



COPY

LAW OF THE REPUBLIC OF INDONESIA

NUMBER 6 OF 2014

CONCERNING

VILLAGE

BY THE GRACE OF GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering : a. that Village has the rights of origin and traditional rights to regulate and manage the interests of the local community and contribute for realizing the ideals of independence based on the Constitution of the Republic of Indonesia Year 1945;
- b. that in the course of state administration of the Republic of Indonesia, Village has developed in a variety of forms that needs to be protected and empowered in order to be strong, advanced, independent, and democratic so as to create a solid foundation in implementing governance and development towards a just, and prosperous society;
- c. that Village in the composition and procedures of governance and development need to be governed separately by a law;
- d. that based on the considerations set forth in paragraphs a, b, and c it shall be necessary to establish Law on Village;
- In View of : Article 5 paragraph (1), Article 18, Article 18B paragraph (2), Article 20, and Article 22D paragraph (2) of the Constitution of the Republic of Indonesia Year 1945;

With the agreement between
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF
INDONESIA
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA
HAS DECIDED:



To Stipulate :

Law on Village
PART I
GENERAL PROVISIONS
Article 1

Referred to herein as:

1. Village shall be village and traditional village or as referred to by other names, hereinafter referred to as Village, shall be a unit of community that has boundaries with the authority to regulate and manage the affairs of government, interests of the local communities based on the community's initiatives, right of origin, and / or traditional rights recognized and respected in the system of government of the Republic of Indonesia.
2. Village Administration shall be the implementation of government affairs and public interests in the governance system of the Republic of Indonesia.
3. Village Government shall be the Village Head or as referred to by any other names assisted the by the Village apparatus as parts of administrators of the Village.
4. Village Consultative Body or as referred to by any other name shall be a body carrying out the functions of government agencies whose members shall be representatives of the population of the Village based on the representation of regions and elected democratically.
5. Village Consultative Meeting or as referred to by any other name shall be a consultation between the Village Consultative Body, Village government, and community elements organized by the Village Consultative Body to agree on matters of a strategic nature.
6. Village-owned Enterprises, hereinafter referred to as Village BUM, shall be a business entity of all or most of the capital owned by the Village through direct participation from the separated assets of the Village in order to manage assets, services, and other business for the greatest welfare of the Village community.
7. Village Regulation shall be legislations set by the Village Head after being discussed and agreed by the Village Consultative Body.
8. Village Development shall be efforts to increase the quality of life and life to the welfare of the



Village community.

9. Village Areas shall be areas with mostly agricultural activities, including the management of natural resources with the composition of regional functions as the village settlements, government services, social services, and economic activity.
10. Village Finance shall be all the rights and obligations of a Village which can be valued in money and everything in the form of money and goods related to the implementation of the rights and obligations of the Village.
11. Village Asset shall be the property of the Village from the original wealth of the Village, purchased or obtained at the expense of the Village Budget or other legal rights.
12. Village Empowerment shall be efforts to develop the independence and well-being of the community by enhancing the knowledge, attitudes, skills, behavior, ability, awareness, and utilizing resources through the establishment of policies, programs, activities, and assistance in accordance with the essence of the problem and the priority needs of the Village community .
13. Central Government hereinafter referred to as the Government shall be the President of the Republic of Indonesia that holds the power to govern the Republic of Indonesia as stipulated in the Constitution of the Republic of Indonesia Year 1945.
14. Regional Administration shall be the Regional Government and the Regional House of Representatives that government affairs according to the principles of autonomy and assistance with the principle of broad autonomy within the system and principles of the Republic of Indonesia as defined in the Constitution of the Republic of Indonesia Year 1945.
15. Regional Government shall be the Governor, the Regent, or Mayor and the official elements of the Regional Government.
16. Minister shall be the minister in charge of Village.

Article 2

The implementation of Village Governance, Village Development, Village community development and Village Community empowerment shall be based on



Pancasila, the Constitution of the Republic of Indonesia Year 1945, the Republic of Indonesia, and Unity in Diversity.

Article 3

The Village Regulation shall be based on:

- a. recognition;
- b. subsidiarity;
- c. diversity;
- d. togetherness;
- e. mutual cooperation;
- f. family;
- g. deliberation;
- h. democracy;
- i. independence;
- j. participation;
- k. equality;
- l. empowerment; and
- m. sustainability.

Article 4

The Village Regulation shall be aimed:

- a. To give recognition and respect for the existing Village with its diversity before and after the formation of the Republic of Indonesia;
- b. To provide clarity and legal certainty on the status of Village in the constitutional system of the Republic of Indonesia in order to bring justice for all Indonesian people;
- c. To preserve and promote the customs, traditions, and culture of the Village community;
- d. To encourage initiative, movement, and the participation of the Village community and the potential for the development of Village assets for public welfare;
- e. To form a professional, efficient and effective, open, and accountable Village Administration;
- f. To improve public services for the Village community in order to accelerate the realization of general welfare;
- g. To increase the social and cultural resilience of the Village community in order to realize a Village community that shall be able to maintain social cohesion as part of the national defense;
- h. To improve the economy of the Village community and address the disparity of national



- development; and
- i. To strengthen the Village community as a subject of development.

CHAPTER II
POSITION AND TYPE OF VILLAGE

Part One

Position

Article 5

A village shall be located in a regency / city.

Part Two

Type of Village

Article 6

- (1) Villages shall consist of Village and Traditional Village.
- (2) The mention of the Village or Traditional Village as referred to in paragraph (1) shall be adapted to the name in the local area.

CHAPTER III
VILLAGE REGULATION

Article 7

- (1) The Government, Provincial Government, and Regency / City Government can introduce Village Regulation.
- (2) The regulation as referred to in paragraph (1) shall be based on the results of the evaluation of the level of development of the Village Administration in accordance with the provisions of the legislation.
- (3) The regulation as referred to in paragraph (1) shall aim to:
 - a. realize the effectiveness of the implementation of Village Administration;
 - b. accelerate the increase in welfare of the Village community;
 - c. accelerate the improvement of the quality of public services;
 - d. improve the quality of governance Village Government; and
 - e. enhance the competitiveness of the Village.
- (4) The regulation as referred to in paragraph (1) shall include:
 - a. formation;
 - b. dismissal;



- c. incorporation;
- d. change of status; and
- e. determination of Village.

Article 8

- (1) The Establishment of Village as referred to in Article 7 paragraph (4) letter a shall be the act of forming a new Village outside the existing Village.
- (2) The Establishment of Village as referred to in paragraph (1) shall be established by a Regulation of Regency / City by considering the initiative of the Village community, origins, customs, social and cultural conditions of the Village, as well as the capabilities and potential of the Village.
- (3) The Establishment of Village as referred to in paragraph (1) shall meet the following requirements:
 - a. The parent Village minimum age shall be 5 (five) years from the establishment;
 - b. population, namely:
 - 1) Java at least 6,000 (six thousand) people or 1,200 (one thousand two hundred) households;
 - 2) Bali at least 5,000 (five thousand) people or 1,000 (one thousand) households;
 - 3) Sumatra at least 4,000 (four thousand) people or 800 (eight hundred) households;
 - 4) South Sulawesi and North Sulawesi at least 3,000 (three thousand) people or 600 (six hundred) households;
 - 5) West Nusa Tenggara at least 2,500 (two thousand five hundred) people or 500 (five hundred) households;
 - 6) Central Sulawesi, West Sulawesi, Southeast Sulawesi, Gorontalo, and South Kalimantan at least 2,000 (two thousand) people or 400 (four hundred) households;
 - 7) East Kalimantan, West Kalimantan, Central Kalimantan, and North Kalimantan at least 1,500 (one thousand five hundred) people or 300 (three hundred) households;
 - 8) East Nusa Tenggara, Maluku and North Maluku at least 1,000 (one thousand) people or 200 (two hundred) households; and
 - 9) Papua and West Papua at least 500 (five



- hundred) people or 100 (one hundred) households.
- c. work areas that have access to interregional transportation;
 - d. social culture that can create social harmony in accordance with the customs of the Village;
 - e. the potential to include natural resources, human resources, and support economic resources;
 - f. The Village boundaries shall be expressed in the form of a map of the Village that has been established in the regulation of Regent / Mayor;
 - g. facilities and infrastructure for the Village Government and public services; and
 - h. availability of operational funds, fixed income and other benefits for the Village government in accordance with the provisions of the legislations.
- (4) In a Village area shall be formed hamlets or as referred to by any other names that shall be tailored to the origin, customs, and social and cultural value of the Village.
- (5) The Establishment of Village as referred to in paragraph (1) shall be done through Provisional Village.
- (6) The provisional Village shall be part of the parent Village.
- (7) The provisional Village as referred to in paragraph (5) can be upgraded to a Village within a period of 1 (one) to 3 (three) years.
- (8) The upgraded status as referred to in paragraph (7) shall be implemented based on the results of evaluation.

Article 9

A Village can be dismissed by natural disasters and / or strategic interests of national programs.

Article 10

Two or more adjacent Villages can be combined into a new Village by agreements of the concerned with due observance to the requirements specified in this Law.



Article 11

- (1) A Village may change its status to a Sub District by the Village government and the Village Consultative Body's initiatives through a Village Consultative Meeting with due regard to the advice and opinion of the Village community.
- (2) All properties belonging to the Village and the Village revenue sources turned into a Sub District as referred to in paragraph (1) shall be the wealth / asset of the Regency / City Government used to improve the welfare of the people in the sub-district and the sub-district funding shall be charged to the Regency / City Budget.

Article 12

- (1) The Regency / City Government can change the status of a sub district to be a Village based on the people's initiatives and by meeting the requirements specified in accordance with the provisions of the legislation.
- (2) For a Sub District that changes its status to be a Village, its facilities and infrastructure shall belong to the Village and managed by the Village concerned for the benefit of the Village community.
- (3) Funding of the Sub District whose status is changed as referred to in paragraph (1) shall be charged to the Regency / City Budget.

Article 13

The government can initiate the formation of a Village in the areas that shall be specific and strategic to the national interest.

Article 14

The formation, dismissal, merging, and / or changes in the status of a Village to be a sub district as referred to in Article 8, Article 9, Article 10, and Article 11 or a sub district to be a village as referred to in Article 12 shall be stipulated in a Regional Regulation.

Article 15

- (1) The Draft Regional Regulation on the formation, dismissal, merging, and / or changes in the status of a Village to be a sub district or a sub district to be a village as referred to in Article 14



that have been jointly approved by the Regent / Mayor and the Regional Representatives Council shall be submitted to the Governor.

- (2) The Governor shall conduct an evaluation on the Draft Regional Regulation on the formation, dismissal, merging, and / or changes in the status of a Village to be a sub district or a sub district to be a village as referred to in paragraph (1) based on the urgency, national interests, regional interests, interests of the Village community, and / or legislations.

Article 16

- (1) The Governor shall give approval of the Draft Regional Regulation as referred to in Article 15 no longer than 20 (twenty) days after receiving the Draft Regional Regulation.
- (2) If the Governor approves the draft Regional Regulation as referred to in paragraph (1), the Regency / City Government shall make refinement and confirmation into Regional Regulation within 20 (twenty) days.
- (3) In the event that the Governor refuses to give its approval to the draft Regional Regulation as referred to in paragraph (1), the draft regional regulation cannot be authenticated and cannot be resubmitted within five (5) years after the rejection by the Governor.
- (4) If the Governor does not give approval or rejection and does not provide rejection to the regional regulation as referred to in Article 15 within the period as referred to in paragraph (1), the Regent / Mayor may authorize the Draft Regional Regulation and the regional secretary shall promulgate it in a Regional Gazette.
- (5) In the event that Regent / Mayor does not establish the Draft Regional Regulation approved by the Governor, the Draft Regional Regulation within a period of 20 (twenty) days after the date of approval of the Governor shall be declared valid automatically.

Article 17

- (1) The Regency / City Regulation on the formation, dismissal, merging, and change the status of a Village to be a sub district or a sub district into a Village shall be enacted after obtaining the



registration number from the Governor and the Village code from the Minister.

- (2) The Regency / City Regulation as referred to in paragraph (1) shall be enclosed with map of boundaries of the Village area.

CHAPTER IV VILLAGE AUTHORITY

Article 18

Village Authority shall include the authority in the field of implementation of Village Government, implementation of Village Development, Village community development and empowerment of Village community based on community initiatives, rights of origin, and Village customs.

Article 19

The Village Authority shall include:

- a. authority based on the rights of origin;
- b. Village-scale local authority;
- c. authority assigned by the Government, Provincial Government, or Regency / City Government; and
- d. other powers assigned by the Government, Provincial Government, or Regency / City Government in accordance with the provisions of the legislations.

Article 20

The exercise of authority based on the rights of origin and Village-scale local authority as referred to in Article 19, paragraphs a and b shall be set and maintained by the Village.

Article 21

The exercise of authority assigned and the exercise of other authority from the Government, Provincial Government, or the Regency / City Government as referred to in Article 19 c and d shall be taken care of by the Village.

