



PRESIDENT
OF THE REPUBLIC OF INDONESIA
THE EXPLANATION
ON
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 7 YEAR 2011

I. GENERAL

The Unitary State of the Republic of Indonesia as an independent and sovereign country has the sovereignty symbol of the country of which should be honored and should be proud of by all Indonesian Citizen. One of such sovereignty symbol shall be the Currency. The Currency of which is issued by the Unitary State of the Republic of Indonesia shall be Rupiah. Rupiah shall be used as the legal payment instrument in the activities of national economy for the purpose of realizing the social welfare for overall people of Indonesia.

The Constitution of the Republic of Indonesia Year 1945 Article 2B mandates that kinds and price of Currency shall be stipulated with the Law. The stipulation and regulation shall be required to provide protection and legal certainty for the kinds and price of Currency. The Rupiah as the Currency of the Unitary State of the Republic of Indonesia actually had been accepted and had been used since the independence period. During the history of the regulation of kinds and price of the Currency in Indonesia post-independence period, it has been enacted 4 (four) laws of which regulate the Currency. The issuance of such four laws actually is not the implementation of the 1945 Constitution, but as the implementation of the Article 109 section (4) of the Temporary Constitution Year 1950.

In the economy of a country, the role of money shall be extremely significant for the money has several functions, such as: as the exchange instrument or the payment instrument and the measurement instrument of the price so that it could be said that the money shall be the main economic instrument. With the money the economy of a country shall run well so that it supports the objective of statehood, namely for achieving the justice and welfare society. Furthermore, if it shall be seen particularly from the monetary field, the number of the circulated money in a country should be managed appropriately in accordance with the need of the economy.

Because of its role of which is extremely significant, the money should be made in such a way so that it is difficult to be imitated or be counterfeited by the other irresponsible parties. For this reason, role of the professional authority shall extremely be required to determine the characteristics, design, and raw material of Rupiah.

Crime against the Currency, particularly the counterfeit of Rupiah currently is increasingly rampant in a big scale and very troubling, particularly on the resulted impact of the money counterfeit of which could threat the monetary condition and the national economy. The Counterfeit of money currently also resulted other criminals such as terrorism, political crimes, money laundering, illegal logging, and human trafficking, either of which is committed by individual, of which is committed in organized manner, or of which is committed in transnational. Even, mode and manner of crimes against Currency is growing. While, the provision regarding on the crimes against counterfeit of money, which is regulated in the Criminal Law had not yet comprehensively regulated the kinds of such actions and the threatened sanction. In consideration on such basic thought, it is necessary to be regulated the kinds and price of Currency, including sanctions in a law as it is a principal need.

This law obliges the use of Rupiah in each transaction whose objective is payment, the other settlement of which should be fulfilled with the money, and/ or other financial transaction of which is performed in the Territory of the Unitary State of the Republic of Indonesia. The public trust to the Rupiah shall impact to the trust of international community to the Rupiah and national economy in general so that



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Indonesia has the dignity domestically and internationally and the stability of Rupiah shall maintainable.

This Law also emphasizes on the integrated Management of Rupiah, starting from the planning about the number of Rupiah to be printed, Printing of Rupiah, Issuing of Rupiah, Circulation of Rupiah, as well Revocation and Retraction of Rupiah, until the Extermination of Rupiah with the level of supervision of which is comprehensive so that there is check and balance among related parties for the realization of good governance.

Law enforcement regarding on the crime against Currency, particularly on the counterfeit of Rupiah requires the regulation of which resulted deterrent effect for the perpetrator for such criminal effect incredible impacts overall to the economy and dignity of the nation. Therefore, anyone who violates the provision of this Law shall be subject to severe criminal sanction.

In broad outline the material content of which is regulated in this Law covers [i] regulation on the Rupiah physically, which is regarding on the kinds and price, characteristics, design, as well raw material of the Rupiah; [ii] regulation on the Management of Rupiah since the Planning, Printing, Issuing, Circulation, Revocation and Retraction, as well Extermination of the Rupiah; [iii] regulation on the obligation of the use of Rupiah, the exchange of Rupiah, prohibition, the eradication of Counterfeit Rupiah; as well [iii] regulation regarding on the criminal provision regarding to the use, imitation, vitiation, and the counterfeit of Rupiah.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Section (1)

Self-explanatory

Section (2)

Self-explanatory

Section (3)

Other than the symbol Rp (Rp is written without a dot), it is also recognized the term of *IDR* of which is the abbreviation of the *Indonesian Rupiah*, it is commonly applied in the international commerce, either domestically or internationally.

Article 3

Section (1)

Self-explanatory

Section (2)

Self-explanatory

Section (3)

Coordination as set forth in this section is intended to deliver notification and the exchange of information as the consideration.

Section (4)



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Coordination as set forth in this section is intended to deliver notification and the exchange of information as the consideration.

Section (5)

As long as the Law on the change of Rupiah price has not been promulgated, the change of Rupiah price could not be performed.

Article 4

Self-explanatory

Article 5

Section (1)

Point a

Self-explanatory

Point b

Self-explanatory

Point c

Self-explanatory

Point d

The signing by the party of Government shall be represented by the Minister of Finance and by the party of Bank Indonesia shall be represented by the Governor of Bank Indonesia.

Point e

Self-explanatory

Point f

Self-explanatory

Point g

Self-explanatory

Section (2)

Self-explanatory

Section (3)

Self-explanatory

Section (4)

Overt refers to the element of security of which can be detected without tools.

