e. a report on supervisory duties carried out by the Board of Supervisors during the most recent fiscal year;
   f. the names of members of the Board of Directors of the Perum and members of the Board of Supervisors; and
   g. the salaries and allowances for members of the Board of Directors of the Perum, and salaries or honoraria and allowances for members of the Board of Supervisors for the most recent year.

(3) The annual report as referred to in paragraph (1) is signed by all members of the Board of Directors of the Perum and all members of the Board of Supervisors who held office during the relevant fiscal year.

(4) Where a member of the Board of Directors of the Perum or a member of the Board of Supervisors does not sign the annual report as referred to in paragraph (3), a written explanation must be provided, or the explanation is stated by the Board of Directors of the Perum and the Board of Supervisors in a separate letter attached to the annual report.

(5) Where a member of the Board of Directors of the Perum or a member of the Board of Supervisors does not sign the annual report as referred to in paragraph (3) and does not provide written explanation, such member is deemed to have approved the contents of the annual report.

52. The provisions of Article 43K are amended so as to read as follows:

Article 43K

Further provisions on the corporate planning as referred to in Article 43I and the annual report of a Perum as referred to in Article 43J are regulated in a Regulation of the BP BUMN.

53. The provisions of Article 43M are amended to read as follows:

Article 43M

(1) The Board of Directors of a Perum may only file a voluntary petition to the district court for the declaration of bankruptcy of the Perum with the approval of the Head of BP BUMN.
(2) Where the bankruptcy occurs due to the fault or negligence of the Board of Directors of the Perum and the assets of the Perum are insufficient to cover the losses arising from such bankruptcy, each member of the Board of Directors of the Perum are jointly and severally liable for the said losses.
(3) Any member of the Board of Directors of the Perum who is able to prove that the bankruptcy did not result from his or her fault or negligence is not jointly and severally liable for such losses.
(4) Where the fault or negligence of the Board of Directors of the Perum as referred to in paragraph (2) results in losses to the Perum, the head of BP BUMN represent the Perum in filing a legal action or claim against the Board of Directors of the Perum through the court.

54. The provisions of Article 56 are amended to read as follows:

Article 56

The appointment and dismissal of a member of the Board of Supervisors are carried out by the head of BP BUMN.

55. The provisions of Article 56A are amended to read as follows:

Article 56A

(1) To be eligible for appointment as a member of the Board of Supervisors, the following requirements must be met:
    a. an Indonesian citizen;
    b. being physically and mentally healthy;
    c. not having any blood or marital family relationship, either in a direct line and/or collateral line up to the second degree with any member of the Board of Directors of the Perum and the Board of Supervisors;
    d. possessing adequate knowledge in at least one of Perum's business activities;
    e. having integrity, leadership, experience, honesty, good conduct, and a strong dedication to advance and develop the Perum; and
    f. other requirements in accordance with the provisions of laws and regulations.
(2) In addition to the requirements as referred to in paragraph (1), to be eligible for appointment as a member of the Board of Supervisors, a person is legally competent to perform legal acts, unless within five (5) years prior to the appointment he or she has:

a. been declared bankrupt;
b. served as a member of the Board of Directors, Board of Commissioners, or Board of Supervisors who, under a final and binding court decision, has been declared responsible for the bankruptcy of a Limited Liability Company or Perum; or
c. been convicted of committing an offense that caused losses to state finances and/or related to the financial sector, and/or other offenses punishable by a minimum imprisonment of five (5) years.

(3) Further provisions on the requirements for the Board of Supervisors as referred to in paragraph (1) are regulated in a Regulation of the BP BUMN.

56. The elucidation of Article 56B is amended as set forth in the elucidation.

57. The provisions of Article 56C are amended to read as follows:

Article 56C

(1) A member of the Board of Supervisors shall sign a management contract and an integrity pact prior to the confirmation of his or her appointment as a member of the Board of Supervisors.
(2) The management contract as referred to in paragraph (1) is submitted by the member of the Board of Supervisors to the head of BP BUMN.

58. The provisions of Article 56D are amended to read as follows:

Article 56D

The term of office of members of the Board of Supervisors is determined by the head of BP BUMN.

59. The provisions of Article 56E are amended to read as follows:

Article 56E

(1) The position of a member of the Board of Supervisors terminates in the event of:
a. passing away or permanent incapacity;
b. expiration of the term of office; or
c. dismissal prior to the expiration of the term of office due to no longer meeting the requirements to serve as a member of the Board of Supervisors as referred to in Article 56A, or dismissal by the head of BP BUMN.
(2) Where a member of the Board of Supervisors is dismissed prior to the expiration of the term of office as referred to in paragraph (1) subparagraph c, the head of BP BUMN shall provide the concerned

member of the Board of Supervisors with an opportunity to present their defense.

60. The provisions of Article 56H are amended to read as follows:

Article 56H

The Board of Supervisors shall:

a. prepare minutes of meetings of the Board of Supervisors meetings and retain copies thereof;
b. report to Perum regarding their own and/or their family members' share ownership in the company; and
c. submit a report to the head of BP BUMN on the supervisory duties carried out during the most recent fiscal year.