Article 22

- (1) Assignment from the Government and / or Regional Government shall include the organizing of Village Administration, implementation of Village Development, village Community development and Village community



empowerment.

- (2) The Assignment as referred to in paragraph (1) shall be provided with costs.

CHAPTER V VILLAGE ADMINISTRATION IMPLEMENTATION

Article 23

The Village Administration shall be organized by the Village Government.

Article 24

The Village Administration shall be based on the principles of:

- a. legal certainty;
- b. orderly governance;
- c. orderly public interest;
- d. openness;
- e. proportionality;
- f. professionalism;
- g. accountability;
- h. effectiveness and efficiency;
- i. local wisdom;
- j. diversity; and
- k. participatory.

Part One

Village Government

Article 25

The Village Government as referred to in Article 23 shall be the Village Head or as referred to by any other name and assisted by the Village apparatuses or as referred to by any other name.

Part Two

Village Head

Article 26

- (1) The Village Head shall implement the Village Government, Village Development, Village community development and empowerment of Village community.
- (2) In carrying out the duties as referred to in paragraph (1), the Village Head shall be authorized to:
 - a. lead the implementation of Village Government;



- b. appoint and dismiss the Village apparatuses;
 - c. hold power for the management of Finance and Asset of the Village;
 - d. stipulate Village Regulations;
 - e. establish Village Budget;
 - f. foster Village community life;
 - g. foster peace and order of the Village community;
 - h. foster and improve the Village economy and integrate it in order to achieve scale economies productive to the overall prosperity of the Village community;
 - i. develop sources of revenue Village;
 - j. propose and accept the transfer of most of the country's wealth in order to improve the welfare of the Village community;
 - k. develop social and cultural life of the Village community;
 - l. utilize appropriate technology;
 - m. coordinate participatory Village Development;
 - n. represent the Village in and out of court or appoint legal counsel to represent him in accordance with the provisions of the legislation; and
 - o. exercise other authority in accordance with the provisions of the legislation.
- (3) In carrying out the duties as referred to in paragraph (1), the Village Head shall be entitled to:
- a. propose organizational structure and working procedures of the Village Government;
 - b. submit draft and set Village Regulation;
 - c. receive a fixed monthly income, allowances, and other legal revenue, as well as to be insured;
 - d. obtain legal protection on the policies implemented; and
 - e. mandate the implementation of duties and other obligations to the Village apparatuses.
- (4) In carrying out the duties as referred to in paragraph (1), the Village Head shall be obliged to:
- a. uphold and practice Pancasila, implement the Constitution of the Republic of Indonesia Year 1945, as well as to maintain the integrity of the Republic of Indonesia, and Unity in



- Diversity;
- b. improve the welfare of the Village community;
 - c. maintain peace and order in the Village community;
 - d. obey and enforce laws and regulations;
 - e. implement democratic and non-gender biased life;
 - f. implement the principles of Village Government that is accountable, transparent, professional, effective and efficient, clean, and free from collusion, corruption, and nepotism;
 - g. establish cooperation and coordination with all stakeholders in the Village;
 - h. implement good Village Government;
 - i. manage the Village's Finance and Asset;
 - j. implement government affairs under the authority of the Village;
 - k. resolve disputes in the Village community;
 - l. develop the economy of the Village community;
 - m. foster and preserve the Village community cultural values;
 - n. empower communities and civil society in the Village;
 - o. develop the potential of natural resources and protect the environment; and
 - p. provide information to the Village community.

Article 27

In carrying out the duties, powers, rights, and obligations as referred to in Article 26, the Village Head shall:

- a. submit the implementation reports of Village Administration in the end of each fiscal year to the Regent / Mayor;
- b. submit the implementation reports Village Administration at the end of the term of office to the Regent / Mayor;
- c. give a description of the ad report in writing to the Village Consultative Body end of each fiscal year; and
- d. provide and / or disseminate information governance in writing to the Village at the end of each fiscal year.

Article 28

- (1) The Village Head who does not carry out the



obligations as referred to in Article 26 paragraph (4) and Article 27 shall be subject to administrative sanctions in the form of verbal warning and / or written warning.

- (2) In the case the administrative sanctions as referred to in paragraph (1) has not been implemented, he shall be suspended and can be followed by dismissal.

Article 29

The Village Head shall be prohibited to:

- a. be detrimental to the public interest;
- b. make decisions that benefit himself, family members, other parties, and / or a particular group;
- c. misuse authority, duties, rights and / or obligations;
- d. commit acts of discrimination against citizens and / or certain segments of society;
- e. disturb the Village community;
- f. commit collusion, corruption, and nepotism, receiving money, goods, and / or services of other parties that may influence the decisions or actions to be performed;
- g. take charge of political parties;
- h. become a member and / or administrators of banned organizations;
- i. double as head and / or members of the Village Consultative Body, member of the House of Representatives of the Republic of Indonesia, the Regional Representative Council of the Republic of Indonesia, the Provincial or Local House of Representative and other positions specified in laws and regulations;
- j. participate and / or be involved in the election campaign and / or local elections;
- k. violate the oath / pledge of office; and
- l. leave the task for 30 (thirty) working days in a row for no apparent reason and accountable reasons.

Article 30

- (1) The Village Head who violates the prohibition as referred to in Article 29 shall be subject to administrative sanctions in the form of verbal warning and / or written warning.



- (2) In the case the administrative sanctions as referred to in paragraph (1) has not been implemented, he shall be suspended and can be followed by dismissal.

Part Three
Election of Village Head

Article 31

- (1) The Election of Village Head shall be held simultaneously in the entire territory of the Regency / City.
- (2) The Regional Government of Regency / City set policies on Village Head elections simultaneously as referred to in paragraph (1) by Regulation Regency / City.
- (3) Further provisions on the procedure for simultaneous Village Head election as referred to in paragraph (1) and paragraph (2) shall be regulated by or under a Government Regulation.

Article 32

- (1) The Village Consultative Body shall notify the Village Head about the expiration of the term of office Village Head in writing 6 (six) months before his term expires.
- (2) The Village Consultative Body shall form the Village Head election committee.
- (3) The election committee Village Head as referred to in paragraph (2) shall be independent and impartial.
- (4) The election committee of Village Head as referred to in paragraph (3) shall consist of elements of the Village, community organizations, and community leaders of the Village.

Article 33

Village Head candidates must fulfill the following requirements:

- a. citizens of the Republic of Indonesia;
- b. fear of God Almighty;
- c. upholds and practices Pancasila, implement the Constitution of the Republic of Indonesia Year 1945, as well as maintains the integrity of the Republic of Indonesia and Unity in Diversity;
- d. at least finished junior high school or the equivalent;



- e. aged at least 25 (twenty five) years at the time of registering;
- f. is willing to be nominated to be Village Head;
- g. is registered as resident and domiciled in the local Village of at least 1 (one) year prior to the registration;
- h. is not serving a sentence of imprisonment;
- i. has never been sentenced to imprisonment by a court decision that has had permanent legal force for a criminal offense punishable by imprisonment for a minimum of 5 (five) years or more, except for 5 (five) years after completion of a sentence in prison announced openly and honestly to the public that he has been convicted but not as a repeated offender;
- j. is not being deprived of right to vote in accordance with a court decision that has been legally enforceable;
- k. is able-bodied;
- l. has never taken office as the Village Head for three (3) terms; and
- m. other requirements stated in a Regional Regulation.

Article 34

- (1) The Village Head shall be directly elected by the Village community.
- (2) The Village Head Election shall be direct, general, free, confidential, honest, and fair.
- (3) The Village Head Election shall be implemented through nomination, voting, and determination stages.
- (4) In carrying out the Village Head election as referred to in paragraph (2), the Village Head election committee shall be formed.
- (5) The election committee as referred to in paragraph (4) shall select and screen candidates based on specified requirements, hold voting, determine the elected Village Head candidate, and report the Village Head elections.
- (6) The costs of Village Head election shall be charged to the Regency / City Budget.

Article 35

The Village community as referred to in Article 34 paragraph (1) that on the polling day of Village Head



have been 17 (seventeen) years or have been married shall be defined as voters.

Article 36

- (1) Village Head candidates who have met the requirements as referred to in Article 33 shall be set as candidates for Village Head by the Village Head election committee.
- (2) The Village Head candidates who have been determined as referred to in paragraph (1) shall be announced to the Village community in a public place in accordance with the socio-cultural conditions of the Village community.
- (3) The Village Head candidates can do campaigns in accordance with the socio-cultural conditions of the Village community and the provisions of legislations.

Article 37

- (1) The Village Head candidate elected shall be the candidate with the most votes.
- (2) The election committee shall establish the Village Head candidate elected as the Village Head.
- (3) The election committee Village Head submit names of candidates elected Village Head Consultative Board no later than 7 (seven) days after the determination of candidate elected as Village Head as referred to in paragraph (2).
- (4) The Village Consultative Board no later than 7 (seven) days after receiving a report of the election committee shall submit name of the elected Village Head candidate to the Regent / Mayor.
- (5) The Regent / Mayor shall approve the elected Village Head candidate as referred to in paragraph (3) to be the Village Head more than 30 (thirty) days from the date of receipt of the submission of the results of the election of Village Head election committee in the form of decision of Regent / Mayor.
- (6) In the event of a dispute over the Village Head election results, the Regent / Mayor shall settle the dispute within the period as referred to in paragraph (5).

Article 38

- (1) The elected Village Head candidate shall be



inaugurated by the Regent / Mayor or his representative not later than 30 (thirty) days after the issuance of the decision Regent / Mayor.

- (2) Before taking office, the elected Village Head shall take oath / promise.
- (3) The oath / pledge as referred to in paragraph (2) is as follows:

“By Allah / God, I swear / affirm that I will fulfill my duty as the village as properly, honestly, and fairly as possible; that I will always obey in practice and maintain Pancasila as the state principle; and that I will uphold democracy and the Constitution of the Republic of Indonesia Year 1945 and to implement all legislation with righteousness that apply to the Village, the region, and the Republic of Indonesia “.

Article 39

- (1) The Village Head shall hold position for six (6) years from the date of appointment.
- (2) The Village Head as referred to in paragraph (1) may serve at most three (3) consecutive terms in a row or not consecutive.

Part Four

Dismissal of the Village Head

Article 40

- (1) The Village Head shall terminate because of the following:
 - a. demise;
 - b. upon his own request; or
 - c. is dismissed.
- (2) The Village Head shall be dismissed as referred to in paragraph (1) letter c because:
 - a. his tenure has ended;
 - b. is unable to carry out duties on an ongoing basis or remains absent for 6 (six) consecutive months;
 - c. no longer qualifies as a Village Head candidate; or
 - d. violates the prohibition as the Village Head.
- (3) The Termination of Village Head as referred to in paragraph (1) shall be determined by the Regent / Mayor.
- (4) Further provisions regarding the dismissal of the Village Head as referred to in paragraph (1) shall



be regulated in a Government Regulation.

Article 41

The Village Head shall be suspended by the Regent / Mayor after being declared as a defendant punishable by imprisonment for 5 (five) years based on the register of court case.

Article 42

The Village Head suspended by the Regent / Mayor once named as a suspect in a corruption, terrorism, treason, and / or criminal offenses against state security case.

Article 43

The suspended Head Village as referred to in Article 41 and Article 42 shall be dismissed by the Regent / Mayor after being declared as a convict based on a court decision that has had permanent legal force.

Article 44

- (1) The suspended Village Head as referred to in Article 41 and Article 42 after going through the judicial process is proved not guilty by a court decision that has had permanent legal force, no later than 30 (thirty) days from the determination of the court decision is received by the Village Head , the Regent / Mayor shall rehabilitate and reactivate the concerned Village Head as the Village Head until the end of his term.
- (2) If the tenure of the suspended Village Head as referred to in paragraph (1) has ended, the Regent / Mayor shall rehabilitate the good name of the concerned Village Head.

Article 45

In case the Village Head is suspended as referred to in Article 41 and Article 42, the Village secretary shall carry out the duties and obligations of the Village Head up to the issuance of a court decision that has had permanent legal force.

Article 46

- (1) In the event that the remaining term of the Village Head who was dismissed as referred to in Article 43 is not more than 1 (one) year, the Regent /



Mayor shall appoint a civil servant of the Regency / City Government as the acting Village Head up to the election of the Village Head.

- (2) The Acting Village Head shall hold the duties, powers, duties, and rights of the Village Head as referred to in Article 26.

Article 47

- (1) In case the remaining term of the dismissed Village Head as referred to in Article 43 is more than 1 (one) year, the Regent / Mayor shall appoint a civil servant of the Regency / City Government as the acting Village Head.
- (2) The Acting Village Head as referred to in paragraph (1) shall carry out the duties, powers, duties, and rights of the Village Head as referred to in Article 26 until the determination of the Village Head.
- (3) The Village Head as referred to in paragraph (2) shall be elected through the Village Consultative Meeting upon the requirements as referred to in Article 33.
- (4) The Village Consultative Meeting as referred to in paragraph (3) shall be a maximum of six (6) months from the Village Head is dismissed.
- (5) The Village Head elected from the Village Consultative Meeting as referred to in paragraph (3) shall carry out duties Village Head to run out the remaining term of the dismissed Village Head.
- (6) Further provisions on the Village Consultative Meeting as referred to in paragraph (3) Government Regulation.

