



FINANCE MINISTER
OF THE REPUBLIC OF INDONESIA

COPY

REGULATION OF THE FINANCE MINISTER

NUMBER 129/PMK.08/2009

ON

AMENDMENT OF THE REGULATION OF THE FINANCE MINISTER
NUMBER 152/PMK.08/2008 ON THE ISSUANCE OF FOREIGN-
CURRENCY *SHARIA* GOVERNMENT BONDS IN THE
INTERNATIONAL PRIMARY MARKET

BY THE GRACE OF THE ONE ALMIGHTY GOD

THE FINANCE MINISTER

- Having considered :
- a. That foreign-currency *Sharia* Government Bonds in the international primary market can be sold through the book building method and private placement;
 - b. That the foreign-currency *Sharia* Government Bonds in the international primary market can be sold directly by the Government or through a Panel;
 - c. That Regulation of the Finance Minister Number 152/PMK.08/2008 on the Issuance of Foreign-Currency *Sharia* Government Bonds in the International Primary Market does not govern the sales of foreign-currency *Sharia* Government Bonds in the international market under private placement method through a Panel;
 - d. That based on the considerations as referred to in letter a, letter b, and letter c, it is necessary to enact Regulation of the Finance Minister on the Amendment of the Regulation of Finance Minister Number 152/PMK.08/2008 on the Issuance of Foreign-Currency *Sharia* Government Bonds in the International Primary Market.
- Having observed :
1. Law Number 19 of 2008 on *Sharia* Government Bonds (State Gazette of the Republic of Indonesia Number 70 of 2008, Supplement to the State Gazette of the Republic Indonesia number 4852);
 2. Government Regulation Number 56 of 2008 on Securities Companies issuing Foreign-Currency *Sharia* Government Bonds (State Gazette of the Republic of Indonesia Number 117 of 2008, Supplement to the State Gazette of the Republic Indonesia number 4887);
 3. Presidential Decree Number 20/P of 2005;



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4. Regulation of Finance Minister Number 152/PMK.08/2008 on the Issuance of Foreign-Currency *Sharia* Government Bonds in the International Primary Market.

HAS DECIDED:

To enact : REGULATION OF FINANCE MINISTER ON THE AMENDMENT OF THE REGULATION OF THE FINANCE MINISTER NUMBER 152/PMK.08/2008 ON THE ISSUANCE OF FOREIGN-CURRENCY *SHARIA* GOVERNMENT BONDS IN THE INTERNATIONAL PRIMARY MARKET.

Article I

Several provisions in the Regulation of the Finance Minister Number 152/PMK.8/2008 on the Issuance of Foreign-Currency *Sharia* Government Bonds in the International Primary Market are amended as follows:

1. Provisions in Article 1 are amended to read as follows:

“Article 1

For the purpose of this Regulation of the Finance Minister, the following words shall have the following meaning:

1. *Sharia* Government Bonds herein after referred to as SBSN, or known as State Sukuk means government bonds issued on Islamic banking principles (*sharia*), as proof of placement of the SBSN Assets, in rupiah currency and in foreign currency;
2. A party means an individual Indonesian citizen regardless of domicile, a company, a joint business, an association, or an organized group, whether Indonesian or foreign regardless of domicile.
3. The international primary market means the activity of the initial offering and selling of foreign-currency SBSN outside the jurisdiction of Indonesia for the first time.
4. Issuers of SBSN means legal entities established under the Laws on *Sharia* Government Bonds that issue SBSN.



