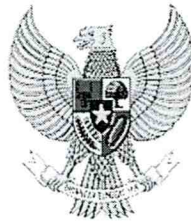

AUTHORIZED TRANSLATION



**REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF
INDONESIA**

NUMBER: 37/M-DAG/PER/9/2010

REGARDING

**DELEGATION OF A PART OF THE ADMINISTRATION AFFAIRS IN THE TRADE
SECTOR TO THE GOVERNOR AS GOVERNMENT REPRESENTATIVE IN THE
FRAMEWORK OF THE IMPLEMENTATION OF DE-CONCENTRATION OF
FISCAL YEAR 2011**

BY THE GRACE OF ALLAH THE ONE SUPREME GOD

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering : a. that in the framework of implementing Article 16 paragraph (5) of the Government Regulation Number 7 of 2008 regarding De-concentration and Assistance Duties, it is necessary to determine the administration affairs scope in the trade sector, which will be delegated to the Governor as Government Representative in the region;
- b. that based on the considerations, as meant in letter a, it is necessary to determine the Regulation of the Minister of Trade.
- In view of : 1. Law Number 17 of 2003 regarding State Finances (State Gazette of the Republic of Indonesia of 2003



- Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4286);
2. Law Number 1 of 2004 regarding State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);
 3. Law Number 15 of 2004 regarding Inspection on the State Finances Management and Responsibility (State Gazette of the Republic of Indonesia of 2004 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 4400);
 4. Law Number 25 of 2004 regarding the National Development Planning System (State Gazette of the Republic of Indonesia of 2004 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 4421);
 5. Law Number 32 of 2004 regarding Local 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 has been several times amended, latest with Law Number 12 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 4844);
 6. Law Number 33 of 2004 regarding Financial Balance between the Central Government and Local Government (State Gazette of the Republic of Indonesia of 2004 Number 126, Supplement to the State Gazette of the Republic of Indonesia Number 4438);
 7. Law Number 39 of 2008 regarding State Ministry (State Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to the State Gazette of the



- Republic of Indonesia Number 4916);
8. Government Regulation Number 20 of 2004 regarding Government Work Plan (Supplement to the State Gazette of the Republic of Indonesia of 2004 Number 74, Supplement to the State Gazette of the Republic of Indonesia Number 4405);
 9. Government Regulation Number 24 of 2005 regarding Government Accountancy Standard (State Gazette of the Republic of Indonesia of 2005 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 4503);
 10. Government Regulation Number 6 of 2006 regarding Management of State/Regional Assets (State Gazette of the Republic of Indonesia of 2006 Number 20, Supplement to the State Gazette of the Republic of Indonesia Number 4609), as has been amended with Government Regulation Number 38 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 78, Supplement to the State Gazette of the Republic of Indonesia Number 4855);
 11. Government Regulation Number 39 of 2006 regarding Method of Control and Evaluation on Implementation of the Development Plan (State Gazette of the Republic of Indonesia of 2006 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 4663);
 12. Government Regulation Number 38 of 2007 regarding Allocation of Administration Affairs among the Government, Provincial Government, and Regency/City Government (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4737);



13. Government Regulation Number 41 of 2007 regarding Regional Apparatus Organization (State Gazette of the Republic of Indonesia of 2007 Number 89, Supplement to the State Gazette of the Republic of Indonesia Number 4741);
14. Government Regulation Number 7 of 2008 regarding De-concentration and Assistance Duties (State Gazette of the Republic of Indonesia of 2008 Number 20, Supplement to the State Gazette of the Republic of Indonesia Number 4816);
15. Government Regulation Number 19 of 2010 regarding Implementation Method of the Duties and Authority of the Governor as Government Representative at the Provincial Area;
16. Presidential Decree Number 42 of 2002 regarding Guidelines for Implementation of the State Budget (State Gazette of the Republic of Indonesia of 2002 Number 73, Supplement to the State Gazette of the Republic of Indonesia Number 4212), as has been amended with the Presidential Decree Number 72 of 2004 (State Gazette of the Republic of Indonesia of 2004 Number 9, Supplement to the State Gazette of the Republic of Indonesia Number 4418);
17. Presidential Decree Number 84/P of 2009 regarding Formation of the United Indonesia Cabinet II;
18. Regulation of the President Number 47 of 2009 regarding Formation and Organization of the State Ministry;
19. Regulation of the President Number 24 of 2010 regarding the Status, Duties and Functions of the State Ministry and Organization Structure, Duties and Functions of Echelon I of the State Ministry;
20. Regulation of the President Number 54 of 2010



regarding Guidelines for Procurement of Government Goods/Service;

