



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF  
INDONESIA NUMBER 165/PMK.07/2012

CONCERNING

BUDGET ALLOCATION TRANSFERRED TO REGION

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering : a. that the budget allocation transferred to Region based on Act Number 33 Year 2004 concerning Financial Balance between Central and Regional Government and Government Regulation Number 55 Year 2005 concerning Fund Balance;
- b. that the provisions of Article 35 of Government Regulation Number 55 Year 2005 concerning Fund Balance, among others, that further provisions on the procedure of calculation and adjustment procedures for the allocation plan with realization of Shared Fund (DBH) of Natural Resources, regulated by the Regulation of the Minister of Finance;
- c. that under the provisions of Article 53 of Government Regulation Number 55 Year 2005, Minister of Finance calculating the allocation of the Specific Allocation Fund;
- d. that under the provisions of Article 18 paragraph (4) of Government Regulation Number 90 Year 2010 concerning the preparation of the Annual Work and Budget Plan of the State Ministries / Agencies, further provisions concerning the procedures of planning, determination of allocations, budget execution and ratification documents of General Treasurer including budget Transferred to Regions regulated by the Regulation of the Minister of Finance;
- e. that in order to enhance transparency, accountability, and the legal certainty in budget allocation Transferred to Region, it is necessary to set the budget allocation Transferred to Region;
- 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 Budget Allocation Transferred to Region;
- In View of : 1. Act Number 21 Year 2001 concerning Special Autonomy for Papua Province (State Gazette of the Republic of



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Indonesia Year 2001 Number 135, Supplement to State Gazette of the Republic of Indonesia Number 4151) as amended by Act Number 35 Year 2008 (State Gazette of the Republic of Indonesia Year 2008 Number 112, Supplement to State Gazette of the Republic of Indonesia Number 4884);

2. Act Number 20 Year 2003 concerning National Education System (State Gazette of the Republic of Indonesia Year 2003 Number 78, Supplement to State Gazette of the Republic of Indonesia Number 4301);
3. Act Number 33 Year 2004 concerning Financial Balance between Central and Regional Government (State Gazette of the Republic of Indonesia Year 2004 Number 126, Supplement to State Gazette of the Republic of Indonesia Number 4438);
4. Act Number 11 Year 2006 concerning Aceh Governance (State Gazette of the Republic of Indonesia Year 2006 Number 62, Supplement to State Gazette of the Republic of Indonesia Number 4633);
5. Government Regulation Number 55 Year 2005 concerning Fund Balance (State Gazette of the Republic of Indonesia Year 2005 Number 137, Supplement to State Gazette of the Republic of Indonesia Number 4575);
6. Government Regulation Number 90 Year 2010 concerning the Preparation of the Annual Work and Budget Plan of State Ministries / Agencies (State Gazette of the Republic of Indonesia Year 2010 Number 152, Supplement to State Gazette of the Republic of Indonesia Number 5178);
7. Regulation of the Minister of Finance Number 93/PMK.02/2011 concerning Guidelines for Preparation and Reviewing Annual Work and Budget Plan of the State Ministries / Agencies;

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING BUDGET ALLOCATION TRANSFERRED TO REGION.

CHAPTER I

GENERAL PROVISIONS



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Article 1

In this Regulation of the Minister referred to as:

1. Central Government, hereinafter referred to the Government is the President of the Republic of Indonesia, which holds the power of the government of the Republic of Indonesia as referred in the Constitution of the Republic of Indonesia Year 1945.
2. Local Government is the governor, head of district or mayor, and the official component of the administration of Local Government.
3. Autonomous Region is hereinafter referred to the Regional as the legal entity that has the authority boundaries administer and manage the affairs of government and public interest at its own initiative based on the aspirations of the people within the Unity of the Republic of Indonesia.
4. National Budget is hereinafter referred to the APBN is the annual financial plan of state government approved by the National Legislative Assembly.
5. Provincial or District Government Budget is hereinafter referred to the APBD is the annual financial plan of local government approved by the Regional Legislative Assembly.
6. Indications of Funding Needs Transferred to Region hereinafter referred to the Funding Needs Indication are funds indications that need to be budgeted for the implementation of the Transferred to Region.
7. Plan of Fund Expenditure to Region, hereinafter referred to the Fund Expenditure Plan is a plan and budget that contains details of the funding requirements for the implementation of the Transferred to Region.
8. Transferred to Region is funds sourced from the National Budget (APBN) which allocated to the region in the framework of implementation of decentralization which consists of Fund Balance, Autonomy Fund and Adjustment Fund.
9. Fund Balance is funds sourced from the National Budget (APBN) revenues which allocated to the region to fund the needs of the region in the framework of Decentralization, which consists of Shared Fund, the



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General Allocation Fund, and the Specific Allocation Fund.

10. Shared Fund hereinafter referred to as the DBH is funds sourced from the National Budget (APBN) revenues which allocated to the Region based on a percentage to fund the needs of the region in the framework of Decentralization.
11. Tax Shared Fund, hereinafter referred to as the DBH Tax is part of the area from the reception of the Land and Building Tax, Income Tax, Article 25 and Article 29 Domestic Individual Taxpayer, and the Income Tax Article 21.
12. Shared Fund of Excise Tobacco Product hereinafter referred to as the DBH CHT is part of the Budget Transferred to Regions that are distributed to provinces producing excise and / or provinces producing tobacco.
13. Land and Building Tax, hereinafter referred to as PBB is a tax imposed on land and buildings.
14. Income Tax Article 25 and Article 29 Domestic Individual Taxpayer, hereinafter referred to as the WPOPDN PPh is Income Tax payable by the Domestic Individual Taxpayer under the provisions of Article 25 and Article 29 of the Act concerning Income Tax applicable except as Income Tax provided in Article 25 paragraph (8).
15. Income Tax Article 21, hereinafter referred to as PPh Article 21 is tax on income in the form of salaries, wages, honoraria, allowances and other payments with respect to employment or occupation, services and activities performed by the Domestic Individual Taxpayer under the provisions of Article 21 of the Act concerning Income Tax.
16. Land and Building Tax mining sector for mining Petroleum and Gas hereinafter referred to as the PBB Petroleum and Gas is the PBB of the land and / or buildings that are in the work area or the like related to Petroleum and gas mining rights acquired, owned, controlled, and / or utilized by Contractor of Cooperation Contract.
17. Land and Building Tax mining sector for mining Geothermal hereinafter referred to as the PBB Geothermal is above the land and / or buildings that are



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in the work area or the like associated mining rights acquired geothermal, owned, controlled, and / or utilized by the Geothermal Employers.

18. Non-Tax Revenue hereinafter referred to as PNBP are all central government revenue which is not from taxation.
19. Shared Fund of Natural Resources, hereinafter referred to as DBH SDA is part of the area from revenues of SDA forestry, mining, fisheries, mining, petroleum, mining, natural gas, and geothermal.
20. Contractor of Cooperation Contract hereinafter referred to as KKKS is a business agency or permanent establishment determined to carry out exploration and exploitation in the area based on the cooperation contracts.
21. Geothermal Employers is Pertamina or company successor in accordance with the provisions of acts and regulations, the contractor of join operation contract (*joint operation contract*), and the holder of the permit of geothermal resources.
22. Underpayment Shared Fund hereinafter referred to as Underpayment DBH is less difference between DBH were calculated based on the finished realization of state revenues with DBH has distributed to the region or DBH that is calculated based on actual state revenues prognosis at one certain of fiscal year.
23. General Allocation Fund, hereinafter referred to as DAU is funds sourced from the National Budget (APBN) revenues which allocated to distribution of financial capacity of inter-zonal to fund the needs of the regions in the implementation of Decentralization.
24. Specific Allocation Fund, hereinafter referred to as DAK is funds sourced from the National Budget (APBN) revenues which allocated to a particular region in order to help fund special activities of the region in accordance with national priorities.
25. Specific Autonomy Fund is the funds which allocated to finance the implementation of special autonomy in a region.
26. Adjustment Fund is a fund which allocated to assist the region in order to implement certain policies in accordance with the provisions of legislation comprising



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Professional Allowances of Local Civil Servant Teacher, Additional Fund Income of Local Civil Servant Teacher, School Operational Fund and Regional Incentive Fund.

27. Professional Allowances of Local Civil Servant Teacher hereinafter referred to as TP Teacher PNSD is professional allowance is given to the teacher PNSD who has a certificate of educators and meet the requirements in accordance with the provisions of the legislation.
28. Additional Fund Income of Local Civil Servant Teacher hereinafter referred to as DTP Teacher PNSD is additional income is given to teachers PNSD who have not received DTP Teacher PNSD in accordance with the provisions of the legislation.
29. School Operational Fund, hereinafter referred to as BOS is a fund that is used primarily for non-personnel costs for units as executive education compulsory and may be possible to fund some other activities within the technical guidance of the Minister of Education and Culture.
30. Regional Incentive Fund, hereinafter referred to as DID is Adjustment Fund in the National Budget (APBN) which allocated to the provincial and district / city in accordance with the financial state capacity to carry out the function of education to consider the criteria that meets the regional criteria for achieving Primary Criteria, Performance Criteria, and Minimum Graduation Performance Limits as base to determine the allocation of the receiving areas DID and calculated the amount of the allocation DID.
31. Technical Minister is the minister in charge of and responsible in specific technical areas.