Part Five

Village Apparatuses

Article 48

The Village Apparatuses shall consist of:

- a. Village Secretariat;
- b. regional executives; and
- c. technical implementation agency.

Article 49

- (1) The Village apparatuses as referred to in Article 48 shall assist the Village Head in carrying out duties and powers.
- (2) The Village apparatuses as referred to in



paragraph (1) shall be appointed by the Village Head after consultation with the Head of District on behalf of the Regent / Mayor.

- (3) In carrying out its duties and authorities, the Village apparatuses as referred to in paragraph (1) shall be responsible to the Village Head.

Article 50

- (1) The Village apparatuses as referred to in Article 48 shall be elected from Village community who meet the following requirements:
- a. at least finished high school or its equivalent;
 - b. aged 20 (twenty) years up to 42 (forty-two) years;
 - c. are registered as residents of the Village and lived in the Village for at least one (1) year prior to registration; and
 - d. other requirements specified in Regency / City Regulation.
- (2) Further provisions on the Village Apparatuses as referred to in Article 48, Article 49, and Article 50 paragraph (1) regulated in Regency / City Government Regulation.

Article 51

The Village Apparatuses shall be prohibited to:

- a. be detrimental to the public interest;
- b. make decisions that benefit themselves, family members, other parties, and / or a particular group;
- c. misuse authority, duties, rights and / or obligations;
- d. commit acts of discrimination against citizens and / or certain segments of society;
- e. disturb group of Village community;
- f. commit collusion, corruption, and nepotism, receiving money, goods, and / or services of other parties that may influence the decisions or actions to be performed;
- g. take charge of political parties;
- h. become members and / or administrators of banned organizations;
- i. double as head and / or members of the Village Consultative Body, member of the House of Representatives of the Republic of Indonesia, the Regional Representative Council of the Republic



- of Indonesia, the Provincial or Local House of Representatives, and other positions specified in laws and regulations;
- j. participate and / or be involved in the election campaign and / or local elections;
 - k. violate the oath / pledge of office; and
 - l. leaving the task for 60 (sixty) consecutive working days for no apparent and accountable reasons.

Article 52

- (1) The Village Apparatuses in violation of the prohibition as referred to in Article 51 shall be subject to administrative sanctions in the form of verbal warning and / or written warning.
- (2) In case the administrative sanctions as referred to in paragraph (1) has not been implemented, they shall be suspended and can be followed by dismissal.

Article 53

- (1) The Village Apparatuses shall terminate because of the following:
 - a. demise;
 - b. upon own request; or
 - c. are dismissed.
- (2) The Village Apparatuses shall be dismissed as referred to in paragraph (1) letter c because:
 - a. their ages have been 60 (sixty) years;
 - b. they are permanently incapacitated;
 - c. no longer qualify as the Village; or
 - d. violate the prohibition as the Village apparatuses.
- (3) The termination of Village apparatuses as referred to in paragraph (1) shall be determined by the Village Head after consultation with the District Head on behalf of the Regent / Mayor.
- (4) Further provisions regarding the dismissal of the Village apparatuses as referred to in paragraph (3) shall be regulated by Government Regulation.

Part Six

Village Consultative Meeting

Article 54

- (1) The Village Consultative Meeting shall be a consultative forum followed by Village Consultative Body, Village government, and elements of the Village community to deliberate



on the strategic nature in the administration of the Village Government.

- (2) The strategic nature as referred to in paragraph (1) shall include:
 - a. Village structuring;
 - b. Village planning;
 - c. Village cooperation;
 - d. plan of investment into the Village;
 - e. Village BUM formation;
 - f. Village Asset additions and disposals; and
 - g. extraordinary events.
- (3) The Village Consultative Meeting as referred to in paragraph (1) shall be conducted at least once every 1 (one) year.
- (4) The Village Consultative Meeting as referred to in paragraph (1) shall be financed from the Village Budget.

Part Seven
Village Consultative Body
Article 55

The Village Consultative Body shall have the function to:

- a. discuss and agree on Draft Village Regulation along with the Village Head;
- b. obtain and share their aspirations of the Village community; and
- c. supervise the performance of the Village Head.

Article 56

- (1) Members of the Village Consultative Body shall be representatives of the citizen of the Village based on regional representation to be elected democratically.
- (2) The term of service of the Village Consultative Body shall be 6 (six) years from the date of taking oath / pledge.
- (3) The members of the Village Consultative Body as referred to in paragraph (1) may be elected for a membership at most 3 (three) times in a row or not consecutively.

Article 57

Requirements to be Village Consultative Board Member Candidates shall be:

- a. To fear of God Almighty;



- b. To uphold and practice Pancasila, implement the Constitution of the Republic of Indonesia Year 1945, as well as to maintain the integrity of the Republic of Indonesia and Unity in Diversity;
- c. To be aged minimally 20 (twenty) years or have got married;
- d. to have the minimum education of junior high school or equivalent;
- e. not serving as the Village government;
- f. is willing to be nominated as members of the Village Consultative Body; and
- g. representative of the Village resident elected democratically.

Article 58

- (1) The number of members of the Village Consultative Body shall be odd in number, at least 5 (five) and at most 9 (nine), with attention to the region, female population, total population, and the financial capacity of the Village.
- (2) The inauguration of the Village Consultative Council member as referred to in paragraph (1) shall be determined by a decision of the Regent / Mayor.
- (3) Members of the Village Consultative Body prior to taking office shall take oath / make solemn pledge together before the community and guided by the Regent / Mayor or his representative.
- (4) The wording of the oath / pledge of the Village Consultative Board members shall be as follows:
 - “By Allah / God, I swear / affirm that I will fulfill my obligations as a member of the Village Consultative Board with the best ability, as honestly, and fairly as possible; that I will always obey in practice and maintain Pancasila as the state foundation, and that I will uphold democracy and the Constitution of the Republic of Indonesia Year 1945 and to righteously implement all legislation that apply to the Village the region, and The Unitary State Of The Republic Of Indonesia “.

Article 59

- (1) The Village Consultative Body Leadership shall consist of 1 (one) Chairperson, 1 (one) Vice-chairperson, and 1 (one) secretary.



- (2) The Village Consultative Body Leadership as referred to in paragraph (1) shall be selected from and by the Village Consultative Body members directly in the Village Consultative Council meeting held specifically.
- (3) The Village Consultative Body leadership election meeting for the first time shall be led by the oldest member and assisted by the youngest member.

Article 60

The Village Consultative Body shall the prepare disciplinary rules of the Village Consultative Body.

Article 61

The Village Consultative Body shall be entitled to:

- a. supervise and inquire the implementation of Government Village to the Village Government;
- b. express an opinion on the implementation of Village Government, the implementation of Village Development, Village community development and empowerment of Village community; and
- c. be given duties and functions operational costs of from the Village Budget.

Article 62

The Village Consultative Council members shall be entitled to:

- a. propose draft Village regulations;
- b. ask questions;
- c. submit proposals and / or opinion;
- d. elect and be elected; and
- e. receive benefits from Village Budget.

Article 63

The Village Consultative Council members shall:

- a. uphold and practice Pancasila, implement the Constitution of the Republic of Indonesia Year 1945, as well as to maintain the integrity of the Republic of Indonesia and Unity in Diversity;
- b. implement gender-equitable democratic life in the Village administration;
- c. absorb, accommodate, collect, and follow the aspirations of the Village community;
- d. put the public interest above personal, groups, and / or class interests;



- e. respect the socio-cultural values and customs of the Village community; and
- f. maintain norms and ethics in a working relationship with the Village community institutions.

g. Article 64

- h. The Village Consultative Board members shall be prohibited to:
 - i. be detrimental to the public interest, unsettle group of Village community, and discriminate citizens or Village community groups;
 - j. corruption, collusion, and nepotism, receiving money, goods, and / or services of other parties that may influence the decisions or actions to be performed;
 - k. misuse authority;
 - l. violate the oath / pledge of office;
 - m. double as the Village Head and Village apparatuses apparatus;
 - n. double as member of the House of Representatives of the Republic of Indonesia, the Regional Representative Council of the Republic of Indonesia, the Provincial or Regency / City House of Representatives, and other positions specified in laws and regulations;
 - o. double as the Village project manager;
 - p. take charge of political parties; and / or
 - q. become members and / or administrators of banned organizations.

Article 65

- (1) The mechanism of deliberation of the Village Consultative Body shall be as follows:
 - a. the Village Consultative Body meetings shall be chaired by the Village Consultative Body Head;\
 - b. The Village Consultative Body deliberation shall be declared valid if attended by at least 2/3 (two thirds) of the members of the Village Consultative Body;
 - c. decision-making shall be done by means of deliberation to reach consensus;
 - d. if consensus is not reached, the decision-making shall be done by voting;
 - e. the voting as referred to in paragraph d shall be declared valid if approved by at least 1/2



(one half) plus 1 (one) of the members of the Village Consultative Body present; and

- f. The Consultative Board meeting results shall be set by the resolution of the Village Consultative Body and attached by minutes of deliberation made by the secretary of the Village Consultative Body.
- (2) Further provisions on the Village Consultative Council shall be regulated in a Regency / City Regulation.

Part Eight

Village Government Income

Article 66

- (1) The Village Head and Village apparatuses shall earn a fix income every month.
- (2) The fixed income of the Village Head and Village apparatuses as referred to in paragraph (1) shall be derived from the balance of funds in the State Budget received by the Regency / City and defined in the Budget of the Regency / City.
- (3) In addition to fixed income as referred to in paragraph (1), the Village Head and Village apparatuses shall receive benefits derived from the Village Budget.
- (4) In addition to regular income as referred to in paragraph (1), the Village Head and Village obtain health insurance and can obtain other legal acceptance.
- (5) Further provisions on the amount of fixed income as referred to in paragraph (1) and allowances as referred to in paragraph (3) as well as other legal incomes as referred to in paragraph (4) shall be regulated in a Government Regulation.

CHAPTER VI

RIGHTS AND OBLIGATIONS OF A VILLAGE AND THE VILLAGE COMMUNITY

Article 67

- (1) The Village shall be entitled to:
 - a. organize and manage the interests of the community based the rights origin, customs, and cultural values of the Village community;
 - b. establish and manage the Village institution; and
 - c. get a source of income.



- d. The Village shall be obliged to:
- e. protect and maintain unity, concordance, and harmony of the Village community for the national harmony and unity of the Republic of Indonesia;
- f. improve the quality of life of the Village community;
- g. develop democracy;
- h. develop the Village community empowerment; and
- i. provide and improve services to the Village community.

Article 68

- (1) The Village Community shall be entitled to:
 - a. request and obtain information from the Village Government and to oversee the implementation of the Government Village activities, Village Development, Village community development and empowerment of Village community;
 - b. obtain the same and fair services;
 - c. express their aspirations, suggestions, and opinions orally or in writing in a responsible manner on the implementation of activities Village Government, the implementation of Village Development, Village community development and empowerment of Village community;
 - d. elect, be elected, and / or set to be the:
 - a. Village Head;
 - b. Village apparatus;
 - c. members of the Village Consultative Body; or
 - d. members of the Village community institutions.
 - e. obtain shelter and protection from interference peace and order in the Village.
- (2) The Village Community shall:
 - a. build themselves and maintain Village environment;
 - b. encourage the good implementation of Village Government, Village Development, Village community development and empowerment of Village community;
 - c. encourage the creation of a situation that shall



- be safe, comfortable, and quiet in the Village;
- d. maintain and develop values of deliberation, consensus, kinship, and mutual cooperation in the Village; and
- e. participate in various activities in the Village.

CHAPTER VII VILLAGE REGULATION

Article 69

- (1) Types of Village regulation shall consist of Village Regulation, joint Village Head regulation and Village Head Regulation.
- (2) The Regulations as referred to in paragraph (1) shall not be contrary to the public interest and / or the provisions of the superior legislations.
- (3) The Village Regulation shall be set by the Village Head after being discussed and agreed by the Village Consultative Body.
- (4) The draft Village Regulation on the Village budget, levies, layout, and organization of Village government shall get an evaluation of the Regent / Mayor before being passed into a Village regulation.
- (5) The results of the evaluation as referred to in paragraph (4) shall be submitted by the Regent / Mayor maximally 20 (twenty) working days from the receipt of the draft regulation by the Regent / Mayor.
- (6) In case the Regent / Mayor has given the results of the evaluation as referred to in paragraph (5), the Village Head shall revise it.
- (7) The Village Head shall be given a period of 20 (twenty) days of receipt of the results of the evaluation to make corrections.
- (8) In the event that the Regent / Mayor does not provide evaluation results within the time limit as referred to in paragraph (5), the Village Regulation shall take effect automatically.
- (9) The draft Village Regulation shall be consulted to the Village community.
- (10) The Village Community reserves the right to provide input to the Draft Regulation Village.
- (11) The Village Regulations and Village Head Regulation shall be promulgated in the Village Gazette by the Village secretary.
- (12) In the implementation of the Village Regulations



as referred to in paragraph (1), the Village Head shall set a Village Head Regulation as the rules of procedure.

