

**THE PRESIDENT OF  
THE REPUBLIC OF INDONESIA**

ACT OF THE REPUBLIC OF INDONESIA  
NUMBER 24 OF 1999

CONCERNING

THE FOREIGN EXCHANGE FLOW AND  
EXCHANGE RATE SYSTEM

WITH THE BLESSING OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the continuity of the national development must be maintained based on equal justice and aimed for the establishment of the national economy which sides with the people economy, independent, reliable and able to compete in the international economy sphere, which is supported by a foreign exchange system and exchange rate system that is able to encourage the achievement of a monetary stability for establishing a just and prosperous society based on Pancasila and the Constitution of 1945;
  - b. that foreign exchange is one of an instrument and a source of financing which is important to the nation and state, therefore the ownership and utilization of a foreign exchange and the Exchange Rate System must be carefully managed to smoothen the flow of trade, investment and overseas payments;
  - c. that the Act Number 32 of 1964 concerning the Flow of Foreign Exchange Regulation is no longer appropriate with the demands and the developments of the condition, therefore it is necessary to make a reform;
  - d. that in accordance with the above consideration in letter a, letter b and letter c the new act concerning The Foreign Exchange Flow and Exchange Rate System must be enacted;

- In view of : 1. Article 5 paragraph (1), Article 20 paragraph (1), Article 23 and Article 33 of the Constitution of 1945;
2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of 1999 Number 66, Supplement to the State Gazette Number 3843);

with the approval of

THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

HAS DECREED :

To enact : ACT ON THE FOREIGN EXCHANGE FLOW AND EXCHANGE RATE SYSTEM.

## CHAPTER I

### GENERAL PROVISION

#### Article 1

The terminologies used in this act shall have the meaning :

1. Foreign Exchange Flow is the movement of asset and financial liabilities between residents and non-residents including the movement of asset and foreign financial liability among nationals.
2. Foreign Exchange are asset and financial liabilities that are employed in an international transaction.
3. Residents are people, legal entity or other entity that are domiciled or plan to domicile in Indonesia at least 1 (one) year, including the representatives and diplomatic staff of the Republic of Indonesia overseas.

4. Exchange Rate System is a system which is employed to set the value of the rupiah currency against a foreign currency.

## CHAPTER II THE FOREIGN EXCHANGE FLOW

### Article 2

- (1) Every resident may freely own and use a Foreign Exchange .
- (2) The use of Foreign Exchange for domestic transactions as referred to in paragraph (1), shall take into account the provision concerning the legal payment instrument as regulated in the Act concerning Bank Indonesia.

### Article 3

- (1) Bank Indonesia has the authority to request information and data concerning the activities of the Foreign Exchange Flow conducted by a resident.
- (2) Every resident shall submit information and data concerning the Foreign Exchange Flow, directly or through another party stipulated by Bank Indonesia.
- (3) The implementation of the provision as referred to in paragraph (1) and paragraph (2) shall be prescribed by a Bank Indonesia Regulation.

### Article 4

- (1) Bank Indonesia shall, in order to implement the prudential principle, prescribe provisions of various types of Foreign Exchange transaction which is conducted by a bank.
- (2) The implementation of the provision as referred to in paragraph (1) shall be prescribed by a Bank Indonesia Regulation.

CHAPTER III  
THE EXCHANGE RATE SYSTEM

Article 5

- (1) Bank Indonesia shall propose an Exchange Rate System to be determined by the Government.
- (2) Bank Indonesia shall conduct the exchange rate policy based on the Exchange Rate System as referred to in Article (1).
- (3) The implementation of the provision as referred to in Article (2) shall be prescribed by a Bank Indonesia Regulation.

CHAPTER IV  
CRIMINAL PROVISIONS AND  
ADMINISTRATIVE SANCTIONS

Article 6

Whoever wilfully does not fulfill the obligations as referred to in Article 3 paragraph (2) shall be subject to a fine for a minimum of Rp. 250.000.000,00 (two hundred and fifty million rupiah) and for the maximum of Rp. 1.000.000.000,00 (one billion rupiah).

Article 7

- (1) Without prejudice to the criminal provision as referred to in Article 6 Bank Indonesia has the authority to impose an administrative sanction against a resident as referred to in Article 3 paragraph (2).
- (2) The administrative sanction as referred to in paragraph (1) may be in the form of :
  - a. a written warning; or
  - b. a fine ; or
  - c. a revocation or annulment of a business license by an authoritative agency if the violation is conducted by an entity.

- (3) Further provisions concerning the administrative sanction as referred to in paragraph (2) shall be prescribed by a Bank Indonesia Regulation.

CHAPTER V  
TRANSITIONAL PROVISIONS

Article 8

With the coming into force of this Act, Act Number 32 of 1964 on The Flow of Foreign Exchange Regulation (State Gazette of 1964 Number 131, Supplement to State Gazette Number 2717) shall no longer be valid.

CHAPTER VI  
FINAL PROVISION

Article 9

This Act shall become effective on the date of its enactment.

For the public to be informed, it is instructed to promulgate this act in the State Gazette of the Republic of Indonesia.

Executed in Jakarta

On May 17, 1999

PRESIDENT OF THE REPUBLIC OF INDONESIA

BACHARUDDIN JUSUF HABIBIE

Enacted in Jakarta

On May 17, 1999

MINISTER OF STATE OF STATE SECRETARY OF  
THE REPUBLIC OF INDONESIA

MULADI

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 1999 NUMBER 67