## CHAPTER II

### SCOPE

#### Article 2

- (1) The scope of the budget allocation Transferred to Region includes:
  - a. Budgeting of Budget Transferred to Region;
  - b. providing budget data transferred to Region and



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- c. Calculation and determination of budget allocations Transferred to Region.
- (2) Budget Transferred to Region as referred to in paragraph (1) includes the Fund Balance, Specific Autonomy Fund and Adjustment Fund.

CHAPTER III

SHARED FUND OF TAX AND SHARED FUND OF EXCISE  
TOBACCO PRODUCTS

Part One

Budgeting

Article 3

- (1) Directorate General of Fiscal Balance compile:
  - a. Funding Needs Indication of DBH Tax, and
  - b. Fund Expenditure Plan of DBH Tax,

Based on estimates of the tax revenue that has been distributed, after coordination with the Directorate General of Taxes and Fiscal Policy Agency.

- (2) The Directorate General of Fiscal Balance compile:
  - a. Funding Needs Indication of DBH CHT, and
  - b. Fund Expenditure Plan of DBH CHT,

Based on estimates of revenue that has been distributed Excise Tobacco Product, after coordination with the Directorate General of Customs and Excise and Fiscal Policy Agency.

- (3) Funding Needs Indication of DBH Tax and DBH CHT as referred to in paragraph (1) letter a and paragraph (2) letter a submitted by the Director General of Fiscal Balance to the Director General of Budget no later than the first week of March of the previous fiscal year to be used as a basis preparation of Funding Needs Indication of Expenditures of General Treasurer.
- (4) Fund Expenditure Plan of DBH Tax and DBH CHT as referred to in paragraph (1) b and (2) letter b shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than June of the previous fiscal year to be used as the basis for the



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preparation of the Bill concerning the National Budget (APBN).

- (5) The Submission of Funding Needs Indication and Fund Expenditure Plan of DBH Tax and DBH CHT as referred to in paragraph (3) and (4) excluding changes resulting from the changes in the budget ceiling plan tax revenues and Excise Tobacco Products.

Part Two

Provision of Data

Article 4

- (1) Based on the limit specified in the Act concerning National Budget (APBN), the Director General of Taxes determines:
  - a. PBB revenues plan of Rural, Urban, Agriculture, Forestry, and Mines sector (Crude Petroleum, Natural Gas, Geothermal, and other mining);
  - b. Revenue plan of PPh Article 21 and PPh WPOP DN, and
  - c. The amount of incentive plan of PBB per district / city.
- (2) Revenue plan of PBB, revenue plan of PPh Article 21 and PPh WPOP DN, and the amount of incentive plan of PBB as referred to in paragraph (1) letter a, letter b, and letter c, the Director General of Taxes to the Director General of Fiscal Balance to the provisions of the following:
  - a. PBB acceptance of the plan and the plan PPh and PPh Article 21 WPOP DN be submitted no later than 10 (ten) labor days after the Act on the National Budget are set, and
  - b. The amount of incentive plan of PBB submitted by the end of March of the relevant financial year.
- (3) Revenue plan of PBB, Revenue plan of PPh as referred to in paragraph (1) letter a, and letter b is specified by districts / cities.
- (4) Revenue plan of PBB as referred in paragraph (1) letter a special for PBB Petroleum and Gas broken down by:
  - a. PBB Petroleum and Gas from the area of land (*onshore*) per KKKS per district / city;





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- b. PBB Petroleum and Gas from that area of offshore waters (*offshore*) per KKKS, and
  - c. PBB Petroleum and Gas from the body of the earth per KKKS.
- (5) Details of the Revenue plan of PBB as referred in paragraph (4) is distinguished for:
- a. PBB Petroleum and Gas borne by Government, and
  - b. PBB Petroleum and Gas paid directly by the KKKS to the tax payment bank.
- (6) Revenue plan of PBB as referred to in paragraph (1) letter a special for PBB Geothermal specified per Geothermal Employers per district / city.

Article 5

- (1) The Director General of Taxes deliver:
- a. prognosis realization of PBB revenue per sector;
  - b. prognosis realization of PPh revenue Article 21 PPh WPOPDN per district / city and
  - c. prognosis amount of PBB incentive per district / city,
- To the Director General of Fiscal Balance.
- (2) Prognosis realization of PBB revenue, prognosis realization of PPh revenue Article 21 PPh WPOPDN, and prognosis amount of PBB incentive referred to in paragraph (1) letter a, letter b, and letter c be submitted no later than the first week of October of the fiscal year concerned.
- (3) Prognosis realization of PBB revenue as referred to in paragraph (1) letter a special for PBB Petroleum and Gas broken down by:
- a. PBB Petroleum and Gas borne by Government, and
  - b. PBB Petroleum and Gas paid directly by the KKKS to the tax payment bank
- (4) PBB Petroleum and Gas borne by Government as referred to in paragraph (3) letter a shall be paid through the PBB Petroleum and Gas transfer funds from Petroleum and Gas Account to the account of the tax payment bank.



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- (5) Prognosis realization of PBB Petroleum and Gas revenue as referred in paragraph (3) broken down by:
  - a. PBB Petroleum and Gas from the area of land (*onshore*) per KKKS per district / city, and
  - b. PBB Petroleum and Gas from the area of offshore waters (*offshore*) and the PBB Petroleum and Gas from the body of the earth per KKKS.
- (6) Prognosis realization of PBB Petroleum and Gas revenue as referred to in paragraph (1) letter a special for Geothermal specified per employers per district / city.

Article 6

- (1) The Director General of Customs and Excise deliver:
  - a. realization of Excise revenue of Tobacco Product made in Indonesia the previous year broken down by region, and
  - b. realization of Excise revenue of Tobacco Product made in Indonesia in accordance with the limit specified in the Act concerning National Budget (APBN),To the Director General of Fiscal Balance.
- (2) Realization of Excise revenue of Tobacco Product as referred to in paragraph (1) letter a submitted no later than 60 (sixty) days prior to the fiscal year concerned implemented.
- (3) Realization of Excise revenue of Tobacco Product as referred to in paragraph (1) letter b shall be submitted no later than 10 (ten) labor days after the Law on State Budget set.
- (4) The Director General of Plantation the Ministry of Agriculture submit data on average production of dried tobacco for 3 (three) years prior to the Director General of Fiscal Balance no later than 60 (sixty) days prior to the fiscal year concerned implemented.

Part Three

Calculation and Allocation Determination

Article 7

- (1) Based on the Revenue plan of PBB and Revenue plan of PPh and PPh WPOPDN Article 21 as referred to in Article 4 paragraph (1) letter a and b above, the Directorate



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General of Fiscal Balance calculation:

- a. temporary allocation of the DBH PBB of the Government to the district / city;
  - b. Temporary allocation of the DBH PBB of the Regional per sector for provincial / district / city;
  - c. Temporary allocation of the PBB cost collection of the Regional per sector for provincial / district / city and
  - d. Temporary allocation of the DBH PPh Article 21 PPh WPOP DN for provincial / district / city.
- (2) In the case of Revenue plan of PBB and Revenue plan of PPh Article 21 PPh WPOP DN not submitted in accordance with the time as referred to in Article 4 paragraph (2) letter a, the calculation of the allocation temporary of the DBH PBB and the temporary allocation of the DBH PPh Article 21 and PPh WPOP DN can conducted based on the PBB data revenues and PPh data revenues Article 21 and PPh WPOP DN previous year.

Article 8

- (1) The amount of incentive allocation plan temporary of PBB set at 3.5% (three point five percent) of the Revenue plan of PBB to the fiscal year and was calculated with the following conditions:
  - a. 35% (thirty five percent) evenly distributed to districts / municipalities are eligible for incentives, and
  - b. 65% (sixty five percent) distributed by using the formula to districts / municipalities are eligible for incentives.
- (2) Formula as referred in paragraph (1) letter b shall be as follows:

$$\begin{aligned} \text{Incentives} &= \text{PBB} \left( (20\% \times \text{ratio PSLR}) + (20\% \times \text{ratio PRP}) + \right. \\ &\quad (15\% \times \text{ratio SLRP}) + (15\% \times \text{ratio NRP}) + \\ &\quad (10\% \times \text{LW ratio}) + (10\% \times \text{ratio JP}) + \\ &\quad \left. (10\% \times \text{ratio JPM}) \right) \end{aligned}$$

Description

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- PSLR : Percentage of the excess of revenue realization PBB Rural / Urban sector areas concerned the acceptance of the plan by the total percentage of the excess of revenue realization PBB Rural / Urban sector to the revenue plan throughout the area receiving the incentive.
- PRP : Percentage of revenue realization PBB Rural / Urban sector areas relevant to the provision of basic tax returns with the percentage of total sector revenue realization PBB Rural / Urban sector of the principal provisions of the whole area receiving tax incentives.
- SLRP : Excess revenue realization PBB Rural / Urban sector areas concerned the revenue of the PBB plan Rural / Urban sector areas concerned with the excess of total sector revenue realization PBB Rural / Urban sector to plans PBB acceptance Rural / Urban sector entire area receiving incentives.
- NRP : Nominal revenue realization PBB Rural / Urban sector areas concerned with the total nominal revenue realization PBB Rural / Urban sector of entire area receiving incentives.
- LW : Local area is concerned with the total area of all regions receiving incentives.
- JP : Local population to the total population of the whole area receiving incentives.
- JPM : Number of poor regions to the total number of poor people throughout the area receiving the incentive.

- (3) The percentage of the Excess revenue realization PBB Rural / Urban sector areas concerned the revenue of the plan as referred to in paragraph (2) are limited to 20% (twenty percent).
- (4) The percentage of revenue realization PBB Rural / Urban sector on the subject a as referred to in paragraph (2) are limited to 100% (one hundred percent).

Article 9

- (1) The temporary allocation of DBH PBB and the temporary allocation of DBH PPh Article 21 PPh WPOPDN as



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referred to in Article 7 paragraph (1) shall be stipulated by the Regulation of the Minister of Finance no later than 30 (thirty) days after receipt of the revenue of the PBB plan per sector and revenue of the PPh plan Article 21 and PPh WPOP DN as referred to in Article 4 paragraph (2) letter a.

- (2) The temporary allocation incentive of PBB as referred to in Article 8 paragraph (1) shall be stipulated by the Regulation of the Minister of Finance no later than 30 (thirty) days after receipt of the amount of the incentive plan of the PBB by districts / cities as referred to in Article 4 paragraph (2) letter b

Article 10

- (1) Based on prognosis realization of PBB revenue and prognosis realization of PPh revenue Article 21 and PPh WPOP DN as referred to in Article 5 paragraph (1) letter a and letter b above, the Directorate General of Fiscal Balance calculation:
  - a. Definitive allocation of the DBH PBB of the Government;
  - b. Definitive allocation of the DBH PBB Petroleum and Gas and Geothermal;
  - c. Definitive allocation of the PBB Petroleum and Gas Cost Collection and Geothermal, and
  - d. Definitive allocation of the DBH PPh Article 21 and PPh WPOP DN.
- (2) The calculation of the definitive allocation of the DBH PBB of the Government as referred to in paragraph (1) letter a shall consist of:
  - a. DBH PBB of the Government's evenly distributed to all districts / cities, and
  - b. PBB incentives for districts / cities.
- (3) PBB Incentive as referred to in paragraph (2) letter b is set at 3.5% (three point five percent) of the prognosis realization of PBB revenue the corresponding fiscal year and calculated in accordance with the provisions as referred to in Article 8 paragraph (1).
- (4) Definitive allocation as referred to in paragraph (1) shall be determined by the Minister of Finance no later than



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October of the fiscal year concerned.

Article 11

In the case of prognosis realization of PBB revenue and prognosis realization of PPh revenue Article 21 PPh WPOPDN are not submitted in accordance with the time as referred to in Article 5 paragraph (2), the provisions of the temporary allocation as referred to in Article 9 of the basis of the distribution:

- a. DBH PBB of the Government in stage III;
- b. DBH PBB Petroleum and Gas and Geothermal in the fourth quarter;
- c. PBB Petroleum and Gas and Geothermal Cost Collection in the fourth quarter, and
- d. DBH PPh Article 21 and PPh WPOPDN in the fourth quarter.

Article 12

- (1) The temporary allocation of the DBH PBB of the Government as referred to in Article 7 paragraph (1) letter a and the definitive allocation of the DBH PBB of the Government as referred to in Article 10 paragraph (1) letter a is calculated with the following conditions:
  - a. 6.5% (six point five percent) of the revenue plan and prognosis realization revenues distributed equally to all districts / cities by sector, and
  - b. 3.5% (three point five percent) of the revenue plan and prognosis realization revenues distributed to district / cities that the realization revenues PBB Rural and Urban sectors in the previous fiscal year reached / exceeded targets.
- (2) Temporary allocation of the DBH PBB of the Region as referred to in Article 7 paragraph (1) letter b and definitive allocation of the DBH PBB Petroleum and Gas and Geothermal referred to in Article 10 paragraph (1) letter b is calculated with the following conditions:
  - a. 16.2% (sixteen point two percent) for the province concerned and
  - b. 64.8% (sixty-four point eight percent) for district / city concerned.



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- (3) Temporary allocation of the PBB of the Region Cost Collection as referred to in Article 7 paragraph (1) letter c and the definitive allocation of the PBB Petroleum and Gas and Geothermal Cost Collection as referred to in Article 10 paragraph (1) letter c is calculated in accordance with the provisions of the legislation
- (4) Temporary allocation of the DBH PPh Article 21 and PPh WPOPDN as referred to in Article 7 paragraph (1) letter d and the definitive allocation of the DBH PPh Article 21 and PPh WPOPDN as referred to in Article 10 paragraph (1) letter d is calculated with the following conditions:
  - a. 8% (eight percent) for the province concerned;
  - b. 8.4% (eight point four percent) for district / city where registered taxpayers, and
  - c. 3.6% (three point six percent) for all districts / city in the province concerned with equal parts.

Article 13

Calculation of the temporary allocation of the DBH PBB of the Region as referred to in Article 7 paragraph (1) letter b and letter c for the PBB Petroleum and Gas and Geothermal sectors and calculations of the definitive allocation DBH PBB Petroleum and Gas and Geothermal as referred to in Article 10 paragraph (1) letter b and letter c made with the following conditions:

- a. PBB Petroleum and Gas *onshore* and Geothermal administered based on the location and status of tax objects for further subdivided in accordance with the provisions stipulated in Article 12 paragraph (2) and paragraph (3);
- b. PBB Petroleum and Gas *offshore* and PBB Petroleum and Gas earth body administered by district / city using the formula and further subdivided in accordance with the provisions stipulated in Article 12 paragraph (2) and paragraph (3).

Article 14

- (1) Formula as referred to in Article 13 letter b shall be as follows:
  - a. For PBB Petroleum and Gas borne by the Government by using the formula:



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$$\begin{array}{l} \text{PBB per} \\ \text{district /} \\ \text{city} \end{array} = \begin{array}{l} (20\% \times \text{ratio JP}) + (10\% \\ \times \text{LW ratio}) + (5\% \times \text{ratio} \\ \text{PAD}) + (65\% \times \text{ratio} \\ \text{lifting Petroleum and} \\ \text{Gas}) \end{array} \begin{array}{l} \text{PBB Petroleum and Gas} \\ \text{offshore and PBB} \\ \text{Petroleum and Gas} \\ \text{earth body} \end{array}$$

Description:

JP Population

=

LW Large of Area

=

PAD Regional Own Source

= Revenues

- b. For PBB Petroleum and Gas paid directly by the KKKS to the tax payment bank using the formula:

$$\begin{array}{l} \text{PBB per} \\ \text{district /} \\ \text{city} \end{array} = \begin{array}{l} \text{Ratio lifting Petroleum} \\ \text{and Gas} \end{array} \begin{array}{l} \text{PBB Petroleum and Gas} \\ \text{offshore and PBB} \\ \text{Petroleum and Gas} \\ \text{earth body} \end{array}$$

- (2) Calculation of the PBB Petroleum and Gas *offshore* and the PBB Petroleum and Gas earth body per districts / cities from PBB Petroleum and Gas borne by the Government shall be as follows:

- a. 10% (ten percent) using the formula as provided in paragraph (1) letter a, and
- b. 90% (ninety percent) is divided proportionally according to the realization of the PBB Petroleum and Gas of the previous fiscal year.

Article 15

- (1) The ratio of the population as referred to in Article 14 paragraph (1) letter a, is calculated by dividing the population of each district / city with a total population of all districts / cities.
- (2) Ratio of the large of area as referred to in Article 14 paragraph (1) letter a, is calculated by dividing the large of area of each district / city with a large of area of all districts / cities.
- (3) the inverse ratio of PAD as referred to in Article 14 paragraph (1) letter a, is calculated by PAD inverse





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divide each district / city ( $1/PAD_i$ ) with a total inverse PAD of all districts / cities ( $\sum^n_i = [1/PAD_i]$ )

- (4) Ratio of *lifting* Petroleum and Gas as referred to in Article 14 paragraph (1), is calculated by dividing the *lifting* Petroleum and Gas each district / city with a total *lifting* Petroleum and Gas producing of all districts / cities.

Article 16

- (1) Population, large of area, and the PAD data as referred to in Article 14 paragraph (1) letter a is the data used in the calculation of DAU for the concerned fiscal year.
- (2) *Lifting* Petroleum and Gas data as referred to in Article 15 paragraph (4) is:
  - a. for the temporary allocation of the PBB Petroleum and Gas using prognosis of *lifting* Petroleum and Gas data from the previous year from the Ministry of Energy and Mineral Resources, and
  - b. For the definitive allocation of the PBB Petroleum is using realization of *lifting* Petroleum and Gas data from the previous year from the Ministry of Energy and Mineral Resources.

Article 17

In case of revenue of the plan as referred to in Article 4 paragraph (1) shall be submitted by the Directorate General of Taxes differ very significantly to the realization of revenue a year earlier, determination of the temporary allocations of DBH Tax as referred to in Article 9 can be adapted to the realization of tax revenue in previous years.

Article 18

- (1) Based on realization revenues of Excise Tobacco Product as referred to in Article 6 paragraph (1), the Directorate General of Fiscal Balance calculation of the temporary allocation of the DBH CHT per province in accordance with the provisions of the legislation.
- (2) Temporary allocation of the DBH CHT per province as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the governor to be used as the basic calculation of allocation of DBH CHT per district / city in the province is concerned with the composition of 30% (thirty percent) for producing



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provinces, 40% (forty percent) for district / city regions, and 30% (thirty percent) for district / city.

- (3) Producing regions as referred to in paragraph (2) is a regional producer of excise and / or tobacco-producing areas.
- (4) The Governor expressed the determination of DBH CHT distribution per district / city along with basic calculations to the Minister of Finance c. q. Director General of Fiscal Balance, with copies to the head of district / mayor in the region by the end of November.
- (5) The Minister of Finance approved the establishment of the division of DBH CHT per district / city presented by the governor.
- (6) The approval of the Minister of Finance as referred to in paragraph (5) based on the results of an evaluation of the suitability determination for the distribution of DBH CHT governor per district / city as referred to in paragraph (4) of the provisions of the division in accordance with the provisions of the legislation.
- (7) In case of the governor does not convey the provisions DBH CHT distribution by districts / cities within the time limit as referred to in paragraph (4), the Minister of Finance shall determine the division in proportion to the distribution of the previous year.
- (8) The approval of the Minister of Finance as referred to in paragraph (5) and the determination of the distribution referred to in paragraph (7) set out in the Regulation of the Minister of Finance.

Article 19

- (1) The Director General of Customs and Excise delivery prognosis realization of Excise revenue of Tobacco Product made in Indonesia to the Director General of Fiscal Balance no later than the first week of October of the fiscal year concerned.
- (2) Based on prognosis realization of Excise revenue of Tobacco Product made in Indonesia as referred to in paragraph (1), the Directorate General of Fiscal Balance calculation DBH CHT definitive allocation per province in accordance with the provisions of the legislation.



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- (3) In case of the prognosis realization of Excise revenue of Tobacco Product is not submitted in accordance with the period as referred to in paragraph (1), used as the basis for allocation while DBH CHT in the fourth quarter.
- (4) Definitive allocation of DBH CHT per province as referred to in paragraph (2) shall be submitted to the governor to be used as the basis for allocation of DBH CHT by districts / cities in the province in accordance with the provisions of relevant acts and regulations.
- (5) The Governor expressed determination DBH CHT distribution per district / city along with basic calculations to the Minister of Finance c. q. Director General of Fiscal Balance, with copies to the head of district / mayor in the region by the end of November of the fiscal year concerned.
- (6) The Minister of Finance approved the establishment of the division of DBH CHT per district / city which presented by the governor.
- (7) Approval of the Minister of Finance as referred to in paragraph (6) based on the suitability determination for the distribution of DBH CHT governor per district / city referred to in paragraph (5) of the provisions of the division in accordance with the provisions of the legislation.
- (8) In case of the governor does not delivery provision DBH CHT distribution by districts / cities in accordance with the period as referred to in paragraph (5), the Minister of Finance shall determine the allocation based on the temporary allocation of concerned fiscal year.
- (9) The approval of the Minister of Finance as referred to in paragraph (6) and the establishment of distribution as referred to in paragraph (8) set out in the Regulation of the Minister of Finance.

Article 20

- (1) Temporary allocation of DBH CHT per province as referred to in Article 18 paragraph (2) and definitive allocation of DBH CHT per province as referred to in Article 19 paragraph (2) is calculated based on the weight of the realization of tax revenue, tobacco production, and the Human Development Index (IPM) the previous year.



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- (2) The weight as referred to in paragraph (1) shall be set at:
  - a. 58% (fifty eight percent) for the realization of tax revenue;
  - b. 38% (thirty-eight percent) for the production of tobacco, and
  - c. 4% (four percent) for the Human Development Index (HDI) the previous year.

CHAPTER IV

SHARED FUND OF NATURAL RESOURCES

Part One

Budgeting

Article 21

- (1) Directorate General of Fiscal Balance compile:
  - a. Indications of Funding Needs of DBH SDA, and
  - b. Plan of Fund Expenditure of DBH SDA,  
  
Based on expected revenues SDA that has been distributed, after coordination with the Directorate General of Budget, Fiscal Policy Agency, and the ministries / agencies.
- (2) Indications of Funding Needs of DBH SDA as referred to in paragraph (1) a letter submitted by the Director General of Fiscal Balance to the Director General of Budget no later than the first week of March of the previous fiscal year to be used as the basis for preparation of the Indications of Funding Needs of General Treasurer Expenditures.
- (3) Plan of Fund Expenditure DBH SDA as referred to in paragraph (1) letter b shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than June of the previous fiscal year to be used as the basis for the preparation of the Bill concerning the National Budget.
- (4) The delivery of Indications of Funding Needs and Plan of Fund Expenditure DBH SDA as referred in paragraph (2) and paragraph (3), including changes due to changes in budget ceiling SDA revenue plan.



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Part Two

Provision of Data

Article 22

- (1) Based on the limit specified in the Act concerning National Budget, the Minister of Energy and Mineral Resources issued a determination of the producing regions and the basis for calculating the regions mining natural resources that include:
  - a. determination letter producing regions and the basis for calculating the regions Petroleum and Gas Mining of Natural Resources corresponding period of the fiscal year for each respective provinces, districts, and cities;
  - b. determination letter producing regions and the basis for calculating the regions Geothermal Mining of Natural Resources corresponding period of the fiscal year for each of the provinces, districts, and cities, and
  - c. Determination letter producing regions and the basis for calculating the regions General Mining of Natural Resources corresponding period of the fiscal year for each of the provinces, districts, and cities.
- (2) The determination as referred to in paragraph (1) letter a and letter b given by the Minister of Energy and Mineral Resources to the Minister of Finance c. q. Director General of Budget and the Director General of Fiscal Balance no later than 60 (sixty) days prior to the budget is implemented in accordance with the provisions of relevant acts and regulations.
- (3) The determination as referred to in paragraph (1) letter c delivered by the Minister of Energy and Mineral Resources to the Minister of Finance c. q. Director General of Fiscal Balance no later than 60 (sixty) days prior to the budget is implemented in accordance with the provisions of relevant acts and regulations.
- (4) Head of the Executive Agency for Upstream Petroleum and Gas has to submit data distribution estimated revenue and government entitlement per KKKS to the Director General of Budget after coordination with the Director General of Petroleum and Gas, Ministry of Energy and Mineral Resources no later than 90 (ninety) days prior to the fiscal year concerned implemented.



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- (5) The Director General of Petroleum and Gas submit PBB Petroleum and Gas data specified per KKKS for each of the PBB Petroleum and PBB Gas to the Director General of Budget as a deduction in the calculation of Non-Tax Revenues of Petroleum and Gas of Natural Resources.
- (6) the Director General of Budget has to deliver:
  - a. Estimate data of Non-Tax Revenues of Petroleum and Gas of Natural Resources per KKKS estimates calculated with data components and other levies a tax deduction, and
  - b. Estimate data Non-Tax Revenues of Geothermal Mining of Natural Resources per employer estimates calculated with data components and other levies a tax deduction,To the Director General of Fiscal Balance.
- (7) Data estimates as referred to in paragraph (6) shall be a maximum of 10 (ten) labor days after receipt of complete documents comprising:
  - a. Factor of PBB deduction, reimbursement of Value Added Tax (VAT) and Regional Tax and Regional Retribution (PDRD) Petroleum and Gas Mining per KKKS and Geothermal Mining per employer accounted for Non-Tax Revenues of Petroleum and Gas Mining and Geothermal Mining Natural Resources using Data realization of the PBB Petroleum and Gas Mining and Geothermal Mining the previous fiscal year;
  - b. determination letter producing regions and parts of regional natural resource base of calculation of Petroleum and Gas Mining and Geothermal Mining for each province, district, and city of period of the fiscal year concerned, and
  - c. Estimate the data distribution *revenue* and *entitlement* of Government per KKKS for Petroleum and Gas Mining Natural Resources and per employer for Geothermal Mining of Natural Resources.

Article 23

- (1) Based on the limit specified in the Act concerning National Budget, the Minister of Forestry issued a determination of the basis for calculating the producing regions and the regions Non-Tax Revenues Natural Resources of Forestry relevant financial year and submit



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to the Minister of Finance c. q. Director General of Fiscal Balance no later than 60 (sixty) days prior to the fiscal year concerned implemented.