61. The provisions of Article 62A are amended to read as follows:

Article 62A

(1) The SOE Assets shall be managed by the SOE in accordance with the principles of good corporate governance.
(2) The management of SOE Assets as referred to in paragraph (1) is carried out by the Board of Directors in accordance with mechanisms regulated by the Board of Directors, taking into account the limitations of of the Board of Directors'authority as regulated in the provisions of laws and regulations, the articles of association, and/or resolutions of the GMS/decree of the head of BP BUMN.
(3) The SOE Assets as referred to in paragraph (1) may be transferred, pledged as collateral, and/or cooperated with third parties.
(4) The SOE Assets that may be transferred to third parties as referred to in paragraph (3) exclude SOE Assets that are located in production branches which are important to the state and control the livelihood of many people, as well as SOE Assets in the form of land, water, and natural resources contained therein.

62. The provisions of Article 62B are amended to read as follows:

Article 62B

(1) The head of BP BUMN proposes the establishment of an asset management SOE to the President accompanied by a establishment study of the SOE.
(2) The asset management SOE as referred to in paragraph (1) has the authority to:
    a. manage SOE's assets;
    b. carry out Restructuring of both financial and business aspects and/or revitalization of SOEs;
    c. manage non-performing assets in SOEs;

d. manage productive state-owned assets; and
e. manage assets originating from other parties.

(3) The Central Government may provide support to asset management SOE as referred to in paragraph (1) in the form of capital injection, in cash or in kind, purchase of securities of asset management SOE or securities managed by asset management SOE, and/or provision of guarantees.

(4) Further provisions on the asset management SOE as referred to in paragraphs (1) and (2) are regulated in a Regulation of the BP BUMN.

63. The provisions of Article 62C are amended to read as follows:

Article 62C

Further provisions on the management of SOE Assets as referred to in Article 62A and asset management SOE as referred to in Article 62B are regulated in a Regulation of the BP BUMN.

64. The provisions of Article 62E are amended to read as follows:

Article 62E

SOEs may perform write-down on receivables that have been written off with the approval of the head of BP BUMN for Perum and the Agency for Persero.

65. The provisions of Article 62F are amended to read as follows:

Article 62F

(1) The SOEs report the write-offs and write-down to the head of BP BUMN and the Agency.

(2) The report as referred to in paragraph (1) is submitted in the SOE's annual report and/or at any time as required.

66. The provisions of Article 62H are amended to read as follows:

Article 62H

Further provisions on the procedures for the write-off of SOE Assets as referred to in Article 62D and write-down as referred to in Article 62E, as well as the reporting procedures as referred to in Article 62F, are stipulated in a Regulation of the BP BUMN.

67. The provisions of Article 62I are amended to read as follows:

Article 62I

(1) The Mergers, Consolidations, Acquisitions or Spin-offs of SOEs are proposed by the head of BP BUMN to the President.

(2) The Mergers, Consolidations, Acquisitions or Spin-offs of SOEs are regulated by a Government Regulation.

68. The provisions of Article 62J are amended to read as follows:

Article 62J

(1) The Mergers, Consolidations, Acquisitions or Spin-offs of SOEs are carried out by the head of BP BUMN following the issuance of the Government Regulation on the Mergers, Consolidations, Acquisitions or Spin-offs of SOEs.
(2) Plans and implementation of the Mergers, Consolidations, Acquisitions or Spin-offs of SOEs as referred to in paragraph (1) are reported to the complementary organ of DPR RI in charge of SOEs.
(3) Effective from the time the Merger or Consolidation of SOEs as referred to in paragraph (l) takes effect, all assets, rights, and obligations of the merging or consolidating SOEs are transferred by operation of law to the surviving SOE or the newly established SOE resulting from the Consolidation.

69. The provisions of Article 62O are amended to read as follows:

Article 62O

Further provisions on the establishment of SOE Subsidiaries as referred to in Articles 62M and 62N are regulated in a Regulation of the BP BUMN.

70. The provisions of Article 70 are amended to read as follows:

Article 70

(1) The Board of Commissioners or the Board of Supervisors shall establish an audit committee which works collectively and serves to assist the Board of Commissioners or the Board of Supervisors in performing its resepective duties.
(2) The audit committee as referred to in paragraph (1) is led by a chair who is responsible to the Board of Commissioners or the Board of Supervisors.
(3) In addition to the audit committee as referred to in paragraph (1), the Board of Commissioners or the Board of Supervisors may establish other committees.
(4) Further provisions on the audit committee as referred to in paragraph (1) and the other committees as referred to in paragraph (3) are regulated in a Regulation of the BP BUMN.

71. The provisions of Article 71 are amended to read as follows:

Article 71

(1) The audit of the annual corporate financial statements is carried out by a public accountant

appointed by the GMS for Persero and appointed by the head of BP BUMN for Perum.

(2) The Audit Board of the Republic of Indonesia has the authority to conduct audits of SOEs in accordance with the provisions of laws and regulations.

72. The provisions of Article 72 are amended to read as follows:

Article 72

(1) The purposes of SOE Restructuring are to carry out:
   a. performance improvement;
   b. value enhancement;
   c. recovery; or
   d. rescue.
(2) A Restructuring decision for recovery as referred to in paragraph (1) subparagraph c is stipulated by the head of BP BUMN, with due regard to at least the principle of expected benefits and/or costs.
(3) A Restructuring decision for rescue as referred to in paragraph (1) subparagraph d is stipulated by the SOE rescue committee, with due regard to at least the principle of expected benefits.
(4) An SOE is determined for recovery if it meets the following requirements:
   a. the SOE demonstrates good business prospects; and/or
   b. the estimated cost of recovery is lower than the estimated cost of not undertaking recovery of the said the SOE.
(5) An SOE is determined for rescue if it meets the following requirements:
   a. it has broad socio-economic impacts for the state; and/or
   b. it provides benefits for the livelihood of many people.
(6) An SOE is determined for dissolution if one or more of the requirements as referred to in paragraphs (4) or (5) are not met.
(7) Further provisions on the requirements for SOE Restructuring as referred to in paragraphs (4) and (5) are regulated in a Government Regulation.

