



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF
INDONESIA NUMBER 124/PMK. 05/2012

CONCERNING

GRANTS MANAGEMENT MECHANISMS *MILLENNIUM CHALLENGE*
CORPORATION

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that based on the *Grant Agreement Millennium Challenge Compact between the United States of America acting through the Millennium Challenge Corporation and the Republic of Indonesia* with registration number 72200201, *Millennium Challenge Corporation* has agreed to provide a grant to the Government of the Republic of Indonesia;
 - b. that in order for the management of grant funds as referred to in letter a can be carried out in an orderly, efficient, economical, effective, transparent, and accountable, it should govern the grants management mechanisms in question;
 - c. that pursuant to Act Number 17 Year 2003 concerning State Finances and Act Number 1 Year 2004 concerning State Treasury, Minister of Finance has the authority to regulate the grant management mechanisms *Millennium Challenge Corporation*;
 - d. that the activities funded by the grants as referred to in letter a given facility is not fully in compliance with tax and customs legislation in the field of taxation and customs, among others, based on the Government Regulation Number 42 Year 1995 concerning Import Duty, Additional Import Duty, Value Added Tax and Sales Tax on Luxury Goods, and Income Tax in the Framework of Implementation Government Project Funded By The Foreign Grant or Foreign Loan as amended by Government Regulation Number 25 Year 2001 and its implementing regulations;
 - e. that the activities financed by the *Millennium Challenge Corporation* grants cannot be given tax and customs facilities as referred to in the letter d, should be given reimbursement for any tax and / or import duty has been paid in accordance with *Annex VI Program Implementation Agreement-Grant Agreement Millennium Challenge Compact between the United States of America*



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acting through the Millennium Challenge Corporation and the Republic of Indonesia;

- f. Based on the considerations as referred to in letter a, letter b, letter c, letter d, and letter e, it is necessary to stipulate Regulation of the Minister of Finance concerning Grant Management Mechanisms *Millennium Challenge Corporation*;

- In View of : 1. Government Regulation Number 10 Year 2011 concerning Procedures for Procurement of Foreign Loans and Grants Receipts (State Gazette of the Republic of Indonesia Year 2011 Number 23, Supplement to State Gazette of the Republic of Indonesia Number 5202);
2. The Presidential Regulation Number 80 Year 2011 concerning the Trust Fund (State Gazette of the Republic of Indonesia Year 2011 Number 109);
3. The Presidential Decree Number 56 / P Year 2010;
4. Regulation of the Minister of Finance Number 134/PMK.06/2005 concerning Payment Guidelines in Implementing the National Budget;
5. Regulation of the Minister of Finance Number 91/PMK.05/2007 concerning Standard Chart of Accounts;
6. Regulation of the Minister of Finance Number 171/PMK.05/2007 concerning Accounting and Financial Reporting System of the Central Government, as amended by Regulation of the Minister of Finance Number 233/PMK.05/2011;
7. Regulation of the Minister of Finance Number 93/PMK.02/2011 concerning Guidelines for Preparation and Reviewing the Annual Work and Budget Plan of the State Ministries / Agencies;
8. Regulation of the Minister of Finance Number 164/PMK.05/2011 concerning Guidelines for Preparation and Certification of the Government's Annual Budget;
9. Regulation of the Minister of Finance Number 191/PMK.05/2011 concerning Grants Management Mechanisms;
10. Regulation of the Minister of Finance Number 230/PMK.05/2011 concerning Grant Accounting



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System;

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING
GRANTS MANAGEMENT MECHANISMS *MILLENNIUM
CHALLENGE CORPORATION*.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation of the Minister referred to as:

1. United State of America *Millennium Challenge Corporation*, hereinafter referred to as MCC is the agency which established by the United States of America Government to distribute grants with a mission to reduce global poverty through a sustainable approach to economic growth.
2. *Millennium Challenge Corporation* grants hereinafter called MCC grants are grants given by the MCC to the Government of Indonesia based on *Grant Agreement Millennium Challenge Compact between the United States of America acting through the Millennium Challenge Corporation and the Republic of Indonesia* to the Register Number 72200201.
3. MCC Grant Unit Management is a working unit in the Environment of Ministry of National Development Planning / National Development Planning Agency which manages MCC Grant.
4. Annual Work and Budget Plan of the Ministry / Agency hereinafter called RKA-K / L is a document of the annual financial plan of State Ministries / Agencies are organized by the State Ministry of Budget Section / Agency.
5. Government's Annual Budget hereinafter called DIPA or other similar documents DIPA is an implementation of the budget document prepared by Minister / Heads of Institutions as Budget User and approved by the Minister of Finance as General Treasurer serves as the implementation of the budget documents and supporting documents of government accounting.
6. State Treasury Office, hereinafter called KPPN is vertical



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agency Directorate General of Treasury under and responsible directly to the Head of the Regional Office of Directorate General of Treasury, which gained authority as the power of the General Treasurer.

7. Budget User hereinafter called PA is the Minister of National Development Planning / Head of National Development Planning Agency is responsible for grant management policies MCC.
8. Specific Budget User hereinafter called KPA is the head of work unit or appointed officials at MCC Grant Unit Management who is the stipulation made by the PA.
9. Commitment Making Official, hereinafter called PPK is an officer authorized by the KPA to make decisions and / or actions that may result in expenditures at the expense of the National Budget (APBN).
10. Authorized Signatory Officer of Warrant Payment, hereinafter called PPSPM is an officer duly authorized by the KPA to conduct testing on demand payment and issue the payments command.
11. Warrant Payment, hereinafter called SPP is a document created / issued by the PPK for completion of the bill to the state and submitted to PPSPM.
12. Payment Order hereinafter called SPM is a warrant issued by PPSPM for and on behalf of KPA to KPPN by SPP to pay a sum of money to a designated party and the expense part of the budget is designated in respect of the SPP.
13. Disbursement Order hereinafter called SP2D is a warrant issued by the KPPN as Authority of General Treasurer for implementation at the expense of the National Budget expenditures by SPM.
14. Statement of Expense Responsibility, hereinafter called SPTB is statements of expense responsibility made by the PA / KPA upon the shopping deal up to a certain amount.
15. Replacement of an Assessment in the field of Taxes and / or Customs, hereinafter referred SKP2K is set by the KPA letter as a basis for reimbursement payments in the field of taxes and / or customs.
16. Main Contractors are contractors, service providers, consultants, and suppliers (suppliers) of the work



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carried out in the framework of the implementation of the Government's activities are funded with MCC Grant.

CHAPTER II

SCOPE

Article 2

This Regulation of the Minister governs the:

- a. Allocation mechanisms the ceiling of RKA-K / L and DIPA.
- b. Mechanisms of implementation and ratification of Grant MCC expenditure.
- c. Reimbursement payment mechanisms in the field of taxes and / or customs clearance given to the parties that participated in the implementation of MCC Grants that do not get tax incentives and / or in accordance with the customs legislation in the field of taxation and customs, and
- d. Reporting and accountability.

CHAPTER III

CHARACTERISTICS OF GRANTS MCC

Article 3

- (1) MCC Grants has the following characteristics:
 - a. allocated in RKA-K / L and DIPA through planning mechanisms but the implementation is a direct grant;
 - b. payments to third parties made directly by the grantor, and
 - c. Reimbursement mechanisms in the field of taxes and / or customs.
- (2) Replacement in the field of taxes and / or customs as referred to in paragraph (1) letter c is a sum of money paid as expenditure by the Government of Indonesia through the State Treasury Office for reimbursement for payment of taxes and / or customs associated with the implementation of the project Grant funded by the MCC which is not getting tax incentives and / or customs in accordance with the provisions of the legislation in the field of taxation and customs.



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CHAPTER IV

ALLOCATION MECHANISMS CEILING IN THE RKA-K / L AND DIPA

Article 4

Implementation of the budget comes from grants allocated in the DIPA MCC on MCC Grant Unit Management.

Article 5

- (1) In order to grant a budget allocation of MCC, PA allocate expenditure ceiling in the RKA-K / L each year in MCC Grants Unit Management.
- (2) The Director General of Debt Management as KPA grant revenue allocated ceiling of Grants Revenue in the DIPA Budget Section 999.02 based on the MCC Grant withdrawal planning.
- (3) Funding for the allocation of expenditure as referred to in paragraph (1) derived from:
 - a. MCC Grants, and
 - b. Pure Rupiah.
- (4) The inclusion of the expenditure ceiling which is sourced from MCC grant funds as referred to in paragraph (3) letter a is equal to that planned to be held until the end of the fiscal year, the highest for MCC Grant Agreements or other documents that are part of the MCC Grant Agreement.
- (5) The inclusion of the expenditure ceiling which is sourced from Pure Rupiah fund as referred to in paragraph (3) letter b is equal to the estimated replacement in the field of taxes and / or customs in the current year as well as operational expenditure MCC Grants Unit Management.

Article 6

- (1) The inclusion of the expenditure ceiling which is sourced from MCC Grant allocated to carry out the activities as stipulated in the grant agreement.
- (2) Expenditure ceiling which is sourced from Pure Rupiah funds, allocated to fund:
 - a. replacement expenditures in the field of taxes and / or customs that arise as a result of the implementation of activities of the MCC Grant in accordance with the MCC Grant Agreement, which does not receive taxes and / or



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customs facility in accordance with the provisions of the legislation in the field of taxation and customs, and

- b. Operating expenditure unit that manages all the MCC Grant does not conflict with the settings in the MCC Grant Agreements or other documents that are part of the MCC Grant Agreement.

Article 7

- (1) PA make RKA-K / L of the MCC Grant Unit Management based on:
 - a. withdrawal plan / grant realization (disbursement) in the fiscal year concerned;
 - b. estimated replacement in the field of tax and / or customs that will arise over the implementation of the MCC grant activities;
 - c. estimation of the relevant operational costs, and
 - d. Standard cost for funding from Pure Rupiah.
- (2) PA as described in paragraph (1) shall be fully responsible for the preparation of RKA-K / L and DIPA.

Article 8

The procedure for the preparation of RKA-K / L and DIPA guided by the provisions of Acts and regulations governing the preparation and review of the Annual Work and Budget Plan of the State Ministries / Agencies and DIPA.

CHAPTER V

MECHANISMS OF EXPENDITURE IMPLEMENTATION AND
RATIFICATION OF MCC GRANT

Part One

Treasury officials

Article 9

- (1) PA appointed Head of MCC Grants Unit Management or other officials as KPA.
- (2) KPA as described in paragraph (1) is responsible both formally and materially for the implementation of activities funded from grant funds of MCC and Pure Rupiah
- (3) In order to carry out the activities as referred to in paragraph (2), KPA appoint officials in the environment of MCC Grant



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Unit Management as:

- a. PPK;
- b. PPSPM, and
- c. Expenditure Treasurer.

Article 10

- (1) PPK as referred to in Article 9 paragraph (3) letter a, authorized to perform actions that resulted to the state expenditure.
- (2) In order to perform actions that may result the expenditures at the expense of the National Budget, the PPK has the duty and authority to:
 - a. Establish a plan of implementation of the procurement of goods / services;
 - b. Issued a letter of appointment of goods / services;
 - c. Sign and implement engagement with the provider of goods / services;
 - d. Implement self-management activities;
 - e. Notify the Authority of the State General Treasurer of the engagements which is done;
 - f. Control the execution of the engagement;
 - g. Testing and sign papers regarding the right to collect the evidence to the state;
 - h. Make and sign the SPP or other similar documents SPP;
 - i. Reported execution / completion of goods / services to the PA / KPA;
 - j. Submit the work of providers of goods / services to the PA / KPA with the news handover;
 - k. Save and preserve the integrity of the whole document of the procurement of goods / services, and
 - l. Other duties and authority relating to the procurement of goods / services.
- (3) The PPK may be assisted by one or several people who have expertise in the areas of procurement and financial management.



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- (4) In order to pay attention to the efficiency and effectiveness as well as the complexity of the implementation of the source of the funds come from MCC grants, KPA can delegate some of the tasks and authority of the PPK to the program implementation unit.
- (5) The provisions concerning the distribution of duties and authority and governance of the relationship between the PPK and program implementation unit be further established by the KPA.

Article 11

- (1) The process of procurement of goods / services that the funding comes from MCC Grants made by the program implementation unit as referred to in Article 10 paragraph (4) based on the MCC Procurement Guidelines.
- (2) The signing of the procurement of goods / services as described in paragraph (1) carried out by the authorities on the program implementation unit based on the MCC Procurement Guidelines.
- (3) The agreement as referred to in paragraph (2) applies effective after getting the approval of the PPK.

