



THE REPUBLIC OF INDONESIA

BOOK I

LAW

NUMBER 15 OF 2017

REGARDING THE STATE BUDGET



FISCAL YEAR

2018



THE REPUBLIC OF INDONESIA

BOOK I

LAW

NUMBER 15 OF 2017

REGARDING THE STATE BUDGET

FISCAL YEAR

2018



PRESIDENT OF
THE REPUBLIC OF INDONESIA

LAW OF THE REPUBLIC OF INDONESIA

NUMBER 15 OF 2017

REGARDING

STATE BUDGET FOR FISCAL YEAR 2018

BY THE GRACE OF GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering
- a. whereas the State Budget as the realization of state finances management shall be implemented transparently and accountably for the maximum benefit of the people's prosperity;
 - b. whereas the State Budget for Fiscal Year 2018 as contained in the Law on State Budget for Fiscal Year 2018 shall be prepared in accordance with the needs of state administration and the capability of collecting state revenues for the realization of an economic democracy-based national economy with the principles of togetherness, efficiency, justice, continuity, environmental approach, independence, while maintaining the balanced advancement and unity of national economy;
 - c. whereas based on the considerations as set forth in letters a, and b, and by implementing the provision of Article 23 paragraph (1) of the 1945 Constitution of the Republic of Indonesia, it is necessary to stipulate a Law regarding the State Budget for Fiscal Year 2018;
- In view of
- 1. Article 5 paragraph (1), Article 20, Article 23 paragraphs (1) and (2), Article 31 paragraph (4), and Article 33 paragraphs (1), (2), (3), and (4) of the 1945 Constitution of the Republic of Indonesia;



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 2 -

2. Law Number 17 of 2003 regarding State Finances (Supplement Number 4286 to State Gazette of the Republic of Indonesia Number 47 of 2003);
3. Law Number 25 of 2004 regarding National Development Planning System (Supplement Number 4421 to State Gazette of the Republic of Indonesia Number 104 of 2004);
4. Law Number 17 of 2014 regarding People's Consultative Assembly, House of Representatives, Regional Representatives Council, and Regional House of Representatives (Supplement Number 5568 to State Gazette of the Republic of Indonesia Number 182 of 2014) as amended by Law Number 42 of 2014 regarding Amendment to Law Number 17 of 2014 regarding People's Consultative Assembly, House of Representatives, Regional Representatives Council, and Regional House of Representatives (Supplement Number 5650 to State Gazette of the Republic of Indonesia Number 383 of 2014);

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

BE IT HEREBY RESOLVED:

To stipulate : LAW REGARDING STATE BUDGET FOR FISCAL YEAR
2018.

Article 1.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 3 -

Article 1

As intended herein, the following terms shall have the corresponding meaning as referred to hereunder:

1. State Revenue and Expenditure Budget, hereinafter referred to as State Budget (APBN), shall mean the draft annual finances of the state government which is approved by the House of Representatives.
2. State Revenue shall mean the right of the Central Government which is recognized as addition to net assets consisting of Tax Revenue, Non-Tax Revenue, and Grant Revenue.
3. Tax Revenue shall mean all government revenues that consists of Domestic Tax Revenue and International Trade Tax Revenue.
4. Domestic Tax Revenue shall mean all government revenues generated from income tax, value added tax on goods and services and sales tax on luxurious goods, land and building tax, customs tax, and other tax revenues.
5. International Trade Tax Revenue shall mean all state revenues generated from the import and export duties.
6. Non-Tax State Revenue, hereinafter referred to as PNBP, shall mean all Central Government revenues that are generated from Natural Resources (SDA), the Restricted State Assets, other PNBP, as well as revenue from the Public Service Agencies (BLU).
7. Grant Revenue shall mean all state revenues either in the form of foreign exchange and/or foreign exchange denominated in rupiah, rupiahs, services, and/or securities acquired from grantors that do not have to be repaid and are not binding, both from domestic and abroad.
8. State Expenditure shall mean the obligation of the Central Government which is recognized as a

reduction.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 4 -

reduction of net worth value consisting of Central Government expenditure and Transfer to Regions and Village Fund.

9. Central Government Expenditure by Function shall mean the Central Government expenditure which is utilized to run the functions of general services, defense, order and security, economy, environment, housing and public facility, health, tourism, religion, education, and social protection.
10. Central Government Expenditure by Organization shall mean the Central Government expenditure allocated to the state ministries/institutions and the Budget Section of State General Treasurer.
11. Central Government Expenditure by Program shall mean the Central Government expenditure that is allocated to achieve specific outcomes in the Budget Section of the state ministries/institutions, and the Budget Section of State General Treasurer.
12. Subsidy Management Program shall mean provision of support in the form of budget allocations to state enterprises, government institutions, or third parties under the applicable laws and regulations to the provision of goods and services which are strategic and affect the life of the people in accordance with the financial capacity of the state.
13. Transfer to Regions shall mean the portion of the State Expenditure in order to finance the implementation of fiscal decentralization in the form of Balance Fund, Local Incentive Fund, Special Autonomy Fund, and Privileges Fund of the Special Region of Yogyakarta.
14. Balance Fund shall mean the fund allocated in the State Budget to local governments to finance their needs in implementation of

decentralization.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 5 -

decentralization, which consists of General Transfer Fund, and Specific Transfer Fund.

15. General Transfer Fund shall mean the fund allocated in the State Budget to local governments for use in accordance with the regional authority to finance the needs of local governments in the implementation of decentralization.
16. Revenue Sharing Fund, hereinafter referred to as DBH, shall mean the fund allocated in the State Budget to local governments at a certain percentage of the state revenues to finance the needs of local governments in the implementation of decentralization.
17. General Allocation Fund, hereinafter referred to as DAU, shall mean the fund allocated in the State Budget to local governments for the purpose of inter-regional financial capacity equality to finance the needs of local governments in the implementation of decentralization.
18. Specific Transfer Fund shall mean the fund allocated in the State Budget to local governments for assisting them to finance certain physical or non-physical activities of regional affairs.
19. Specific Allocation Fund, hereinafter referred to as DAK, shall mean the fund allocated in the State Budget to certain local governments for assisting them to finance certain activities of regional affairs and in accordance with the national priorities.
20. Local Incentive Fund, hereinafter referred to as DID, shall mean the fund allocated in the State Budget to certain local governments based on certain criteria for the purpose of giving award for the improvement and/or achievement of certain performance in regional financial

management.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 6 -

- management, general governance service, general public service, and public prosperity.
21. Special Autonomy Fund shall mean the fund allocated in the State Budget to finance the implementation of special autonomy in certain regions, as stipulated in Law Number 35 of 2008 regarding the Establishment of the Government Regulation in lieu of Law Number 1 of 2008 regarding the Amendment to Law Number 21 of 2001 regarding the Special Autonomy for Papua Province to become Law, and Law Number 11 of 2006 regarding Aceh Government.
 22. Privileges Fund of the Special Region of Yogyakarta shall mean the fund allocated in the State Budget for the administration of privileges of the Special Region of Yogyakarta, as stipulated in Law Number 13 of 2012 regarding the Privileges of the Special Region of Yogyakarta.
 23. Village Fund shall mean the fund allocated in the State Budget to villages which is transferred through the Local Government Budget of the regencies/municipalities and utilized to finance the local government administration, development implementation, social development, and community empowerment.
 24. Budget Financing shall mean any revenue that needs to be repaid, revenue reinstatement over expenditures of previous fiscal years, expenditures reinstatement over revenues of previous fiscal years, use of accumulated budget surplus, and/or expenditures that will return, either in the current or subsequent fiscal years.
 25. Budget Surplus, hereinafter referred to as SiLPA, shall mean the surplus of budget financing outcomes over realization of budget deficits outcomes within one reporting period.

26. Accumulated.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 7 -

26. Accumulated Budget Surplus, hereinafter referred to as SAL, shall mean the net accumulation of SiLPA and Budget Deficit (SiKPA) for the previous fiscal years and the relevant fiscal year after closing, plus/minus bookkeeping correction.
27. Government Securities, hereinafter referred to as SBN, shall include the Government Bonds and Government Islamic Securities.
28. Government Bonds, hereinafter referred to as SUN, shall mean securities in the form of the debt instruments denominated in rupiah and foreign currency which their payment of interest and principal is guaranteed by the State of the Republic of Indonesia in accordance with the validity period.
29. Government Islamic Securities, hereinafter referred to as SBSN or may be referred to as Sovereign Sukuk, shall mean SBN issued based on sharia principles, as evidence for the delivery of SBSN assets, both in Rupiah and foreign currency.
30. Undefined Status Government Assistance, hereinafter referred to as BPYBDS, shall mean the Government assistance in the form State-Owned Assets from the State Budget, which has been operated and/or used by State-Owned Enterprise (BUMN) based on the Official Report of Document Handover and, up to now, recorded in the financial statements of the state ministries/institutions or the State-Owned Enterprises (BUMN).
31. State Equity Participation, hereinafter referred to as PMN, shall mean State Budget fund which is allocated to the restricted state assets or the establishment of company reserve or any other sources as the capital of BUMN and/or other limited liability company and managed in corporate manner.
32. Revolving.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 8 -

32. Revolving Fund shall mean the fund managed by certain Public Service Agencies (BLU) to be lent and revolved to the communities/institutions which is aimed at improving the people's economy and other purposes.
33. Domestic Loan shall mean any loan by the Government obtained from domestic lenders that needs to be repaid under certain requirements, in accordance with the validity period.
34. Guarantee Liabilities shall mean the liabilities potentially borne by the Government due to the provision of guarantee to the state ministries/institutions, Local Government, State-Owned Enterprises and Regional State-Owned Enterprises (BUMD) in the event that any of such bodies fails to pay its obligations to the creditors and/or the business entities in accordance with the loan agreement or the cooperation agreement.
35. Net Foreign Loan shall mean all loans derived from the withdrawal of foreign loans which consist of cash loan and project loan, reduced by foreign loan principal installment.
36. Cash Loan shall mean foreign loan in the form of foreign exchange and/or rupiah which is utilized to fund the State Budget deficit and to manage the debt portfolio.
37. Project Loan shall mean foreign loan utilized to finance certain activities of the state ministries/institutions, on-lending loans to local governments and/or State-Owned Enterprises, and on-granting loans to local governments.
38. Subsidiary Loan shall mean loan from the Central Government to the Local Government, State-Owned Enterprises, Institutions, and/or other entities which shall be repaid under certain terms and conditions.

39. Education.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 9 -

39. Education Budget shall mean the budget allocation to the function of education which is budgeted through the state ministries/institutions, education budget allocation through transfer of funds to regions and villages, and education budget allocation through the finance expenditures, including salaries of educators, excluding the official service education budget, to finance the provision of education which is the responsibility of the Government.
40. Percentage of Education Budget shall mean the ratio of total education budget allocation to the state expenditure budget.
41. Fiscal Year 2018 shall mean the period of 1 (one) year commencing from January 1 up to December 31, 2018.

Article 2

State Budget shall consist of the State Revenue budget, State Expenditure budget, and Budget Financing.

Article 3

State Revenue Budget for Fiscal Year 2018 is planned at Rp1,894,720,327,977,000.00 (one quadrillion eight hundred ninety-four trillion seven hundred twenty billion three hundred twenty-seven million nine hundred seventy-seven thousand rupiah), which shall be sourced from the following:

- a. Tax Revenue;
- b. Non-Tax State Revenue; and
- c. Grant Revenue.

Article 4

- (1) Tax Revenue as referred to in Article 3 letter a is planned at Rp1,618,095,493,162,000.00 (one quadrillion six hundred eighteen trillion ninety-five billion four hundred ninety-three million one

hundred



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 10 -

hundred sixty-two thousand rupiah), which consists of:

- a. Domestic Tax Revenue; and
- b. International Trade Tax Revenue.