73. The provisions of Article 73A are amended to read as follows:

Article 73A

(1) To assess and decide the rescue of SOEs, the Central Government establishes a rescue committee.
(2) The rescue committee is chaired by the head of BP BUMN and composed of the Minister of Finance and the relevant line ministers.
(3) The membership of the rescue committee as referred to in paragraph (2) is stipulated by a Presidential Decree.

74. The provisions of Article 78B are amended to read as follows:

Article 78B

The Privatization plan as referred to in Article 78A must be incorporated into the annual Privatization program prepared by the head of BP BUMN.

75. The provisions of Article 79 are amended to read as follows:

Article 79

(1) For the purpose of discussing and deciding policies on Privatization, in connection with cross-sectoral policies, the President establishes a privatization committee as a coordination forum.
(2) The privatization committee is chaired by the head of BP BUMN and composed of the Minister of Finance and the relevant line ministers.
(3) The membership of the privatization committee as referred to in paragraph (2) is stipulated by a Presidential Decree.

76. The provisions of Article 81 are amended to read as follows:

Article 81

(1) In implementing Privatization, the head of BP BUMN is responsible for:
    a. preparing the annual Privatization program;
    b. submitting the annual Privatization program to the privatization committee for direction; and
    c. carrying out Privatization.
(1) In order to carry out the Privatization as referred to in paragraph (1), the head of BP BUMN takes the following measures:
    a. determining the SOEs to be Privatized;
    b. determining the Privatization methods to be used;
    c. determining the type and range of shares to be divested;
    d. determining the price range for share sales; and
    e. preparing an estimated value to be obtained and the Privatization program for an SOE.

77. The provisions of Article 86C are amended to read as follows:

Article 86C

The dissolution of a Persero carried out pursuant to the provisions as referred to in Article 86B paragraph (1) subparagraph a is reported by the head of BP BUMN to the President.

78. The provisions of Article 86E are amended to read as follows:

Article 86E

(1) A Perum may be dissolved on the following grounds:
   a. as stipulated by a Government Regulation based on a proposal from the Central Government;
   b. the expiration of the term of establishment as provided in the articles of association;
   c. a court ruling;
   d. the revocation of a bankruptcy declaration decision by the Commercial Court on the grounds that the bankruptcy estate of the Perum is insufficient to cover the costs of bankruptcy; and/or
   e. the Perum is in a state of insolvency as regulated in the provisions of laws and regulations in the field of bankruptcy.
(2) The dissolution of a Perum as referred to in paragraph (1) is followed by liquidation.
(3) The liquidation as referred to in paragraph (2) is carried out by a liquidator appointed by the head of BP BUMN.
(4) The dissolution of a Perum as referred to in paragraph (1) is stipulated by a Government Regulation.

79. The provisions of Article 86F are amended to read as follows:

Article 86F

The dissolution of a Perum conducted pursuant to the provision as referred to in Article 86E paragraph (1) subparagraph a is proposed by the head of BP BUMN to the President after consulting with the complementary organ of the DPR RI in charge of SOEs.

80. The provisions of Article 86G are amended to read as follows:

Article 86G

The court may dissolve the Perum as referred to in Article 86E paragraph (1) subparagraph c upon the petition of the head of BP BUMN.

81. The provisions of Article 86K are amended to read as follows:

Article 86K

(1) A Perum that has been declared dissolved may only undertake legal acts for the purpose of asset settlement in the liquidation process.
(2) The asset settlement as referred to in paragraph (l) includes:
   a. recording and collection of assets;
   b. determination of the procedures for asset distribution;
   c. payments to creditors;
   d. payment of the remaining assets resulting from the liquidation to the head of BP BUMN; and

e. other actions necessary for the implementation of asset settlement.

82. The provisions of Article 87 are amended to read as follows:

Article 87

(1) In the management of SOEs, such enterprises are supported by professional and globally competitive human resources.
(2) The human resources as referred to in paragraph (1) are SOE employees whose appointment, dismissal, position, rights and obligations are determined based on company regulations or collective employment agreements which at minimum comply with the provisions of laws and regulations in the field of manpower.
(3) The SOE employees as referred to in paragraph (2) may be recruited from the local communities and/or persons with disabilities in accordance with the provisions of laws and regulations.
(4) The SOE employees as referred to in paragraph (2) may hold positions as the members of Board of Directors, Board of Commissioners, Board of Supervisors, or other managerial positions in SOE based on gender equality.
(5) The SOE employees as referred to in paragraph (2) may be assigned and/or seconded to another SOE for a certain period of time.
(6) The SOE employees as referred to in paragraph (2) must meet the competency standards as determined by company regulations.
(7) The SOE employees as referred to in paragraph (2) may form labour unions in accordance with the provisions of laws and regulations.
(8) Provisions on the SOE employees as referred to in paragraphs (2) to (4) are regulated in a Regulation of the BP BUMN.

83. The provisions of Article 87B are amended to read as follows:

Article 87B

(1) To improve the competence of SOE human resources, the BP BUMN and/or the Agency develops human resource education and training, including developing the formation of entities that organize competency development activities in SOEs.
(2) Further provisions on the human resource education and training as referred to in paragraph (1) are regulated in a Regulation of the BP BUMN.