Article 12

- (1) PPSPM as referred to in Article 9 paragraph (3) letter b shall be authorized:
 - a. Testing a payment request from the PPK;
 - b. Issuing payment orders, and
 - c. Issuing direct orders grant approval.
- (2) PPSPM be assisted by one or several people who have expertise in financial management.
- (3) The authority PPSPM as referred to in paragraph (1) letter a, and letter b apply in the context of expenditure funded from Pure Rupiah.
- (4) The authority PPSPM as referred to in paragraph (1) letter c applied in the context of expenditure funded from MCC Grants.

Article 13

- (1) Expenditures Treasurer as referred to in Article 9 paragraph (3) letter c tasked to perform treasury duties.



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- (2) Treasury tasks as referred to in paragraph (1) include receiving, storing, administering, paying / depositing and reporting the money which is in management.
- (3) Expenditures Treasurer may be assisted by one or several people who have expertise in financial management.
- (4) Task Expenditure Treasurer as referred to in paragraph (1) applies in the context of expenditure funded from Pure Rupiah.

The second part

Claims Settlement

Article 14

- (1) Payment of invoices in the implementation of MCC Grants made to those entitled to receive by way of:
 - a. Directly by MCC;
 - b. Through accounts managed by the Expenditures Treasurer.
- (2) Further provisions concerning the settlement mechanisms bills paid directly by the MCC which arranged in a structured governance guidelines and stipulated by the KPA.
- (3) KPA establish governance guidelines after coordination with the Minister of Finance c.q. Director General of the Treasury based on the agreement MCC Grant.

Part Three

MCC Grant Approval Procedure

Article 15

- (1) The implementation of loading the budget comes from MCC Grants into the National Budget through direct grants authentication mechanisms in the form of money.
- (2) Approval mechanisms in the form of cash grants directly as referred to in paragraph (1) based on the Regulation of the Minister of Finance concerning the Mechanisms of Grants Management.

Article 16

- (1) In the event that settlement of bills is done directly by the MCC, KPA does not need to open an account as required in the direct grant ratification mechanisms in the form of cash



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money.

- (2) The ratification of the settlement of the bill as referred to in subsection (1) does not need to be accompanied by copies of an account in the grant account.

Part Four

Delivery of Goods and / or Services

Article 17

- (1) Items resulting from the provision of grants funded by the MCC Grant noted by MCC Grant Unit Management as State Property.
- (2) The State Property as referred to in paragraph (1) given from Authorized MCC Grant Unit Management to the State Ministries / Agencies that proposed the activities.
- (3) The procedure for the handover of the State Property as referred to in paragraph (2) based on the provisions of Acts and regulations governing the management of State Property

Article 18

- (1) Procurement services funded from MCC Grants directly utilized by the State Ministries / Agencies that proposed activities.
- (2) The provisions on the use of services by the State Ministries / Agencies proposed activity shall be further developed governance guidelines and stipulated by the KPA.

CHAPTER VI

REPLACEMENT IN THE FIELD OF TAXES AND / OR
CUSTOMS

Part One

Parties and Type of Tax Payment and / or Customs Getting
Replacement

Article 19

- (1) In the framework of the implementation of activities financed from the MCC Grant, may be given the replacement in the field of taxes and / or customs.
- (2) Replacement in the field of taxes and / or customs as referred to in paragraph (1) is given to those involved in the activities funded from the MCC Grant include:



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- a. Main Contractor;
 - b. Subcontractors;
 - c. individual's status as a foreign tax subject when started to work in the activities funded by the MCC grant, and
 - d. MCC Grant Unit Manager.
- (3) Replacement in the field of taxes and / or customs as referred to in paragraph (1) may be given as long as:
- a. Have made payment of taxes and / or customs to the State Treasury;
 - b. Do not get the tax and / or customs in accordance with the provisions of the legislation in the field of taxation and customs, and
 - c. Transaction with a value above \$ 500.-