Article 70

- (1) A joint Village Head Regulation shall be a regulation set by the Village Head of 2 (two) or more of Villages in cooperation.
- (2) The joint Village Head Regulation as referred to in paragraph (1) shall be a fusion of the interests of each Village in the inter-Village cooperation.

CHAPTER VIII VILLAGE FINANCE AND VILLAGE ASSET

Part One Village Finance

Article 71

- (1) The Village Finance shall be all the rights and obligations of the Village that can be valued in money and everything in the form of money and goods related to the implementation of the rights and obligations of the Village.
- (2) The rights and obligations as referred to in paragraph (1) shall give rise to revenues, expenditures, financing, and management of the Village Finance.

Article 72

- (1) The Village Revenue as referred to in Article 71 paragraph (2) shall be derived from:
 - a. The Village original revenue from operations, results of assets, self-help and participation, mutual aid, and other Village revenue;
 - b. allocation of the State Budget;
 - c. part of the local taxes and levies of Regency / City;
 - d. allocation of Village funds that shall be part of the equalization funds received by the Regency / City;
 - e. financial assistance from the Provincial Budget and Regency/City Budget;
 - f. grants and donations shall not be binding on third parties; and
 - g. other legitimate Village revenue.
- (2) The budget allocations as referred to in paragraph (1) letter b shall be sourced from Central



Expenditure with by making effective Village-based programs that on an equitable and fair basis.

- (3) The proceeds of Regency / City local taxes and levies as referred to in paragraph (1) c of at least 10% (ten percent) of the taxes and levies.
- (4) The allocation of Village funds as referred to in paragraph (1) letter d shall be at least 10% (ten percent) of the balance funds received by the Regency / City in the State Budget less the Special Allocation Fund.
- (5) For the Village finance management, the Village Head shall delegate part of the authority to the designated Village apparatuses.
- (6) For Regency / City that does not provide funding allocation Village as referred to in paragraph (4), the Government may delay and / or cut of the allocation of balance funds after deducting the Special Allocation Fund that should be channeled to the Village.

Article 73

- (1) The Village Budget shall consist of revenue, expenditure, and financing of the Village.
- (2) The draft Village Budget shall be submitted by the Village Head and Village Consultative Body discussed together.
- (3) In accordance with the results of consultation as referred to in paragraph (2), the Village Head shall set the Village budget every year by a Village regulation.

Article 74

- (1) The Village Expenditure shall be prioritized to meet the needs of the development agreed in the Village Consultative Meeting in accordance with the priorities of the Government and Regency/City Government, Provincial Government, and the Government.
- (2) The need for development as referred to in paragraph (1) shall include, but not limited to primary needs, basic services, environmental, and Village community development activities.

Article 75

- (1) The Village Head shall hold the Village Finance



management authority.

- (2) In exercising the powers as referred to in paragraph (1), the Village Head shall delegate some of its power to the Village apparatuses.
- (3) Further provisions on the Village Finance shall be regulated in a Government Regulation.

Part Two
Village Asset
Article 76

- (1) The Village Assets can be Village land, communal land, Village markets, animal market, mooring, Village building, fish auction, agricultural product auction, forest belonging to the Village, Village-owned springs, public baths, and other assets belonging to the Village .
- (2) The other assets belonging to the Village as referred to in paragraph (1), shall be among others:
 - a. the Village's assets purchased or obtained at the expense of the State Budget, Regional Budget, as well as the Village Budget;
 - b. the Village's assets obtained from grants and donations or similar;
 - c. The Village's assets acquired as the implementation of an agreement / contract etc in accordance with the provisions of the legislations;
 - d. result of Village cooperation; and
 - e. Village assets derived from legitimate acquisition.
- (3) Village-scaled Assets owned by the Government and Regional Government in the Village can be granted to the Village.
- (4) Assets belonging to the Village in the form of land shall be certified to the Village.
- (5) Assets belonging to the Village that have been taken over by the Regency / City Government shall be returned to the Village, except those used for public facilities.
- (6) Buildings belonging to the Village must be equipped with proof of ownership status and administered in an orderly manner.

Article 77

- (1) The management of Village assets shall be held



by the principle of common interests, functional, legal certainty, transparency, efficiency, effectiveness, accountability, and the certainty of economic value.

- (2) The Village asset management shall be done to improve the welfare and living standards of the Village community as well as increase Village revenue.
- (3) The Village asset management as referred to in paragraph (2) shall be discussed by the Village Head along with the Village Consultative Body based on the Village asset management procedures set out in the government regulation.

CHAPTER IX
VILLAGE DEVELOPMENT AND DEVELOPMENT OF
VILLAGE AREA
Part One
Village Development
Article 78

- (1) Village Development aims to improve the welfare of the Village community and the quality of human life and reduce poverty through the fulfillment of basic needs, development of Village infrastructure, local economic development potential, as well as the use of natural resources and the environment in a sustainable manner.
- (2) The Village Development shall include the planning, implementation, and supervision.
- (3) The Village Development as referred to in Paragraph (2) shall emphasizes togetherness, kinship, and mutual cooperation in order to realize the mainstreaming of peace and social justice.

Paragraph 1
Planning
Article 79

- (1) The Village Government shall prepare the Development Village planning in accordance with the authority with respect to development planning of Regency / City.
- (2) The Village Development Plan as referred to in paragraph (1) shall be prepared in time including:
 - a. Village Medium Term Development Plan for a period of 6 (six) years; and



- b. Village Annual Development Plan or referred to as Village Government Work Plan, which is the elaboration of the Village Medium Term Development Plan for a period of 1 (one) year.
- (3) The Village Medium Term Development Plan and the Village Government Work Plan as referred to in paragraph (2) shall be determined by a Village Regulation.
- (4) The Village Regulation on the Village Medium Term Development Plan and Village Government Work Plan shall be the only Village planning document.
- (5) The Village Medium Term Development Plan and the Village Government Work Plan shall be a guideline in preparing the Village Budget set in a Government Regulation.
- (6) Government and / or Village-scaled Government Programs shall be coordinated and / or delegated to the Village.
- (7) The Village Development Plan as referred to in paragraph (1) shall be one source of inputs into the Regency / City development planning.

Article 80

- (1) The Village Development Plan as referred to in Article 79 shall be held by including the Village community.
- (2) In preparing the Village Development plan as referred to in paragraph (1), the Village Government shall convene a Village Development plan Consultative Meeting.
- (3) The Village Development Plan Consultative Meeting shall set the priorities, programs, activities, and the need for Village Development, funded by the Village Budget, Village community, and / or Regency / City Budget.
- (4) The priorities, programs, activities, and Village Development requirements as referred to in paragraph (3) shall be formulated based on an assessment of the needs of the Village community that includes:
 - a. for improving the quality of and access to basic services;
 - b. construction and maintenance of infrastructure and the environment based on the technical capabilities and local resources



- available;
- c. development of large-scale productive agricultural economy;
 - d. development and utilization of appropriate technology for economic progress; and
 - e. order and improvement of peace of the Village community based on the needs of the Village community.

Paragraph 2
Implementation
Article 81

- (1) The Village Development shall be carried out in accordance with the Work Plan of the Village Government.
- (2) The Village Development as referred to in paragraph (1) shall be implemented by the Village government to involve the entire Village community in a spirit of mutual cooperation.
- (3) The Implementation of Village Development as referred to in paragraph (1) shall be done by utilizing local knowledge and natural resources of the Village.
- (4) local-scale Village Development shall be carried out by the Village.
- (5) The implementation of sectoral programs that go into the Village shall be informed to the Village government to be integrated with the Village Development.

Paragraph 3
Monitoring and Control of Village Development
Article 82

- (1) The Village Community shall be entitled to obtain information about the plan and implementation of Village Development.
- (2) The Village Community shall reserve the right to monitor the implementation of Village Development.
- (3) The Village Community shall report the monitoring results and various complaints against the implementation of Village Development to the Village Government and Village Consultative Body.
- (4) The Village Government shall inform the planning and implementation of the Village Medium Term



Development Plan, Village Government Work Plan and Village Budget to the Village community through public information service and report it to the Village Consultative Meeting at least 1 (once) in a year.

- (5) The Village Community shall participate in the Village Consultative Meeting to respond the report on the implementation of Village Development.

Part Two

Development of Village Areas

Article 83

- (1) Development of Village Areas shall be a mix of inter-Village development in one (1) Regency / City.
- (2) The Development of Village Areas shall be implemented in an effort to speed up and improve the quality of service, development, and Village community development in Village Areas through participatory development approach.
- (3) The Development of Village Areas shall include:
 - a. use and utilization of the Village area in the establishment of development in accordance with the Regency / City spatial layout;
 - b. services carried out to improve the welfare of the Village community;
 - c. infrastructure development, improvement of village economy, and development of appropriate technology; and
 - d. The Village community empowerment to improve access to services and economic activity.
- (4) The design of the development of Village Areas shall be discussed jointly by the Government, the Provincial Government, Regency / City Government, and Village Government.
- (5) The Village Area development plan as referred to in paragraph (4) shall be determined by the Regent / Mayor in accordance with the Regional Medium Term Development Plan.

Article 84

- (1) The Development of Village Areas by the Government, Provincial Government, Regency / City Government, and / or third party related to the use of assets and spatial layout of the Village



shall engage the Village Government.

- (2) The planning, implementation, utilization, and asset utilization for the development of Village Areas shall refer to the results of the Village Consultative Meeting.
- (3) Further provisions on the planning, implementation of Village Regions development, utilization, and utilization as referred to in paragraph (2) shall be regulated in a Regency / City Regulation.

Article 85

- (1) The Development of Village Areas carried out by the Government, Provincial Government, and Regency / City Government through local work unit, Village government, and / or Village BUM by Village community participation.
- (2) The Development of Village Areas done by the Government, Provincial Government, Regency / City Government, and third-party shall use the potential natural resources and human resources as well as involve the Village Government and the Village community.
- (3) Village-scaled Development of Village Areas shall be delegated to the Village and / or inter-Village cooperation.

Part Three

Village Development and Development of Village Area Information Systems

Article 86

- (1) The Village shall be entitled to access information through the Village information system developed by the Regency / City Government.
- (2) The Government and Regional Government shall develop the Village information systems and development of Village Areas.
- (3) The Village information system as referred to in paragraph (2) shall include hardware and software facilities, network, and human resources.
- (4) The Village information system as referred to in paragraph (2) shall include data of the Village, Village Development, Village Areas, as well as other information relating to the Village Development and development of Village Areas.



- (5) The Village information system as referred to in paragraph (2) shall be managed by the Village authorities and may be accessed by the Village community and all stakeholders.
- (6) The Regency / City Government shall provide development the Regency / City planning information to the Village.

CHAPTER X VILLAGE ENTERPRISE

Article 87

- (1) The Village can establish Village-owned enterprises referred to as Village BUM.
- (2) The Village BUM shall be managed by the spirit of brotherhood and mutual cooperation.
- (3) The Village BUM can engage in the economic and / or public services in accordance with the provisions of the legislation.

Article 88

- (1) The establishment Village BUM shall be agreed by a Village Consultative Meeting.
- (2) The establishment of Village BUM as referred to in paragraph (1) shall be determined by a Village Regulation.

Article 89

The results of operations of the Village BUM shall be used for:

- a. business development; and
- b. Village Development, Village community development, and the provision of assistance to the poor through grants, social assistance, and activities of revolving fund set out in the Village Budget.

Article 90

The Government, Provincial Government, Regency / City Government, and Village Government shall encourage the development of the Village BUM by:

- a. providing grants and / or access to capital;
- b. conducting technical assistance and access to markets; and
- c. prioritizing Village BUM in the management of natural resources in the Village.



CHAPTER XI
VILLAGE COOPERATION

Article 91

A Village may cooperate with other Villages and / or collaboration with third parties.

Part One

Inter-Village Cooperation

Article 92

- (1) Inter-Village Cooperation shall include:
 - a. development of joint venture owned by the Village to achieve competitive economic value;
 - b. community activities, services, development, and inter-Village community empowerment; and / or
 - c. security and order.
- (2) The inter-Village cooperation shall be set forth in a Joint Regulation of Village Heads through an Inter-Village Consultative Meeting.
- (3) The inter-Village cooperation shall be undertaken by the inter- Village cooperation agency formed by a Joint Regulation of Village Heads.
- (4) The inter-Village Consultative Meeting as referred to in paragraph (2) shall discuss issues related to:
 - a. establishment of inter-Village institutions;
 - b. implementation of government programs and Regional Government schemes that can be implemented through cooperation between Villages;
 - c. planning, implementation, and monitoring of inter-Village development programs;
 - d. budget allocation for Village Development, inter-Village, and Village Areas;
 - e. inputs to the program of the Regional Government where the Village is located; and
 - f. Other activities that can be organized through inter-Village cooperation.
- (5) In implementing the inter-Village development, inter-agency cooperation Village can form groups / organizations as needed.
- (6) In the inter-Village service, enterprises can be formed Village BUM that belongs to two (2) Villages or more.