21. Regulation of the Minister of Finances Number 134/PMK.06/2005 regarding Guidelines for Payment in the Implementation of the State Budget;
22. Regulation of the Minister of Finances Number 91/PMK.05/2007 regarding Standard Accounting Scheme;
23. Regulation of the Minister of Finances Number 120/PMK.06/2007 regarding Administration of State Assets;
24. Regulation of the Minister of Finances Number 171/PMK.05/2007 regarding Accounting System and Financial Reporting of the Central Government;
25. Regulation of the Minister of Finances Number 96/PMK.06/2007 regarding Method of Implementation of Use, Utilization, Eradication, and Handover of State Assets;
26. Regulation of the Minister of Finances Number 156/PMK.07/2008 regarding Guidelines for Management of the De-concentration Fund and Assistance Duties;
27. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 regarding Organization and Work Method of the Ministry of Trade;

HAS DECIDED:

To stipulate : **THE REGULATION OF THE MINISTER OF TRADE REGARDING THE DELEGATION OF A PART OF THE ADMINISTRATION AFFAIRS IN THE TRADE SECTOR TO THE GOVERNOR AS GOVERNMENT REPRESENTATIVE IN THE FRAMEWORK OF IMPLEMENTING THE DE-CONCENTRATION OF FISCAL YEAR 2011**



CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation of the Minister, the meaning of:

1. De-concentration is the delegation of authority from the Government to the Governor as the Government representative and/or to the Vertical Agency in a certain area.
2. Provincial Apparatus Work Unit (Satuan Kerja Perangkat Daerah), hereinafter referred to as Provincial SKPD, is the organization/institution at the Local Government, which is responsible for the implementation of de-concentration in the trade sector at the province.
3. De-concentration Fund is the fund originating from the State Budget, which is implemented by the Governor as the Government representative covering all incomes and expenditures in the framework of implementing the de-concentration, not including the fund to be allocated for the central government vertical agency in the region.
4. Government Work Plan (Rencana Kerja Pemerintah), hereinafter referred to as RKP, is the national planning document for the period of 1 (one) year.
5. Ministry/Institution Work Plan (Rencana Kerja Kementerian/Lembaga), hereinafter referred to as Renja-K/L, is the planning document of the Ministry/Institution for the period of 1 (one) year.
6. Ministry/Institution Work Plan and Budget (Rencana Kerja dan Anggaran Kementerian/Lembaga), hereinafter referred to as RKA-K/L, is the planning and budgeting document containing he programs and



- activities of a Ministry/Institution, which is the clarification of the Government Work Plan and Strategic Plan of the concerned Ministry/Institution in 1 (one) fiscal year, as well as the budget to implement it.
7. Regional Budget (Anggaran Pendapatan dan Belanja Daerah), hereinafter referred to as APBD, is the annual financial plan of the local government, which is approved by the Regional House of Representatives and determined with the Regional Regulation.
 8. Central Government, hereinafter referred to as Government, is the President of the Republic of Indonesia who holds the state government power of the Republic of Indonesia, as meant in the 1945 Constitution of the Republic of Indonesia.
 9. Regional House of Representatives (Dewan Perwakilan Rakyat Daerah), hereinafter referred to as DPRD, is the regional institution of representatives, as the regional administration implementer.
 10. State Assets (Barang Milik Negara), hereinafter referred to as BMN, are all goods that are purchased or obtained by the State and charged to the National Budget or from other legal procurements.
 11. Ministry of Trade, hereinafter referred to as Ministry, is the government apparatus that handles the government trade affairs.
 12. Director General of Domestic Trade (Direktur Jenderal Perdagangan Dalam Negeri), hereinafter referred to as Dirjen PDN, is the Director General whose duties and responsibilities are in the domestic trade sector.
 13. Director General of Foreign Trade (Direktur Jenderal Perdagangan Luar Negeri), hereinafter referred to as Dirjen Daglu, is the Director General whose duties and responsibilities are in the foreign trade sector.



14. Director General of Standardization and Consumer Protection (Direktur Jenderal Standardisasi dan Perlindungan Konsumen), hereinafter referred to as Dirjen SPK, is the Director General whose duties and responsibilities are in the Standardization and Consumer Protection sector.
15. Director General of National Export Development (Direktur Jenderal Pengembangan Ekspor Nasional), hereinafter referred to as Dirjen PEN, is the Director General whose duties and responsibilities are in the national export development.
16. Head of the Commodity Trade Control Board (Badan Pengawas Perdagangan Berjangka Komoditi), hereinafter referred to as Head of Bappebti, is the Board which duties and responsibilities are in the commodity trade control sector.
17. Secretariat General is the Secretariat General of the Ministry of Trade.
18. Minister is the Minister who handles the trade affairs.

CHAPTER II

OBJECTIVE

Article 2

This Regulation of the Minister is intended to provide the policy direction of the Government in the trade sector to the Governor, as the Government representative, in order to implement and coordinate the implementation of de-concentration at the trade sector in the region.

CHAPTER III

DELEGATED SCOPE OF AFFAIRS

Article 3

- (1) The Government delegates a portion of the administration affairs in the trade sector, which is the



authority of the Governor, to the Governor as the Government representative.

- (2) A portion of the administration affairs in the trade sector, which is delegated to the Governor as the Government representative, are non-physical activities.
- (3) A portion of the administration affairs in the trade sector, which is delegated to the Governor, as meant in paragraph (1), is contained in the Appendix that is inseparable of this Regulation of the Minister.
- (4) The administration affairs, as meant in paragraph (3), have been determined in the Renja K/L, which refers to the RKP and RKA-K/L of the 2011 Fiscal Year.

CHAPTER IV

IMPLEMENTATION OF DE-CONCENTRATION

Article 4

- (1) The Minister delegates a portion of the administration affairs in the trade sector to 33 governors.
- (2) The delegation of a portion of the administrative affairs in the trade sector, as meant in Article 3, may not be delegated to other parties.
- (3) The delegation of a portion of the administrative affairs in the trade sector, as meant in paragraph (1), is effective until 31 December 2011.

Article 5

- (1) In the implementation of the delegation of a portion of the administrative affairs in the trade sector, as meant in Article 3, the Governor should:
 - a. synchronize the implementation of the local administration affairs and guarantee that the de-concentration activities are implemented effectively and efficiently; and



- b. guarantee the realization of the coordination, control, guidance, supervision and reporting.
- (2) The Governor notifies the DPRD regarding the implementation of the administration affairs that are delegated to the Governor, as meant in Article 3.
- (3) The implementation of the administration affairs that are delegated to the Governor, as meant in Article 3, should follow the norms, standards, guidelines, criteria and policies of the Government, as well as the synchronization, benefit, and fluency of the administration duties implementation and the regional development.

Article 6

- (1) In implementing the administration affairs in the trade sector, as meant in Article 3, the Governor determines the Provincial SKPD, which is responsible in the trade sector as implementer of the administration affairs in the trade sector.
- (2) In addition to determining the Provincial SKPD, which is responsible in the trade sector, as meant in paragraph (1), the Governor also determines the:
 - a. Head of SKPD as the budget use power/commodity use power;
 - b. Commitment preparation Official;
 - c. Collection test/payment order signatory Official; and
 - d. Expenditure Treasurer.
- (3) The Governor submits the results of determination, as meant in paragraph (2), to the Minister with a copy to the Minister of Finances, in this case the Director General of Treasury.
- (4) The implementation of budget by the Provincial SKPD,



which is responsible in the trade sector, as meant in paragraph (1), follows the norms, standards, procedures, criteria determined by the Minister and provisions of the legislative regulations.

- (5) The Governor makes the coordination with the Minister through the Dirjen PDN, Dirjen Daglu, Dirjen SPK, Dirjen PEN, or Head of Bappebti regarding the:
- a. implementation of the regulation, guidance and technical control functions on the performance of the de-concentration activities; and
 - b. implementation of the monitoring and evaluation on the technical performance achievement in the region that are carried out by the Provincial SKPD, which is responsible in the trade sector.

CHAPTER V

DUTIES AND RESPONSIBILITIES IN IMPLEMENTING THE ACTIVITIES

Article 7

- (1) The Head of the Provincial SKPD, who is responsible in the trade sector, is assigned and responsible for the activities and finances in the implementation of activities that are delegated to he Governor.
- (2) The duties and responsibilities for the implementation of activities, as meant in paragraph (1), follows the norms, standards, procedures and provisions that are determined by the Government and the Governor as the Government representative.