84. The provisions of Article 87C are amended to read as follows:

Article 87C

(1) The Central Government may assign special assignments to SOEs or SOE Subsidiaries to carry out public benefit functions, research and development, and national innovation.
(2) The special assignments as referred to in paragraph (1) are determined by the President.
(3) The special assignments as referred to in paragraph (1) are carried out with due regard to the objectives of the SOE and by taking into account the capacity of the SOE or SOE Subsidiary.
(4) Where the special assignment as referred to in paragraph (l) requires funding and/or is financially unfeasible, the Central Government provides the necessary funding.
(5) An SOE or SOE Subsidiary assigned special assignments by the Central Government as referred to in paragraph (1) maintains separate administrative records or bookkeeping for the assignments, distinct from the bookkeeping related to the company's business targets.
(6) Further provisions on the special assignments as referred to in paragraphs (1) to (5) are regulated in a Government Regulation.

85. The provisions of Article 87D are amended to read as follows:

Article 87D

(1) In the context of special assignments as referred to in Article 87C, the head of BP BUMN coordinates with the Minister of Finance and relevant line ministers.
(2) The coordination between the head of BP BUMN with the Minister of Finance and the relevant line ministers as referred to in paragraph (1) is stipulated by a joint decree.

86. The provisions of Article 87E are amended to read as follows:

Article 87E

(1) The SOEs, SOE Subsidiaries and their derivatives shall carry out corporate social and environmental responsibilities.

(2) The corporate social and environmental responsibilities as referred to in paragraph (1) are carried out through:
   a. guidance, training, empowerment and cooperation with micro, small, medium enterprises, cooperatives, and other institutions; and
   b. community development throughout the territory of the Unitary State of the Republic of Indonesia, prioritizing communities in the vicinity of the SOE.

(3) The sources of funding for guidance and cooperation with micro, small, and medium enterprises, cooperatives and community development as referred to in paragraph (2) include:
   a. allocation of a portion of the net profit of the SOE in the previous fiscal year;
   b. activity budgets accounted for as costs for SOE in the current fiscal year; and/or
   c. other lawful sources in accordance with the provisions of laws and regulations.

(4) The community development as referred to in paragraph (2) subparagraph b is carried out by the relevant SOE and may be conducted in cooperation with other parties.

(5) An SOE may, within the reasonable limits, provide donations for charity or social purposes in accordance with the provisions of laws and regulations.

(6) Further provisions on the implementation of corporate social and environmental responsibilities as referred to in paragraphs (1) to (5) are regulated in a Regulation of the BP BUMN.

87. One (1) article is inserted between Article 88 and Article 89, namely Article 89A, so that it reads as follows:

Article 89A

Tax treatment on transactions involving the Agency, Investment Holding, Operational Holding, and their owned entities, as well as third parties in transaction with Agency, Investment Holding, Operational Holding, and their owned entities is regulated by or under a Government Regulation.

88. The provisions of Article 93 are amended to read as follows:

Article 93

(1) All assignments that have been determined by the minister administering government affairs in the field of SOEs and the line ministers prior to the entry into force of this Law may still be carried out until the end of the assignment period.

(2) The task of administering government affairs in the field of SOEs will continue to be carried out by the ministry administering government affairs in the field of SOEs until the formation of the BP BUMN under this Law.

(3) The Minister administering government affairs in the field of SOEs will continue to carry out SOE management duties until the head of the BP BUMN is appointed.

(4) When the BP BUMN is formed, then:
   a. the ministry administering government affairs in the field of SOEs is dissolved in accordance with the provisions of laws and regulations;
   b. the employees of the ministry administering government affairs in the field of SOEs are transferred to become employees of the BP

BUMN in accordance with the provisions of laws and regulations; and

c. share ownership in SOE registered in the name of the minister administering government affairs in the field of SOEs is transferred to the BP BUMN.

89. Four (4) articles are inserted between Article 94B and Article 95, namely Articles 94C, 94D, 94E, and 94F so that they read as follows:

Article 94C

At the time the BP BUMN is formed, Article 5 paragraph (3) of Law Number 39 of 2008 on State Ministries as amended by Law Number 61 of 2024 on Amendment to Law Number 39 of 2008 on State Ministries which regulates government affairs in the context of sharpening, coordinating and synchronizing government programs in the field SOEs is repealed and declared no longer in force.

Article 94D

Upon the entry into force of this Law, all nomenclatures of the minister administering government affairs in the field of SOEs means the head of BP BUMN.

Article 94E

The BP BUMN is formed no later than three (3) months from the date this Law enters into force.

Article 94F

The transfer of ownership of 1% (one percent) of the series A Dwiwarna shares in the Investment Holding and Operational Holding to the Agency is carried out no later than three (3) months from the date this Law enters into force.

Section II

1. The Central Government and the House of Representatives of the Republic of Indonesia through the complementary organ in charge of legislative sector shall monitor and review the implementation of this Law two (2) years after the promulgation of this Law based on the mechanisms regulated in the Law on the Making of Laws and Regulations.
2. The provisions on the concurrent positions of ministers and deputy ministers as SOE organs are valid for a maximum of two (2) years from the date the Constitutional Court Decision relating to the concurrent positions of ministers and deputy ministers is pronounced.
3. This Law shall enter into force on the date of its promulgation

In order to make this Law known to the public, it is hereby ordered that it be promulgated by its publication in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 6 October 2025

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

PRABOWO SUBIANTO

Promulgated in Jakarta
on 6 October 2025

MINISTER OF STATE SECRETARY
OF THE REPUBLIC OF INDONESIA,

signed

PRASETYO HADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2025 NUMBER 162

Prepared and issued as an official translation

Jakarta,
DIRECTOR GENERAL OF LEGISLATION
FOR THE MINISTER OF LAW OF THE REPUBLIC OF INDONESIA,

DHAHANA PUTRA

Official Translation Notice:
This English translation is provided for information and reference purposes only. In the event of any discrepancy, inconsistency, or ambiguity between the English version and the Indonesian version, the Indonesian version shall prevail.