- (2) The basis of calculation in the regions as referred to in paragraph (1) carried out by considering the realization of Non-Tax Revenues Natural Resources of Forestry per regions at least 3 (three) years.

Article 24

Based on the limit specified in the Act concerning National Budget, the Minister of Marine Affairs and Fisheries compile supporting data and the basis for calculation of Non-Tax Revenues Natural Resources of Fisheries and deliver to the Minister of Finance c. q. Directorate General of Fiscal Balance no later than 60 (sixty) days prior to the fiscal year concerned implemented.

Article 25

Minister of Energy and Mineral Resources, Minister of Forestry, and the Minister of Marine Affairs and Fisheries submit data that has been distributed realization of revenues broken down by region to the Minister of Finance at the latest 90 (ninety) days after the end of the fiscal year.

Part Three

Calculation and Determination of Allocation

Article 26

- (1) Based on the determination of the basis of calculation of the producing regions and the regions Natural Resources Petroleum and Gas as referred to in Article 22 paragraph (1) letter a and estimate data Non-Tax Revenues of Natural Resources Petroleum and Gas as referred to in Article 22 paragraph (6) letter a, the Directorate General of Fiscal Balance calculating financial estimates allocation of Non-Tax Revenues of Natural Resources Petroleum and Gas per producing region.
- (2) In the case of Non-Tax Revenues per KKKS includes two regions or more, the calculation of estimated allocation of Non-Tax Revenues of Natural Resources Petroleum and Gas as referred to in paragraph (1) carried out under the following conditions:
  - a. for petroleum, Non-Tax Revenues per producing region is



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calculated based on the ratio of prognosis *lifting* Petroleum per producing regions per type of Petroleum multiplied by the Non-Tax Revenues per KKKS per type of Petroleum;

- b. for gas, generating Non-Tax Revenues per region is calculated based on the ratio of prognosis *lifting* gas per producing area multiplied by the Non-Tax Revenues per KKKS, and
  - c. For petroleum and gas sourced from PT. Pertamina EP, generating Non-Tax Revenues per region is calculated based on the ratio of prognosis *lifting* Petroleum and gas producing regions multiplied by the Non-Tax Revenues per KKKS.
- (3) Non-Tax Revenues per producing regions as referred to in paragraph (2) is used as the basis for calculating the estimated DBH Natural Resources allocation from Petroleum and Gas to the provinces, districts and municipalities in accordance with the provisions of the legislation.
  - (4) Estimated DBH Natural Resources allocation from Petroleum and Gas as referred to in paragraph (3) shall be stipulated by the Minister of Finance no later than 30 (thirty) days after receipt of the determination and the basis for calculating producing regions DBH Natural Resources Petroleum and Gas as referred to in Article 22 paragraph (1) letter a and as referred to in Article 22 paragraph (6) letter a natural resource Non-Tax Revenues estimate data from Petroleum and Gas.

Article 27

- (1) Based on the determination of the basis of calculation of the producing regions and the regions Natural Resources Geothermal Mining as referred to in Article 22 paragraph (1) letter b and estimate data Natural Resources Geothermal Mining Non-Tax Revenues per employers as referred to in Article 22 paragraph (6) letter b Directorate General of Fiscal Balance approximate calculation Natural Resources allocation Geothermal Mining Non-Tax Revenues per region.
- (2) The estimated allocation of Non-Tax Revenues per Natural Resources Mining Geothermal producing areas as referred to in paragraph (1) is calculated based on the ratio of the regions is multiplied by the Non-Tax





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Revenues per employers.

- (3) The estimated allocation of Non-Tax Revenues per Natural Resources Geothermal Mining producing regions as referred to in paragraph (1) is used as the basis for calculating the estimated allocation Geothermal Mining DBH Natural Resources for each province, district, and city in accordance with the provisions of the legislation.
- (4) The estimated allocation of DBH Natural Resources Geothermal Mining as referred to in paragraph (3) shall be stipulated by the Regulation of the Minister of Finance no later than 30 (thirty) days after receipt of the determination of the basis of calculation of the producing regions and the regions DBH Natural Resources Geothermal Mining as referred to in Article 22 paragraph (1) letter b and estimate data Natural Resources Geothermal Mining Non-Tax Revenues as referred to in Article 22 paragraph (6) letter b.

Article 28

- (1) Based on the determination of the basis of calculation of the producing regions and the regions Natural Resources General Mining as referred to in Article 22 paragraph (1) letter c, the Directorate General of Fiscal Balance approximate calculation DBH Natural Resources General Mining allocation to provinces, districts and cities, in accordance with the provisions of the legislation.
- (2) The estimated allocation of DBH Natural Resources General Mining as referred to in paragraph (1) shall be stipulated by the Minister of Finance no later than 30 (thirty) days after receipt of the determination of the basis of calculation of the producing regions and the regions DBH Natural Resources General Mining referred to in Article 22 paragraph (1) letter c.

Article 29

- (1) Based on the determination of the basis of calculation of the producing regions and the regions PNBPN SDA Forestry as referred to in Article 23 paragraph (1), the Directorate General of Fiscal Balance approximate calculation of Forestry Natural Resources DBH allocation to the provinces, districts and municipalities in accordance with the provisions of and regulations.
- (2) estimated allocation of Forestry Natural Resources DBH



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as referred to in paragraph (1) shall be stipulated by the Minister of Finance no later than 30 (thirty) days after receipt of the determination of the producing regions and Forestry Natural Resources DBH basic calculations as referred to in Article 23 paragraph (1).

Article 30

- (1) Based on the data supporting the calculation of basic and DBH Natural Resources fisheries as referred to in Article 24, the Directorate General of Fiscal Balance calculation DBH Natural Resources allocation Fisheries estimates for counties and cities in accordance with the provisions of the legislation.
- (2) The estimated allocation of DBH Natural Resources fisheries as referred to in paragraph (1) shall be stipulated by the Regulation of the Minister of Finance no later than 30 (thirty) days after receipt of the data supporting the calculation of basic and DBH Natural Resources fisheries as referred to in Article 24.

Part Four

Changes Estimated Allocations

Article 31

- (1) In the event there is a change:
  - a. determination letter of producing areas and the basis for calculating the regions DBH Natural Resources Mines as referred to in Article 22 paragraph (1);
  - b. determination letter of producing areas and the basis for calculating the regions Non-Tax Revenues Natural Resources Forestry as referred to in Article 23 paragraph (1), and
  - c. supporting data and the basis for calculation of non-tax revenues Fisheries Natural Resources as referred to in Article 24,

Technical Secretary has to submit such change to the Minister of Finance c. q. Director General of Fiscal Balance no later than October of the financial year concerned.

- (2) In the event of a change in the estimated Non-Tax Revenues Natural Resources Mining Petroleum and Gas, Mining Geothermal, General Mining, Natural Resources



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Forestry and Fisheries Natural Resources set out in the Act concerning National Budget Amendment, done the following provisions:

- a. Technical Minister expressed determination letter changes producing areas and the basis for calculating the regions DBH Natural Resources Mines, letter setting producing areas and the basis for calculating the regions Non-Tax Revenues Natural Resource Forestry, and supporting data and the basis for calculation of Non-Tax Revenues to the Minister of Finance c. q. Director General of Fiscal Balance period of 30 (thirty) days after the Act concerning National Budget Amendment set, and
  - b. Director-General of Budget submits changes Non-Tax Revenues Natural Resources estimates Mining Petroleum and Gas and Geothermal Mining to the Director General of Fiscal Balance period of 30 (thirty) days after the Act concerning National Budget Amendment set.
- (3) Based on the determination of the basis of calculation of the producing regions and the regions DBH Natural Resources Mines, letter of producing areas determination and the basis for calculating the regions Non-Tax Revenues Natural Resources Forestry, and supporting data and the basis for calculation of Natural Resources Fisheries Non-Tax Revenues as referred to in paragraph (1) and changes Natural Resources Non-Tax Revenues estimate referred to in paragraph (2), the Minister of Finance c. q. Director General of Fiscal Balance calculating the estimated change in DBH Natural Resources allocation from Petroleum and Gas, Mining Geothermal DBH Natural Resources, Natural Resources General Mining DBH, DBH Natural Resources Forestry and Fisheries Natural Resources DBH for each region.
- (4) Changes in estimates DBH Natural Resources allocation as referred to in paragraph (3) shall be determined by the Minister of Finance no later than 30 (thirty) days after receipt of the letter of producing regions determination and the basic calculation of the regions DBH Natural Resources Mines, letter of producing areas determination and basic calculations the regions Non-Tax Revenues Natural Resources Forestry, and supporting data and the basis for calculating Non-Tax Revenues Fisheries Natural Resources as referred to in paragraph (1) and the change in estimated Non-Tax



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Revenues Natural Resources paragraph (2).

Article 32

- (1) The calculation of the estimated DBH Natural Resources allocation as referred to in Article 26 paragraph (3), Article 27 paragraph (3), Article 28 paragraph (1), Article 29 paragraph (1), and Article 30 paragraph (1) may be done with the rationalization consider the realization of Non-Tax Revenues per region at least 3 (three) years.
- (2) The calculation of the estimated DBH Natural Resources allocation as referred to in paragraph (1) may be set below the limit specified in the Act concerning the National Budget.

Part Five

Mechanisms for Data Reconciliation Basic Distribution

Article 33

- (1) Estimated DBH SDA allocation referred to in Article 26 paragraph (4), Article 27 paragraph (4), Article 28 paragraph (2), Article 29 paragraph (2), and Article 30 paragraph (2) the basis of the distribution of the first quarter and the second quarter.
- (2) The calculation of the basic distribution of DBH SDA third quarter and the fourth quarter is based on the realization of non-tax revenues SDA.
- (3) The SDA DBH Mining Petroleum and Gas, Mining Geothermal, General Mining and Forestry SDA DBH as a basis for the distribution of the third quarter and fourth quarter data reconciliation conducted through the SDA tax revenues between the Ministry of Finance, ministries, and region.
- (4) Reconciliation of data in order to calculate the distribution of DBH SDA for the third quarter held no later than the first week of September fiscal year concerned.
- (5) Reconciliation of data in order to calculate the distribution of DBH SDA for the fourth quarter held no later than the end of November of the fiscal year concerned.
- (6) The reconciliation of the data as referred to in paragraph (4) and paragraph (5) reconciliation set forth in the



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minutes signed by the representatives of the Government and the region.

Article 34

- (1) The Director General of the Budget submits data SDA realization of non-tax revenues Mining Petroleum, Gas, Mining and Geothermal Mining the data that has been calculated by deduction from taxes and other levies to the Director General of Fiscal Balance.
- (2) Forestry Minister submits data PNBP realization of Forest Utilization License Fee (IIUPH), Forest Resource Provision (PSDH), and the Reforestation Fund forestry sector and other supporting data to the Minister of Finance cq Director General of Fiscal Balance.
- (3) The Minister of Energy and Mineral Resources to submit data from the realization of non-tax revenues Fixed Fee (land rent) and payments for Exploration and Exploitation Fee (Royalty) General Mining sector and other supporting data to the Minister of Finance c. q. Director General of Fiscal Balance.
- (4) Data realization of non-tax revenues as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be submitted by the end of August for the reconciliation of materials data in order to calculate the distribution of DBH SDA for the third quarter.
- (5) Data realization of Non-Tax Revenues as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be submitted no later than the third week of October to the material data reconciliation in order to calculate the distribution of DBH SDA for the fourth quarter.

Article 35

Calculation DBH SDA Mining Petroleum and Gas is used as the basis for the distribution of the third quarter and fourth quarter done with the following conditions:

- a. Realization of Non-Tax Revenues per region to the third quarter is calculated based on the ratio of realization revenues SDA Mining Petroleum and Gas gross (gross revenue) per producing region for the period of December of the previous financial year until May budget year concerned multiplied by the Non-Tax Revenues per KKKS per type of Petroleum unless data sourced Petroleum from PT. Pertamina EP based on data from



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national consolidation;

- b. Realization of Non-Tax Revenues per region to the fourth quarter is calculated based on the ratio of realized gross revenue per region producing the December period of the previous fiscal year to August fiscal year concerned multiplied by the Non-Tax Revenues per KKKS per type of data except Petroleum sourced from PT Pertamina EP based on the data national consolidation;
- c. In case of realization of Non-Tax Revenues, but not from lifting the realization of the current period, the ratio calculation based on the realization of *lifting* the previous period, and
- d. Realization of Non-Tax Revenues per producing regions as referred to in letter a, and letter b distributed to provinces, districts and cities in accordance with the provisions of the legislation.

Article 36

Calculation DBH SDA Geothermal Mining third quarter as the base distribution and fourth quarter done with the following conditions:

- a. Realization of Non-Tax Revenues Geothermal Mining SDA per region to the third quarter is calculated based on the ratio of the regions is multiplied by the tax revenues per employers period in October of the previous fiscal year up to June fiscal year concerned after deducting taxes and other levies, and
- b. Realization of Non-Tax Revenues Geothermal Mining SDA per region to the fourth quarter is calculated based on the ratio of the regions is multiplied by the Non-Tax Revenues per employers period of the previous fiscal year October to September fiscal year concerned after deducting taxes and other levies.

Article 37

In the case of realization of Non-Tax Revenues exceed SDA ceiling specified in the Act concerning the National Budget and the Act concerning National Budget amendment, Directorate General of Fiscal Balance DBH SDA channeling Non-Tax Revenues based on the realization of each of these Natural Resources.



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Part Six

Reserve Fund

Article 38

- (1) Based on the results of data reconciliation in order to calculate the distribution of DBH SDA for the fourth quarter, the Directorate General of Fiscal Balance calculation:
  - a. DBH SDA allocation fiscal year concerned, and
  - b. SDA DBH allocations that have not been identified to be placed in the producer regions Reserve Fund Account DBH SDA.
- (2) Allocation of DBH SDA as referred to in paragraph (1) shall be stipulated by the Regulation of the Minister of Finance no later than 10 (ten) labor days before the end of the fiscal year concerned.
- (3) DBH SDA placed in the Reserve Fund Account as referred to in paragraph (1) letter b shall be distributed to the region no later than the end of February next fiscal year after the producer regions identified.

CHAPTER V

GENERAL FUND ALLOCATION

Part One

Budgeting

Article 39

- (1) Directorate General of Fiscal Balance Fund Requirement composes Indications and Planned Expenditures Fund national DAU after coordination with the Fiscal Policy Office and the Directorate General of Budget.
- (2) Preparation of Indicative Requirement Fund and national DAU Plan Expenditure Fund as referred to in paragraph (1) among other things to consider:
  - a. estimation of national DAU ceiling, and
  - b. Government policies related to national DAU ceiling.
- (3) Indication of national DAU Fund Requirement as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the Director



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General of Budget no later than the first week of March of the previous fiscal year to be used as the basis for preparation of the Indicative Requirement Fund Expenditures General Treasurer.

- (4) Plan Expenditure national DAU fund as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than June of the previous fiscal year to be used as the basis for the preparation of the Bill concerning the National Budget.
- (5) Indication Submission Needs Fund and national DAU Plan Expenditure Fund as referred in paragraph (4) and paragraph (5) includes a budget ceiling changes due to changes in domestic revenue plans.

Article 40

- (1) Indications Needs Fund of Funds and Expenditures DAU Plan is determined to be less than 26% (twenty six percent) of the Internal Revenue Net defined in the Act concerning the National Budget.
- (2) Net Revenue as referred to in paragraph (1) is derived from the national income tax and non-tax net revenues that have been distributed to the regions.
- (3) The proportion of DAU to provincial and district / city established in accordance with the provisions of the legislation.

Part Two

Provision of Data

Article 41

- (1) Head of the Central Bureau of Statistics expressed DAU baseline calculations which include:
  - a. the population;
  - b. Human Development Index (IPM);
  - c. Gross Regional Domestic Product (PDRB) per capita, and
  - d. Construction Cost Index (IKK),

To the Minister of Finance.

- (2) Ministry of Home Affairs conveying the code and data





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areas of government administration and district / city to the Minister of Finance.

- (3) Head of Geospatial Information has to submit data large of area waters provincial and district / city to the Minister of Finance.
- (4) The Director General of Fiscal Balance DBH prepares the data, local revenue, total expenditure, and wages PNSD later than July of the previous fiscal year.
- (5) the basis for calculating DAU data, code and data areas of government administration and district / city, as well as extensive data territorial waters of provincial and district / city as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be submitted later than July of the previous fiscal year.

Part Three

Calculation and Allocation Determination

Article 42

- (1) DAU for an area allocated by using the formula:

$$DAU = CF + AD$$

Description:

$$DAU = \text{General Allocation}$$

$$CF = \text{Fiscal Gap}$$

$$AD = \text{Basic Allocation}$$

- (2) Fiscal Gap referred to in paragraph (1) is calculated with the formula:

$$CF = KbF + KpF$$

Description:

$$CF = \text{Fiscal Gap}$$

$$KbF = \text{Fiscal Needs}$$



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=

KpF Fiscal Capacity

=

(3) Allocation basis as referred to in paragraph (1) is calculated based on the estimated number of Civil Service Regional salaries.

(4) The need for the fiscal measured / calculated based on the total expenditures on average, population, land area, the Human Development Index, Gross Domestic Product per capita, and the Construction Cost Index, using the formula:

Description:

KbF Fiscal Needs

=

TBR Total Average Expenditure

=

IP Index Population

=

IW Index of Area

=

IKK Construction Cost Index

=

Inverse of the Human Development Index

=

IPDRB per Index of Gross Domestic Product (GDP) per  
= capita capita

, , , , And the weight of each variable is determined based on the results of statistical tests.