CHAPTER VI

FUNDING

Article 8

- (1) Funding of the administration affairs that are delegated to the Governor, as meant in Article 3, are charged to



the National Budget, which is the Ministry of Trade portion of 2011 through the trade sector de-concentration fund.

- (2) Details of the de-concentration fund allocation of the Fiscal Year 2011 for each de-concentration activity in the trade sector are contained in the Appendix, which is inseparable from this Regulation of the Minister.
- (3) The distribution of the de-concentration fund is carried out by the State General Treasurer or his/her proxy through the State General Account in the region.
- (4) The method of the de-concentration fund distribution is carried out in accordance with the provisions of the legislative regulations.

CHAPTER VII

MANAGEMENT OF STATE ASSETS AS RESULTS OF THE DE-CONCENTRATION IMPLEMENTATION

Article 9

- (1) The procurement of commodities that are obtained from the implementation of the de-concentration fund is the BMN.
- (2) BMN, as meant in paragraph (1), is used as support for the implementation of the de-concentration activities.
- (3) The Provincial SKPD, which is responsible in the trade sector, carries out the administration of the BMN, as meant in paragraph (1), in accordance with provisions of the Regulation of the Minister of Finances who regulates the state assets administration.
- (4) The BMN, as meant in paragraph (1), may be granted to the region.
- (5) In case the BMN is granted to the region, then the administration, use and utilization of such BMN is



implemented by the provincial government as the regional owned goods.

- (6) The granting, administration, use and utilization of goods, as meant in paragraph (5), is an inseparable part of the management of BMN/regional owned goods.
- (7) The method of the BMN management, as well as its control and supervision, are carried out in accordance with the provisions of the Regulation of the Minister of Finances, who regulates the method of the implementation, use, utilization, eradication and handover of the state owned goods.

CHAPTER VIII

ACCOUNTABILITY AND REPORTING

Article 10

- (1) The accountability and reporting of the de-concentration cover the managerial aspect and accountability aspect.
- (2) The managerial aspect, as meant in paragraph (1), consists of the:
 - a. development of the budget absorption realization;
 - b. achievement of the output target;
 - c. obstructions that are faced; and
 - d. suggestions for follow up.
- (3) The accountability aspect, as meant in paragraph (1), covers the financial report and commodity report.
- (4) The financial report, as meant in paragraph (3), consists of:
 - a. budget realization report;
 - b. balance sheet; and
 - c. records on the financial report.



Article 11

- (1) The Head of the Provincial SKPD, who is responsible in the trade sector, should implement the accounting and be responsible for the managerial and accountability reporting, as meant in Article 10.
- (2) The managerial reporting, as meant in paragraph (1), is submitted each quarter and end of the fiscal year to the Governor through the Provincial SKPD, which handles the planning, to the Minister with copies to the Secretariat General of the Ministry of Trade, Dirjen PDN, Dirjen Daglu, Dirjen SPK, Dirjen PEN, or Head of Bappebti.
- (3) The Accountability Report, as meant in paragraph (1) is in form of the:
 - a. financial report, which is submitted every month, semester and end of fiscal year, to the Minister, in this case the Secretary General, with copies to the Inspector General of the Ministry of Trade, Dirjen PDN, Dirjen Daglu, Dirjen SPK, Dirjen PEN, and/or Head of Bappebti, as well as the Provincial SKPD that handles the regional financial management; and
 - b. the report of state owned goods, which is submitted every quarter and end of fiscal year to the Minister, in this case the Secretary General, with copies to the Inspector General of the Ministry of Trade, Dirjen PDN, Dirjen Daglu, Dirjen SPK, Dirjen PEN, and/or Head of Bappebti as well s the Provincial SKPD, which handles the regional financial management.

Article 12

The technical instructions regarding the implementation of



the de-concentration activities in the trade sector are determined with the decree of the Minister.

Article 13

- (1) The financial and state owned goods administration in the implementation of the de-concentration is carried out separately from the financial and state owned goods administration in the implementation of assistance duties and decentralization.
- (2) The financial and state owned goods administration, as meant in paragraph (1), is carried out by the Provincial SKPD, which is responsible in the trade sector in accordance with the provisions of the legislative regulations.

Article 14

- (1) The method of preparing and submitting the financial report follows the provisions of the Regulation of the Minister of Finances, which regulates the accounting system and financial reporting of the central government.
- (2) The method of preparing and submitting the report of goods follows the provisions of the Regulation of the Minister of Finances, which regulates the state owned goods administration.

CHAPTER IX

GUIDANCE AND CONTROL

Article 15

- (1) The Minister carries out the guidance and control on the implementation of a portion of the administration affairs in the trade sector, which is delegated to the Governor.
- (2) The Governor, as receiver of the delegation of a



portion of the administration affairs in trade sector from the Government, carries out the guidance and control on the de-concentration activities in the trade sector that is implemented by the Provincial SKPD, which is responsible in the trade sector.

- (3) The guidance, as meant in paragraph (1), includes the provision of guidelines, facilities, training, technical guidance, monitoring, and evaluation.
- (4) The guidance, as meant in paragraph (1) and paragraph (3), is conducted by the Secretary General of the Ministry of Trade, Dirjen PDN, Dirjen Daglu, Dirjen SPK, Dirjen PEN, and Head of Bappebti.
- (5) The norms, standards, guidelines, and criteria, as meant in Article 5 paragraph (3), are the guidance instruments to implement the administration affairs in the trade sector, which is delegated to the Governor.
- (6) The functional control on the implementation of a portion of the administration affairs in the trade sector, which is delegated to the governor, as meant in Article 3, and review on the financial report of the de-concentration fund, as meant in Article 11 paragraph (3) letter a, are carried out by the Inspector General of the Ministry of Trade.

CHAPTER X

WITHDRAWAL OF DELEGATION

Article 16

- (1) The Minister may withdraw the administration affairs in the trade sector, which is delegated to the Governor, if:
 - a. The Minister changes the policy;
 - b. The Governor carries out the administration affairs in the trade sector, which is delegated as meant in Article 3, not in accordance with the norms,



- standards, procedures and criteria that are determined by the Minister or the provisions of the legislative regulations; and/or
- c. The Governor proposes to withdraw a portion or the overall administration affairs in the trade sector, which is delegated to the Governor.
- (2) The withdrawal of the administration affairs in the trade sector, as meant in paragraph (1), is determined with the Regulation of the Minister.
- (3) The Regulation of the Minister, as meant in paragraph (2), is used by the Minister of Finances as the base of blocking in the budget document and cessation of the de-concentration fund release.

CHAPTER XI

SANCTION

Article 17

- (1) The Provincial SKPD, which is responsible in the trade sector, that does not submit the accountability report on the implementation of the de-concentration fund to the Minister, may be imposed sanctions as follows:
- postponement of release for the next quarter; or
 - cessation of the funding allocation for the next fiscal year.
- (2) The sanction in form of postponement of release for the next quarter, as meant in paragraph (1) letter a, may be imposed if the Provincial SKPD, which is responsible in the trade sector, does not submit the 3 (three) monthly financial report to the Minister up to the third quarter of the running fiscal year.
- (3) The imposing of the release postponement sanction for the next quarter, as meant in paragraph (1) letter a, does not exempt the Provincial SKPD, which is



responsible in the trade sector, from the obligation to submit the de-concentration fund report.

- (4) The sanction in form of cessation of the funding allocation for the next fiscal year, as meant in paragraph (1) letter b, may be imposed if deviations are found in the results of inspection by the Financial Inspection Board, Financial and Development Inspection Board, Inspectorate General of the Ministry of Trade, Inspectorate General of the Ministry of Home Affairs, or the Regional Inspectorate.
- (5) The sanction in form release postponement and/or cessation of the funding allocation, as meant in paragraph (1), is determined by the Minister after consultation with the Minister of Finances.

CHAPTER XII

CLOSING

Article 18

This Regulation of the Minister commences effective on the date of enactment.

To beknown by all men, instructs the enactment of this Regulation of the Minister with its placement in the State Gazette of the Republic of Indonesia.



Stipulated in : Jakarta

On : 21 September 2010

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU

Copy according to original

Secretariat General

Department of Trade

Head of Legal Bureau,

signed

WIDODO

Translated from Indonesian Language
Jakarta, September 5, 2011
Authorized and Sworn Translator,

FIKRI SAID OBED