In order to make this Law known to the public, it is hereby ordered that it be promulgated by its publication in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 6 October 2025

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

PRABOWO SUBIANTO

Promulgated in Jakarta
on 6 October 2025

MINISTER OF STATE SECRETARY
OF THE REPUBLIC OF INDONESIA,

signed

PRASETYO HADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2025 NUMBER 162

Prepared and issued as an official translation

Jakarta, 24 June 2026
DIRECTOR GENERAL OF LEGISLATION
FOR THE MINISTER OF LAW OF THE REPUBLIC OF INDONESIA,

DIREKTUR JENDERA... PERATURAN PERUNDANG-UNDANGAN

DHAHANA PUTRA

Official Translation Notice:
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ELUCIDATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 16 OF 2025
ON
THE FOURTH AMENDMENT TO LAW NUMBER 19 OF 2003
ON STATE-OWNED ENTERPRISES

I. GENERAL

The management of SOEs aims to realize general welfare and social justice for all the people of Indonesia. This means that all efforts carried out by the State through SOEs must be directed at enabling the public to enjoy welfare and social justice more equally, without exception. To achieve this objective, the State must manage SOEs by adhering to the principles or doctrines mandated by the 1945 Constitution of the Republic of Indonesia. In an effort to optimize SOE management, a separation between supervisory and operational functions is necessary to be carried out.

These principles constitute the legitimacy and legal basis for the State to control vital and strategic sectors of production through the establishment of SOEs, within which the State is mandated to exercise the functions of regulating (*regelendaad*), administering (*bestuursdaad*), managing (*beheersdaad*), and supervising (*toezichthoudensdaad*) such sectors. SOEs are established as extensions of the State in carrying out State objectives that cannot be fulfilled solely through government functions, but must instead be realized through business mechanisms.

The role of SOEs in national economic development is highly important and strategic, among others because they contribute to the overall growth of the national economy and to State revenues in particular, generate profits, provide high-quality and competitive goods and/or services, supply goods and/or services for public benefit in fulfilling the essential needs of the people or for strategic purposes, serve as pioneers in business activities that cannot yet be undertaken by the private sector and cooperatives, engage in empowerment efforts, offer support, and foster partnerships with micro, small, medium enterprises, cooperatives, and the broader community.

Efforts to enhance the efficiency of SOEs are essential to improve their performance, enabling them to serve as an instrument of the State in promoting public welfare by providing better services to the community and without imposing a burden on State finances. Considering the strategic role of SOEs, both sociologically and economically, in achieving the objectives of a welfare state, it is necessary to establish globally competitive SOEs.

In the implementation of Law Number 1 of 2025 on the Third Amendment to Law Number 19 of 2003 on SOEs, the present authority to manage SOEs has been delegated to the ministry administering government affairs in the field of SOEs and the Agency. In order to optimize SOEs' management, an effective institutional transformation and efficiency of the business paradigm are required. However, accountability and state authority in supervision still applies to give contribution to the national economic development in general and state revenue in particular.

In this Law, the amendment materials among others covering change of institutional nomenclature of the entity administering government affairs in the field of SOEs, separation of supervisory and operational functions, ownership of series A Dwiwarna shares by the State of the Republic of Indonesia with special rights over SOEs, prohibition for SOE organs to hold concurrent positions including the positions of minister and deputy ministers, and financial audits of SOE by the Audit Board of the Republic of Indonesia.

II. ARTICLE BY ARTICLE

Section I

Subsection 1

Article 1

Self-explanatory.

Subsection 2

Self-explanatory.

Subsection 3

Article 3A

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

The authority delegated in the BP BUMN and/or the Agency includes the authority of the Central Government as shareholder in SOEs and capital owner in Perum, except for SOEs designated as fiscal tools in accordance with the provisions of laws and regulations.

Paragraph (6)

Self-explanatory.

Subsection 4

Article 3B

Self-explanatory.

Subsection 5

Article 3C

Subparagraph a

Self-explanatory.

Subparagraph b
Self-explanatory.
Subparagraph c
Self-explanatory.
Subparagraph d
Self-explanatory.
Subparagraph e
Self-explanatory.
Subparagraph f
Self-explanatory.
Subparagraph g
Self-explanatory.
Subparagraph h
Self-explanatory.
Subparagraph i
Self-explanatory.
Subparagraph j
Self-explanatory.
Subparagraph k
Self-explanatory.
Subparagraph l
Self-explanatory.
Subparagraph m
The term “other authority” means other authority related to the management and supervision of SOEs.

Subsection 6
Article 3D
Self-explanatory.

Subsection 7
Article 3E
Self-explanatory.

Subsection 8
Article 3F
Self-explanatory.

Subsection 9
Article 3G
Self-explanatory.

Subsection 10
Article 3H
Self-explanatory.

Subsection 11
Article 3N
Self-explanatory.

Subsection 12
Article 3X
Self-explanatory.

Subsection 13
Article 3Y
Self-explanatory.