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5. Book-building means the issuing and selling of foreign currency SBSN in the International Primary Market, sold to Parties through a Sales Agent, in which the Sales Agent collects the Purchase Orders during the specified Offering Period.
6. Private Placement means the issuance and sales of foreign currency SBSN in the International Primary Market conducted by the Government to the Parties, under the Terms and Conditions of the SBSN as mutually agreed.
7. Investment Bank means a financial institution authorized by the local financial authorities to act as guarantor in emitting the securities, as broker and or as investment manager.
8. Sales Agent means an Investment Bank appointed by the Agent of Budget User from the Panel to sell the foreign currency SBSN in the International Primary Market.
9. The Panel of Candidates for the SBSN Sales Agent hereinafter referred to as the Panel means several Investment Banks that have passed the selection process as candidates for Sales Agent.
10. The Agent of Budget User means the officer appointed by the Budget User to utilize the budget of a Ministry/Institution/Local Work Unit
11. The Legal Consultant means the party appointed by the Agent of the Budget user to assist the preparation of legal documents for the purpose of issuing foreign currency SBSN in the International Primary Market.
12. Minister means the Finance Minister of the Republic of Indonesia.
13. The Offering Memorandum means the written information on the offering of foreign-currency SBSN to the Public.
14. Purchase Order means the bid to purchase foreign currency SBSN by investors.
15. Allocation means the allocation of SBSN for each bidder in accordance with the sales of the foreign-currency SBSN.



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16. The assets of the SBSN means the underlying object for financing and/or the State Assets that have economic value such as land and/or building and other assets as the basis for the issuance of the SBSN .
17. Trustees means the parties representing the interests of the SBSN holders as contracted in the agreement as governed by the Law.
18. Work day means the clearing day of an appointed clearing house.“

2. The Title of Chapter II shall be amended to read as follows:

“CHAPTER II
IMPLEMENTOR OF ISSUING AND SELLING SBSN”

3. Between Article 3 and Article 4, four articles are inserted, i.e. Article 3A, Article 3B, Article 3C and Article 3D to read as follows:

“Article 3A

- (1) The sales of the foreign-currency SBSN in the International Primary Market is done through the following method:
 - a. Book-building; or
 - b. Private Placement
- (2) The sales of the foreign currency *Sharia* Government Bonds in the International Primary Market through the book-building method as referred to in paragraph (1) letter a shall be facilitated by a Sales Agent appointed by the Panel.
- (3) The sales of the foreign currency *Sharia* Government Bonds in the International Primary Market through private placement as referred to in paragraph (1) letter b may be implemented:
 - a. directly by the government; or
 - b. through a Panel member.



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Article 3B

- (1) The panel members as referred to in Article 3A paragraph b shall bid an offer to purchase the foreign currency SBSN in the International Primary Market through Private Placement, either acting as the appointed Sales Agent or by purchasing without a Sales Agents.
- (2) In the event that the government has a program of issuing and selling foreign currency SBSN in the International Primary Market through Private Placement, then all the Panel members shall be appointed by the Agent of Budget User as the Sales Agent.

Article 3C

The procedures for issuing and selling foreign currency SBSN in the International Primary Market through private placement as referred to in Article 3A paragraph (1) letter b shall be stipulated in the Regulation of the Finance Minister on the Issuance and Sales of SBSN by Private Placement.

Article 3D

The sales of foreign currency SBSN in the International Primary Market as referred to in Article 3A paragraph (1) may be implemented under a guarantee scheme.

4. The Title of Chapter III shall be amended to read as follows:

“CHAPTER III
PREPARATION FOR ISSUING AND SELLING SBSN”

5. The provisions in Article 4 are amended to read as follows:

“Article 4

For the purpose of issuing and selling foreign-currency SBSN in the International Primary Market, the Director General of Debt Management as the Agent of the Budget User shall appoint the Panel and the Legal Consultant.”



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6. The provisions in Article 5 are amended to read as follows:

“Article 5

- (1) The appointment of the Panel members shall conform to the following stages:
 - a. Submittal of the request for proposal to the Investment Bank;
 - b. Receipt and review of the proposal;
 - c. Short list the investment banks to follow the presentation stage based on the ranking from the evaluation of the technical proposals (beauty contest);
 - d. Presentation of the candidates (beauty contest); and
 - e. Appointment of panel members
- (2) The Director General of Debt Management acting as the Agent of Budget User may revoke the membership of the investment banks from Panel, if the Panel member:
 - a. takes an action or makes a statement that potentially disrupts the stability of the market of SBSN;
 - b. declares itself bankrupt;
 - c. is declared bankrupt by court of law or by any authorized institution.”

7. Between Article 5 and Article 6, one article, i.e. Article 5A is inserted to read as follows:

“Article 5A

- (1) The appointment of the Legal Consultant shall conform to the following stages:
 - a. Submittal of the request for proposal to the Legal Consultant candidates;
 - b. Receipt and review of the proposal;
 - c. Short list the Legal Consultant candidates to follow the presentation stage based on their rank resulting from the evaluation of their technical proposals;
 - d. Presentation of the candidates (beauty contest); and
 - e. Appointment of the Legal Consultant by the Agent of Budget User.”



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- (2) The appointment of the Legal Consultant as referred to in paragraph (1) shall be followed by an agreement between the Director General of Debt Management as the Agent of the Budget User and the Legal Consultant.”

8. The provisions of Article 6 are amended to read as follows:

“Article 6

- (1) To be appointed as a Panel member and as the Legal Consultant as referred to in Article 4, the candidates must:
- a. Submit a proposal to the selection committee;
 - b. Fulfill the criteria and meet the qualifications as set by the selection committee; and
 - c. Pass the selection process
- (2) The criteria and qualifications for candidates of Panel members as referred to in paragraph (1) require the candidates to have at least:
- a. Experience as sales agent of *sharia* securities issued by a state or corporate in the international money market;
 - b. Team members that are knowledgeable and experienced in selling *sharia* securities issued by a state or by a corporation in the international money market; and
 - c. Work plan, strategy and methodology for selling *sharia* securities; and
 - d. Broad distribution network.
- (3) The criteria and qualifications for candidates of Legal Consultants as referred to in paragraph (1) require the candidates to have at least:
- a. Experience as Legal Consultant in the area of capital market particularly in issuing international *sharia* securities; and
 - b. Team members that have legal expertise and experience in the area of capital market particularly in issuing international *sharia* securities.”



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9. Between Article 6 and Article 7, two articles, i.e. Article 6A, and Article 6B shall be inserted to read as follows:

“Article 6A

- (1) The Sales Agent in selling the SBSN through Book-building as referred to in Article 3A paragraph (2) for the first time each year, shall be selected from several Panel members that hold the top rank position based on the selection process of the Panel members.
- (2) The procedure in appointing the Sales Agent for the purpose of selling SBSN through the book-building method for the subsequent issuance of the SBSN in the same budget year, shall conform to the following process:
 - a. Submittal of the Request of Proposal to the Panel members that includes among others, expected tenor, volume, price and issuance schedule;
 - b. Receipt of proposal;
 - c. Evaluation of proposal; and
 - d. Appointment of the Sales Agent by the Agent of Budget User.
- (3) The appointment of the Sales Agent as referred to in paragraph (1) letter d and in Article 3B paragraph (2) shall be followed by an agreement between the Director General of Debt Management as the Agent of the Budget User and the Sales Agent.

Article 6B

- (1) The selection of Panel members, Sales Agent and Legal Consultants shall be conducted by the selection committee.
- (2) The selection committee as referred to in paragraph (1) shall be appointed by the Minister as the Budget User or the Director General of Debt Management as the Agent of the Budget User.”



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Article II

This Regulation of the Finance Minister shall be effective on the date of enactment.

In order that this Regulation is made known to the general public, it is hereby ordered that this Regulation be promulgated in the Official Gazette of the Republic of Indonesia.

Enacted in Jakarta
On 18 August 2009
Finance Minister

Signed

SRI MULYANI INDRAWATI

Promulgated in Jakarta
On 18 August 2009
MINISTER OF JUSTICE AND HUMAN RIGHTS,

Signed

ANDI MATALATTA

OFFICIAL GAZETTTE OF THE REPUBLIC INDONESIA NUMBER 257
of 2009

This copy is in conformity with the original
Head of General Affairs Bureau
For
Head of Administration of Ministry of Finance

(signed and sealed with the seal of the General Affairs Bureau)

Antonius Suharto
NIP 060041107