Article 20

- (1) The payment of taxes and / or customs in the implementation of the MCC Grant to obtain reimbursement include:
- a. Reimbursement of Value Added Tax Payment:
 - 1) Value Added Tax paid by MCC Grant Unit Manager in connection with the implementation of activities funded from the MCC Grant:
 - a) The purchase of taxable goods or taxable services utilization Value Added Tax levied by the provider of goods / services;
 - b) Are retail (retail), and
 - c) Are not included in the mechanisms of Value Added Tax facilities not subjected
 - 2) Value Added Tax paid either by the Main Contractor as referred to in Article 19 paragraph (2) letter a or the subcontractor as referred to in Article 19 paragraph (2) letter b, which cannot be credited due to the following circumstances:
 - a) in the case of the Main Contractor or subcontractor is a non-Taxable;
 - b) the purchase of vehicles by the Main Contractor with the following requirements:



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- 1) the vehicle is purchased using a grant from the MCC;
 - 2) is used only for the implementation of the MCC, and
 - 3) at the end of the contract period the vehicle is delivered to the MCC Grants Unit Management;
- c) Value Added Tax paid by the Main Contractor who are abroad and do not have a permanent establishment in Indonesia, who purchases taxable goods and / or utilization of taxable services by subcontractors who were in the customs area;
- b. Reimbursement of Sales Tax on Luxury Goods (PPnBM) payment for the purchase of vehicles by the Main Contractor with the following requirements:
1. vehicle is purchased using a grant from the MCC;
 2. only used for the implementation of the MCC, and
 3. at the end of the contract period the vehicle is delivered to the unit that manages the MCC grant funds;
- c. Reimbursement of Income Tax under Article 21 or Article 26 of Income Tax on income derived from work in the activities of MCC for individual subjects foreign tax status when starting to work in the MCC Grant funded activities;
- d. Reimbursement of Import Duty, import VAT and Income Tax Article 22 imports for imports to be used, in which case not entitled to exemption from Import Duty, import VAT and Income Tax Article 22 imports as stipulated in the legislation, as well as activities temporary Import Duty waivers granted.
- (2) Reimbursement payments Import Income Tax Article 22 paragraph (1) letter d cannot be granted in the event that the import is a subcontractor.
- (3) In the event of the temporary import as referred to in paragraph (1) letter d, importers late or not done in accordance with the re-export of the period as stipulated in the legislation in the field of customs, importers bear the payment of Import Duty, import VAT, Article 22 Income Tax and import, as well as administrative sanctions, and the payment of import duty, import VAT and Income Tax Article 22 imports, as well as administrative sanctions are not intended to be replaced.



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- (4) Provision of compensation in the field of taxes and / or customs as set forth in this regulation is done by the application based on the Program Implementation Agreement-Grant Agreement Millennium Challenge Compact between the United States of America acting through the Millennium Challenge Corporation and the Republic of Indonesia.

Part Two

Submission of List of Parties Who Getting in the Field Replacement Tax

Article 21

- (1) In order to identify those who will get a replacement in the field of taxation, the KPA should submit the list as referred to in Article 19 paragraph (2) letter a and letter b to the Director General of Taxes c. q. Head of the Tax Office where the taxpayer is registered or the list as referred to in Article 19 paragraph (2) letter c to the Director General of Taxes c. q. Head of the Tax Office where the taxpayer listed Income Tax Withholding.
- (2) Submission of the list as referred to in paragraph (1) shall each month no later than 5 (five) working days of the following month with the format set out in Appendix I which are an integral part of this Regulation of the Minister.
- (3) List the parties as referred to in paragraph (1) may be used as the basis in order to test the fulfillment of tax obligations parties to obtain reimbursement in the field of taxation.

Part Three

Making Commitments and Claims Settlement

Article 22

- (1) In the framework of replacement in the field of taxes and / or customs that have been paid, the parties may obtain reimbursement in the field of taxes and / or customs as referred to in Article 19 paragraph (2) shall apply for a replacement in the field of taxes and / or customs to KPA.
- (2) Application for replacement in the field of taxes and / or customs as referred to in paragraph (1) shall at least contain:
 - a. Identity of the applicant;
 - b. Tax Identification Number;
 - c. Bank account numbers;