(2) Domestic Tax Revenue as referred to in paragraph (1) letter a is planned at Rp1,579,395,493,162,000.00 (one quadrillion five hundred seventy-nine trillion three hundred ninety-five billion four hundred ninety-three million one hundred sixty-two thousand rupiah), which consists of:

- a. income tax revenue;
- b. value added tax on goods and services and sales tax on luxury goods revenue;
- c. land and building tax revenue;
- d. excise revenue; and
- e. other tax revenue.

(3) Income Tax revenue as referred to in paragraph (2) letter a is planned at Rp855,133,462,162,000.00 (eight hundred fifty-five trillion one hundred thirty-three billion four hundred sixty-two million one hundred sixty-two thousand rupiah), including the Government-borne income tax (PPh DTP) for:

- a. geothermal commodity, amounting to Rp1,837,960,000,000.00 (one trillion eight hundred thirty-seven billion nine hundred sixty million rupiah), to be implemented as governed by the Regulation of the Minister of Finance;
- b. interest, yields, and third party's income upon the service(s) provided to the Government in issuance and/or buy-back/exchange of SBN in the international market, excluding local legal consultant services, amounting to Rp8,218,348,183,000.00 (eight trillion two hundred eighteen billion three hundred

forty-eight.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 11 -

- forty-eight million one hundred eighty-three thousand rupiah), to be implemented as governed by the Regulation of the Minister of Finance;
- c. income from absolute write-off of non-principal account receivables sourced from Subsidiary Loan, Investment Fund Account, and Regional Development Account received by the Municipal Waterworks (PDAM), amounting to Rp65,019,488,000.00 (sixty-five billion nineteen million four hundred eighty-eight thousand rupiah), to be implemented as governed by the Regulation of the Minister of Finance; and
 - d. payment of Recurrent Cost of SPAN from pure rupiah fund, amounting to Rp503,387,000.00 (five hundred three million three hundred eighty-seven thousand rupiah), to be implemented as governed by the Regulation of the Minister of Finance.
- (4) Revenue from value added tax on goods and services and sales tax on luxury goods revenue as referred to in paragraph (2) letter b is planned at Rp541,801,130,000,000.00 (five hundred forty-one trillion eight hundred one billion one hundred thirty million rupiah).
 - (5) Land and building tax revenue as referred to in paragraph (2) letter c is planned at Rp17,369,101,000,000.00 (seventeen trillion three hundred sixty-nine billion one hundred one million rupiah).
 - (6) Excise revenue as referred to in paragraph (2) letter d is planned at Rp155,400,000,000,000.00 (one hundred fifty-five trillion four billion rupiah).
 - (7) Other tax revenue as referred to in paragraph (2) letter e is planned at Rp9,691,800,000,000.00 (nine trillion six hundred ninety-one billion eight hundred million rupiah).

(8) International.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 12 -

- (8) International Trade Tax Revenue as referred to in paragraph (1) letter b is planned at Rp38,700,000,000,000.00 (thirty-eight trillion seven hundred billion rupiah), which consists of:
 - a. import duty revenue; and
 - b. export duty revenue.
- (9) Import duty(ies) revenue as referred to in paragraph (8) letter a is planned at Rp35,700,000,000,000.00 (thirty-five trillion seven hundred billion rupiah), which includes Government-borne import duty(ies) (BM DTP), amounting to Rp646,358,978,000.00 (six hundred forty-six billion three hundred fifty-eight million nine hundred seventy-eight thousand rupiah), to be implemented as governed by the Regulation of the Minister of Finance.
- (10) Export duty(ies) revenue as referred to in paragraph (8) letter b is planned at Rp3,000,000,000,000.00 (three trillion rupiah).
- (11) Further provisions regarding the detail of Tax Revenue of Fiscal Year 2018 as referred to in paragraphs (2) and (8) shall be governed by the Presidential Regulation.

Article 5

- (1) PNBP as referred to in Article 3 letter b is planned at Rp275,427,969,415,000.00 (two hundred seventy-five trillion four hundred twenty-seven billion nine hundred sixty-nine million four hundred fifteen thousand rupiah), which consists of:
 - a. Natural resources (SDA) revenue;
 - b. Restricted State Assets revenue (PNBP);
 - c. other PNBP; and
 - d. BLU revenue.
- (2) Natural resources revenue as referred to in paragraph (1) letter a is planned at Rp103,674,868,751,000.00 (one hundred three

trillion.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 13 -

trillion six hundred seventy-four billion eight hundred sixty-eight million seven hundred fifty-one thousand rupiah), which consists of:

- a. Oil and Gas Natural Resources revenue (SDA Migas); and
 - b. Non-Oil and Non-Gas Natural Resources revenue of (SDA Non-Migas).
- (3) Restricted State Assets revenue as referred to in paragraph (1) letter b is planned at Rp44,695,387,920,000.00 (forty-four trillion six hundred ninety-five billion three hundred eighty-seven million nine hundred twenty thousand rupiah).
- (4) To optimize the Restricted State Assets revenue in banking industry, settlement of non-performing receivables in BUMN engaged in banking industry shall be carried out:
- a. in compliance with the provision of legislation on Limited Liability Company (PT), BUMN, and Banking industries;
 - b. by considering the principle of good corporate governance; and
 - c. by way of performance by the Government of supervision on the settlement of non-performing receivables in BUMN engaged in banking industry.
- (5) Other PNBK as referred to in paragraph (1) letter c is planned at Rp83,753,115,091,000.00 (eighty-three trillion seven hundred fifty-three billion one hundred fifteen million ninety-one thousand rupiah).
- (6) BLU revenue as referred to in paragraph (1) letter d is planned at Rp43,304,597,653,000.00 (forty-three trillion three hundred four billion five hundred ninety-seven million six hundred fifty-three thousand rupiah).
- (7) Further provision regarding detail of PNBK for Fiscal Year 2018 as referred to in paragraphs (2),

(3), (5), and.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 14 -

(3), (5), and (6) shall be governed by the Presidential Regulation.

Article 6

Grant Revenue as referred to in Article 3 letter c is planned at Rp1,196,865,400,000.00 (one trillion one hundred ninety-six billion eight hundred sixty-five million four hundred thousand rupiah).

Article 7

State Expenditure Budget for Fiscal Year 2018 is planned at Rp2,220,656,966,577,000.00 (two quadrillion two hundred twenty trillion six hundred fifty-six billion nine hundred sixty-six million five hundred seventy-seven thousand rupiah), which consists of:

- a. Central Government Expenditure budget; and
- b. Transfer to Regions and Village Fund budget.

Article 8

- (1) Central Government Expenditure Budget as referred to in Article 7 letter a is planned at Rp1,454,494,390,020,000.00 (one quadrillion four hundred fifty-four trillion four hundred ninety-four billion three hundred ninety million twenty thousand rupiah).
- (2) Central Government Expenditure Budget as referred to in paragraph (1) including the management program of state grant allocated to the local government is planned at Rp1,460,645,703,000.00 (one trillion four hundred sixty billion six hundred forty-five million seven hundred three thousand rupiah).
- (3) Central Government Expenditure Budget as referred to in paragraph (1) shall be categorized into:
 - a. Central Government Expenditure by Function;
 - b. Central Government Expenditure by Organization; and
 - c. Central Government Expenditure by Program.

(4) The details.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 15 -

- (4) The details of Central Government Expenditure Budget by Function, Organization, and Program as referred to in paragraph (3) shall be as set out in Appendix I hereto.

Article 9

- (1) Transfer to Regions and Village Fund budget as referred to in Article 7 letter b is planned at Rp766,162,576,557,000.00 (seven hundred sixty-six trillion one hundred sixty-two billion five hundred seventy-six million five hundred fifty-seven thousand rupiah), which consists of:
- a. Transfer to Regions; and
 - b. Village Fund.
- (2) Transfer to Regions as referred to in paragraph (1) letter a is planned at Rp706,162,576,557,000.00 (seven hundred six trillion one hundred sixty-two billion five hundred seventy-six million five hundred fifty-seven thousand rupiah), which consists of:
- a. Balance Fund;
 - b. Local Incentive Fund (DID); and
 - c. Special Autonomy Fund and Privileges Fund of the Special Region of Yogyakarta.
- (3) Village Fund as referred to in paragraph (1) letter b is planned at Rp60,000,000,000,000.00 (sixty trillion rupiah).
- (4) Village Fund as referred to in paragraph (3) shall be allocated to every regency/municipality with condition as follows:
- a. 77% (seventy-seven percent) of basic allocation shall be equally distributed to all villages;
 - b. 3% (three percent) of affirmation allocations shall be proportionally distributed to underdeveloped villages and extremely underdeveloped villages with high number of poor population; and

c. 20%.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 16 -

- c. 20% (twenty percent) of formulated allocation shall be based on the village's population, poverty rate, area, and geographical accessibility.
- (5) Based on the allocation of Village Fund as referred to in paragraph (4), the regent/mayor shall calculate the details of Village Fund for every village.
- (6) Further provisions regarding procedure for calculation of details of Village Fund for every village shall be regulated under a Regulation of the Minister of Finance.

Article 10

Balance Fund as referred to in Article 9 paragraph (2) letter a is planned at Rp676,602,993,371,000.00 (six hundred seventy-six trillion six hundred two billion nine hundred ninety-three million three hundred seventy-one thousand rupiah), which consists of:

- a. General Transfer Fund; and
- b. Specific Transfer Fund.

Article 11

- (1) General Transfer Fund as referred to in Article 10 letter a is planned at Rp490,714,921,663,000.00 (four hundred ninety trillion seven hundred fourteen billion nine hundred twenty-one million six hundred sixty-three thousand rupiah), which consists of:
 - a. DBH (Revenue Sharing Fund); and
 - b. DAU (General Allocation Fund).
- (2) DBH as referred to in paragraph (1) letter a is planned at Rp89,225,342,014,000.00 (eighty-nine trillion two hundred twenty-five billion three hundred forty-two million fourteen thousand rupiah), which consists of:
 - a. Tax DBH, amounting to Rp56,683,966,194,000.00 (fifty-six trillion six hundred eighty-three billion nine

hundred.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 17 -

hundred sixty-six million one hundred ninety-four thousand rupiah); and

- b. Natural Resources DBH, amounting to Rp32,541,375,820,000.00 (thirty-two trillion five hundred forty-one billion three hundred seventy-five million eight hundred twenty thousand rupiah).
- (3) Tax DBH as referred to in paragraph (2) letter a shall consist of:
 - a. Land and Building Tax (PBB);
 - b. Income Tax (PPH) of Articles 21, 25 and 29 of Domestic Individual Taxpayer (WPOPDN); and
 - c. Tobacco Product Excise (CHT).
 - (4) Natural resources DBH as referred to in paragraph (2) letter b shall consist of:
 - a. oil and gas;
 - b. mineral and coal;
 - c. forestry;
 - d. fishery; and
 - e. geothermal.
 - (5) Forestry DBH as referred to in paragraph (4) letter c, specifically with regard to Reforestation Fund previously distributed to producer regencies/municipalities, shall be as of Fiscal Year 2017 distributed to producer provinces to finance forest and land rehabilitation activities, which shall include:
 - a. planning;
 - b. implementation;
 - c. monitoring;
 - d. evaluation; and
 - e. supporting activities.
 - (6) Supporting activities of forest and land rehabilitation as referred to in paragraph (5) shall include:
 - a. forest protection and security;
 - b. forest and land rehabilitation technology;

c. forest and land . . .



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 18 -

- c. forest and land fire prevention and control;
 - d. area demarcation;
 - e. nursery development;
 - f. research and development, education and training, counseling and empowerment of the local communities regarding forest rehabilitation activities;
 - g. fostering; and/or
 - h. supervision and control.
- (7) Utilization of Revenue Sharing Fund of Tobacco Products Excise (CHT DBH) as referred to in paragraph (3) letter c, Oil and Gas DBH as referred to in paragraph (4) letter a and Forestry DBH as referred to in paragraph (4) letter c shall be regulated as follows:
- a. Revenue of CHT DBH, either for provinces or for regencies/municipalities portion, shall be allocated to fund the program as stipulated in the law on excise, with priority on health sector to support national health insurance program.
 - b. Revenue of Oil and Gas DBH, either for provinces or for regencies/municipalities portion, shall be utilized in accordance with the needs and priorities of the regions, except supplement Oil and Gas DBH for West Papua Province and Aceh Province, which shall be utilized in compliance with the statutory regulations.
 - c. Forestry DBH from Reforestation Fund for regencies/municipalities portion, distributed in 2016 or the previous years and still remaining in the regional treasury, may be used by local government organization appointed by the regent/mayor for:
 - 1. grand forest park management;
 - 2. forest fire prevention and control; and/or
 - 3. trees planting.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 19 -

3. trees planting in critical river basin area (DAS), bamboo-tree planting on the left and right riverbanks, and provision of construction of land and water conservation.
- (8) DAU as referred to in paragraph (1) letter b is planned at 28.7% (twenty-eight point seven percent) of the net Domestic Revenue (PDN) or amounting to Rp401,489,579,649,000.00 (four hundred one trillion four hundred eighty-nine billion five hundred seventy-nine million six hundred forty-nine thousand rupiah).
- (9) Net Domestic Revenue as referred to in paragraph (8) shall be calculated based on the sum of Tax Revenue and PNBK, reduced by the State Revenue Shared with Regions and a certain percentage of earmarked State Revenue.
- (10) The ceiling of National DAU in the State Budget is not final and may be subject to change in case of changes in the Net Domestic Revenue stated in the Revised State Budget.
- (11) In case of any change in the Net Domestic Revenue lowering the ceiling of National DAU and allocation of DAU per region, a specific treatment shall be given to regions that have very limited fiscal capacity and space in order to maintain their regional allocation ceilings, so that they are able to finance their employees expenditures and operational needs.
- (12) Proportion of DAU between provinces and regencies/municipalities is planned at the ratio of 14.1% (fourteen point one percent) and 85.9% (eighty-five point nine percent).
- (13) In order to improve the event distribution of fiscal or financial capabilities across the regions, adjustments for DAU allocations per region for provinces and districts/cities shall be made such as follows:

a. proportional.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 20 -

- a. proportional downward adjustment for provinces and districts that have increased DAU allocations while maintaining affirmations to provinces and districts/cities characterized by islands; and
 - b. upward adjustments for provinces and districts/cities that have decreased DAU allocations, so that there are no provinces and districts/municipalities that experiences decrease compared to the DAU allocation in Revised State Budget for 2017 Fiscal Year.
- (14) The General Transfer Fund allocation as referred to in paragraph (1) shall be used in accordance with the regional needs and priorities.
- (15) The use of General Transfer Fund shall be allocated namely at least 25% (twenty-five percent) thereof to cover regional infrastructure expenditure directly related to construction acceleration of public and economic service facilities in order to increase the number of job opportunities, reduce the poverty rate, and to narrow the gap in providing public services between regions.
- (16) Technical guidelines on the use of Forestry DBH from Reforestation Funds as referred to in paragraph (5) and the use of remaining forestry DBH from Reforestation Funds as referred to in paragraph (7) letter c shall be further stipulated by Regulation of the Minister of Finance after coordinating with the Ministry of Environment and Forestry.
- (17) Further provisions regarding the use of DBH Excises from Tobacco Products as referred to in paragraph (7) letter a shall be regulated by Regulation of the Minister of Finance.

Article 12

- (1) Specific Transfer Fund as referred to in Article 10 letter b is planned at Rp185,888,071,708,000.00

(one hundred.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 21 -

(one hundred eighty-five trillion eight hundred eighty-eight billion seventy-one million seven hundred eight thousand rupiah), which consists of:

- a. Physical Special Allocation Fund (DAK); and
 - b. Non-Physical DAK.
- (2) The allocation of Physical DAK as referred to in paragraph (1) letter a shall be stipulated based on the recommendation of the regions by taking into account the national priority and the financial capacity of the state.
- (3) Physical DAK as referred to in paragraph (1) letter a is planned at Rp62,436,262,908,000.00 (sixty-two trillion four hundred thirty-six billion two hundred sixty-two million nine hundred eight thousand rupiah), which consists of:
- a. Regular DAK, amounting to Rp31,350,835,954,000.00 (thirty-one trillion three hundred fifty billion eight hundred thirty-five million nine hundred fifty-four thousand rupiah);
 - b. Assigned DAK, amounting to Rp24,463,658,880,000.00 (twenty-four trillion four hundred sixty-three billion six hundred fifty-eight million eight hundred eighty thousand rupiah); and
 - c. Affirmative DAK, amounting to Rp6,621,768,074,000.00 (six trillion six hundred twenty-one billion seven hundred sixty-eight million seventy-four thousand rupiah).
- (4) Regular DAK as referred to in paragraph (3) letter a shall be utilized to fund activities in the following sectors:
- a. Education, amounting to Rp6,629,296,491,000.00 (six trillion six hundred twenty-nine billion two hundred

ninety-six.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 22 -

- ninety-six million four hundred ninety-one thousand rupiah);
- b. Health and Family Planning, amounting to Rp10,511,805,920,000.00 (ten trillion five hundred eleven billion eight hundred five million nine hundred twenty thousand rupiah);
 - c. Housing and Settlement, amounting to Rp564,957,636,000.00 (five hundred sixty-four billion nine hundred fifty-seven million six hundred thirty-six thousand rupiah);
 - d. Small and Medium Industries, amounting to Rp563,689,096,000,00 (five hundred sixty-three billion six hundred eighty-nine million ninety-six thousand rupiah);
 - e. Agriculture, amounting to Rp1,681,685,100,000.00 (one trillion six hundred eighty-one billion six hundred eighty-five million one hundred thousand rupiah);
 - f. Marine and Fisheries, amounting to Rp879,698,091,000.00 (eight hundred seventy-nine billion six hundred ninety-eight million ninety-one thousand rupiah);
 - g. Tourism, amounting to Rp631,952,214,000.00 (six hundred thirty-one billion nine hundred fifty-two million two hundred fourteen thousand rupiah);
 - h. Roads, amounting to Rp8,002,200,000,000.00 (eight trillion two billion two hundred million rupiah);
 - i. Drinking Water, amounting to Rp500,673,469,000.00 (five hundred billion six hundred seventy-three million four hundred sixty-nine thousand rupiah);
 - j. Sanitation, amounting to Rp521,487,937,000.00 (five hundred twenty-one billion four hundred eighty-seven million nine hundred thirty-seven thousand rupiah); and
 - k. Marketplace, amounting to Rp863,390,000,000.00 (eight hundred sixty-

three billion.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 23 -

three billion three hundred ninety million rupiah).

(5) Assigned DAK as referred to in paragraph (3) letter b shall be utilized to fund activities in the following sectors:

- a. Education of Vocational Secondary Schools, amounting to Rp1,713,603,803,000.00 (one trillion seven hundred thirteen billion six hundred three million eight hundred three thousand rupiah);
- b. Health (Referral/Primary Hospitals), amounting to Rp4,241,656,425,000.00 (four trillion two hundred forty-one billion six hundred fifty-six million four hundred twenty-five thousand rupiah);
- c. Drinking Water, amounting to Rp1,053,816,105,000.00 (one trillion fifty-three billion eight hundred sixteen million one hundred five thousand rupiah);
- d. Sanitation, amounting to Rp1,097,626,667,000.00 (one trillion ninety-seven billion six hundred twenty-six million six hundred sixty-seven thousand rupiah);
- e. Roads, amounting to Rp10,200,656,356,000.00 (ten trillion two hundred billion six hundred fifty-six million three hundred fifty-six thousand rupiah);
- f. Irrigation, amounting to Rp4,246,177,000,000.00 (four trillion two hundred forty-six billion one hundred seventy-seven million rupiah);
- g. Marketplace, amounting to Rp909,303,524,000.00 (nine hundred nine billion three hundred three million five hundred twenty-four thousand rupiah);
- h. Small and Medium Scale Energy Sectors, amounting to Rp500,100,000,000.00 (five hundred billion one hundred million rupiah); and

i. Environment.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 24 -

- i. Environment and Forestry, amounting to Rp500,719,000,000.00 (five hundred billion seven hundred nineteen million rupiah).
- (6) Affirmative DAK as referred to in paragraph (3) letter c shall be utilized to fund activities in the following sectors:
- a. Health, amounting to Rp3,226,242,950,000.00 (three trillion two hundred twenty-six billion two hundred forty-two million nine hundred fifty thousand rupiah);
 - b. Housing and Settlement, amounting to Rp464,642,873,000.00 (four hundred sixty-four billion six hundred forty-two million eight hundred seventy-three thousand rupiah);
 - c. Transportation, amounting to Rp1,078,134,148,000.00 (one trillion seventy-eight billion one hundred thirty-four million one hundred forty-eight thousand rupiah);
 - d. Education, amounting to Rp794,612,169,000.00 (seven hundred ninety-four billion six hundred twelve million one hundred sixty-nine thousand rupiah);
 - e. Drinking Water, amounting to Rp516,258,136,000.00 (five hundred sixteen billion two hundred fifty-eight million one hundred thirty-six thousand rupiah); and
 - f. Sanitation, amounting to Rp541,877,798,000.00 (five hundred forty-one billion eight hundred seventy-seven million seven hundred ninety-eight thousand rupiah).
- (7) In order to maintain the output achievement of Physical DAK as referred to in paragraph (3) letters a, b, and c, the Local Governments shall submit budget action plan in accordance with the Physical DAK proposal agreed upon between the Government and the House of Representatives, and in compliance with the technical guidelines as stipulated in the statutory regulations.

(8) Further provisions.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 25 -

- (8) Further provisions regarding the procedure for Physical DAK distribution as referred to in paragraph (3) and the submission of budget action plan as referred to in paragraph (7) shall be governed under a Regulation of the Minister of Finance.
- (9) Non-Physical DAK as referred to in paragraph (1) letter b is planned at Rp123,451,808,800,000.00 (one hundred twenty-three trillion four hundred and fifty-one billion eight hundred eight million eight hundred thousand rupiah), which consists of:
- a. School Operational Assistance (BOS) fund, amounting to Rp46,695,528,800,000.00 (forty-six trillion six hundred ninety-five billion five hundred twenty-eight million eight hundred thousand rupiah);
 - b. Early Childhood Education Operational Assistance (BOP PAUD) fund, amounting to Rp4,070,190,000,000.00 (four trillion seventy billion one hundred ninety million rupiah);
 - c. Professional Allowance for Regional Civil Servant Teachers, amounting to Rp58,293,080,000,000.00 (fifty-eight trillion two hundred ninety-three billion eighty million rupiah);
 - d. Income Supplement for Regional Civil Servant Teachers, amounting to Rp978,110,000,000.00 (nine hundred seventy-eight billion one hundred ten million rupiah);
 - e. Health Operational Assistance (BOK) fund and Family Planning Operational Assistance (BOKB) fund, amounting to Rp10,360,020,000,000.00 (ten trillion three hundred sixty billion twenty million rupiah);
 - f. Capacity Building of Cooperative, Small and Medium Business fund, amounting to Rp100,000,000,000.00 (one hundred billion rupiah);
 - g. Special.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 26 -

- g. Special Allowance for Regional Civil Servant Teachers in Special Regions, amounting to Rp2,129,880,000,000.00 (two trillion one hundred twenty-nine billion eight hundred eighty million rupiah); and
 - h. Population Administrative Service fund, amounting to Rp825,000,000,000.00 (eight hundred twenty-five billion rupiah).
- (10) DAK recipient regions do not provide match fund.

Article 13

- (1) DID as referred to in Article 9 paragraph (2) letter b is planned at Rp8,500,000,000,000.00 (eight trillion five hundred billion rupiah).
- (2) DID shall be allocated based on general and performance criteria.
- (3) The received DID shall be utilized in accordance with the regional needs and priorities.

Article 14

- (1) Special Autonomy Fund and Privileges Fund of the Special Region of Yogyakarta as referred to in Article 9 paragraph (2) letter c is planned at Rp21,059,583,186,000.00 (twenty one trillion fifty-nine billion five hundred eighty-three million one hundred eighty-six thousand rupiah), which consists of:
 - a. Special Autonomy Fund; and
 - b. Privileges Fund of the Special Region of Yogyakarta.
- (2) Special Autonomy Fund as referred to in paragraph (1) letter a is planned at Rp20,059,583,186,000.00 (twenty trillion fifty-nine billion five hundred eighty-three million one hundred eighty-six thousand rupiah), which consists of:
 - a. Allocation of Special Autonomy Fund of Papua Province and West Papua Province, amounting to Rp8,029,791,593,000.00 (eight trillion

twenty-nine.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 27 -

twenty-nine billion seven hundred ninety-one million five hundred ninety-three thousand rupiah), to be distributed to Papua Province and West Papua Province with details as follows:

1. Special Autonomy Fund of Papua Province, amounting to Rp5,620,854,115,000.00 (five trillion six hundred twenty billion eight hundred fifty-four million one hundred fifteen thousand rupiah); and
 2. Special Autonomy Fund of West Papua Province, amounting to Rp2,408,937,478,000.00 (two trillion four hundred eight billion nine hundred thirty-seven million four hundred seventy-eight thousand rupiah).
- b. Allocation of Special Autonomy Fund of Aceh Province, amounting to Rp8,029,791,593,000.00 (eight trillion twenty-nine billion seven hundred ninety-one million five hundred ninety-three thousand rupiah); and
- c. Infrastructure Supplement Fund in the framework of Special Autonomy of Papua Province and West Papua Province, amounting to Rp4,000,000,000,000.00 (four trillion rupiah) with detail as follows:
1. Infrastructure Supplement Fund for Papua Province, amounting to Rp2,400,000,000,000.00 (two trillion four hundred billion rupiah); and
 2. Infrastructure Supplement Fund for West Papua Province, amounting to Rp1,600,000,000,000.00 (one trillion six hundred billion rupiah).
- (3) Privileges Fund of the Special Region of Yogyakarta as referred to in paragraph (1) letter b

is planned.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 28 -

is planned at Rp1,000,000,000,000.00 (one trillion rupiah).

Article 15

- (1) Further provisions regarding the detail of Transfer to Regions and Village Fund Budget as referred to in Articles 9, 10, 11, 12, 13, and 14 shall be governed in the Presidential Regulation.
- (2) Further provisions regarding the technical guidelines for implementation of Physical DAK as referred to in Article 12 paragraph (1) letter a shall be governed in the Presidential Regulation.
- (3) Provisions regarding the distribution of Transfer to Regions and Village Fund shall be regulated as follows:
 - a. distribution of Transfer to Regions and Village Fund are able to be made in cash or non-cash;
 - b. for regions having treasury cash and/or savings in bank in an unreasonable sum, non-cash conversion of DBH and/or DAU distribution shall be made; and
 - c. distribution of Transfer to Regions and Village Fund shall be carried out based on the implementation performance.
 - d. distribution of Transfer to Regions and Village Fund are able to be done in delay and/or deductions in the event that the regions do not meet the minimum budget required in legislation or delay the payment of contribution required in the legislation.
- (4) Further provisions regarding the distribution of Transfer to Regions and Village Fund as referred to in paragraph (3) shall be governed in the Regulation of the Minister of Finance.

Article 16

- (1) Subsidy Management Program for Fiscal Year 2018 is planned at Rp156,228,125,107,000.00 (one hundred fifty-six trillion two hundred

twenty-eight.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 29 -

twenty-eight billion one hundred twenty-five million one hundred seven thousand rupiah).

- (2) Budget for Subsidy Management Program as referred to in paragraph (1) shall be utilized effectively on target.
- (3) Budget for Subsidy Management Program as referred to in paragraph (1) may be adjusted to the need of realization in the current fiscal year based on the changes in parameter, the realization of Indonesia Crude Price (ICP), and/or the exchange rate of rupiah.
- (4) Further provisions regarding detail of Subsidy Management Program for Fiscal Year 2018 as referred to in paragraph (1) shall be governed by the Presidential Regulation.

Article 17

For efficient and effective implementation of the budget of the state ministries/institutions, the Government shall provide incentives towards the performance of budget of the state ministries/institutions, which shall be further governed under the Regulation of the Minister of Finance.

Article 18

- (1) The changes in Central Government Expenditure budget, in the form of:
 - a. changes in the expenditure budget sourced from PNBP;
 - b. changes in the expenditure budget sourced from foreign and domestic loans and grants, including those on-granting;
 - c. shift of Budget Section 999.08 (State General Treasurer Managing Other Expenditures) to the Budget Section of the state ministries/agencies, or between the budget subsections in the Budget Section 999 (BA BUN);

d. shift of.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 30 -

- d. shift of budget funded by PNBP between working units in 1 (one) program;
 - e. changes in the expenditure budget sourced from the SBSN to finance the activity/project of the state ministries/institutions;
 - f. inter-program budget shift in 1 (one) Budget Section sourced from pure rupiah to meet the needs of operational cost;
 - g. inter-program budget shift in 1 (one) Budget Section to meet the needs of ineligible expenditure for activities funded by foreign loan and/or grant;
 - h. budget shift from existing program to new program in order to complete the administration of Budget Execution (Allotment) Document subject to approval of the House of Representatives; and/or
 - i. budget shift for allocation of fund to settle the restructuring of state ministries/institutions, shall be stipulated by the Government.
- (2) Further changes in Budget Financing in the form of changes of the ceiling for loan resulting from continued and accelerated drawdown of loan, and validation of loan at its closing date, shall be stipulated by the Government.
- (3) Changes in Central Government Expenditure budget in the form of change in the ceiling for validation of expenditure and revenue financing and/or grant revenue sourced from foreign loan/grant including those on-granting which has reached closing date, shall be stipulated by the Government.
- (4) Changes in Central Government Expenditure budget in the form of increase of the ceiling due to the Domestic-Source Counterpart Budget in the 2017 Budget Execution (Allotment) Document being unutilized for the payment of contract

advances for.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 31 -

advances for activities funded by foreign loan, shall be stipulated by the Government.

- (5) Changes as referred to in paragraphs (1), (2), (3) and (4) shall be reported by the Government to the House of Representatives in the Revised State Budget for Fiscal Year 2018 and/or the 2018 Financial Report of Central Government (LKPP).

Article 19

- (1) The Government may grant to foreign governments/institutions and appoint the foreign governments/institutions as the recipients for humanity and other purposes.
- (2) The Government may provide grants to Local Government for post-disaster rehabilitation and reconstruction.

Article 20

- (1) Education Budget is planned at Rp444,131,393,403,000.00 (four hundred forty-four trillion one hundred thirty-one billion three hundred ninety-three million four hundred three thousand rupiah).
- (2) The percentage of the Education Budget shall be 20.0% (twenty point zero percent), which is the ratio of Education Budget allotment as referred to in paragraph (1) to the total State Expenditure Budget, amounting to Rp2,220,656,966,577,000.00 (two quadrillion two hundred twenty trillion six hundred fifty-six billion nine hundred sixty-six million five hundred seventy-seven thousand rupiah).
- (3) Education Budget allocation as referred to in paragraph (1) shall include allotment for National Education Development Fund (DPPN), amounting to Rp15,000,000,000,000.00 (fifteen trillion rupiah).

(4) Further provisions.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 32 -

- (4) Further provisions regarding detail of the Education Budget as referred to in paragraph (1), shall be governed by the Presidential Regulation.

Article 21

- (1) Total amount of the State Budget Revenue for Fiscal Year 2018, as referred to in Article 3, is lower than the State Budget Expenditure as referred to in Article 7 and, therefore, in Fiscal Year 2018 there is budget deficit amounting to Rp325,936,612,188,000.00 (three hundred twenty-five trillion nine hundred thirty-six billion six hundred twelve million one hundred eighty-eight thousand rupiah) which will be financed from the Budget Financing.
- (2) Provision regarding the allocation of Budget Financing as referred to in paragraph (1) shall be as set out in Appendix I which forms an integral part of this Law.
- (3) Further provisions regarding the detail of allocation of Budget Finance as set out in Appendix I hereto shall be governed by the Presidential Regulation.

Article 22

- (1) If the budget deficit is expected to be over the limit as stipulated in the State Budget, the Government may utilize the SAL fund, Cash Loan drawdown, and/or SBN issuance as additional financing.
- (2) Any obligation arising from the utilization of SAL fund, Cash Loan drawdown, and/or SBN issuance as additional finance as referred to in paragraph (1) shall be charged to the state budget.
- (3) Utilization of SAL fund, Cash Loan, and/or SBN issuance as additional finance as referred to in paragraph (1) shall be reported by the

Government.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 33 -

Government in the 2018 Financial Report of Central Government (LKPP).

- (4) Further provisions regarding the deficit expected to be over the specified limit and the utilization of SAL fund, Cash Loan, and/or SBN issuance as additional finance as referred to in paragraph (1) shall be governed by the Regulation of the Minister of Finance.

Article 23

- (1) The Government may use the state ministries/institutions program sourced from Pure Rupiah budget in the budget allocation of the Central Government Expenditure and/or State-Owned Assets to be used as the basis for issuance of SBSN.
- (2) Detail of the state ministries/institutions program and/or State-Owned Assets which can be used as the basis for issuance of SBSN shall be determined by the Minister of Finance upon ratification of the Law regarding State Budget for Fiscal Year 2018 and the stipulation of Presidential Regulation regarding the State Budget Details for Fiscal Year 2018.
- (3) Further condition regarding the use of the state ministries/institutions programs and/or State-Owned Assets as the basis for issuance of SBSN as referred to in paragraph (1) shall be governed by the Regulation of the Minister of Finance.

Article 24

- (1) The Government may use the remaining amount of proceeds from the issuance of SBSN to finance the activities/projects of the state ministries/institutions which unutilized during the Fiscal Year 2017 to finance further implementation of such activities/projects in the Fiscal Year 2018.

(2) Utilization.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 34 -

- (2) Utilization of the remaining amount of proceeds from the issuance of SBSN used to finance the activities/projects of the state ministries/institutions as referred to in paragraph (1) shall be reported by the Government in the Revised State Budget for Fiscal Year 2018 and/or the 2018 Financial Report of Central Government (LKPP).
- (3) Further provisions regarding the utilization of the remaining amount of proceeds from the issuance of SBSN used to finance the activities/projects of the state ministries/institutions as referred to in paragraph (1) shall be governed by the Regulation of the Minister of Finance.

Article 25

- (1) In the event of domestic SBN market crisis, the Government with the approval of the House of Representatives shall be authorized to utilize SAL to carry out stabilization of domestic SBN market upon calculation of budget requirements up to the end of the current fiscal year and the beginning of the next fiscal year.
- (2) Approval of the House of Representatives as referred to in paragraph (1) shall be the decree as set out in the minutes of Work Meeting of the House of Representatives' Budget Committee with the Government, which shall be issued within no more than 1x24 (one time twenty-four) hours upon submission by the Government of the proposal to the House of Representatives.
- (3) The amount of SAL utilized to stabilize the domestic SBN market as referred to in paragraph (1) shall be reported by the Government in the Revised State Budget for Fiscal Year 2018 and/or 2018 Financial Report of Central Government (LKPP).
- (4) Further provisions regarding SAL utilization to stabilize the domestic SBN market as referred to

in paragraph (1).....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 35 -

in paragraph (1) shall be governed by the Regulation of the Minister of Finance.

Article 26

- (1) In the event that the realization of the state revenue is insufficient to cover the state expenditure requirement in certain period, the deficit may be covered by SAL fund, issuance of SBN or State Expenditure adjustment.
- (2) The Government may repurchase the SBN for the purpose of market stability and cash management while keeping on considering the required amount of net SBN issued in order to cover the predetermined financing needs.
- (3) In the event of a more profitable debt financing instrument and/or unavailability of one of the debt financing instruments, the Government may change the composition of debt financing instrument in order to maintain the economic and fiscal security.
- (4) In the event that budget reallocation of debt interest is required as a result of the change of debt financing instrument composition as referred to in paragraph (3), the Government may reallocate the payment of foreign debt interest to the payment of domestic debt interest or vice versa.
- (5) In order to reduce the cost of SBN issuance and to ensure the availability of financing through debt, the Government may accept the debt underwriting guarantee from the institution which can perform the underwriting function, and/or accept the facility in the form of financing support.
- (6) The implementation of provisions as referred to in paragraphs (1) up to (5) shall be stipulated and reported by the Government in the Revised State Budget for Fiscal Year 2018 and/or in the 2018 Financial Report of Central Government (LKPP).

Article 27.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 36 -

Article 27

- (1) In order to guarantee the availability of budget at the beginning of Fiscal Year 2018, the Government may issue SBN in the fourth quarter of 2017.
- (2) Issuance of SBN as referred to in paragraph (1) shall be reported by the Government in the Revised State Budget for Fiscal Year 2018 and/or 2018 Financial Report of Central Government (LKPP).

Article 28

- (1) For payment of salaries and DAU of January 2018, the fund of which shall be available at the end of Fiscal Year 2017, the Government may take SAL loan and/or use the proceeds from the issuance of SBN as referred to in Article 27 paragraph (1) at the end of 2017.
- (2) Further provisions regarding utilization of SAL loan as referred to in paragraph (1) shall be governed by the Regulation of the Minister of Finance regarding SAL management.

Article 29

- (1) In order to accelerate the implementation of activities financed by Foreign Loan, the drawdown of domestic-source counterpart budget for the payment of advances on contract of activities financed by Foreign Loan in DIPA of Fiscal year 2018 may continue until March 31, 2019.
- (2) The proposed continuation of drawdown of domestic-source counterpart budget for the payment of contract advances as referred to in paragraph (1) shall be submitted to the Minister of Finance in the form of revised budget no later than January 31, 2019.
- (3) Further provisions regarding the implementation of the revised budget as referred to in paragraph

(2) shall be governed.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 37 -

(2) shall be governed by the Regulation of the Minister of Finance.

Article 30

- (1) Investment in an international financial organization/institution/international business entity to be made and/or has been recorded in the Financial Report of Central Government (LKPP) as permanent investment shall be considered as investment in such international financial organization/institution/international business entity.
- (2) The Government may make the payment of investment in any international financial organization/institution/international business entity exceeding the budget ceiling determined for Fiscal Year 2018 due to exchange rate difference which, then, such payment shall be reported in the Revised State Budget for Fiscal Year 2018 and/or 2018 Financial Report of Central Government (LKPP).
- (3) The implementation of investment in an international financial organization/ institution/ international business entity as referred to in paragraph (1) shall be governed by the Regulation of the Minister of Finance.

Article 31

For efficient and effective implementation of the provision of international assistance, it is determined that the international assistance fund shall amount to Rp1,000,000,000,000.00 (one trillion rupiah), which shall be utilized in compliance with the statutory regulations.

Article 32

- (1) In order to increase the business capacity particularly in the sectors of research, development, and supply of seeds for plantation, the Government shall make PMN in PT

Perkebunan.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 38 -

Perkebunan Nusantara III (Persero), which shall be sourced from state-owned assets of the Ministry of Agriculture which are utilized by PT Riset Perkebunan Nusantara.

- (2) Additional PMN as referred to in paragraph (1) shall be stipulated in Government Regulation.

Article 33

- (1) State-Owned Assets (BMN) as stated in the Activity Checklist (DIK)/Project Checklist (DIP)/ Budget Execution (Allotment) Document (DIPA) of the state ministries/institutions which are used and/or operated by the BUMN/Limited Liability Company in which the state holds shares and have been recorded in the balance sheet of BUMN/Limited Liability Company in which the state holds shares as BPYBDS or other similar account shall be considered as PMN in the said BUMN/Limited Liability Company at the budget realization value as reviewed by the Indonesia's National Government Internal Auditor (BPKP).
- (2) Any BMN acquired using capital expenditure through DIPA of a state ministry/institution and which will be used by a BUMN/Limited Liability Company in which the state holds shares upon the acquisition of such BMN shall be considered as PMN in such BUMN/Limited Liability Company which utilizes BMN at the budget realization value as reviewed by the Indonesia's National Government Internal Auditor (BPKP).
- (3) Implementation of PMN in the BUMN/Limited Liability Company in which the state holds shares as referred to in paragraphs (1) and (2) shall be stipulated in Government Regulation.

Article 34

- (1) The Minister of Finance shall be authorized to manage the budget of Guarantee Liabilities in:
 - a. Acceleration.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 39 -

- a. Acceleration of National Infrastructure Development, consisting of:
 1. coal fired power plant development acceleration;
 2. the provision of drinking water acceleration;
 3. the provision of infrastructure guarantee in the public private partnership projects which is carried out through the infrastructure guarantor;
 4. providing infrastructure financing through direct loan from international financing institution to BUMN;
 5. the construction acceleration of toll roads in Sumatera.
 - b. assigning BUMN to provide regional infrastructure financing.
- (2) In the event that the budget of Guarantee Liabilities as referred to in paragraph (1) has been disbursed, it shall be calculated as receivables/invoice to the guaranteed entity or expenditure of the state ministries/institutions.
 - (3) In the event that the remaining budget of Guarantee Liabilities as referred to in paragraph (1) is not fully utilized in the current year, such remaining budget of Guarantee Liabilities may be accumulated by transfer mechanism into the accounts of Guarantor Liabilities Reserve Fund and Regional Infrastructure Financing Guarantee Fund which opened by Bank Indonesia.
 - (4) Fund transferred to the Guarantor Liabilities Reserve Fund account as referred to in paragraph (3) may be used for payment of Guarantee Liabilities between guaranteed programs as referred to in paragraph (1) letter a in the next fiscal year.
 - (5) Fund transferred to the Regional Infrastructure Assigned Financing Guarantee Fund account as referred to in paragraph (3) may be used for

payment.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 40 -

payment of guarantees as referred to in paragraph (1) letter b.

- (6) Further provision regarding the budget implementation of the Guarantee Liabilities and the use of Guarantor Liabilities Reserve Fund or Regional Infrastructure Financing Guarantee Fund account as referred to in paragraphs (4) and (5) shall be stipulated in the Regulation of the Minister of Finance.

Article 35

- (1) The Government may make payments for debt interest and debt principal installment exceeding the ceiling determined in Fiscal Year 2018 which shall, then, be reported by the Government in the Revised State Budget for Fiscal Year 2018 and/or 2018 Financial Report of Central Government (LKPP).
- (2) The Government may perform Hedging transaction to control the risks of expense fluctuation in the payment of debt liabilities, and/or to protect the value of debt, from risks which may arise or are reasonably expected to arise from volatility of financial market factors.
- (3) Fulfillment of the obligation arising from the Hedging transaction, as referred to in paragraph (2) shall be charged to the expenditure budget of debt interest and/or debt principal installment.
- (4) The obligation as referred to in paragraph (3) shall not be prejudicial to the state finance.
- (5) Further provision regarding the implementation of Hedging transaction as referred to in paragraph (2) shall be stipulated in the Regulation of the Minister of Finance.

Article 36

- (1) The Minister of Finance shall be authorized to settle the receivables of the Government institutions which is managed/administered by the

State.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 41 -

State Debt Management Committee/ Directorate General of State Assets Management, in particular the receivables from Micro, Small, and Medium Businesses (UMKM), and receivables in the form of Mortgage of Simple/Very Simple House (KPR RS/RSS), including and not limited to the restructuring and provision of debt principal reduction up to 100% (one hundred percent).

- (2) Further provision regarding the settlement of the Government institution's receivables as referred to in paragraph (1) shall be stipulated in the Regulation of the Minister of Finance.

Article 37

- (1) In mid Fiscal Year 2018, the Government shall prepare the report of State Budget implementation in the First Semester of Fiscal Year 2018, with regard to:
 - a. the State Revenue realization;
 - b. the State Expenditure realization; and
 - c. the Budget Financing realization.
- (2) In the such report as referred to in paragraph (1), the Government shall include the prognosis for the next 6 (six) months.
- (3) The report as referred to in paragraphs (1) and (2) shall be submitted to the House of Representatives no later than July 2018 for joint discussion by the House of Representatives and the Government.

Article 38

- (1) Adjustment to the State Budget for Fiscal Year 2018, as well as the progress and/or changes of conditions shall be jointly discussed by the House of Representatives and the Government in order to prepare estimated revision to the State Budget for Fiscal Year 2018, in the event of:
 - a. any development.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 42 -

- a. any development of macroeconomic indicators which is not in line with the assumptions used in the State Budget for Fiscal Year 2018;
 - b. changes in the principles of fiscal policy;
 - c. any situation which requires the budget shift between units in the organization, and/or between programs; and/ or
 - d. any situation requiring the utilization of SAL from the previous year to financing in the current budget year.
- (2) SAL as referred to in paragraph (1) letter d shall be the SAL in the Bank Indonesia account which shall be used as determined by the Minister of Finance in compliance with the applicable provisions and set out in the accountability report of the State Budget implementation.
- (3) The Government shall propose the Draft Bill regarding the Amendment to Law regarding the State Budget for Fiscal Year 2018 to reflect the changes as referred to in paragraph (1), for approval by the House of Representatives prior to the end of Fiscal Year 2018.

Article 39

- (1) In an emergency situation, in the event that any of the following matters occurs:
- a. the projection of economic growth is below the assumption and deviates from other basic macroeconomic assumptions, leading to significant decline in state revenues and/or significant increase in state expenditure; and/or
 - b. significant increase of debt cost, particularly the return on SBN,
- the Government, upon the approval of the House of Representatives, may perform the following measures:
1. to stipulate expenditure which has not yet been allocated and/or which exceeds the

ceiling.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 43 -

- ceiling in the State Budget for Fiscal Year 2018;
2. to shift the budgeted expenditures from one program to another within the same section and/or among sections with reference to the target of the national priority programs which should remain to be achieved;
 3. to reduce the State Expenditure ceiling in order to improve efficiency while keep on maintaining the successful achievement of the target of priority programs;
 4. to utilize SAL to cover any deficit in the State Budget financing, after making prior consideration of the availability of SAL required for such purpose up to the end of the current fiscal year and the beginning of the next fiscal year; and/or
 5. to use proceeds from drawdown of additional loans and/or issuance of SBN.
- (2) Approval of the House of Representatives as referred to in paragraph (1) shall be the decree as set out in the minutes of Work Meeting of the House of Representatives' Budget Committee with the Government, which shall be issued within no more than 1x24 (one times twenty-four) hours upon submission by the Government of the proposal to the House of Representatives.
- (3) In case of no approval as referred to in paragraph (1) issued by the House of Representatives for any reason whatsoever, the Government may take any of the measures as referred to in paragraph (1).
- (4) The Government shall give particulars of the implementation of any of the measures as referred to in paragraph (1) in the Revised State Budget for Fiscal Year 2018 and/or in the 2018 Financial Report of Central Government (LKPP).



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 44 -

Article 40

- (1) If the Indonesia Deposit Insurance Corporation (LPS) undergone liquidity problems, the Government may extend loans to the LPS.
- (2) Source of fund for the loan as referred to in paragraph (1) shall be as follows:
 - a. SAL that will be used to cover any deficit in the State Budget financing, after making prior consideration of the availability of SAL required for such purpose up to the end of the current fiscal year and the beginning of the next fiscal year; and/or
 - b. proceeds from drawdown of additional loans and/or issuance of SBN.
- (3) The extension of loan to the LPS as referred to in paragraph (1) and use of sources of fund for loan extension as referred to in paragraph (2) shall be subject to approval of the House of Representatives.
- (4) Approval of the House of Representatives as referred to in paragraph (3) shall be the decree as set out in the minutes of Work Meeting of the House of Representatives' Budget Committee with the Government, which shall be issued within no more than 1x24 (one times twenty-four) hours upon submission by the Government of the proposal to the House of Representatives.
- (5) In case of no approval as referred to in paragraph (3) issued by the House of Representatives for any reason whatsoever, the Government may extend loan to the LPS as referred to in paragraph (1) and use any source of fund for loan extension as referred to in paragraph (2).
- (6) In case of loan extension as referred to in paragraph (1), the Government shall report the same in the Revised State Budget for the current

year.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 45 -

year and/or in the Financial Report of Central Government (LKPP) for the current fiscal year.

- (7) Source of fund for loan extension as referred to in paragraph (2) shall be reported in the Revised State Budget for the current year and/or in the Financial Report of Central Government (LKPP) for the current fiscal year.

Article 41

- (1) At the end of Fiscal Year 2018, the Government shall prepare the accountability report of the implementation of the State Budget for Fiscal Year 2018 in the form of Financial Report of Central Government (LKPP).
- (2) The Financial Report of Central Government (LKPP) as referred to in paragraph (1) shall be prepared in compliance with the Government Accounting Standard (SAP).
- (3) The Government shall propose the Draft Bill regarding the Accountability for the Implementation of the State Budget for Fiscal Year 2018, upon audit of the Financial Report of Central Government (LKPP) as referred to in paragraph (1) by the State Audit Board (BPK), no later than 6 (six) months as of the end of Fiscal Year 2018 for approval of the House of Representatives.

Article 42

The Posture of the State Budget for Fiscal Year 2018, containing the detailed amounts of State Revenue, State Expenditure, budget surplus/deficit, and Budget Financing shall be set out in Appendix II which shall form an integral part of this Law.

Article 43

A Presidential Regulation regarding Detail of the State Budget for Fiscal Year 2018 shall be enacted as implementation of this Law no later than November 30, 2017.

Article 44.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 46 -

Article 44

In implementing the State Budget for Fiscal Year 2018, the Government shall try to achieve the target of quality economic growth, which is reflected through the followings:

- a. decline in poverty rate to 9.5% - 10.0% (nine point five up to ten point zero percent);
- b. decrease in open unemployment level to 5.0% - 5.3% (five point zero percent up to five point three percent);
- c. decrease in Gini Ratio to 0.38 (zero point thirty-eight percent); and
- d. increase in Human Development Index (IPM) to 71.5 (seventy-one point five).

Article 45

Provisions as referred to in Articles 27 and 28 shall come into effect as of the date of the enactment of this Law.

Article 46

This Law shall come into effect as of January 1, 2018.

For public cognizance, this Law shall be announced by publishing it in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on November 20, 2017
PRESIDENT OF THE REPUBLIC OF INDONESIA,

[signed]
JOKO WIDODO

Promulgated.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 47 -

Promulgated in Jakarta
on November 22, 2017
MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

[signed]
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 233 OF
2017

Issued as true copy
MINISTRY OF STATE SECRETARIAT OF
THE REPUBLIC OF INDONESIA
Deputy Assistant of Economics Sector,
Deputy of Laws and Regulation Sector,

[signed and sealed]

Lydia Silvanna Djaman



PRESIDENT OF
THE REPUBLIC OF INDONESIA

ELUCIDATION
ON
BILL OF THE REPUBLIC OF INDONESIA
NUMBER 15 OF 2017
REGARDING
STATE BUDGET FOR FISCAL YEAR 2018

I. GENERAL

The State Budget for Fiscal Year 2018 is prepared based on the 2018 Government Work Plan (RKP), as well the Macroeconomic Framework and the Principles of Fiscal Policy of 2018, as having been jointly discussed and agreed, both in the Initial Session and the Level I Session of the Draft of the State Budget for Fiscal Year 2018 between the Government and the House of Representatives of the Republic of Indonesia. In addition, the State Budget for Fiscal Year 2018 considers the economic and social situations, and the international and domestic development in the last several months, as well as various anticipatory measures which have been taken in 2017 and planned policies to be pursued in 2018.

The economic growth of Indonesia in 2018 is expected to be approximately 5.4% (five point four percent). The determination of the said target takes into account the latest development of the external and internal factors. From the external point of view, the global economy would still be facing risks arising from the developed countries' monetary policies, the tendency of global commodity price to stagnate, as well as the moderation of the China's economy. From the internal aspect, the economic growth is expected to be boosted by the Government's infrastructure expenditure in order to strengthen the productive sectors, public consumption support, increased investments, and export volume improvement. Various policy packages issued are also expected to encourage the growth of private sector investment which will, in turn, accelerate the economic growth, while maintaining the macroeconomic stability.

The efforts to maintain macroeconomic stability shall be made through coordinated fiscal, monetary, and real sector policies. The maintained stability of macro economy shall be reflected on i) average exchange rate of rupiah which shall be stable at approximately

Rp13,400.00.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 2 -

Rp13,400.00 (thirteen thousand four hundred rupiah) per one United States dollar; ii) inflation rate which is expected to be controlled at 3.5% (three point five percent); and iii) the average interest rate of the 3 (three)-month Treasury Bill (SPN) which shall reach 5.2% (five point two percent). However, the macroeconomic stability is expected to face potential risks of unpredictable global financial market liquidity as the result of unclear monetary policies applied in the developed countries, particularly the United States of America and Europe.

In line with the stagnation trend of the global commodity price, the Indonesia Crude Price (ICP) in the international market in 2018 shall remain in average at approximately USD48 (forty-eight United States of American dollar) per barrel. Meanwhile, the lifting rate of crude oil is estimated to reach approximately 800,000 (eight hundred thousand) barrels per day, while the lifting rate of gas is estimated to reach approximately 1.2 (one point two) million barrels of oil equivalent per day.

Indonesia's development strategy is based on the National Long Term Development Plan (RPJPN) 2005-2025. The implementation of RPJPN strategy is divided into four stages of the National Medium Term Development Plan (RPJMN) in which each stage contains a five-year development plan and strategy to be implemented by the Government.

Year 2018 is the fourth year in RPJMN agenda stage 3. Based on the implementation, achievement, and as the continuation of the 1st stage of RPJMN (2005-2009) and the 2nd stage of RPJMN (2010-2014), the 3rd stage of RPJMN (2015-2019) aims at consolidating the overall development by focusing on building competitive excellence in economy based on natural resources, quality human resources, competencies in science, technology, and innovation. The efforts undertaken to achieve these objectives shall be implemented through the achievement of development goals in each year with a different focus, in line with the encountered challenges and situations. The focus of these activities shall be manifested in the Government Work Plan (RKP) in each year.



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 3 -

The Nine Agendas (Nawa Cita) represent the summary of the programs contained in the visions and missions of the President/Vice President which are elaborated in the development strategy as stipulated in the RPJMN 2015-2019, which consist of four main parts, namely i) Development Norms; ii) Three Development Dimensions; iii) Prerequisite Condition for successful development; and iv) Quick Wins Programs. The three development dimensions and the prerequisite conditions of the development strategy shall include sectors prioritized in the implementation of RPJMN 2015-2019, which will be defined in the Government Work Plan (RKP) of 2018 below.

First, the Human Development Dimension constitutes the definition of the national development agenda contained in the Nawa Cita, which shall include among others, improving the life quality of the people of Indonesia, revolutionizing the nation's character, strengthening the unity in diversity, and strengthening the social restoration of Indonesia. The priorities are the education sector through the implementation of the Smart Indonesia Program, health sector through the implementation of Healthy Indonesia Program, public housing, revolutionizing the nation's character, strengthening the unity in diversity, and strengthening the social restoration of Indonesia, and implementing mental revolution.

Second, the development programs in the Leading Sectors Development Dimension constitute the definition of Nawa Cita which brings back the state's figure that protects the entire nation and provides safety to all citizens, improves the people's productivity and competitiveness in the international market, and realizes economic independence by activating strategic sectors of domestic economy. The priority of leading sectors development shall include food sovereignty, energy and electricity sovereignty, marine, tourism, industry, as well as science and technology.

Third, the whole nation has received the benefits from the growth of national income, as reflected from the increased consumption per capita of the people. Therefore, through the Equity and Territorial Development Dimension, the efforts to improve the quality of life are made by prioritizing equal distribution of among income groups, and reduction of development gap among regions. The

programs.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 4 -

programs in this dimension are the definition of Nawa Cita to develop Indonesia from the outskirts by strengthening the regions and villages within the framework of a unitary state, improving the life quality of the people of Indonesia, and improving the people's productivity and competitiveness in the international market.

In order to support the implementation of the three development dimensions, Prerequisite Conditions are necessary. The development programs to create the Prerequisite Conditions represent the definition of Nawa Cita which brings back the state's figure that protects the entire nation and provides safety to all citizens, develops a clean, effective-democratic, and trustworthy governance, and strengthens the presence of the state in reforming the system and law enforcement which is corruption-free, dignified, and trustworthy. The Prerequisite Conditions shall include the programs aimed at improving legal security and law enforcement, security and order, politics and democracy, as well as bureaucracy governance and reform.

In order to achieve the national development goal priorities and other national priorities, one of the efforts that the Government shall undertake is optimizing the Tax and PNBP Revenues. Tax Revenues can be increased through tax extension and intensification. Furthermore, development goal priorities shall be achieved by making financing source measures efficient, such as by prioritizing domestic financing, utilizing debts for productive activities, and utilizing selective foreign loan primarily for the construction of infrastructure and energy.

In order to support the fulfillment of domestic energy demand due to depleting oil and gas, it is necessary to increase the number of geothermal sources through: i) intensification and expansion of exploration; ii) improvement of geothermal legislation which shall provide benefits and justice to regions, and to maintain the investment climate in geothermal energy; and iii) issuance of Government-Borne Income Tax (PPh DTP) policy for geothermal companies whose permits are issued prior to the enactment of Law Number 27 of 2003 regarding Geothermal.

The Bill.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 5 -

The Bill regarding the State Budget for Fiscal Year 2018 was discussed by the House of Representatives and the Government with reference to the considerations of the House of Representatives as contemplated in Decree of the Regional Representative Council Number 08/DPD RI/I/ dated September 2017.

This Law was discussed by the Government and the House of Representatives with reference to the Constitutional Court Decree Number 35/PUU-XI/2013 dated May 22, 2014.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

Third parties whose income tax borne by the Government are the third parties who provide their service to the Government for issuance and/or buy-back/exchange of SBN (Government Securities) in the international market, such as marketing agent service and international legal consultant service and exchange/buyer agent service.

Letter c

Self-explanatory.

Letter d.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 6 -

Letter d
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
Self-explanatory.

Paragraph (6)
Self-explanatory.

Paragraph (7)
Self-explanatory.

Paragraph (8)
Self-explanatory.

Paragraph (9)
Self-explanatory.

Paragraph (10)
Self-explanatory.

Paragraph (11)
Self-explanatory.

Article 5

Paragraph (1)
Self-explanatory.

Paragraph (2)
Letter a
Self-explanatory.

Letter b
Non-Oil & Gas Natural Resources (SDA) Revenue from the forestry sector shall not be designated only as the target of the state revenue, but also a means to maintain forest sustainability.

Paragraph (3).....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 7 -

Paragraph (3)
Self-explanatory.

Paragraph (4)
Pending the amendment to Law Number 49 Prp. of 1960 regarding the State Receivables Management Committee, and in order to accelerate the settlement of non-performing receivables of BUMN (State-Owned Enterprises) engaged in banking industry, the account receivables are able to be processed through the management mechanism as specified under the regulations regarding limited liability company and banking industry.

The granting of authority to the General Meeting of Shareholders and the supervision by the Government of the settlement of non-performing receivables of BUMN engaged in banking industry shall subject to the provisions of laws regarding BUMN.

Paragraph (5)
Self-explanatory.

Paragraph (6)
The revenue of the Public Service Agency is included in the event there is revenue from the 2018 Asian Games made by the Indonesia Asian Games 2018 Organizing Committee (INASGOC) through a work unit within the Ministry of Youth and Sports that manages funds from the sporting undertakings.

Paragraph (7)
Self-explanatory.

Article 6
Self-explanatory.

Article 7

Self-explanatory.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 8 -

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

The term “underdeveloped villages and extremely underdeveloped villages” shall mean the status of a village as determined by the Ministry of Rural and Underdeveloped Region Development and Transmigration.

The term “underdeveloped villages and extremely underdeveloped villages with high number of poor population” shall mean underdeveloped villages and extremely underdeveloped villages with high number of poor population in the 8th (eighth), 9th (ninth), and 10th (tenth) decile.

Letter c

Data of the number of villages, village’s population, poverty rate, area, and geographical accessibility shall be obtained from the relevant ministry and/or institution in charge of the government’s statistical affairs.

For any village.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 9 -

For any village whose data of its population, poverty rate, and area are unavailable, the data of main village may be used proportionally, while, with regard to data of village's geographical accessibility, the same data as the main village, the mean index of geographical accessibility of the same district, or the data obtained from the Local Government shall be used.

Paragraph (5)
Self-explanatory.

Paragraph (6)
Self-explanatory.

Article 10
Self-explanatory.

Article 11
Paragraph (1)
Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Letter a

Central Government's portion of Land and Building Tax revenue at 10% (ten percent) shall be equally distributed to all regencies/municipalities.

Local government's portion sourced from the collection cost shall be utilized to finance activities in accordance with the regional needs and priority.

Letter b

This DBH shall include DBH from Income Tax of Article 25 and Article 29 of Domestic Individual Taxpayer (WPOPDN) eligible for final income tax

under.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 10 -

under the Government Regulation Number 46 of 2013 regarding Income Tax on Business Revenue of Taxpayers with Certain Gross Income.

In order to control the implementation of the State Budget, DBH may not be fully distributed up to the allocated ceiling and, then, it shall be treated as underpaid DBH.

Letter c
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
This policy is the consequence from policy amendment in the form of delegation of authorities in forestry sector from regencies/municipalities government to provincial government as stipulated in Law Number 23 of 2014 regarding Local Government as amended for several times and the latest by Law Number 9 of 2015 regarding the Second Amendment to Law Number 23 of 2014 regarding Local Government.

Paragraph (6)
Self-explanatory.

Paragraph (7)
Letter a
Self-explanatory.

Letter b
Under this provision, Local Governments shall no longer be required to allocate Oil and Gas DBH at 0.5% (zero point five percent) for basic education supplementary budget.

Policy regarding the utilization of Oil and Gas DBH for West Papua Province and Aceh Province shall be

implemented.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 11 -

implemented pursuant to Law Number 35 of 2008 regarding the Stipulation of the Government Regulation in Lieu of Law Number 1 of 2008 regarding the Amendment to Law Number 21 of 2001 regarding the Special Autonomy for Papua Province to become Law and Law Number 11 of 2006 regarding the Aceh Government.

Letter c

The term “research and development” shall mean among others the utilization of area, plantation of local superior forest trees, and implementation of the selective cutting and line planting system.

This policy is the consequence from policy amendment in the form of delegation of authorities in forestry sector from regencies/municipalities government to provincial government as stipulated in Law Number 23 of 2014 regarding Local Government as amended for several times and the latest by Law Number 9 of 2015 regarding the Second Amendment to Law Number 23 of 2014 regarding Local Government.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Net PDN (Domestic Revenue) amounting to Rp1,398,918,395,989,000.00 (one quadrillion three hundred ninety-eight trillion nine hundred eighteen billion three hundred ninety-five million nine hundred eighty-nine thousand rupiah) shall be calculated based on the sum of Tax Revenue amounting to Rp1,618,095,493,162,000.00 (one quadrillion six hundred eighteen trillion ninety-five billion four hundred ninety-three million one hundred sixty-two thousand rupiah) and PNBPN (Non-Tax State Revenue) amounting to Rp275,427,969,415,000.00 (two hundred seventy-five

trillion.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 12 -

trillion four hundred twenty-seven billion nine hundred sixty-nine million four hundred fifteen thousand rupiah), minus the reducing factors, which consist of:

a. State Revenue shared with Region, which consists of:

1. Income Tax of Articles 21, 25 and 29 of Domestic Individual Taxpayer Revenue amounting to Rp187,142,340,000,000.00 (one hundred eighty-seven trillion one hundred forty-two billion three hundred forty million rupiah);
2. Land and Building Tax (PBB) Revenue amounting to Rp17,369,101,000,000.00 (seventeen trillion three hundred sixty-nine billion one hundred one million rupiah);
3. Tobacco Product Excise Revenue amounting to Rp148,230,000,000,000.00 (one hundred forty-eight trillion two hundred thirty billion rupiah);
4. Oil and Gas Natural Resources (SDA) Revenue amounting to Rp80,349,040,000,000.00 (eighty trillion three hundred forty-nine billion forty million rupiah);
5. Mineral and Coal SDA Revenue amounting to Rp17,858,522,076,000.00 (seventeen trillion eight hundred fifty-eight billion five hundred twenty-two million seventy-six thousand rupiah);
6. Forestry SDA Revenue amounting to Rp2,985,638,618,000.00 (two trillion nine hundred eighty-five billion six hundred thirty-eight million six hundred eighteen thousand rupiah);
7. Fishery SDA Revenue amounting to Rp600,000,810,000.00 (six hundred billion eight hundred ten thousand rupiah); and
8. Geothermal SDA Revenue amounting to Rp700,594,406,000.00 (seven hundred billion

five hundred.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 13 -

five hundred ninety-four million four hundred six thousand rupiah).

- b. Earmarked State Revenue at the portion of 50% (fifty percent), which consists of:
1. Ministries/Institutions PNBP Revenue amounting to Rp24,666,871,668,000.00 (twenty-four trillion six hundred sixty-six billion eight hundred seventy-one million six hundred sixty-eight thousand rupiah);
 2. Public Service Agencies (BLU) Revenue amounting to Rp43,304,597,653,000.00 (forty-three trillion three hundred four billion five hundred ninety-seven million six hundred fifty-three thousand rupiah); and
 3. Government-Borne Tax Revenue amounting to Rp10,768,190,036,000.00 (ten trillion seven hundred sixty-eight billion one hundred ninety million thirty-six thousand rupiah).

Paragraph (10)
Self-explanatory.

Paragraph (11)
Self-explanatory.

Paragraph (12)
Self-explanatory.

Paragraph (13)
Self-explanatory.

Paragraph (14)
Self-explanatory.

Paragraph (15)
Self-explanatory.



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 14 -

Article 12

Paragraph (1)

Self-explanatory.

Paragraph (2)

Allocation of Physical DAK is intended to assist certain regions, to finance basic service facilities and infrastructures required by the people, as well as to accelerate regional development and to achieve national priority targets.

Paragraph (3)

Letter a

Regular DAK shall be allocated to provinces/regencies/municipalities/as proposed by local governments to the state ministries/institutions which is stated as national priorities.

The amount of the allocated Regular DAK shall be calculated with reference to the proposal and technical data of the relevant region, by taking into account the national priorities and the state's finance capacity.

Letter b

Assigned DAK shall be allocated to finance specific activities with limited features and in specified locations for the achievement of national priority targets.

The amount of the allocated Assigned DAK for each region shall be calculated with reference to proposal and technical data of the relevant region, by taking into account the national priorities and the state's finance capacity.

Letter c

Affirmative.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 15 -

Affirmative DAK shall be allocated to regencies/municipalities categorized as regions bordering on another country, underdeveloped regions, islands, and/or transmigration destinations.

Regencies/municipalities bordering on another country, underdeveloped regions, islands, and/or transmigration destinations shall be determined pursuant to the provision in statutory regulations. The amount of the allocated Affirmative DAK for each region shall be calculated with reference to proposal and technical data of the relevant region, by taking into account the regional characteristics and the state's finance capacity.

Paragraph (4)

Determination of Regular DAK ceiling per sector shall be based on regional needs and achievement of national priority.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Article 13.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 16 -

Article 13

Paragraph (1)

Self-explanatory.

Paragraph (2)

The main criteria to determine whether a region is qualified to receive DID shall consist of:

- a. Unqualified Opinion of the State Audit Board (BPK) on the Local Government Financial Statements (LKPD);
- b. Timely establishment of the Local Government Regulation regarding Regional Budget; and
- c. Utilization of e-procurement.

Meanwhile, the performance category constitutes assessment of performance improvement/achievement in the following sectors:

- a. Management of regional finance as reflected in the category of Regional Fiscal Health and Financial Management;
- b. Public basic service(s), reflected in the category of:
 1. Public Service in Education;
 2. Public Service in Health; and
 3. Public Service in Infrastructure;
- c. General government service; reflected in the category of:
 1. Administration of Local Government;
 2. Regional planning;
 3. Accountability System of the Government Institution Performance;
 4. Public service innovation;
 5. Ease of innovation;
- d. Public welfare, reflected in Public Welfare category.

Paragraph (3)

Activities which are in line with regional needs and priorities may take forms of, among others:

- a. provision of public basic service(s);

b. development.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 17 -

- b. development, including rehabilitation and maintenance of government facilities and infrastructures; or
- c. capacity building in regional financial management.

Article 14

Self-explanatory.

Article 15

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Budgets required in legislation shall include Educational budget, health budget, village fund allocation, and health insurance retributions

Paragraph (4)

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Paragraph (1)

Letter a

Self-explanatory.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 18 -

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

The term “ineligible expenditure” shall mean expenditures which are not allowed to be financed by foreign loan/grant because such expenditures are not in accordance with the terms of the Foreign Loan and/or Grant Agreement.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Paragraph (2)

The term “changes of the ceiling for Subsidiary Loan” shall mean the increase of the ceiling for Subsidiary Loan due to the extension of multi-years Subsidiary Loan, accelerated drawdown of Subsidiary Loan which has been approved to optimize the utilization of Subsidiary Loan, and/or the increase of the ceiling for Subsidiary Loan for the purpose of issuing Endorsement Letter (SP3) for transaction of Notice of Disbursement (NOD) of Loan and/or Grant issued by the Lender and/or Grantor. Such changes of ceiling for Subsidiary Loan shall not include new Subsidiary Loan which have not been allocated in the State Budget for Fiscal Year 2018.

The term “closing date” shall mean the final date of the drawdown of foreign loan/grant through issuance of

Disbursement.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 19 -

Disbursement Order (SP2D) by the State Treasury Service Office.

Paragraph (3)

Such changes of ceiling shall be used for issuance of SP3 for transaction of Notice of Disbursement (NOD) of Loan and/or Grant issued by the Lender and/or Grantor.

Paragraph (4)

The term “contract advances for activities funded by foreign loan” shall mean Pure Rupiah Allocated Budget which shall be provided by the government in the Budget Execution (Allotment) Document (DIPA) of State Ministries/Institutions Utilizing Foreign Loan to pay a certain amount to the goods and/or service provider as one of the requirements for effectiveness of the contract. Without the payment of such advances, no drawdown may be made from such foreign loan facility in respect of which a facility agreement has been executed.

Paragraph (5)

The term “reported by the Government to the House of Representatives in the Revised State Budget for Fiscal Year 2018” shall mean that the changes in detail/shifts of Central Government Expenditure budget which are made prior to the Revised State Budget for Fiscal Year 2018 shall be reported to the House of Representatives.

The term “reported by the Government to the House of Representatives in the 2018 Financial Report of Central Government (LKPP)” shall mean that the changes in detail/shifts of Central Government Expenditure budget which are made throughout 2018 following the Revised State Budget for Fiscal Year 2018 shall be reported to the House of Representatives.

Article 19
Self-explanatory.

Article 20.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 20 -

Article 20

Paragraph (1)
Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
The National Education Development Fund (DPPN) constitutes part of educational budget allocation of the previous years as endowment fund which is managed by the Indonesia Endowment Fund for Education (LPDP) as Education Sovereign Wealth Fund. It is intended that the proceeds from such endowment fund is utilized to ensure the continuity of education program for the next generation as the form of inter-generations accountability by way of, among others, scholarship and research funding.

Paragraph (4)
Self-explanatory.

Article 21

Self-explanatory.

Article 22

Paragraph (1)
The term “deficit” shall mean deficit as stipulated in Law Number 17 of 2003 regarding State Finance.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 23.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 21 -

Article 23
Self-explanatory.

Article 24
Self-explanatory.