Semi-Covert refers to the element of security of which can be detected using simple tools such as magnifiers and ultraviolet [UV] light.

Covert/ Forensic refers to the element of security of which can only be detected using laboratory/ forensic instruments.



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Article 6

Self-explanatory

Article 7

Section (1)

“*national heroes*” means the hero as set forth in the provision of the law and regulation.

“*front side of the Rupiah*” means side design of the Rupiah in which the image of the state emblem “Garuda Pancasila” is exist.

Section (2)

Self-explanatory

Section (3)

Self-explanatory

Article 8

“*certain marks*” means mark of which includes color, image, size, dimension, material of Rupiah, and other marks.

“*element of security*” means the elements of which includes the characteristic or mark that can be used by the blind.

Article 9

Section (1)

Self-explanatory

Section (2)

“*coordinates*” means that Bank Indonesia notifies regarding on the technical specification and the characteristic of raw material of the Rupiah to the board of which coordinates the eradication of Counterfeit Rupiah, likewise the board of which coordinates the eradication of Counterfeit Rupiah provides feedbacks regarding on the security aspect of the raw material of the Rupiah to Bank Indonesia.

Article 10

Self-explanatory

Article 11

Section (1)

Self-explanatory

Section (2)

Term “*Coordinates*” as set forth in this section shall be for the purpose of notification and the exchange of information as the consideration.

Section (3)

Self-explanatory

Section (4)



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Self-explanatory

Article 12

Self-explanatory

Article 13

Section (1)

Mean of “*coordinate*” shall be realized in the form of the exchange of information between Bank Indonesia and the Government, such as related to the assumption on level of inflation, the assumption on the growth of economy, plan on the kind and price of Rupiah, projection on the number of Rupiah to be printed, as well the number of damaging rupiah and Rupiah of which is retracted from the circulation.

Section (2)

Self-explanatory

Article 14

Section (1)

For the purpose of maintaining the security quality of the Rupiah, during the Printing of Rupiah, Bank Indonesia request for input from the board of which coordinating the eradication of Counterfeit Rupiah.

Section (2)

“*state owned enterprise*” means the state owned enterprise of which serves in the Rupiah printing.

Section (3)

“*not capable to implement the Rupiah Printing*” means inability due to force majeure and social disaster.

Section (4)

“*competitive price*” means the price whose limitation is determined under the provision of law and regulation on the procurement of goods and services.

Article 15

Self-explanatory

Article 16

Self-explanatory

Article 17

Section (1)

Stipulation on the Revocation of Rupiah includes the provisions regarding on the expired date of Rupiah as the legal payment instrument and timeout of the exchange Rupiah to the banks, Bank Indonesia, or other party of which is appointed by Bank Indonesia.



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Retraction of Rupiah includes the retraction for the purpose of Revocation and the replacement of which is damaging or shabby.

Section (2)
Self-explanatory

Section (3)
Self-explanatory

Section (4)
Self-explanatory

Article 18

Section (1)
“*Coordinates*” as set forth in this section shall be realized in the form of memorandum of understanding (MoU) between Bank Indonesia and the Government of which contains the technical implementation of the Extermination of Rupiah, including the minute Extermination of Rupiah.

Section (2)
Self-explanatory

Section (3)
Self-explanatory

Article 19

Term “*House of Representative*” refers to the instrument of the House of Representative of which serves the field of banking and financial.

Article 20

Self-explanatory

Article 21

Section (1)
Point a
Self-explanatory

Point b
Self-explanatory

Point c
“other financial transactions” means of which includes the activities of depositing money in number and kind of denomination of Rupiah from the customer to the bank.

Section (2)
Self-explanatory

Article 22

Section (1)
Self-explanatory



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Section (2)
Self-explanatory

Section (3)
“*Shabby Rupiah*” means Rupiah whose size and physical shape does not change of from its original size and physical shape, but its condition has changed such as due to fungus, oil, chemical material, or scratch.

Section (4)
Self-explanatory

Article 23
Self-explanatory

Article 24
Self-explanatory

Article 25
Section (1)
“to damage” means changing the shape of physical size from its original shape and size, such as burns, puncture, partially eliminates, or rips.

Section (2)
Self-explanatory

Section (3)
Self-explanatory

Article 26
Self-explanatory

Article 27
Self-explanatory

Article 28
Self-explanatory

Article 29
Section (1)
Self-explanatory

Section (2)
During providing the information and knowledge regarding on the originality of rupiah, Bank Indonesia could cooperate with the other party.

Section (3)
Self-explanatory

Article 30
Self-explanatory



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Article 31

Self-explanatory

Article 32

Section (1)

Self-explanatory

Section (2)

For submitting and/ or opening the said electronic data, the investigator does so by providing its signature.

Section (3)

Self-explanatory

Section (4)

Self-explanatory

Article 33

Self-explanatory

Article 34

Self-explanatory

Article 35

Self-explanatory

Article 36

Self-explanatory

Article 37

Self-explanatory

Article 38

Self-explanatory

Article 39

Self-explanatory

Article 40

Self-explanatory

Article 41

Self-explanatory

Article 42

Self-explanatory

Article 43

Self-explanatory



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Article 44
Self-explanatory

Article 45
Self-explanatory

Article 46
Self-explanatory

Article 47
Self-explanatory

Article 48
Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA