

**UNOFFICIAL TRANSLATION**

LAW NO. 8/1997  
CONCERNING ON  
CORPORATE DOCUMENTS

BY THE GRACE OF GOD THE ALMIGHTY  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

- a. that the effort to translate into reality public welfare and people's prosperity based on social justice- for the entire Indonesian people constitutes an integral part of the ideal of independence within the Unitary States the Republic of Indonesia on the basis of Pancasila and the Constitution of 1945;
- b. that the effort to guarantee the operation of companies effectively and efficiently constitute one of the bases of the national development policies in the economic area, exerting a great influence on the capability of the business circles of tapping opportunities and performing soundly in the international world which is full of competitions to ensure that they may give the greatest benefit to peoples welfare,
- c. that one of the factors not conducive to the creation of effectiveness and efficiency shall be a provision stipulating that it is obligatory to retain books, notes and balance sheets for 30 (thirty) years and letters, cables and their copies for 10 (ten) years as regulated among others in Article 6 of the Commercial Code, Statute Book No. 23/1847, such provision being no longer compatible with the legal development and needs of the Indonesian community, particularly in the economic and commercial areas;
- d. that the provision stipulating that it is obligatory to retain documents as mentioned in letter c and the provisions in relevant laws until now in force and linked with the procedure for retention, transfer, destruction and surrender of archives, have led to economic and administrative burdens that companies shall have to shoulder;
- e. that the drawing up and retention of documents shall continue to be necessary to guarantee legal certainty and protect the interests of relevant parties in a legal relationship, the obligation to make and retain keep documents shall continue without causing economic and administrative burdens, necessitating therefore the reform of the media containing the documents and the shortening of the period of retention;
- f. that technological progress has enabled records and documents made on paper to be transferred to electronic media or to be directly drawn up in the electronic media;
- g. that on the basis of the consideration as meant in letters a, b, c. d, e and f, it is deemed necessary to establish the Law on Corporate Documents.

In view of:

Article 5 sub-article (1) and Article 20 sub-article (1) of the Constitution of 1945;

With the approval of

THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

DECIDES

To stipulate:

THE LAW CONCERNING CORPORATE DOCUMENTS

CHAPTER;  
GENERAL PROVISIONS

Article 1

Referred to in this law as:

1. A company shall be any form of business which undertakes activities permanently and continuously with a view to making profits, and which is operated by an individual, or a business company in the form of a statutory body or otherwise, established and domiciled in the territory of the State of the Republic of Indonesia.
2. A corporate document shall be data, a note and or information made and or received by a company En the framework of implementing its activities, either written on paper or on other facilities or recorded in whatever form which can be seen, read or heard.
3. A retention schedule shall be one in which the retention periods of corporate documents shall be arranged on a list which is in accordance with their types and the value of their usefulness and which shall be used as a guideline in the destruction of corporate documents.

Article 2

Corporate documents shall comprise financial and other documents.

Article 3

Financial documents shall comprise notes, book-keeping evidences and financial administration supporting data and shall serve as evidence of the rights and obligations as well as business activities of a particular company

Article 4

Other documents shall comprise data or any writing containing information which shall be of use to the company although they are not directly linked with financial documents.

Article 5

Notes shall comprise annual balance sheets, annual profit and lost statements, accounts, daily transaction journals or any writing containing information about the rights and obligation as well as other matters linked with the business activities of a particular company

Article 6

Book-keeping evidences shall comprise letters used as the basis for book keeping and influencing the change in assets, liabilities and capital.

#### Article 7

- (1) Financial administrative supporting data shall constitute administrative data linked with finance and used as supporting materials for the arrangement and drawing up of financial documents.
- (2) Financial administrative supporting data as meant in sub article (1) shall comprise:
  - a. supporting data which constitute part of book-keeping evidences; and
  - b. supporting data which do not constitute part of book-keeping.

### CHAPTER II NOTE-MAKING AND RETENTION OF CORPORATE DOCUMENTS

#### Article 8

- (1) Every company shall be obligated to make notes as meant in Article 5 in accordance with the need of the company.
- (2) It is obligatory that the notes as meant in sub-article (1) shall be made in the Indonesian language, using the Latin alphabet, Arabic numerals and Rupiah currency unit.
- (3) In the event that a permit having been obtained from the Minister of Finance, the notes as meant in sub-article (1) may be drawn up in a foreign language.

#### Article 9

- (1) It is obligatory that the notes in the form of annual balance sheets, annual profit and loss statements or other writing illustrating the balance and the profit and loss should be signed by the leader of the company or by an official appointed within the company concerned.
- (2) In the event of not being otherwise stipulated by the laws related directly with the activities in a particular area, it is obligatory that the notes as meant in sub-article (1) should be made within a maximum period of 6 (six) months as from the end of the book year of the company concerned.

#### Article 10

- (1) It is obligatory that the notes as meant in Article 9 should be made on paper.
- (2) Notes in the form of accounts, daily transaction journals or any writing containing information about the rights and obligations as well as other matters connected with the business activities of a company as meant in Article 5 shall be made on paper or in other facilities.

#### Article 11

- (1) It is obligatory that the notes as meant in Article 5, book-keeping as evidences as meant in Article 6 and financial administrative supporting data as meant in Article 7 sub-article (2) letter a should be retained for 10 (ten) years as from the end of the book year of the company concerned.

- (2) The retention period of the financial administrative supporting data as meant in Article 7 sub-article (2) letter b shall be adjusted to the need of the company concerned.
- (3) The retention period of other documents as meant in Article 4 shall be stipulated on the basis of the usefulness value of the said documents.
- (4) The periods as meant in sub-articles (2) and (3) shall be arranged by the company concerned in a retention schedule stipulated in a decision of the leader of the company.
- (5) Irrespective of the retention obligation as meant in sub-articles (1), (2) and (3), the documents concerned shall continue to function as a means of evidence wherever needed as stipulated in the provision on the expiration of a prosecution as regulated in the prevailing laws or retain such function in other legal interests.

CHAPTER III  
TRANSFER OF THE FORM OF CORPORATE DOCUMENTS AND  
LEGALIZATION  
Article 12

- (1) Corporate documents may transferred into microfilm or other media,
- (2) The transfer of corporate documents into microfilm or other media as meant in sub-article (1) may be conducted after the said documents have been made or received by the company concerned.
- (3) In transferring the corporate documents as meant in sub-article (1), the leader of the company shall be obligated to consider the usefulness of the original copies of the documents, which must continue to be retained because of a particular value inherent in them in the interest of the company or in national interest.
- (4) In the event that the corporate documents transferred to microfilm or other media are the original copies which have an authentic evidencing power and a certain legal interest, the leader of the company shall be obligated to retain the said original copies.

Article 13

It is obligatory that any transfer of corporate documents as mean in Article 12 sub article (1) should be legalized.

Article 14

- (1) The legalization as meant in Article 13 shall be undertaken by the leader of the company or by an appointed officer within the company concerned by drawing up an official report,
- (2) The official report as meant in sub article (1) shall contain at least :
  - a. information about the place, day, date, month and year of the legalization;
  - b. information saying that the transfer of corporate documents made on paper into microfilm or other media has been undertaken in accordance with the original; and
  - c. the signature and the full name of the officer concerned.

Article 15

Corporate documents contained in microfilm or other media as meant in Article 12 sub article (1) and or their media shall constitute a legal means of evidence.

#### Article 16

Further provisions on the procedure for the transfer of corporate documents into microfilm or other media and its legalization shall be regulated in a government regulation.

### CHAPTER IV MOVEMENT, PRESENTATION AND DESTRUCTION OF CORPORATE DOCUMENTS

#### Article 17

Corporate documents shall be moved from a processing unit to an archive unit within the said company on the basis of a decision of the leader of the company and its implementation shall be adjusted to the need of the company concerned.

#### Article 18

- (1) It is obligatory that certain corporate documents which are useful to national interests should be presented to the National Archives of the Republic of Indonesia on the basis of a decision of the leader of the company.
- (2) The presentation as meant in sub-article (1) shall be implemented by the drawing up of an official report which shall contain at least:
  - a. information about the place, day, date, month and year of the presentation;
  - b. information about the implementation of the presentation; and
  - c. the signature and the full name of the officer presenting the documents and the official receiving the documents presented.
- (3) A list detailing the documents to be presented shall be attached to the official report on presentation as meant in sub-article (2).

#### Article 19

- (1) Notes, book-keeping evidences and financial administrative supporting documents as meant in Article 11 sub-article (1) shall be destroyed on the basis of a decision of the leader of the company,
- (2) The destruction of financial administrative supporting documents as meant in Article 11 sub-article (2) and other documents as mean in Article 11 sub-article (3) shall be conducted on the basis of a retention schedule.
- (3) The leader of the company responsible for the destruction of corporate documents or other appointed officers shall be responsible for all losses sustained by the company and or by third party in the event that :

- a. the corporate documents are destroyed before the expiry of the period of compulsory retention as meant in Article 11 sub article (1), or
- b. the corporate documents have been destroyed while in fact it is understood or should be understood that the said corporate documents should have still been retained of their usefulness connected with either the company's assets, rights and liabilities or other interests.

#### Article 20

The destruction of corporate documents already transferred into microfilm or other media can be immediately undertaken unless otherwise stipulated by the leader of the company on the basis of the provisions in Article 12 sub article (3) and (4).

#### Article 21

- (1) The destruction as meant in Article 19 and Article 20 shall be undertaken by the drawing up of an official report which shall contain at least :
  - a. Information about the place, day, date, month and year of the destruction,
  - b. Information about the implementation of the destruction, and
  - c. The signature and the full name of the officer undertaking the destruction.
- (2) A list detailing the documents to be destroyed shall be attached to the official report on destruction as meant in sub article (1).

#### Article 22

Further stipulations on the procedure for the presentation and destruction of corporate documents shall be regulated in a government regulation.

### CHAPTER V TRANSITIONAL PROVISIONS

#### Article 23

The destruction of books, correspondence, notes and balance sheets which on the basis of the provision in Article 6 of the Commercial Code (Statute Book No. 23/1847) are subject to compulsory retention for 30 (thirty) years and which have been retained for 10 (ten) years or more when this law comes into force shall be based on the provisions in this law.

#### Article 24

The destruction of copies of correspondence and cables which on the basis of the provision in Article 6 of the Commercial Code (Statute Book No. 23/1847) are subject to compulsory retention for 10 (ten) years and which have not been retained for 10 (ten) years when this law comes into force shall be based on the provisions in this law.

#### Article 25

In the event that the consideration of the chairman of the State Audit Agency which has been sought for the destruction of corporate documents has not been given within 1 (one) year as from the date when this law becomes effective, the destruction of the said corporate documents shall be undertaken on the basis of the provisions in this law.

#### Article 26

In the event that the approval of the head of the National Archives of the Republic Indonesia, which has been requested for the destruction of corporate documents, has not been given within 1 (one) year as from the date when this law becomes effective, the destruction of the said corporate documents shall be undertaken on the basis of the provisions in this law.

#### Article 27