Subsection 14
Article 3AA
Self-explanatory.

Subsection 15
Article 3AB
Self-explanatory.

Subsection 16
Article 3AC
Self-explanatory.

Subsection 17
Article 3AE
Self-explanatory.

Subsection 18
Article 3AH
Self-explanatory.

Subsection 19
Article 3AI
Self-explanatory.

Subsection 20
Article 3AK
Self-explanatory.

Subsection 21
Article 3AL
Self-explanatory.

Subsection 22
Article 3AM
Deleted.

Subsection 23
Article 4A
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Subparagraph a
Self-explanatory.
Subparagraph b
Self-explanatory.
Subparagraph c
Self-explanatory.

Subparagraph d

State equity participation for the purpose of the Central Government assignments is provided to the Agency to be injected to the assigned SOE.

Paragraph (4)

Self-explanatory.

Paragraph (5)

An SOE is a private legal entity whose equity constitute the property and responsibility of the SOE as a legal entity, whether sourced from the APBN or from non-APBN sources. Therefore, it must be fostered and managed in accordance with the principles of good corporate governance.

Paragraph (6)

Self-explanatory.

Subsection 24

Article 4B

Under the provisions of this paragraph, the equity and assets of an SOE constitute the property of the SOE. Any profits or losses incurred by the SOE are the SOEs' profits or losses and therefore are not deemed state's profits or losses .

The profits or losses of an SOE includes but are not limited to the profits or losses of an SOE arising from the management of part or all of the SOE's assets in its investment and/or operational activities.

Subsection 25

Article 4C

Self-explanatory.

Subsection 26

Article 9G

Deleted.

Subsection 27

Article 10

Self-explanatory.

Subsection 28

Article 14

Self-explanatory.

Subsection 29

Article 15A

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term "family relationship up to the second degree" means:

1. A family relationship by marriage, means a person's relationship with:

a. spouse;
b. parents of the spouse (first-degree vertical relationship);
c. spouse of his or her child (first-degree vertical relationship);
d. grandparents of the spouse (second-degree vertical relationship);
e. spouse of his or her grandchild (second-degree vertical relationship);
f. siblings of the spouse along with the spouse of the sibling concerned (second-degree horizontal relationship); and
g. spouse of his or her biological sibling or step-sibling of the person concerned (second-degree horizontal relationship).

2. A family relationship by bloodline means a person's relationship with:
a. parents and children (first-degree vertical relationship);
b. grandparents and grandchildren (second-degree vertical relationship); and
c. biological siblings or half-siblings of the person concerned (second-degree horizontal relationship).

Subparagraph d

The term "expertise" means competence in the core business of the SOE to be served.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

To determine whether a member of the Board of Directors or the Board of Commissioners/Board of Supervisors may be considered as the cause of the bankruptcy of Persero or Perum, it must be based on a claim and/or legal action that may be filed against members of the Board of Directors and/or members of the Board of Commissioners/Board of Supervisors who held office at the time the Persero or Perum was declared bankrupt, and/or against members of the Board of Directors and/or members of the Board of Commissioners/Board of Supervisors from the previous term.

Subparagraph c

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 30

Article 15B

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

Self-explanatory.

Subparagraph e

The term “other positions” includes minister and deputy minister.

Subsection 31

Article 15C

Paragraph (1)

The term “management contract” means a statement of corporate intent (SCI), which includes, among other things, the commitments or declaration of the Board of Directors to meet all targets agreed upon by the shareholders, the Board of Commissioners, and the Board of Directors. This management contract may be renewed annually to be adjusted to the condition and development of the company.

Paragraph (2)

Self-explanatory.

Subsection 32

Article 15G

Paragraph (1)

Self-explanatory.

Paragraph (2)

The corporate long-term planning includes, among others:

a. evaluation of the implementation of the previous corporate planning;
b. the current position of the company;
d. assumptions used in its preparation;
e. the mission of the Persero, business targets, business strategies, company policies, and work programs;
f. the company budget detailed for each work program; and
g. financial projections of the Persero.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Subsection 33

Article 15I

Self-explanatory.

Subsection 34

Article 27

Paragraph (1)

Self-explanatory.

Paragraph (2)

In its capacity as the GMS, appointments and dismissals are sufficiently conducted by a decision of the head of BP BUMN. The decision of the head of BP BUMN has the same legal force as a decision lawfully adopted in a GMS.

Subsection 35

Article 27B

Subparagraph a

Self-explanatory.

Subparagraph b

The term “other positions” includes ministers and deputy ministers.

Subsection 36

Article 27C

Paragraph (1)

The term "management contract" means a statement of corporate intent (SCI), which includes, among other things, the commitments or declaration of the Board of Commissioners to meet all targets agreed upon by the shareholders, the Board of Commissioners, and the Board of Directors. This management contract may be renewed annually to be adjusted to the condition and development of the company.

Paragraph (2)

Self-explanatory.

Subsection 37

Article 35

Self-explanatory.

Subsection 38

Article 37

Self-explanatory.

Subsection 39

Article 38

Paragraph (1)

The head of BP BUMN, as the representative of the capital owner of the Perum, approves the development policies of the Perum, with the objective of setting the direction for achieving the corporation’s goals, including

investment policies, business financing, its financing sources, use of the company's business results, and other development policies. Considering that the Board of Supervisors oversees the implementation of these policies, any proposal from the Board of Directors of the Perum to the head of BP BUMN must first be approved by the Board of Supervisors.

The head of BP BUMN is has a vested interest in the state equity invested in Perum to be developed. Therefore, the issue of investment, financing, and utilization of the Perum's earnings need to be clearly addressed in a corporate development policy.

In granting approval for the proposal of the Board of Directors of the Perum, the head of BP BUMN may hold discussions on matters related to sectoral policies.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 40

Article 39

Considering that the capital of a Perum essentially constitutes the state assets, the capital owner is only liable up to the amount of the capital contribution paid in and this does not include state assets outside of the capital.

If an action taken outside the corporate mechanism as regulated in this Article, this limited liability does not longer apply.

The term "state assets in a Perum" means state equity in the Perum.

A Perum is distinguished from a Persero by the nature of its business. A Perum focuses more on public service, both in terms of services and supply of goods and services.

Subsection 41

Article 40

The Regulation of the BP BUMN regulates, among other things, the actions of the Board of Directors of the Perum that require the approval of the Board of Supervisors and/or require the approval of the head of BP BUMN, which includes, among other things, approval for:

a. loan withdrawal;
b. granting loans;
c. disposal of assets; and
d. write-off of uncollectible receivables and inventory.

Subsection 42

Article 43

Under this provision, the head of BP BUMN may determine that part or all of the net profit will be used for dividend distribution to capital owners, or other distributions such as tantiem for the Board of Directors of the Perum and Board of Supervisors, bonuses for employees, social fund reserves and others, or placement of the net profit in the Perum’s reserves

which are allocated, among other things, for the expansion of the Perum's business.

Subsection 43

Article 43A

Paragraph (1)

The Board of Directors of the Perum consists of a president director and/or other directors as required.

Other directors as required include the director of human resources and the director of finance and/or assets.

Paragraph (2)

Self-explanatory.

Subsection 44

Article 43B

Self-explanatory.

Subsection 45

Article 43C

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term “family relationship up to the second degree” means:

1. A family relationship by marriage, means a person’s relationship with:
   a. spouse;
   b. parents of the spouse (first-degree vertical relationship);
   c. spouse of his or her child (first-degree vertical relationship);
   d. grandparents of the spouse (second-degree vertical relationship);
   e. spouse of his or her grandchild (second-degree vertical relationship);
   f. siblings of the spouse along with the spouse of the sibling concerned (second-degree horizontal relationship); and
   g. spouse of his or her biological sibling or step-sibling of the person concerned (second-degree horizontal relationship).
2. A family relationship by bloodline means a person’s relationship with:
   a. parents and children (first-degree vertical relationship);
   b. grandparents and grandchildren (second-degree vertical relationship); and
   c. biological siblings or half-siblings of the person concerned (second-degree horizontal relationship).

Subparagraph d

The term "expertise" means the competence in the core business of the SOE to be held.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Subparagraph g

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

To determine which members of the Board of Directors or members of the Board of Commissioners/Board of Supervisors may be declared responsible for the bankruptcy of a Persero or Perum must be based on a claim and/or legal action that may be filed to the members of the Board of Directors and/or members of the Board of Commissioners/Board of Supervisors serving at the time the Persero or Perum is declared bankrupt, and/or against the members of the Board of Directors and/or members of the Board of Commissioners/Board of Supervisors who served during the period prior to the bankruptcy declaration of the Persero or Perum.

Subparagraph c

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 46

Article 43D

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

Self-explanatory.

Subparagraph d

The term "other positions" includes ministers and deputy ministers.

Subsection 47

Article 43E

Paragraph (1)

The term "management contract" means a statement of corporate intent (SCI), which includes, among other things, the commitments or declaration of the Board of Directors of a Perum to meet all targets agreed upon by the head of BP BUMN, the Board of Supervisors, and the Board of Directors of the Perum. This management contract may be renewed annually to be adjusted to the condition and development of the company.

Paragraph (2)
Self-explanatory.

Subsection 48
Article 43F
Self-explanatory.

Subsection 49
Article 43G
Self-explanatory.

Subsection 50
Article 43I
Paragraph (1)
The long-term corporate planning includes, among other things:
a. evaluation of the implementation of previous corporate planning;
b. current company position;
c. assumptions used in the preparation;
d. mission of the Perum, business targets, business strategies, company policies and work programs;
e. company budget detailed for each work program budget; and
f. financial projections of the Perum.

Paragraph (2)
Self-explanatory.
Paragraph (3)
Self-explanatory.
Paragraph (4)
Self-explanatory.
Paragraph (5)
Self-explanatory.
Paragraph (6)
Self-explanatory.
Paragraph (7)
Self-explanatory.
Paragraph (8)
Self-explanatory.

Subsection 51
Article 43J
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Prior to signing the annual report submitted by the Board of Directors of the Perum, the Board of Supervisors shall jointly discuss it with the Board of Directors of the Perum. Upon being jointly signed, all members of the Board of Directors of the Perum and the Board of Supervisors are held responsible for the contents of the annual report.

Paragraph (4)

The explanation for any members of the Board of Directors of the Perum or members of the Board of Supervisors not signing the report is stated in writing to the head of BP BUMN, so that the head of the BP BUMN may use it as one of the considerations in assessing the report.

Paragraph (5)

Self-explanatory.

Subsection 52

Article 43K

Self-explanatory.

Subsection 53

Article 43M

Paragraph (1)

Self-explanatory.

Paragraph (2)

The fault or negligence of the Directors of the Perum as referred to in this paragraph must first be proven and decided by the competent court before joint and several liability may be enforced.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Subsection 54

Article 56

Self-explanatory.