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- d. Sum payment of taxes and / or customs requested reimbursement;
 - e. Types of activities requested reimbursement in tax and / or customs, and
 - f. Types of taxes and / or import duties are applied for reimbursement in the tax and / or customs.
- (3) Application for replacement in the field of taxes and / or customs as referred to in paragraph (1) shall be accompanied by the following documents:
- a. For VAT reimbursement as referred to in Article 20 paragraph (1) letter a number 1:
 1. Tax Invoice;
 2. Proof of payment, and
 3. Photocopy of confirmation as Taxable or Registered Certificate for non-taxpayers Taxable.
 - b. For VAT reimbursement as referred to in Article 20 paragraph (1) letter a number 2:
 1. Tax Invoice;
 2. Proof of payment;
 3. Photocopy of confirmation as Taxable or Registered Certificate for non-taxpayers Taxable, and
 4. Summary of contract implementation MCC.
 - c. For reimbursement of Sales Tax on Luxury Goods as referred to in Article 20 paragraph (1) letter b:
 1. Tax invoice that lists the value of Sales Tax on Luxury Goods payable;
 2. Proof of payment;
 3. Photocopy of confirmation as Taxable or Registered Certificate for non-taxpayers Taxable, and
 4. Summary of contract implementation MCC.
 - d. For reimbursement of income tax on income derived from work in MCC activity for Individual who is a subject of a foreign tax as referred to in Article 20 paragraph (1) letter c:



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1. Copy of the payment slip earnings;
2. Proof of income tax cut Income Tax Article 21 or Article 26;
3. Copy of the Notice Period Income Tax Article 21 or the Notice Period Income Tax Article 26 made by cutting taxes, and
4. Summary of contract implementation MCC.
- e. For reimbursement of Import Duty, import VAT and Income Tax Article 22 imports as referred to in Article 20 paragraph (1) letter d:
 1. For imports to be used:
 - a) Excise Payment Slip and Import Value Added Tax and Income Tax (SSPCP) Article 22 imports ;
 - b) Import Declaration (PIB);
 - c) *Invoice, Packing List, Bill of Lading / Airway Bill*, and
 - d) Goods Export Approval (SPPB);
 2. For temporary imports:
 - a) Excise Payment Slip and Import Value Added Tax and Income Tax (SSPCP) Article 22 imports ;
 - b) Import Declaration (PIB);
 - c) *Invoice, Packing List, Bill of Lading / Airway Bill*;
 - d) Goods Export Approval (SPPB) and;
 - e) Agreement on Import Licensing.

Article 23

- (1) Based on the applications received, the PPK must verify to ensure the emergence of rights of the parties to obtain reimbursement in the field of taxes and / or customs based on valid evidence.
- (2) Verification as described in paragraph (1) include:
 - a. Test the validity of tax payments / SSPCP have entered into the State Treasury;
 - b. Test the validity of the parties entitled to reimbursement in the field of taxes and / or customs;



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- c. Test the validity of the calculation of reimbursement in tax and / or customs;
 - d. Test the completeness of the application and validity of the document.
- (3) The results of the verification which done KPA / PPK became the basis of the issuance of the SPP by PPK.
- (4) KPA can arrange further instructions on replacing the verification mechanisms in the field of taxes and / or customs after coordination with the Directorate General of Taxes and / or the Directorate General of Customs and Excise.

Article 24

- (1) In order to test the validity of the deposit as referred to in Article 23 paragraph (2) letter a, KPA should confirm to KPPN.
- (2) The implementation of confirmation as referred to in paragraph (1) shall be conducted in accordance with applicable regulations.
- (3) In case of submission of application is not accompanied by a letter or letters deposit tax payments of customs duties and taxes on import, the confirmation as referred to in paragraph (1) is not necessary.

Article 25

- (1) In the case of KPA are unsure of the validity of the documents as referred to in Article 23 paragraph (2) letter d, KPA can confirm their tax invoice or proof of income tax cut to the Tax Office where the taxpayer issuing tax invoices and proof of registered income tax cut.
- (2) Application confirmation as referred to in paragraph (1) shall be submitted by mail by enclosing a summary of the contract or equivalent document.
- (3) Summary of the contract as referred to in paragraph (2) shall contain at least the information:
- a. The identity of the parties to contract;
 - b. Tax Identification Number;
 - c. Value of the contract;
 - d. Financial resources; and
 - e. Type of work.