Article 25
Paragraph (1)

The term “domestic SBN market crisis” shall mean the situation of SBN market crisis based on the indicators of Crisis Management Protocol (CMP) of SBN market as issued by the Minister of Finance.

The use of SAL fund to stabilize the SBN market are able to be carried out if the SBN market situation has been declared at crisis level by the Minister of Finance.

The such crisis in SBN market may stimulate crisis in financial market as a whole, considering that most financial institutions have SBN. This situation may also trigger fiscal crisis, if the Government is required to undertake efforts to save the national financial institutions.

The domestic SBN market shall be stabilized by purchasing SBN in secondary market by the Minister of Finance.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Article 26
Paragraph (1)

Self-explanatory.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 22 -

Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
Changes in the composition of debt financing instrument shall include the change of net SBN, drawdown of Domestic Loan, and/or drawdown of Foreign Loan. Drawdown of Foreign Loan shall include the drawdown of Cash Loan and Project Loan.

In case of no Foreign Loan and/or Domestic Loan available, it may be replaced by issuing SBN or otherwise in order to maintain the economic and fiscal stability.

Paragraph (6)
Self-explanatory.

Article 27
Self-explanatory.

Article 28
Self-explanatory.

Article 29
Self-explanatory.

Article 30
Self-explanatory.

Article 31

The term.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 23 -

The term “International Assistance Fund” shall mean fund allocated for the establishment of endowment fund aimed at securing continuous provision of independent international assistance as a means of Indonesia’s political and economic diplomacy to be managed by Public Service Agencies (BLU) in charge of the management of international assistance fund.

Article 32

Paragraph (1)

One of the efforts undertaken by the government to realize food sovereignty is improving the quality and increasing the quantity of food products through improved research, development, and provision of seeds for plantation. Therefore, it is necessary for the state to make equity participation in PT Perkebunan Nusantara III (Persero), to be sourced from state-owned assets of the Ministry of Agriculture which are utilized by PT Riset Perkebunan Nusantara based on the proposal of the Ministry of Agriculture.

Paragraph (2)

Self-explanatory.

Article 33

Paragraph (1)

The term “State-Owned Assets” shall mean land and/or building and property other than land and/or building. Determination of BPYBDS as PMN in BUMN shall include among others BPYBDS as recorded in the financial statements of PT Perusahaan Listrik Negara (PLN) (Persero) that have been submitted by the Ministry of Energy and Mineral Resources (ESDM) to become additional PMN in PT PLN (Persero).

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 34.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 24 -

Article 34

Paragraph (1)

Provision regarding Government guarantee for each program shall be governed in the statutory regulations.

Paragraph (2)

The term “guaranteed entity” shall mean any party receiving the Government guarantee.

Paragraph (3)

The establishment of account of Government Guarantee Reserve Fund is mainly to avoid the allocation of Government guarantee budget in large amount in one fiscal year in the future, to guarantee the availability of fund in the required amount, to secure the payment of claims in timely manner, and to provide assurance to the stakeholders (including Creditors/Investors).

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 35

Paragraph (1)

Expenditure exceeding the budget ceiling may result from, among others:

1. The macroeconomic situation which is not in line with the situation as expected in the preparation of the Revised State Budget and/or the realization report of State Budget implementation in the First Semester of Fiscal Year 2018;
2. Impact of debt restructuring for the management of debt portfolio;

3. Impact.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 25 -

3. Impact of accelerated loan drawdown;
4. Impact of Hedging transaction on payment of debt interest and debt principal installment; and/or
5. Impact of the change in composition of debt financing instrument.

Paragraph (2)

Implementation of Hedging transaction shall be reported in the 2018 Financial Report of Central Government (LKPP) by the Government.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Liabilities arising from Hedging transaction shall not represent the state finance's loss because such transaction is intended to protect the payment of debt interest and debt principal installment against fluctuation in currency and rate. In addition, the Hedging transaction is not for speculative purposes.

Paragraph (5)

Self-explanatory.

Article 36

Paragraph (1)

Self-explanatory.

Paragraph (2)

Regulation regarding the settlement of the Government institution's receivables includes the procedure and criteria for settlement of receivables of the former Indonesian Banking Restructuring Agency (ex-BPPN).

Article 37

Self-explanatory.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 26 -

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Paragraph (1)

The term “emergency situation” shall mean a situation which results in prognosis of the decline of the State Revenue from Tax Revenue and PNBP, and the expected additional expenses of the state arising from the payment of debt principal and interest, Fuel and electricity subsidies, as well as other expenditures.

Letter a

The term “projection” shall mean the projection of economic growth of at least 1% (one percent) below the assumption and/or other projection of macroeconomic assumption deviating at least 10% (ten percent) from the planned assumption, except for lifting prognosis which should not deviate below 5% (five percent).

Letter b

The increase in debt cost arising from the increase in SBN yield means the occurrence of significant increase in yield leading to crisis in SBN market, which shall be determined by the Minister of Finance based on the parameters of the Crisis Management Protocol (CMP) of the SBN market.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The term “for any reason whatsoever” shall mean that the Budget Board has not been able to hold work meeting and/or make any conclusion at such meeting within 1x24 (one times twenty-four) hours upon the submission of the

proposal to.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 27 -

proposal to the House of Representatives by the Government.

Paragraph (4)
Self-explanatory.

Article 40

Paragraph (1)
The term “the Indonesia Deposit Insurance Corporation (LPS) undergone liquidity problem” shall mean an event in which the amount of the estimated cash to be acquired from the source of finance of the Deposit Insurance Corporation is not sufficient to cover the amount that should be settled by the Deposit Insurance Corporation.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.

Paragraph (5)
The term “for any reason whatsoever” shall mean that the Budget Board has not been able to hold work meeting and/or make any conclusion at such meeting within 1x24 (one times twenty-four) hours upon the submission of the proposal to the House of Representatives by the Government.

Paragraph (6)
Self-explanatory.

Paragraph (7)
Self-explanatory.

Article 41
Self-explanatory.

Article 42.....



PRESIDENT OF
THE REPUBLIC OF INDONESIA

- 28 -

Article 42
Self-explanatory.

Article 43
Self-explanatory.

Article 44
Letter a
The determination of the poverty rate shall comply with the calculation methodology of National Poverty Line (GKN) as carried out by the Statistics Indonesia (BPS).
Letter b
Self-explanatory.
Letter c
Self-explanatory.
Letter d
Self-explanatory.

Article 45
Self-explanatory.

Article 46
Self-explanatory.

APPENDIX I
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 15 OF 2017
REGARDING
THE STATE BUDGET FOR FISCAL YEAR 2018

DETAILS OF BUDGET FINANCING IN THE STATE BUDGET FOR FISCAL
YEAR 2018.

		(In Thousand Rupiah)
	ALLOCATION OF BUDGET FINANCING	325,936,638,600
1	Debt Financing	399,219,360,282
1.1	State Securities (Net)	414,520,685,000
1.2	Loan (Net)	-15,301,930,000
1.2.1	Domestic Loan (Net)	3,137,930,000
1.2.1.1	Withdrawal of Domestic Loan (Gross)	4,500,000,000
1.2.1.2	Payment of the Domestic Loan Principal Installment	-1,362,070,000
1.2.2	Foreign Loan (Net)	-18,439,254,718
1.2.2.1	Withdrawal of Foreign Loan (Gross)	51,345,917,282
1.2.2.1.1	Cash Loan	13,400,000,000
1.2.2.1.2	Project Loan	37,945,917,282
1.2.2.1.2	Central Government Project Loan	27,370,830,462
1.2.2.1.2	State Ministries/Institutions Project Loan	27,210,896,759
1.2.2.1.2	On-Granting Project Loan	159,933,703
1.2.2.1.2	BUMN/Local Government Project Loan	10,575,086,820
1.2.2.2	Payment of the Foreign Loan Principal Installment	-69,785,172,000
2	Investment Financing	-65,654,313,274
2.1	Investment in BUMN	-3,600,000,000
2.1.1	State Equity Participation (PMN) in PT Kereta Api Indonesia (Persero)	-3,600,000,000
2.2	Investment in Other Institutions/Entities	-2,500,000,000
2.2.1	PMN in People's Housing Saving Management Agency (BP Tapera)	-2,500,000,000
2.3	Investment in Public Service Agencies	-57,433,160,000
2.3.1	Revolving Fund	-6,030,000,000
2.3.1.1	Housing Financial Fund Management Center (PPDPP)	-2,180,000,000
2.3.1.2	Marine And Fishery Business Capital Management Agency (LPMUKP)	-850,000,000
2.3.1.3	Government Investment Center (PIP)	-2,500,000,000
2.3.1.4	Center of Forestry Development Funding (Pusat P2H)	-500,000,000
2.3.2	National Education Development Fund (DPPN)	-15,000,000,000
2.3.3	State Asset Management Agency (LMAN)	-35,403,160,000
2.3.4	International Assistance Fund Management Agency (LPDBI)	-1,000,000,000
2.4	Investment in International Financial Organization/Institution/International Business Entity	-2,121,153,274
2.4.1	Islamic Development Bank (IDB)	-72,106,274
2.4.2	The Islamic Corporation for the Development of Private Sector (ICD)	-41,339,000
2.4.3	International Fund for Agricultural Development (IFAD)	-53,600,000
2.4.4	International Development Association (IDA)	-152,880,000
2.4.5	Asian Infrastructure Investment Bank (AIIB)	-1,801,228,000
3	Subsidiary Loan	-6,690,093,408
3.1	Loan to BUMN/ Local Government/Other Institutions/Entities	-6,690,093,408
3.1.1	Loan to BUMN/ Local Government (Net)	-6,690,093,408
3.1.1.1	Loan to BUMN (Gross)	-10,575,086,820
3.1.1.2	Revenue of loan installment payment from BUMN/Local Government	3,884,993,412
4	Guarantee Liabilities	-1,121,315,000
5	Other Financing	183,000,000
5.1	Assets Management Profit	183,000,000

- 2 -

PRESIDENT OF THE REPUBLIC OF INDONESIA,

[signed]

JOKO WIDODO

Issued as true copy
MINISTRY OF STATE SECRETARIAT OF
THE REPUBLIC OF INDONESIA
Deputy Assistant of Economics Sector,
Deputy of Laws and Regulation Sector,

[signed and sealed]

Lydia Silvanna Djaman

APPENDIX II
BILL OF THE REPUBLIC OF INDONESIA
NUMBER 15 OF 2017
REGARDING
THE STATE BUDGET FOR FISCAL YEAR 2018

POSTURE OF THE STATE BUDGET FOR FISCAL YEAR 2018

		(In Thousand Rupiah)
A.	STATE REVENUE	1,894,720,327,977
I.	DOMESTIC REVENUE	1,893,523,462,577
1.	TAX REVENUE	1,618,095,493,162
2.	NON-TAX REVENUE	275,427,969,415
II.	GRANT REVENUE	1,196,865,400
B.	STATE EXPENDITURE	2,220,656,966,577
I.	CENTRAL GOVERNMENT EXPENDITURE	1,454,494,390,020
II.	TRANSFER TO REGIONS AND VILLAGE FUND	766,162,576,557
C.	PRIMARY BALANCE	-87,329,517,230
D.	BUDGET SURPLUS/(DEFICIT) (A – B)	-325,936,638,600
	<i>Budget Deficit % to GDP</i>	2.19
E.	BUDGET FINANCING (I + II + III + IV + V)	325,936,638,600
I.	DEBT FINANCING	399,219,360,282
II.	INVESTMENT FINANCING	-65,654,313,274
III.	LOAN PROVISION	-6,690,093,408
IV.	GUARANTEE LIABILITIES	-1,121,315,000
V.	OTHER FINANCING	183,000,000

PRESIDENT OF THE REPUBLIC OF INDONESIA,

[signed]

JOKO WIDODO

Issued as true copy
MINISTRY OF STATE SECRETARIAT OF
THE REPUBLIC OF INDONESIA
Deputy Assistant of Economics Sector,
Deputy of Laws and Regulation Sector,

[signed and sealed]

Lydia Silvanna Djaman