Subsection 55

Article 56A

Paragraph (1)

Subparagraph a

Self-explanatory.

Subparagraph b

Self-explanatory.

Subparagraph c

The term "family relationship up to the second degree" means:

1. A family relationship by marriage, means a person’s relationship with:
   a. spouse;
   b. parents of the spouse (first-degree vertical relationship);
   c. spouse of his or her child (first-degree vertical relationship);
   d. grandparents of the spouse (second-degree vertical relationship);
   e. spouse of his or her grandchild (second-degree vertical relationship);
   f. siblings of the spouse along with the spouse of the sibling concerned (second-

degree horizontal relationship); and

g. spouse of his or her biological sibling or step-sibling of the person concerned (second-degree horizontal relationship).

2. A family relationship by bloodline means a person's relationship with:

a. parents and children (first-degree vertical relationship);

b. grandparents and grandchildren (second-degree vertical relationship); and

c. biological siblings or half-siblings of the person concerned (second-degree horizontal relationship).

Subparagraph d

Self-explanatory.

Subparagraph e

Self-explanatory.

Subparagraph f

Self-explanatory.

Paragraph (2)

Subparagraph a

Self-explanatory.

Subparagraph b

To determine which members of the Board of Directors or members of the Board of Commissioners/Board of Supervisors may be declared responsible for the bankruptcy of a Persero or Perum must be based a claim and/or legal action that may be filed to the members of the Board of Directors and/or members of the Board of Commissioners/Board of Supervisors serving at the time the Persero or Perum is declared bankrupt, and/or against the members of the Board of Directors and/or members of the Board of Commissioners/Board of Supervisors who served during the period prior to the bankruptcy declaration of the Persero or Perum.

Subparagraph c

Self-explanatory.

Paragraph (3)

Self-explanatory.

Subsection 56

Article 56B

Subparagraph a

Self-explanatory.

Subparagraph b

The term "other positions" includes ministers and deputy ministers.

Subsection 57

Article 56C

Paragraph (1)

The term "management contract" means a statement of corporate intent (SCI), which includes, among other

things, the commitments or declaration of the Board of Supervisors to meet all targets agreed upon by the Board of Directors of the Perum and the Board of Supervisors. This management contract may be renewed annually to be adjusted to the condition and development of the company.

Paragraph (2)

Self-explanatory.

Subsection 58

Article 56D

Self-explanatory.

Subsection 59

Article 56E

Self-explanatory.

Subsection 60

Article 56H

Self-explanatory.

Subsection 61

Article 62A

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Cooperation with third parties remain subject to the Central Government retaining a decisive position in policy and decision making.

Paragraph (4)

Self-explanatory.

Subsection 62

Article 62B

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Securities managed by an asset management SOE may be in the form of mutual funds.

Paragraph (4)

Self-explanatory.

Subsection 63

Article 62C

Self-explanatory.

Subsection 64

Article 62E

Self-explanatory.

Subsection 65
Article 62F
Self-explanatory.

Subsection 66
Article 62H
Self-explanatory.

Subsection 67
Article 62I
Self-explanatory.

Subsection 68
Article 62J
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
For the transfer of all assets, rights and obligations of an SOE that merges or consolidates, a separate deed/agreement for the transfer of all assets, rights and obligations is not required.

Subsection 69
Article 62O
Self-explanatory.

Subsection 70
Article 70
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
The term "other committees" includes, among others, the nomination and remuneration committee as well as the risk management committee.
Paragraph (4)
Self-explanatory.

Subsection 71
Article 71
Self-explanatory.

Subsection 72
Article 72
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Self-explanatory.
Paragraph (4)
Self-explanatory.

Paragraph (5)

Subparagraph a

The term "it has broad socio-economic impacts for the state " means that the SOE has a high and close interdependency with other SOEs, its business activities are labor-intensive, it has state assignments or poses systemic risks to both the financial sector and other sectors.

Subparagraph b

The term "it provides benefits for the livelihood of many people " means that the SOE has high benefits, cannot be replaced by other SOEs (there is no substitution), and has a substantial impact on national sovereignty and resilience.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Subsection 73

Article 73A

Self-explanatory.

Subsection 74

Article 78B

Self-explanatory.

Subsection 75

Article 79

Self-explanatory.

Subsection 76

Article 81

Self-explanatory.

Subsection 77

Article 86C

Self-explanatory.

Subsection 78

Article 86E

Self-explanatory.

Subsection 79

Article 86F

Self-explanatory.

Subsection 80

Article 86G

Self-explanatory.

Subsection 81

Article 86K

Self-explanatory.

Subsection 82
Article 87
Self-explanatory.

Subsection 83
Article 87B
Self-explanatory.

Subsection 84
Article 87C
Paragraph (1)
Self-explanatory.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Self-explanatory.
Paragraph (4)
The funding for all expenses incurred by SOEs including the expected margin as long as it is within reasonable limits in accordance with the assignment given.
The implementation of special assignments by SOEs includes providing support in the form of state equity participation, loans, Central Government guarantees, or other forms of support.
Paragraph (5)
Self-explanatory.
Paragraph (6)
Self-explanatory.

Subsection 85
Article 87D
Self-explanatory.

Subsection 86
Article 87E
Self-explanatory.

Subsection 87
Article 89A
Self-explanatory.

Subsection 88
Article 93
Self-explanatory.

Subsection 89
Article 94C
Self-explanatory.
Article 94D
Self-explanatory.
Article 94E
Self-explanatory.
Article 94F
Self-explanatory.

Section II

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 7142