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- (4) The Head of the Tax Office or the officer whom appointed immediately provide answer upon the requests confirmation as referred to in paragraph (1) at least 14 (fourteen) days after the application for confirmation received in complete.
- (5) The result of confirmation as referred to in paragraph (4) set forth in the description of the results confirm the format as set out in Appendix II, which is an integral part of this Regulation of the Minister.

Article 26

- (1) In the case of KPA are unsure of the validity of the documents as referred to in Article 23 paragraph (2) letter d, KPA can confirm Import Declaration, Invoice, Bill of Lading / Airway Bill, and Agreement on Import Licensing to the Main Office / Office of Surveillance and the Customs and Excise Service entry point of goods.
- (2) Application confirmation as referred to in paragraph (1) be submitted in the form according to the format as specified in Appendix III which is an integral part of this regulation, by attaching the documents referred to in Article 22 paragraph (3) letter e.
- (3) Head of the Main Office / Head Office of Surveillance and the Customs and Excise Service entry point of goods or the officer whom appointed immediately provide answers upon the requests of confirmation as referred to in paragraph (1) at least 14 (fourteen) days after receipt of complete .
- (4) The result of confirmation as referred to in paragraph (3) set forth in the form as referred to in paragraph (2).

Article 27

- (1) In the case based on the results of verification and confirmation as referred to in Article 23, Article 24, Article 25 and Article 26, request reimbursement in the field of taxes and / or customs clearance meets the requirements, PPK will be preparing SKP2K.
- (2) SKP2K as referred to in paragraph (1) prepared in accordance with the format set out in Appendix IV which are an integral part of this Regulation of the Minister.
- (3) SKP2K as referred to in paragraph (1) shall be determined by the KPA.
- (4) SKP2K set by the KPA become basis authorizing in the reimbursement payment in the field of taxes and / or



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customs.

Article 28

- (1) Based on the SKP2K, PPK compiled the SPP for submission to PPSPM.
- (2) SPP as described in paragraph (1) be accompanied by the following documents:
 - a. SKP2K;
 - b. Letter of request reimbursement in the field of taxes and / or customs as well as all supporting attachments as referred to in Article 22;
 - c. SPTB signed by the PPK.

Part Four

Issuance of SPM

Article 29

- (1) PPSPM performed testing the SPP replacement in the field of taxes and / or customs along with supporting documents submitted by the PPK in accordance with the provisions of the legislation.
- (2) In the case of testing the SPP as referred to in paragraph (1) has met the requirements PPSPM issued and signed Expenditure SPM reimbursement in the field of taxes and / or customs.
- (3) SPM replacement in the field of taxes and / or customs as described in paragraph (2) was then filed to KPPN by enclosing:
 - a. SKP2K;
 - b. SPTB, and
 - c. Computer Data Archive SPM.

Part Five

Issuance of SP2D

Article 30

- (1) Based on the SPM which proposed, the KPPN perform a testing upon the SPM and issuing SP2D.
- (2) The procedure for issuing SP2D carried out based on the



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provisions of the legislation.

Part Six

Replacement Period in the Field of taxes and / or Customs

Article 31

Replacement funds in the field of tax and / or customs received in the account of each party as referred to in Article 19 paragraph (2) not later than 30 (thirty) days since the SPM received by KPPN in complete and correct.

CHAPTER VII

ACCOUNTABILITY AND REPORTING

Article 32

- (1) The procedure for accountability and reporting on MCC Grant funds based on the Regulation of the Minister of Finance concerning Grants Management Mechanisms and Regulation of the Minister of Finance concerning Grant Accounting System.
- (2) The procedure for the replacement of accountability and reporting in the field of taxes and / or customs in the implementation of the MCC Grant Program based on the Regulation of the Minister of Finance concerning Accounting and Financial Reporting System of the Central Government.

Article 33

Expenditure deals in tax and / or customs reimbursement recorded as provisions concerning account Standard Chart of Accounts.

CHAPTER VIII

CLOSING PROVISIONS

Article 34

This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA
- 21 -

on July 24, 2012

MINISTER OF FINANCE OF
THE REPUBLIC OF
INDONESIA,

Signed.

AGUS D. W.
MARTOWARDOJO

Promulgated in Jakarta

on July 24,
2012

MINISTER OF JUSTICE AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

Signed.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 746 YEAR 2012

Appendix