Part Two

Cooperation with Third Parties



Article 93

- (1) Village Cooperation with third parties shall be done to speed up and improve the implementation of Village Government, implementation of Village Development, Village community development and empowerment of Village community.
- (2) The cooperation with third parties as referred to in paragraph (1) shall be discussed in the Village Consultative Meeting.

CHAPTER XII VILLAGE COMMUNITY INSTITUTIONS AND TRADITIONAL VILLAGE INSTITUTIONS

Part One

Village Community institutions

Article 94

- (1) The Village shall utilize the existing community organizations in assisting the implementation of the functions of the organization of Village administration, implementation of Village development, Village social development, and Village community empowerment.
- (2) The Village community institutions as referred to in paragraph (1) shall be a place for the Village community participation as partners of the Village government.
- (3) The Village social institution shall empower the Village community, participate to plan and implement development, as well as improve public services the Village.
- (4) The implementation of programs and activities sourced from the Government, Provincial Government, Regency / City Government, and non-government institutions shall empower and utilize existing social institutions in the Village.

Part Two

Village Traditional Institution

Article 95

- (1) The Village Government and the Village community can form a Village traditional institution.
- (2) The Village Traditional Institution as referred to in paragraph (1) shall be an institution that



performs functions of customs and become part of the original composition of the Village that grows and developed on the initiative of the Village community.

- (3) The Village Traditional Institution as referred to in paragraph (1) shall be an institution assigned to assist the Village Government and to be a partner in empowering, preserving, and developing custom function as a form of recognition of the customs of the Village community.

CHAPTER XIII SPECIAL PROVISIONS OF TRADITIONAL VILLAGE

Part One

Traditional Village Structuring

Article 96

The Government, Provincial Government, and Regency / City Government shall structure the local customary law community unit and shall determine it to be a Traditional Village.

Article 97

- (1) The Determination of Traditional Village as referred to in Article 96 shall meet the requirements as follows:
 - a. its unity of customary law community and traditional rights still actually exist, whether they shall be territorial, genealogical, or functional;
 - b. its unity of customary law community and traditional rights are deemed in accordance with the development of society; and
 - c. its unity of customary law community and traditional rights in accordance with the principles of the Republic of Indonesia.
- (2) The unity of customary law community and traditional rights that still actually exist as referred to in paragraph (1) letter a must have at least the area and meet one or a combination of elements of the existence of:
 - a. communities whose citizens have a shared feeling in the group.
 - b. traditional governance institutions;
 - c. custom wealth and / or custom objects; and / or



- d. norms of customary law.
- (3) The unity of customary law community and traditional rights as referred to in paragraph (1) letter b shall be deemed in accordance with the development of society if:
- a. its existence has been recognized under the law applicable as a reflection of the development of values that shall be considered ideal in today's society, both laws that shall be general and sectoral; and
 - b. The substance of the traditional rights is recognized and respected by the community unit and the wider community and not in conflict with human rights.
- (4) An entity of customary law community and its traditional rights as referred to in paragraph (1) letter c is in accordance with the principles of the Republic of Indonesia if the customary law community unit does not interfere with the existence of the Republic of Indonesia as a political and legal entity:
- a. that does not threaten the sovereignty and integrity of the Unitary State of the Republic of Indonesia; and
 - b. the substance of customary law norms fits and is not contrary to the provisions of the legislations.

Article 98

- (1) A Traditional Village shall be defined by a Regency / City Regulation.
- (2) The Establishment of Traditional Village after the Traditional Village determination as referred to in paragraph (1) shall be done by taking into account the implementation of Village Government, Village Development, Village community development and empowerment of Village community and the supporting infrastructure.

Article 99

- (1) The merger of Traditional Villages can be done on the initiative and an agreement between the Traditional Villages.
- (2) The Regency / City Government shall facilitate the implementation of the merger of traditional



Villages as referred to in paragraph (1).

Article 100

- (1) The Status of a Village can be converted into a traditional Village, a traditional Village can be converted into a Village, a Traditional Village can be converted into a Sub District, and a Traditional Village can be converted into a Sub District by the relevant communities' initiatives through a Village Consultative Meeting and approved by the Regency / City Government.
- (2) In the event that a Village is changed into a Traditional Village, the assets of the Village shall be switched to be the assets of the traditional Village, when a sub district is turned into a Traditional Village, the asset of the sub district shall switch into the assets of the traditional Village, in the event that a traditional Village is turned into a Village, the assets of the Traditional Village shall switch into the asset of the Village, and in the event that a traditional Village is turned into a sub district, the assets of the Traditional Village shall switch into the assets of the Regency / City Government.

Article 101

- (1) The Government, Provincial Government, and the Regency / City Government can make Traditional Village structuring.
- (2) The Traditional Village Structuring as referred to in paragraph (1) shall be determined in a regional regulation.
- (3) The Regional Regulation as referred to in paragraph (2) enclosed with the map boundaries.

Article 102

The Regional Regulation as referred to in Article 101 paragraph (2) shall be based on the provisions as referred to in Article 7, Article 8, Article 14, Article 15, Article 16, and Article 17.

Part Two

Authority of Traditional Village

Article 103

The authority of a Traditional Village based on the rights of origins as referred to in Article 19 letter a



shall include:

- a. structuring and implementation of government
- b. based on the original composition;
- c. setting and management of customary or indigenous territories;
- d. preservation of cultural values of the Traditional Village;
- e. customary dispute resolution based on customary law in the Traditional Village in the area shall be in line with the principles of human rights with emphasis on consensual settlement;
- f. the implementation of customary law community court hearing shall be in accordance with the provisions of the legislations;
- g. The maintenance of peace and order in the customary law community village shall be based on the customary law applicable in the Traditional Village; and
- h. development of customary law life in accordance with social and cultural conditions of Traditional the Village.

Article 104

The exercise of authority based on the rights of origin local-scale authority of the Traditional Village as referred to in Article 19 letters a and b as well as Article 103 shall be governed and administered by the Traditional Village based on the principle of diversity.

Article 105

The exercising of the authority assigned and the and exercising the other authority designed by the Government, Provincial Government, or the Regency / City Government as referred to in Article 19 c and d shall be taken care of by the Traditional Village.

Article 106

- (1) The Assignment of the Government and / or Regional Government to the Traditional Village shall include the implementation of Traditional Village Government, implementation of Traditional Village Development, traditional Village community development, and Traditional



Village community empowerment.

- (2) The assignment as referred to in paragraph (1) shall be accompanied by costs.

Part Three
Traditional Village Government
Article 107

The regulation and structuring of Traditional Village Government shall be carried out in accordance with the rights of origin and customary law in the Traditional Village shall be still alive and in accordance with the development of society and not contrary to the principles of the implementation of Traditional Village Government in principle of the Republic of Indonesia.

Article 108

The Traditional Village Administration shall hold the consultative function and Consultation of the Traditional Village according to the original composition or the Traditional Village formed in accordance with the community initiatives of the Traditional Village.

Article 109

The institutional structuring, filling of positions, and term of office of the Head of the Traditional Village based on customary law shall be set out in a Provincial Regional Regulation.

Part Four
Traditional Village Regulation
Article 110

Traditional Village Regulation shall be tailored with the prevailing traditional laws and customs in the Traditional Village to the extent not inconsistent with the provisions of the legislations.

Article 111

- (1) The special provisions concerning Traditional Village as referred to in Article 96 through Article 110 shall apply only to Traditional Village.
- (2) The provisions on Village shall also apply to Traditional Village to the extent not regulated under specific provisions of the Traditional Village.



CHAPTER XIV
GUIDANCE AND SUPERVISION

Article 112

- (1) The Government, Provincial Government, and Regency / City Government shall direct and supervise the Village Administration.
- (2) The Government, Provincial Government, and Regency / City Government may delegate the supervision to the local apparatuses.
- (3) The Government, Provincial Government, and Regency / City Government shall empower the Village community by:
 - a. applying the results of the development of science and technology, effective technology, and new findings for the economic and agricultural progress of the Village community;
 - b. improving the quality of government and Village community through education, training, and counseling; and
 - c. recognizing and functioning the original and / or existing institutions in the Village community.
- (4) The empowerment of Village community as referred to in paragraph (3) shall be implemented with the assistance in the planning, implementation, and monitoring of Village Development and Village Areas.

Article 113

The development and supervision by the Government as referred to in Article 112 paragraph

- (1) shall include:
- a. to provide guidelines and standards of the management of Village Administration;
 - b. to provide guidance on funding support from the Government, Provincial Government, and Regency / City Government to the Village;
 - c. to give rewards, mentoring, and coaching to the Village community institutions;
 - d. to provide guidelines for participatory development planning;
 - e. to provide standard guidelines for the Village apparatuses;
 - f. to provide guidance, supervision, and consultation organization of the Village Administration, Village Consultative Body, and Village social institutions;



- g. to give awards for the achievements in the implementation of Village Administration, Village Consultative Body, and Village social institutions;
- h. to establish direct financial assistance to the Village;
- i. to conduct specific education and training to the apparatus of the Village Government Village Consultative Body;
- j. to conduct research on the implementation of the Village Government in a particular Village;
- k. to accelerate village development;
- l. to facilitate and conduct research in order to determine the unity of indigenous peoples as a Village; and
- m. to prepare and facilitate technical guidance for Village BUM and Village cooperation agencies.

Article 114

The development and supervision by the Provincial Government as referred to in Article 112 paragraph (1) shall include:

- a. to provide guidance to regency / city in the context of preparing Regency / City Regulation governing Village;
- b. to develop the Regency / City in order to award the Village fund allocation;
- c. to develop an increase in the capacity of the Village Head and Village Apparatuses, Village Consultative Body, and social institutions;
- d. to develop Village Government management;
- e. to develop efforts to accelerate the Village Development through financial aid, assistance, and technical assistance;
- f. to conduct technical guidance specific areas that cannot be done by the Regency / City Government;
- g. to conduct the inventory of provincial authority held by the Village;
- h. to provide guidance and oversight for establishing the Draft Regency / City Budget for Village financing;
- i. to provide guidance to the Regency / City for the structuring of Village area;
- j. to assist the Government in determining the customary law community unit as a Village; and
- k. to develop and oversee the establishment of



Regency / City Village BUM and inter-Village agency cooperation.

Article 115

The development and supervision carried out by the Regency / City Government as referred to in Article 112 paragraph (1) shall include:

- a. to provide guidelines for the assignment of the affairs of the Regency / City conducted by the Village;
- b. to provide guidance on the preparation of Village Regulation and Village Head Regulation;
- c. to provide guidelines for participatory development planning;
- d. to facilitate the implementation of Village Government;
- e. to conduct the evaluation and supervision of Village regulation;
- f. to establish financing equalization fund allocation for the Village;
- g. to oversee the management of Village Finance and Village Asset utilization;
- h. to conduct training and supervision of Village Administration;
- i. to educate and hold training for Village government, Village Consultative Body, community organizations, and traditional institutions;
- j. to give awards for achievements in the implementation of Village Administration, Village Consultative Body, community organizations, and traditional institutions;
- k. to undertake efforts to accelerate village development;
- l. to do Village Development acceleration efforts through financial aid, assistance, and technical assistance;
- m. to do Village BUM capacity building and inter-village cooperation institution; and
- n. to impose sanctions for irregularities committed by the Village Head in accordance with the provisions of the legislations.



CHAPTER XV
TRANSITIONAL PROVISIONS

Article 116

- (1) Villages that have existed before this Law applies shall continue to be recognized as Villages.
- (2) The Regency / City Government shall establish a Regional Regulation on the determination of the Village and the Traditional Village in the region.
- (3) The determination of Village and Traditional Village as referred to in paragraph (2) no later than 1 (one) year from the promulgation of this Law.
- (4) At least 2 (two) years since the Law applies, the Regency / City Government and the Village Government shall take inventory of the Village Assets.

Article 117

The implementation of the existing Village Government shall adjust with the provisions of this Law.

Article 118

- (1) The term of office of the existing Village Head that at this time shall remain in effect until the end of the term.
- (2) The term of periodicity of Village Head shall follow the provisions of this Law.
- (3) Members of the Village Consultative Body that exist at present shall remain to serve until their membership period expires.
- (4) the periodicity of membership of the Village Consultative Body shall follow the provisions of this Law.
- (5) Village apparatuses that are not civil servants still have to work until the end of their term.
- (6) Village apparatuses that are civil servants shall carry out their duties until the determination of the placement regulated by a government regulation.

CHAPTER XVI

CLOSING

Article 119

All provisions of laws and regulations that relate directly to Village shall base and adjust the



regulation with the provisions of this Law.