(5) local fiscal capacity is the sum of the PAD and DBH of the formula:

$KpF = PAD + DBH_{SDA} + DBH_{Tax}$

=

Description:

KpF Fiscal Capacity

=



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PAD Regional Own Source Revenues

=

DBH SDA Shared Fund of Natural Resources

=

DBH Tax Shared Fund of Tax

=

- (6) The variables as referred to in paragraph (3), paragraph (4), and paragraph (5) is used by the Director General of Fiscal Balance in order to calculate the DAU allocation to provinces, districts and cities based on the weight and the percentage determined by considering the level of inter-regional fiscal equalization.
- (7) The calculation of DAU allocation to provinces, districts and cities by the national DAU Plan Expenditure Fund using the formula as referred to in paragraph (1) shall be submitted by the Government to National Legislative Assembly for discussion at Level Financial Memorandum and the Bill concerning the National Budget.
- (8) Based on the limit specified in the Act concerning the National Budget and the results of the discussion DAU allocation to provinces, districts and cities as referred to in paragraph (7) shall be determined by Presidential Decree.

## CHAPTER VI

### SPECIAL FUND ALLOCATION

#### Part One

#### Budgeting

#### Article 43

- (1) Directorate General of Fiscal Balance Fund Requirement composes Indications and Planned Expenditures Fund DAK after coordination with the Fiscal Policy Agency, the Directorate General of Budget, and the ministry / agency.
- (2) Preparation of Indicative Requirement DAK funds as referred to in paragraph (1) among other things to consider:
  - a. DAK allocation estimates the medium-term development framework, and



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- b. DAK allocation estimates of all areas proposed by the ministries / agencies.
- (3) The need for indications DAK funds as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than the first week of March of the previous fiscal year to be used as the basis for preparation of the Indicative Requirement Fund Expenditures General Treasurer.
- (4) Plan Expenditure DAK funds as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than June of the previous fiscal year to be used as the basis for the preparation of the Bill concerning the National Budget.

Article 44

- (1) Estimated DAK allocation as referred to in Article 43 paragraph (2) letter a, among others, is calculated based on economic growth, inflation, and the development of DAK allocation used in the preparation of the Act concerning the National Budget.
- (2) Preparation of Plan Expenditure DAK funds as referred to in Article 43 paragraph (1) is specified by the DAK among others, by considering:
  - a. Indications Fund Requirement;
  - b. national priorities contained in the Government Work Plan;
  - c. performance evaluation of each field DAK previous year;
  - d. proposed funding requirements of each area of DAK from ministries / agencies, and
  - e. New field proposed to be funded from DAK.
- (3) Evaluation of the performance of each field DAK as referred to in paragraph (2) letter c among others the achievement of program / activities carried out by individual ministries / agencies and absorption DAK.

Part Two

Provision of Data



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Article 45

- (1) Minister / Head of institutions deliver:
  - a. Data territoriality as the basis for calculating the specific criteria, and
  - b. technical index as the basis of technical criteria,  
To the Minister of Finance.
- (2) Regional data and technical indexes as referred in paragraph (1) letter a, and letter b be submitted no later than July of the previous fiscal year.
- (3) The Director General of Fiscal Balance has to prepare the data DBH, DAU, Revenue, PNSD salary, and the realization of absorption DAK later than July of the previous fiscal year.

Part Three

Calculation and Allocation Determination

Article 46

- (1) Directorate General of Fiscal Balance calculation DAK allocations per sector for each region based Plan Expenditure Fund DAK areas as referred to in Article 43 paragraph (1).
- (2) Calculation of DAK allocations per sector for each region as referred to in paragraph (1) through the following phases:
  - a. determination of the specific areas that receive DAK, and
  - b. Determination of the amount of DAK allocation of each region.
- (3) Determination of the specific areas that receive DAK allocation and determination of the amount of DAK each area as referred to in paragraph (2) letter a, and letter b shall be based on general criteria, specific criteria and technical criteria.

Article 47

- (1) The general criteria as referred to in Article 46 paragraph (3) is formulated based on the financial capacity of the reception area as reflected in the general budget expenditures net of PNSD.



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- (2) The ability of local finance as referred to in paragraph (1) is calculated by Net Fiscal Index (IFN).
- (3) IFN area as referred to in paragraph (2) is calculated based on the financial capacity of the region, divided by the average local financial capacity nationwide.

Article 48

- (1) Specific criteria as referred to in Article 46 paragraph (3) defined by:
  - a. provisions of acts and regulations governing the implementation of special autonomy in Papua and West Papua Provinces, and
  - b. Characteristics of the area include lagging regions, coastal areas and islands, border areas with other countries and disaster-prone areas.
- (2) Characteristics of the area as referred to in paragraph (1) letter b, is calculated by using Territorial Index (IKW).

Article 49

- (1) The technical criteria as referred to in Article 46 paragraph (3) is based on indicators specific activities that will be funded from DAK.
- (2) The technical criteria as referred to in paragraph (1) formulated by the Technical Index (IT) by the concerned Minister / Head of the institution.

Article 50

- (1) The specific areas that receive DAK as referred to in Article 46 paragraph (2) letter a is based on:
  - a. IFN in areas with below-average national IFN;
  - b. areas in accordance with the provisions of acts and regulations governing the implementation of special autonomy in Papua and West Papua;
  - c. disadvantaged areas;
  - d. Regions with Regional Fiscal Index (IFW) is above the national average IFW, or
  - e. Regions with Regional Fiscal Technical Index (IFWT) are above the national average IFWT.



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- (2) IFW paragraph (1) letter d is the sum of the inversion IFN and IKW.
- (3) IFWT as referred to in paragraph (1) letter e is the sum of the IFW and IT.

Article 51

- (1) The amount of DAK allocation of each area as referred to in Article 46 paragraph (2) is determined by the weight of DAK per field for each region divided by the weight of DAK per field for the entire ceiling area multiplied by DAK per field.
- (2) The weight of DAK per field as referred to in paragraph (1) is based on IFWT multiplied by IKK.
- (3) IFWT as referred to in paragraph (2) is the sum of the IFW and IT.

Article 52

- (1) The calculation of the allocation based on the determination of the area and the amount of DAK allocation for each region as referred to in Article 46 shall be submitted by the Government to the National Legislative Assembly at the time of discussion of Level I Financial Memorandum and the Bill concerning the National Budget.
- (2) Based on the limit specified in the Act concerning the national Budget and the results of the discussion as referred to in paragraph (1), DAK allocation for each region determined by the Regulation of the Minister of Finance.

CHAPTER VII

SPECIAL AUTONOMY AND ADJUSTMENT FUND

Article 53

- (1) The Director General of Fiscal Balance Fund Requirement compose Indications and Planned Expenditures Fund Special Autonomy and Adjustment Fund, which consists of:
  - a. Indications Needs Fund and Fund Expenditure Plan SAF;
  - b. Indications Needs Fund and Fund Expenditure Plan TP



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Teacher PNSD and DTP Teacher PNSD ;

- c. Indications Needs Fund and Planned Spending BOS funds, and
- d. Indications Needs Fund and Fund Expenditure Plan DID,

After coordination with the Directorate General of Budget and Fiscal Policy Agency.

- (2) Indicative Requirement Fund Special Autonomy and Adjustment Fund as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than the first week of March of the previous fiscal year to be used as the basis for preparation of the Indicative Requirement Fund Expenditures General Treasurer.
- (3) Plan Expenditure Fund Special Autonomy and Adjustment Fund as referred to in paragraph (1) shall be submitted by the Director General of Fiscal Balance to the Director General of Budget no later than June of the previous fiscal year to be used as the basis for the preparation of the Bill concerning the National Budget.
- (4) The need for indications Funds and Fund Expenditure Plan Special Autonomy and Adjustment Fund as referred to in paragraph (2) and paragraph (3) excluding changes resulting from changes in the budget ceiling for state revenue plan.

Part One

Specific Autonomy Funds

Article 54

- (1) Indications Needs Fund of Funds and Expenditure Plan SAF as referred to in Article 53 paragraph (1) a cover letter:
  - a. SAF Papua and West Papua, and
  - b. SAF province.
- (2) Indicative Plan Needs Fund and the Specific Autonomy Fund Expenditures Fund as referred to in paragraph (1) is calculated with the following conditions:
  - a. Special Autonomy for Papua and West Papua Province and the Specific Autonomy Fund for Aceh Province each





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equivalent to 2% (two percent) of the national DAU ceiling, and

- b. Additional DBH SDA Petroleum by 55% (fifty five percent) and natural gas by 40% (forty percent) of the revenues derived from natural resources Petroleum and Gas natural resources of the province concerned after deducting the taxes and levies other.

Article 55

- (1) The calculation of the allocation of specific autonomy fund as referred to in Article 54 paragraph (2) submitted by the Government to the National Legislative Assembly at the time of discussion of Level I Financial Memorandum and the Bill concerning the National Budget.
- (2) Based on the limit specified in the Law on the State Budget and the results of the discussion as referred to in paragraph (1), SAF allocation determined by the Minister of Finance.