Article 120

- (1) All implementing regulations on Village currently so long as applicable to the contrary in this Law.
- (2) A government regulation as the implementing regulations of this Law shall be established no later than 2 (two) years from the date of this Law is enacted.

Article 121

At the time this Law comes into force, Article 200 to Article 216 of Law No. 32 of 2004 on Regional Government (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement to the State Gazette of the Republic of Indonesia Number 4437) as amended by Law No. 12 of 2008 regarding the Second Amendment Law No. 32 of 2004 concerning Regional Government (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to State Gazette of the Republic of Indonesia Number 4844) shall be revoked and declared invalid.

Article 122

This Law shall take effect on the date of promulgation.

For public cognizance, hereby ordering the promulgation of this Law by placing it in the Official Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 15 January 2014
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed.

DR. H. Susilo Bambang Yudhoyono



Promulgated in Jakarta
on 15 January 2014

THE MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF
INDONESIA,

Signed.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2014
NUMBER 7

Issued as a true copy

THE STATE SECRETARIAT MINISTRY OF THE REPUBLIC OF
INDONESIA

Assistant of Legislation

Politics and People's Welfare Department

Signed and stamped

Wisnu Setiawan



ELUCIDATION TO LAW OF THE REPUBLIC OF INDONESIA

NUMBER 6 OF 2014

CONCERNING

VILLAGE

I. GENERAL

1. Rationale

Villages or as referred to by other names had existed before the Republic of Indonesia was formed. As evidence of its existence, the elucidation of Article 18 of the Constitution of the Republic of Indonesia Year 1945 (before the amendment) states that “In the territories of the State of Indonesia there shall be approximately 250 *“Zelfbesturende landschappen”* and *“Volksgemeenschappen”*, such as Villages in Java and Bali, Nagari in Minangkabau, Village and clan in Palembang, and so on. The regions have original composition and therefore can be considered as special regions. The Republic of Indonesia shall respect the position of the special regions and all state regulations regarding these areas will consider the rights of origin of the areas”. Therefore, their presence shall be honored and given a guarantee for survival in the Republic of Indonesia.

The diversity of characteristics and types of Villages, or referred to as by other names was never a barrier for the Founding Fathers to choose the form of a unitary state. Although it is recognized that a unitary state needs homogeneity, but the Republic of Indonesia continues to provide recognition and guarantee of the existence of a unit of community and unity of traditional society with traditional rights.

In regard to the composition and organization of Regional Government, after the amendment of the Constitution of the Republic of Indonesia Year 1945, regulation on Village or referred to as by other names in terms of administration refers to the provisions of Article 18 paragraph (7) that asserts that “The composition and procedures of the regional administration shall be regulated by law”. It means that Article 18 paragraph (7) of the Constitution of the Republic of Indonesia Year 1945 opens the possibility of government structure in the Indonesian system.

Through amendments to the Constitution of the Republic of Indonesia Year 1945, recognition of customary law community unit is reinforced by the provisions of Article 18B paragraph (2)



that reads “The State shall recognize and respect units of traditional society with their traditional rights as long as they live and in accordance with the development of society and the principles of the Republic of Indonesia, that shall be regulated by law”.

In the history of Village structuring, there have been Village regulations, namely Law No. 22 of 1948 on Basic Principles of Regional Government, Law No. 1 of 1957 on Fundamentals of Regional Government, Law No. 18 of 1965 on Fundamentals of Regional Government, Law No. 19 of 1965 on Civil Village as a Form of Transition To Accelerate the Realization of Level III Region in the whole territory of the Republic of Indonesia, Law No. 5 of 1974 on Fundamentals of Regional Government, Law No. 5 of 1979 on Village Government, Law No. 22 of 1999 on Regional Government, and lastly by Law No. 32 of 2004 on Regional Government.

In practice, the regulation of Village has not been able to accommodate all the interests and needs of the Village community, that until now are around 73,000 (seventy three thousand) Villages in number and approximately 8,000 (eight thousand) sub district. In addition, the implementation of Village Regulation in effect until now is no longer appropriate to the times, especially among others, regarding the position of indigenous peoples, democratization, diversity, community participation, and progress and equitable development, causing the gap between regions, poverty, and social and cultural issues that can interfere with the integrity of the Republic of Indonesia.

The law is organized in the spirit of the implementation of the constitutional mandate, namely the regulation of indigenous people in accordance with the provisions of Article 18B paragraph (2) to be set in a government structure in accordance with the provisions of Article 18 paragraph (7). However, the authority of unity of customary law community on the regulations of customary rights shall refer to sectoral legislations.

With the construction that combines the functions of self-governing community with local self-government, it is expected that the customary law community unit that has been a part of the territory of the Village is laid out in such a way into Villages and Traditional Villages. Villages and Traditional Villages basically do almost the same task. Meanwhile the difference shall only be in the implementation of right of origin, especially with regard to the social preservation of traditional Village, regulation and management of indigenous territories, indigenous peace trial,



maintenance of peace and order for customary law community, as well as the implementation of governance arrangements based on the original composition.

A Traditional Village has the function of government, Village finance, Village development, as well as the facilitation and guidance received from the regency / city government. In this position, Villages and Traditional Villages shall get the same treatment from the Government and Regional Government. Therefore, in the future Villages and Traditional Villages can change the face of Villages and effective governance, the implementation of efficient development, as well as community development and empowerment of communities in the region. In the equal status, Villages and Traditional Villages shall be dealt separately in this Law.

The Minister in charge of Village today shall be the Minister of the Interior. In this position, the Minister of the Interior shall define the general requirements, technical guidance, and facilitation of Village governance, implementation of Village Development, Village community development and empowerment of Village community.

2. Objectives and Principles of Regulation

a. Objective of Regulation

The Government of the Republic of Indonesia was formed to protect the people of Indonesia and the entire country of Indonesia, promote the general welfare, the intellectual life of the nation and participate in the establishment of a world order based on freedom, lasting peace and social justice.

Law No. 25 of 2004 on National Development Planning System has set a National Long-Term Development Plan that shall be a manifestation of the purpose of establishment of the Indonesian government. The Village has a right to their origin and traditional rights to organize and manage the interests of the community acted to realize the ideals of independence based on the Constitution of the Republic of Indonesia Year 1945 needs to be protected and empowered in order to be strong, advanced, independent, and democratic so as to create a foundation that firm in implementing governance and development towards a just, and prosperous society. Thus, the purpose of the enactment of the Village Regulation in this Law shall be a further elaboration of the provisions as referred to in Article 18 paragraph (7) and Article 18B (2) of the Constitution of the Republic of Indonesia Year 1945, namely:



- 1) to give recognition and respect for the existing Village with diversity before and after the formation of the Republic of Indonesia;
 - 2) to provide clarity and legal certainty on the status of the Village in the constitutional system of the Republic of Indonesia in order to bring justice for all Indonesian people;
 - 3) to preserve and promote the customs, traditions, and culture of the Village community;
 - 4) to encourage initiatives, movements, and participation of the Village community and the potential for the development of the Village Assets for joint welfare;
 - 5) to establish a professional, efficient and effective, open, and accountable Village Administration;
 - 6) to improve public services for the citizens of the Village community in order to accelerate the realization general welfare;
 - 7) to increase the social and cultural resilience of the Village community in order to realize a Village community that is able to maintain social cohesion as part of the national defense;
 - 8) to improve the economy of the Village community and address the disparity of national development; and
 - 9) to strengthen the Village community as the subject of development.
- b. Principles of Regulation

The principles of regulation in this Law shall be:

- 1) recognition, namely the recognition of the rights of the origin;
- 2) subsidiarity, namely local determination and local decision making for the benefit of the Village community;
- 3) diversity, namely the recognition of and respect for the prevailing value system in the Village community, but with still regard the system of shared values in the life of the nation;
- 4) togetherness, namely the passion to play an active role and cooperate with the principle of mutual respect between institutions at the Village level and elements of Village community in building the Village;
- 5) mutual cooperation, namely the habit of mutual help to build the Village;
- 6) family, namely the habit of the Village residents as part of a whole family of the Village community;
- 7) deliberation, namely the decision-making process concerning the interests of the Village community through discussions with various stakeholders;



- 8) democracy, namely the system of Village community organization in a system of government by the Village community or with the consent of the Village community as well as the nobility of human dignity as creatures of God Almighty that are recognized, organized, and secured;
- 9) independence, namely a process conducted by the Village authorities and Village community to perform an activity in order to meet their needs with their own abilities;
- 10) participation, namely to be actively involved in activities;
- 11) equality, namely similarity in the position and role;
- 12) empowerment, namely improving the standard of living and welfare of the Village community through the establishment of policies, programs, and activities in accordance with the essence of the problem and the priority needs of the Village community; and
- 13) sustainability, namely a process that shall be done in a coordinated, integrated, and sustainable manner in planning and implementing Village development programs.

3. Materials of Content

This law confirms that the implementation of Village Administration, implementation of development, social development, and community empowerment based on Pancasila, the Constitution of the Republic of Indonesia Year 1945, the Republic of Indonesia, and Unity in Diversity.

This law sets the material on the principle of regulation, Status and Type of Village, Village Planning, Village Authority, Village Administration, Rights and Obligations of Village and the Village Community, Village Regulation, Village Finance and Village Asset, Village Development and Development of Village Area, Village Enterprise, Village Cooperation, Institute of Village Community and the Village Traditional Institution, as well as Development and Supervision. In addition, this Law also regulates the specific provision applies only to Traditional Villages as set out in Chapter XIII.

4. Village and Traditional Village

Village or as referred to by any other name has the common characteristics throughout Indonesia, while Traditional Village or referred to as by other names has different characteristics from the Village in general, mainly due to strong indigenous influence on the local administration system, management of local resources, and social and cultural life of the Village.



Traditional Village in principle shall be the governmental organizational legacy of the local communities maintained for generations that is still recognized and championed by the traditional Village leaders and community in order to function to develop social welfare and local cultural identities. Traditional Village has the rights of origin that shall be more dominant than the rights of the origin of a Village since the Traditional Village was born as indigenous communities that exist in the society. Traditional Village shall be a unity of indigenous peoples who historically have boundaries and cultural identity formed on the basis of territorial authorities to regulate and manage the interests of the Village based on the rights of origin.

Basically a customary law community unit is formed by three basic principles, namely genealogical, territorial, and / or territorial combined with genealogical. This Law regulates the customary law community unit that shall be a combination of genealogical and territorial. In that regard, the state shall recognize and respect customary law communities along with all the traditional rights that are still alive and in accordance with the development of society and the principles of the Republic of Indonesia. Implementation of the law community unit has existed and lived in the territory of the Republic of Indonesia, such as huta / Nagori in North Sumatra, gampong in Aceh, nagari in Minangkabau, marga in southern Sumatra, tiuh or pekon in Lampung, Pakraman / customary Village in Bali, lembang in Toraja, banua and wanua in Borneo, and negeri in Maluku.

In its development, Traditional Village has turned into more than 1 (one) Traditional Village; 1 (one) Traditional Village becomes a Village; more than 1 (one) Traditional Village becomes a Village; or 1 (one) traditional Village that also serves as a (one) Village / Sub District. Therefore, this law allows the change of status from a Village or sub district to be a Traditional Village so long as it is still alive and in accordance with the development of society and the principles of the Republic of Indonesia on the initiative of the community. Similarly, the status of a Traditional Village can turn into a Village / Sub District on the initiative of the community.

The determination of Traditional Village for the first time refers to the specific provisions as set out in Chapter XIII of this Law. The formation of new Traditional Villages shall be guided by the provisions set forth in Chapter III of this Law.

For the determination of Traditional Village as mentioned above, the main reference shall be verdicts of the Constitutional Court of the Republic of Indonesia, namely:



- a. Decision No. 010 / PUU-1 / 2003 concerning Judicial Review of Law No. 11 of 2003 on Amendment of Law No. 53 of 1999 on Establishment of Pelalawan, Rokan Hulu, Rokan Hilir, Siak, Karimun, Natuna, Kuantan Singingi Regencies and, and Batam City;
- b. Decision No. 31 / PUU-V / 2007 on Judicial Review of Law No. 31 of 2007 on Establishment of Tual City in Maluku Province;
- c. Decision No. 6 / PUU-VI / 2008 on Judicial Review of Law No. 51 of 1999 on the Establishment of Buol, Morowali, and Banggai Islands; and
- d. Decision No. 35 / PUU-X / 2012 on Judicial Review of Law No. 41 of 1999 on Forestry.

However, because the unity of customary law communities determined as the Traditional Villages perform the functions of government (local self-government) then there shall be an absolute requirement namely an area with clear boundaries, the presence of government, and other apparatuses, and coupled with one of the other institutions in the legal community life customs such as feelings together, wealth, and traditional governance institutions.

5. Village Institutions

This law regulates the institutions of Village / Traditional Village, namely the Government agency of Village / Traditional Village consisting of Village Government / Traditional Village and Village Consultative Body / Traditional Village, Village Community Institutions, and traditional institutions.

Village / Traditional Village Head or referred to as by any other name shall be the head of a Village / Traditional Village that leads the implementation of Village Administration. The Village / Traditional Village Head or referred to as by other names has an important role in his capacity as the representative of the country that shall be close to the community and as a community leader. Due to such a position, the principles of regulating the Village / Traditional Village Head shall be:

- a. the designation of the Village / Traditional Village Head shall be adapted to the local designation;
- b. the Village / Traditional Village Head shall serve as the head of the Village / Traditional Village administration and as a community leader;
- c. the Village Head shall be democratically elected directly by the local community and, except for the Traditional Village, it can use a local mechanism; and



- d. the nomination of Village Head in direct elections does not use a base of political parties so that the Village Head may not serve as caretakers of political party official.

Given the increasingly stronger position, authority, and Village Finance, the implementation of Village Administration is expected to be more accountable supported by a system of checks and balances between the Village Government and Village institutions. The Village institutions, in particular the Village Consultative Body in the position has an important function in preparing the policies of the Village Government together with the Village Head, should have the same vision and mission as the Village Head so that the Village Consultative Body cannot topple the Village Head elected democratically by the people of the Village.

6. Village Consultative Body

The Village Consultative Body or referred to as by other names shall be an institution that performs the functions of government whose members shall be representative of the population of the Village based on the representation of regions and elected democratically.

The Village Consultative Body shall be a consultative body at the Village level that discusses and agrees on the implementation of Village Administration. In an effort to improve the performance of institutions at the Village level, strengthen unity, and increase community participation and empowerment, the Village government and / or the Village Consultative Body shall facilitate the implementation of the Village Consultative Meeting. The Village Consultative Meeting or referred to as by any other names shall be a forum for consultation between the Village Consultative Body, Village government, and community elements organized by the Village Consultative Body to deliberate and agree on things that shall be strategic in the administration of the Village administration. The results of the Village Consultative Meeting shall be in the form of an agreement set forth the basis of the results of consultation used by the Village Consultative Body and Village Government Village Government in setting policies.

7. Village Regulation

Village regulation shall be set by the Village Head after being discussed and agreed together with the Village Consultative Body that shall be a legal and policy framework in the implementation of Village Administration and Village Development.



The Determination of a Village regulation shall be translation of various competencies of a Village that refers to the provisions of the superior legislations. As a legal product, a Village Regulation must not conflict with the higher laws and may not be detrimental to the public interest, namely:

- a. disruption of harmony between the various groups;
- b. disruption of access to public services;
- c. disruption of the peace and public order;
- d. disruption of economic activity to improve the welfare of the Village community; and
- e. discrimination against race, religion and belief, race, intergroup, and gender.

As a political product, Village Regulation shall be formulated on a democratic and participatory basis, namely drafting process involving the participation of Village community. The Village community shall have the right to propose or provide input to the Village Head and Village Consultative Body in the process of preparation of Village regulations.

Village regulations governing the authority of a village based on the rights of origin and village scale authority shall be monitored by the Village community and Village Consultative Body. It is intended for the implementation of Village Regulations can always be supervised on an ongoing basis by the local Village residents as Village Regulations are established for the benefit of the Village community.

In case of violation of a Village Regulation that has been established, the Village Consultative Body shall be obliged to record and follow up on such violation in accordance with the authority. That is one of the supervisory functions owned by the Village Consultative Body. Besides the Village Consultative Body, the Village people also have the right to conduct participatory monitoring and evaluation of the implementation of Village regulations.

Types of Village regulations, in addition to Village Regulation, shall be Village Head Regulation and Joint Village Head Regulation.

8. Village Head Election

The Village Head shall be directly elected by and from the residents of the Village of Indonesian citizens who meet the requirements for the period of 6 (six) years from the date of



appointment. The Village Head can serve at most three (3) consecutive terms in a row or not consecutive while the filling of positions and tenure of Traditional Village Head shall follow the applicable provisions of customary law in the Traditional Village that still alive and in accordance with the development of society and the principles of the Republic of Indonesia that shall be defined in a Regency / City regulation with reference to government regulation.

Especially with regard to the election of Village Head in this Law shall be set to be implemented simultaneously in all parts of the Regency / City with a view of avoiding the negative things in practice.

The simultaneous Village Head Election considering the number of the Village and the ability of election costs charged to Regency / City Budget so that tiered implementation shall be allowed as long as regulated in a Regency / City Regulation.

As a result of the implementation of simultaneous Village Head election policies, this Law sets the filling of positions of the Village Head who quit and terminated before the expiry of the term of office.

The position of Traditional Village Head shall be filled under the provisions applicable to Traditional Villages. In the event of a vacancy of the Head of the Traditional Village, the Regency / City government can determine an official from the traditional Village community.

9. Village Revenue Source

Village shall have Village revenue sources consisting of Village original revenue, division of proceeds of local taxes and levies of the Regency / City, part of the central and regional balance fund received by the Regency / City, budget allocations from the State Budget, financial assistance from the Provincial and Regency / City Budget, as well as grants and donations that shall not be binding from third parties.

Financial assistance from the Provincial and Regency / City Budget to the Village shall be given in accordance with the financial capability of the relevant Regional Governments. The assistance shall be directed for accelerating the Village Development. Other sources of revenue that can be cultivated by the Village comes from the Village-owned enterprises, management of Village market, management of Village-scale



tourist areas, management of non-metallic minerals mining and quarry rock without using heavy equipment, as well as other sources and not for sale.

The part of balance funds received by the Regency / City Government shall be at least 10% (ten percent) after being deducted with the Special Allocation Fund, hereinafter referred to as the Village Fund Allocation.

The budget allocation for Village sourced from the Central Government Expenditure shall be done with effective Village-based program that shall be equitable and fair.

10. Village and Village Area Development

Village Development aims to improve the welfare of the Village community and the quality of human life and reduce poverty through the provision of basic needs, infrastructure development, local economic potential development, as well as the use of natural resources and the environment in a sustainable manner. To that end, this Law uses two (2) approaches, namely “Village Develops” and “Develops Village” that shall be integrated in the planning of Village Development.

As a consequence, the Village shall prepare its development planning in accordance with the authority with respect to the Regency / City development planning. The Village Development plan shall be the only Document in the Village as a basis for preparing the Village Budget. The Planning of Village Development shall be organized by involving the Village community participation through a Village Development Plan Consultative Meeting. The Village Development Plan Consultative Meeting shall set the priorities, programs, activities, and needs of Village Development funded by the Village Budget, Village community fund, and / or Regency / City Budget based on an assessment of the needs of the Village community. The Village Development shall be carried out by the Village government and Village community with a spirit of mutual cooperation by taking advantage the local knowledge and natural resources of the Village. The implementation of sector programs that go to the Village shall be informed to the Village Government and integrated to the Village Development plan. The Village community shall be entitled to information and monitoring of the plan and the implementation of Village Development.

In line with the demands and dynamics of development of the nation, it is necessary to develop Village Areas. The Village Area



Development shall be a combination of inter-Village development in the Regency / City as an effort to accelerate and improve the quality of service, development, and empowerment of Village community in the Village Area through participatory development approach. Therefore, the design of development of Village Areas shall be discussed jointly by the Government, Provincial Government, Regency/City Government, and Village Government.

11. Village Social Institution

In a Village shall be established Village social institutions, such as neighborhood block, neighborhood ward, family welfare development, youth organization, and community development agencies or referred to as by other name. The Village community institution is responsible for assisting the Village Government and shall be a partner in empowering the Village community.

The Village community organization shall function as a container for the Village community participation in the development, governance, social, and empowerment that leads to the realization of democratization and transparency at the community level as well as creating access to people's more active role in development activities.

12. Village Traditional Institution

Customary law community units that are still alive and in accordance with the development of society and the principles of the Republic of Indonesia shall be the center of independent community life. In the customary law community unit, we recognize traditional institutions that have proliferated in the lives of its people. In the existence, community customary law has jurisdiction of customary law and rights of assets in the customary law area and has the right and authority to organize, administer, and resolve issues related to the life of the Village community with regard to customs and customary law. Village Traditional institutions shall be partners of Village Government and other Village institutions in empowering the Village community.

13. Special Provisions

Specifically for the Provinces of Aceh, Papua, and West Papua, the Regency / City Governments in setting policies on Village Regulation in addition to the provisions in this Law shall also observe:

- a. Law No. 21 of 2001 on Special Autonomy for Papua Province as amended by Law No. 35 of 2008 on Government Regulation



in Lieu of Law No. 1 of 2008 on the Amendment of Law No. 21 of 2001 on Special Autonomy for Papua Province into Law; and
b. Law No. 11 Year 2006 on the Government of Aceh.

II. ARTICLE BY ARTICLE

Article 1

Self explanatory.

Article 2

Self explanatory.

Article 3

Self explanatory.

Article 4

Self explanatory.

Article 5

A Village located in a Regency / City area shall be formed in the state administration system as referred to in Article 18 of the Constitution of the Republic of Indonesia Year 1945.

Article 6

This provision shall be to prevent overlapping of area, authority, institutional duplication between Village and Traditional Village in 1 (one) area so that in 1 (one) region there shall be only one Village or Traditional Village.

For there has been an overlap between the Village and the Traditional Village in 1 (one) region, must be selected one type of Village in accordance with the provisions of this Law.

Article 7

Paragraph (1)

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Letter a

Self explanatory.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

The meaning of “change of status” shall be change of status from a Village into a sub district and change of a sub district into a village and change of a Traditional Village into a Village

Letter e



The meaning of “determination of Traditional Village” shall be the determination of customary law community unit and Traditional Village that have been there for the first time by the Regency / City to be a Traditional Village by a Regency / City Government.

Article 8

Paragraph (1)

Village formation can be:

- a. expansion of 1 (one) Village into 2 (two) Village or more;
- b. incorporation of part of a Village from adjacent Village into 1 (one) Village; or
- c. merging several Village into 1 (one) new Village.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Paragraph (6)

Self explanatory.

Paragraph (7)

Self explanatory.

Paragraph (8)

Self explanatory.

Article 9

The meaning of “strategic national program” shall be among other programs for constructing dam or dams that covers the whole of the Village.

Article 10

Self explanatory.

Article 11



Paragraph (1)

Self explanatory.

Paragraph (2)

The meaning of “burden of Regency / City Budget” shall include the provision of severance funds for the Village Head and Village apparatuses dismissed as a result of changes in the status of a Village into a sub district.

Article 12

Paragraph (1)

The meaning of “changing the status of a sub district into a Village” shall be the change in the status of a sub district into a Village or part of a sub district into a Village and some remain a Village. This shall be done in a certain period of time to adjust the sub district whose life is still rural in nature.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Article 13

The meaning of “special and strategic region” shall include outermost regions in the border area, transmigration program, and other programs that shall be considered strategic.

Article 14

Self explanatory.

Article 15

Self explanatory.

Article 16

Self explanatory.

Article 17



Paragraph (1)

Self explanatory.

Paragraph (2)

Maps must of Village boundaries shall include relevant technical agencies.

Article 18

The meaning of “right of the origin and customs of the Village” shall be a right that shall be still alive and in accordance with the development of community life and the principles of the Republic of Indonesia.

Article 19

Letter a

The meaning of “right of origin” shall be a right that shall be a legacy that shall be still alive and initiative of the Village or Village community in accordance with the development of the community life, among others organizational systems of indigenous peoples, institutions, organization and customary law, Village treasury land, as well as agreement in the Village community life.

Letter b

The meaning of “Village-scale local authority” shall be the authority to regulate and manage the interests of the Village community that has been run by the Village or as effectively run by the Village or that arise dues to the development of the Village and the initiative of the Village community, among others, boat moorings, Village market, public baths, irrigation, sanitation, health posts, art galleries and learning, as well as Village library, Village ponds and Village roads.

Letter c

Self explanatory.

Letter d

Self explanatory.

Article 20

Self explanatory.

Article 21



Self explanatory.

Article 22

Self explanatory.

Article 23

Self explanatory.

Article 24

Letter a

The meaning of “legal certainty” shall be the principle in state law that promotes the foundation of legislation, decency, and fairness in every Village government policy implementation.

Letter b

The meaning of “orderly government administration” shall be the principle on that the order, harmony, and balance in the control of administrators of the Village.

Letter c

The meaning of “orderly public interest” shall be a principle that put the general welfare in a way that shall be aspirational, accommodating, and selective.

Letter d

The meaning of “openness” shall be the principle that is open up to the public's right to obtain correct, honest, and non-discriminatory implementation of Village Government with regard to the provisions of legislation.

Letter e

The meaning of “proportionality” shall be the principle that promotes a balance between the rights and obligations of the organization of Village Government.

Letter f

The meaning of “professionalism” shall be the principle of prioritizing skills based on code of ethics and the provisions of the legislations.

Letter g



The meaning of “accountability” shall be a principle that determines that each activity and the results of activities of the Village Administration must be accountable to the Village community in accordance with the provisions of the legislations.

Letter h

The meaning of “effectiveness” shall be the principle that determines that any activities undertaken must successfully achieve the desired goal of the Village community.

The definition of “efficiency” shall be the principle that determines that any of the activities to be carried out exactly according to plan and objective.

Letter i

The definition of “local knowledge” shall be a principle that asserts that in setting the policy, it must address the needs and interests of the Village community.

The meaning of “diversity” shall be the operation of the Village Government should not be discriminatory against certain groups of people.

Letter k

The meaning of “participatory” shall be the implementation of the Village Government that include village institution and village community elements.

Article 25

The designation of other name for the Village Head and Village can use any designation in their respective areas.

Article 26

Paragraph (1)

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Letter a



Self explanatory.

Letter b

Self explanatory.

Letter c

Health insurance given to the Village Head shall be integrated with the insurance provided by the Government in accordance with the provisions of the legislations.

Letter d

Self explanatory.

Letter e

Self explanatory.

Paragraph (4)

Self explanatory.

Article 27

Self explanatory.

Article 28

Self explanatory.

Article 29

Self explanatory.

Article 30

Self explanatory.

Article 31

Self explanatory.

Article 32

Paragraph (1)



The Notification of the Village Consultative Body to the Village Head of the expiration of the term of office of the Village Head with the Copy submitted to the Regent / Mayor.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

The meaning of “community leaders” shall be religious leaders, traditional leaders, educational leaders, and other community leaders.

Article 33

Self explanatory.

Article 34

Paragraph (1)

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Paragraph (6)

Village Head election costs shall be charged to the Regency / City Budget for the procurement of ballots, ballot boxes, other equipment, honoraria of the committee, and cost of inauguration.

Article 35



Self explanatory.

Article 36

Self explanatory.

Article 37

Self explanatory.

Article 38

Self explanatory.

Article 39

The meaning of “since the date of inauguration” shall be a person who has been appointed as the Village Head if the person concerned resigns before the expiry of his term of office shall be deemed to have served one term of 6 (six) years.

The Village Head who has served one term of office pursuant to Law No. 32 of 2004 shall be given the opportunity to contest maximally for 2 (two) terms. Meanwhile, the Village Head, who has served for two (2) times of term of office pursuant to Law No. 32 of 2004 shall be given the opportunity to contest only for 1 (one) term.

Article 40

Paragraph (1)

Self explanatory.

Paragraph (2)

Letter a

The meaning of “end of his tenure” shall be when a Village Head whose term of 6 (six) years from the date of the inauguration has expired shall be dismissed. In the event that there is no candidate can be elected and no election has been held, an acting village head shall be appointed.

Letter b

The meaning of “not able to carry out duties on an ongoing basis or permanently unavailable” shall be when the Village Head is sick that results in, both physically and mentally, he is unable to serve normally as evidenced by a medical certificate and / or his whereabouts is unknown.



Letter c

Self explanatory.

Letter d

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Article 41

Self explanatory.

Article 42

Self explanatory.

Article 43

Self explanatory.

Article 44

Self explanatory.

Article 45

Self explanatory.

Article 46

Paragraph (1)

The meaning of “not more than 1 (one) year” shall be 1 (one) year or less.

Paragraph (2)

Self explanatory.

Article 47

Paragraph (1)



Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

The meaning of “Village consultative meeting” shall be a meeting organized by the Village Consultative Board specifically for the selection of temporary village Head (not deliberation of the Village Consultative Board), starting from the establishment of candidates, election of candidates, and determination of the elected candidate.

Paragraph (4)

Self explanatory.

Paragraph (5)

The tenure of the Village Head elected through Village Consultation since he is appointed by the Regent / Mayor or his representative.

Paragraph (6)

Self explanatory.

Article 48

Self explanatory.

Article 49

Paragraph (1)

Self explanatory.

Paragraph (2)

The meaning of “sub-district” shall be a sub-district or as referred to as by other names.

Paragraph (3)

Self explanatory.

Article 50

Self explanatory.



Article 51

Self explanatory.

Article 52

Self explanatory.

Article 53

Self explanatory.

Article 54

Paragraph (1)

Village Consultative Meeting shall be a meeting forum of all stakeholders in the Village, including the community, in order to outline the important thing shall be done by the Village government and also about the needs of the Village community.

These results set the tone for the Village government and other agencies in the performance of duties.

The meaning of “elements of communities” shall be among others, traditional leaders, religious leaders, community leaders, education leaders, representatives of farmers, fishermen, artisan groups, women's groups, and poor society groups.

Paragraph (2)

Letter a

In terms of Village structuring, the Village consultative meeting shall only give consideration and input to the Regency / City Government.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e



Self explanatory.

Letter f

Self explanatory.

Letter g

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Article 55

Self explanatory.

Article 56

Paragraph (1)

The meaning of “done democratically” shall be to be processed through the electoral process directly and through representative deliberation process.

Paragraph (2)

The Village Consultative Body membership period shall be from the date of taking oath / pledge.

Paragraph (3)

Self explanatory.

Article 57

Self explanatory.

Article 58

Self explanatory.

Article 59

Self explanatory.



Article 60

Self explanatory.

Article 61

Letter a

The meaning of “request for information” shall be a request that shall be information about governance, implementation of development, social development, and empowerment of Village community, not in the context of accountability report of the Village Head.

Letter b

Self explanatory.

Letter c

Self explanatory.

Article 62

Self explanatory.

Article 63

Self explanatory.

Article 64

Self explanatory.

Article 65

Self explanatory.

Article 66

Paragraph (1)

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.



Paragraph (4)

Health insurance given to the Village Head and Village apparatuses shall be integrated with the insurance services carried out by the Government in accordance with the provisions of the legislations.

Before the Social Security program reaches the Village level, health insurance can be done through cooperation of the Regency / City and State Owned Enterprises or by providing health insurance card in accordance with the financial capacity of each region that shall be regulated by the Regency / City.

Paragraph (5)

Self explanatory.

Article 67

Self explanatory.

Article 68

Self explanatory.

Article 70

Self explanatory.

Article 71

Self explanatory.

Article 72

Paragraph (1)

Letter a

The meaning of “Village original revenue” shall be revenue derived from the authority of the Village of based on rights of origin and Village scale local authority.

The definition of “net income” shall include also

BUM results Village and crooked land.

Letter b



The meaning of “The budget shall be derived from the State Budget” shall be the budget earmarked for the Village and the Traditional Village transferred through the Regency / City Budget used to finance the delivery of governance, development, and community empowerment, and community.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

Self explanatory.

Letter f

Self explanatory.

Letter g

The meaning of “other legitimate Village revenue” shall be, among others, revenues as a result of cooperation with third parties and assistance of companies located in the Village.

Paragraph (2)

The amount of budget allocations directly to the Village shall be specified by 10% (ten percent) from beyond the regional transfer fund (on top) gradually.

The budget that comes from the State Budget shall be calculated based on the number of Villages and allocated by taking into account the population, poverty, area, and degree of geographical difficulty in order to improve the welfare and Village development distribution.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)



Self explanatory.

Paragraph (6)

Self explanatory.

Article 73

Self explanatory.

Article 74

Paragraph (1)

In determining the Village expenditure, we can allocate incentives to neighborhood block (RT) and neighborhood ward (RW) with the consideration that although the neighborhood block (RT) and neighborhood ward (RW) are social institutions, they help implement the mission, governance, planning, order, and the empowerment of Village community.

Paragraph (2)

The meaning of “unlimited” shall be the development needs beyond the basic services needed by the community Village.

The meaning of “primary need” shall be the need for food, clothing, and housing.

The meaning of “basic services” shall be among others education, health, and basic infrastructure.

Article 75

Self explanatory.

Article 76

Paragraph (1)

Self explanatory.

Paragraph (2)

Letter a

Self explanatory.

Letter b



The meaning of “donation” shall be including donated land in accordance with the provisions of the legislations.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Paragraph (6)

Self explanatory.

Article 77

Self explanatory.

Article 78

Self explanatory.

Article 79

Self explanatory.

Article 80

Self explanatory.

Article 81

Self explanatory.



Article 82

Self explanatory.

Article 83

Self explanatory.

Article 84

Self explanatory.

Article 85

Self explanatory.

Article 86

Self explanatory.

Article 87

Paragraph (1)

A Village BUM shall be formed by the Village government to utilize all the economic potential, economic institution, and natural resources and human resources in order to improve the welfare of the Village community.

A Village BUM cannot specifically be equated with legal entities such as limited liability company, CV, or cooperatives. Therefore, Village BUM shall be a business entity characterized by Village in the implementation of activities in addition to helping the organization of Village Government, also to meet the needs of the Village community. A Village BUM can also perform the function of services, trade, and other economic development.

In increasing revenue sources Village, Village BUM can collect savings at local Village community, among others, through the management of revolving funds and savings and loans.

A Village BUM in its activities is not only financial profit-oriented, but also oriented to support the improvement of the welfare of the Village community. A Village BUM shall be expected to develop a business unit in the utilization of economic potential. In terms the business activities can run and develop properly, it shall be possible that in time the Village BUM follow the legal entity that has been set out in the provisions of the legislations.



Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Article 88

Self explanatory.

Article 89

Self explanatory.

Article 90

Letter a

Self explanatory.

Letter b

The meaning of “assistance” shall be included provision of supporting and management human resources.

Letter c

Self explanatory.

Article 91

Self explanatory.

Article 92

Self explanatory.

Article 93

Self explanatory.

Article 94

Self explanatory.

Article 95

Self explanatory.



Article 96

The determination of customary law community unit and traditional Village that are currently existing to be a traditional Village shall be done only for 1 (one) time.

Article 97

This provision shall be in accordance with the Decision of the Constitutional Court, namely:

- a. Decision No. 010 / PUU-1 / 2003 concerning Judicial Review of Law No. 11 of 2003 on Amendment of Law No. 53 of 1999 on the Establishment of Pelalawan, Rokan Hulu, Rokan Hilir, Siak, Karimun, Natuna, Kuantan Singingi Regencies, and Batam City;
- b. Decision No. 31 / PUU-V / 2007 on Judicial Review of Law No. 31 of 2007 on establishment of Tual City in Maluku Province;
- c. Decision No. 6 / PUU-VI / 2008 concerning Judicial Review of Law No. 51 of 1999 on Establishment of Buol, Morowali, and Banggai Islands Regencies; and
- d. Decision No. 35 / PUU-X / 2012 on Judicial Review of Law No. 41 of 1999 on Forestry.

Article 98

Paragraph (1)

The meaning of “determination of the Traditional Village” shall be the determination for the first time.

Paragraph (2)

Self explanatory.

Article 99

Self explanatory.

Article 100

Paragraph (1)

Changes in the status of a Traditional Village into a sub district should through the phase of being a Village, while the change of status of a Village into a Traditional Village must go through the phase of being a Village.

Paragraph (2)



Self explanatory.

Article 101

Self explanatory.

Article 102

Self explanatory.

Article 103

Letter a

The meaning of “original composition” shall be a system of traditional Village life organization known in their respective territories.

Letter b

The meaning of “customary or indigenous territories” shall be the territory of life of a customary law communities.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

Self explanatory.

Letter f

Self explanatory.

Letter g

Self explanatory.

Article 104

The meaning of “diversity” shall be the administration of a traditional Village shall not discriminate against certain groups of people.

Article 105

Self explanatory.



Article 106

Self explanatory.

Article 107

Self explanatory.

Article 108

Self explanatory.

Article 109

Self explanatory.

Article 110

Self explanatory.

Article 111

Self explanatory.

Article 112

Paragraph (1)

The government in this case shall be the Minister of the Interior who performs general guidance for Village Administration.

Provincial Government in this regard shall be the Governor as the representatives of the central government.

Paragraph (2)

Self explanatory.

Paragraph (3)

The government in this case shall be the Minister of the Interior who perform community empowerment.

The Provincial Government in this regard shall be the governor as the representative of the Central Government.

Paragraph (4)

The definition of “assistance” shall include the provision of supporting and management human resources.



Article 113

Self explanatory.

Article 114

Self explanatory.

Article 115

Letter a

Self explanatory.

Letter b

Self explanatory.

Letter c

Self explanatory.

Letter d

Self explanatory.

Letter e

The meaning of “supervision” shall include the cancellation of Village Regulation.

Letter f

Self explanatory.

Letter g

Self explanatory.

Letter h

Self explanatory.

Letter i

Self explanatory.

Letter J

Self explanatory.



Letter k

Self explanatory.

Letter l

Self explanatory.

Letter m

Self-explanatory

Letter n

Self explanatory.

Article 116

Paragraph (1)

Self explanatory.

Paragraph (2)

In accordance with the legislations that applicable, prior to this Law, the entity recognized shall be Village. Therefore, with the enactment of the Law, Regency/City Governments shall be empowered to rearrange the Village status into Village or Traditional Village under the provision they may not increase the number of Villages.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Article 117

Self explanatory.

Article 118

Self explanatory.

Article 119

Self explanatory.



Article 120

Self explanatory.

Article 121

Self explanatory.

Article 122

Self explanatory.

SUPPLEMENT TO THE OFFICIAL GAZETTE OF THE REPUBLIC OF
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