Part Two

Teacher Professional Allowance Local Civil Servants

Article 56

- (1) Indications Needs Fund of Funds and Expenditure Plan TP Guru PNSD as referred to in Article 53 paragraph (1) letter b is based on proposal of the Ministry of Education and Culture.
- (2) Indicative Plan Needs Fund and Master Fund Expenditures PNSD TP as referred to in paragraph (1) is calculated based on the number of teachers who are certified professional PNSD multiplied by the base salary.
- (3) Plan Expenditure Fund PNSD Teacher unions as referred to in paragraph (1) shall be submitted by the Government to the National Legislative Assembly at the time of discussion of Level I Financial Memorandum and the Bill concerning the National Budget.

Article 57

- (1) The results of the discussion of the allocation of teacher unions PNSD as referred to in Article 56 paragraph (3) is used by the Ministry of Education and Culture as the



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basis for allocation of TP Guru PNSD to the provinces, districts, and cities.

- (2) The calculation of the allocation as referred to in paragraph (1), including taking into account any underpayments or overpayments on channeling TP Guru PNSD the previous fiscal year.
- (3) The calculation of the TP Guru PNSD allocation to provinces, districts and cities as referred to in paragraph (2) shall be submitted to the Minister of Finance c. q. Director General of Fiscal Balance maximum of 10 (ten) days after the Act concerning National Budget set.
- (4) Based on the limit specified in the Act concerning the National Budget and the calculation results as referred to in paragraph (3), TP Master PNSD allocation to provinces, districts, and cities are set by the Regulation of the Ministry of Finance.

Part Three

Additional Income Fund Teacher Local Civil Servants

Article 58

- (1) Indications Needs Fund of Funds and Expenditures DTP Master Plan PNSD as referred to in Article 53 paragraph (1) letter b is based on proposal of the Ministry of Education and Culture.
- (2) Indicative Plan Needs Fund and Master Fund Expenditures DTP PNSD as referred to in paragraph (1) is calculated based on the number of teachers who have not been certified professional PNSD multiplied by the additional allocation of income per person per month in accordance with that specified in the Act concerning National Budget before.
- (3) Expenditures Fund DTP Master Plan PNSD as referred to in paragraph (1) shall be submitted by the Government to the National Legislative Assembly at the time of discussion of Level I Financial Memorandum and the Bill concerning the National Budget.

Article 59

- (1) The results of the discussion of the allocation of DTP Master PNSD as referred to in Article 58 paragraph (3) is used by the Ministry of Education and Culture as the



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basis for allocation of DTP Master PNSD to the provinces, districts, and cities.

- (2) The calculation of the allocation as referred to in paragraph (1), including taking into account any underpayments or overpayments on the distribution of DTP Master PNSD the previous fiscal year.
- (3) The calculation of the allocation of DTP Master PNSD to the provinces, districts, and towns as referred to in paragraph (2) shall be submitted to the Minister of Finance c. q. Director General of Fiscal Balance maximum of 10 (ten) days after the Act concerning National Budget set.
- (4) Based on the limit specified in the Act concerning the National Budget and the calculation results as referred to in paragraph (3), DTP Teacher PNSD allocations to provinces, districts, and cities are set by the Regulation of the Ministry of Finance.

Part Four

School Operational Assistance

Article 60

- (1) Indications Needs Fund and Planned Spending BOS funds as referred to in Article 53 paragraph (1) letter c is based on proposal of the Ministry of Education and Culture.
- (2) BOS as referred to in paragraph (1) shall consist of:
  - a. BOS, and
  - b. BOS Reserve Fund.
- (3) Indication Needs Fund and Planned Spending BOS funds as referred to in paragraph (2) letter a, is calculated based on the number of students multiplied by the cost per student.
- (4) Indication Needs Fund and the Reserve Fund Expenditure Plan BOS funds as referred to in paragraph (2) letter b is calculated based on the projected change in the number of students than expected in the concerned fiscal year.

Article 61



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- (1) Plan Expenditure BOS funds as referred to in Article 60 paragraph (1) shall be submitted by the Government to the National Legislative Assembly at the time of discussion of Level I Financial Memorandum and the Bill concerning the National Budget.
- (2) The results of the discussion of the BOS allocation as referred to in paragraph (1) is used by the Ministry of Education and Culture as the basis for allocation of BOS for each region.
- (3) The calculation of the allocation as referred to in paragraph (2), including taking into account the distribution of BOS overpayments over the previous fiscal year.
- (4) The calculation of BOS allocation for each region as referred in paragraph (2) submitted to the Minister of Finance c.q. Director General of Fiscal Balance maximum of 10 (ten) days after the Act concerning National Budget set.
- (5) Based on the limit specified in the Act concerning the National Budget and the calculation results as referred to in paragraph (4), BOS allocation for each region determined by the Regulation of the Minister of Finance.

Part Five

Regional Incentive Fund

Article 62

Indications Preparation Needs Fund of Funds and Expenditure Plan DID as referred to in Article 53 paragraph (1) letter d among others, by considering the estimation of the ceiling of DID and DID government policies related ceiling.

Article 63

- (1) Calculation based on key criteria DID allocation and performance criteria.
- (2) The main criteria as referred to in paragraph (1) defined by:
  - a. timeliness of Regional Regulation on budget, and
  - b. BPK opinions on Government Financial Statements.
- (3) Performance criteria as referred to in paragraph (1) include Financial Performance Criteria, Educational



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Performance Criteria and Performance Criteria and Economic Welfare.

- (4) The calculation of performance based on the criteria as referred to in paragraph (3) yields the value of the performance area.
- (5) Value performance area as referred to in paragraph (4) is used as the basis for determining the weight of a region.
- (6) Allocation DID an area is calculated based on weight of the region as referred to in paragraph (5) multiplied by the national DID Plan Expenditure Fund.

Article 64

- (1) Allocation DID nationally based on the results of the calculation as referred to in Article 63 paragraph (6) submitted by the Government to the National Legislative Assembly at the time of discussion of Level I Financial Memorandum and the Bill concerning the National Budget.
- (2) The results of the discussion of the allocation of DID as referred in paragraph (1) is used by the Directorate General of Fiscal Balance as the basis for allocation of DID for each region.
- (3) Based on the limit specified in the Act concerning the National Budget and the results of the discussion referred to in paragraph (2), DID allocation for each region determined by the Regulation of the Minister of Finance.

CHAPTER VIII

UNDERPAYMENT SHARING FUNDS

Article 65

- (1) DBH that cannot be distributed until the end of the budget allocated in the next financial year in the form of allocation of underpayment DBH.
- (2) the Director General of Taxes has to deliver complete realization of income tax receipts and the United Nations Petroleum and Gas and Geothermal Resources to the Director General of Fiscal Balance maximum of 1 (one) week after the Central Government Financial Statements which audited by the Supreme Audit Agency.



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- (3) Technical Ministry and Director General of the Budget deliver complete realization of non-tax revenues SDA Mining Petroleum and Gas, Mining Geothermal, General Mining, Forestry, and Fisheries to the Director General of Fiscal Balance at least 1 (one) week after the audited Financial Statements of the Central Government by BPK.
- (4) Based on the realization of complete revenue as referred to in paragraph (2) and paragraph (3), Directorate General of Fiscal Balance calculation underpayment allocation DBH.
- (5) Underpayment DBH as described in paragraph (4) Directorate General of Fiscal Balance submitted to the Directorate General of Budget to be budgeted in the Budget Act or the Act concerning State Budget Amendment.
- (6) Based on DBH underpayment allocation in the National Budget Law or the Law on State Budget Changes, Directorate General of Fiscal Balance compile DBH underpayment allocation per region.
- (7) Allocation underpayment DBH per region as referred to in paragraph (6) shall be stipulated by the Regulation of the Minister of Finance.

## CHAPTER IX

### TRANSITIONAL PROVISIONS

#### Article 66

For the year 2012, the PBB Petroleum and Gas by districts / cities of the PBB Petroleum borne by the government is calculated by:

- a. provisions of the final revenue of PBB Petroleum and Gas onshore which determined per district / city producing;
- b. provisions of the final revenue of the PBB and the United Nations Petroleum and Gas Petroleum and Gas offshore physical earth divided by the proportion of revenue plan, and
- c. Difference between the PBB Petroleum and Gas revenue plan with the final determination of PBB Petroleum and Gas is calculated by using the formula as referred to in Article 14 paragraph (1).



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## CHAPTER X

### CLOSING PROVISIONS

#### Article 67

Method of determining DBH SDA from state revenues conducted in accordance with the provisions of the legislation.

#### Article 68

At the time of this Regulation of the Minister comes into force, the Regulation of the Minister of Finance Number 197/PMK.07/2009 concerning the Division of Revenue Sharing Tobacco Excise revoked and declared void.

#### Article 69

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

on October 29, 2012

MINISTER OF FINANCE OF  
THE REPUBLIC OF  
INDONESIA,

Signed.

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

on October 29, 2012

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

Signed.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 1050 YEAR



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