

REGENT SUKOHARJO
CENTRAL JAVA PROVINCE

SUKOHARJO DISTRICT REGIONAL
REGULATION NUMBER 9 OF 2024
ON
VILLAGE-OWNED ENTERPRISES

BY THE GRACE OF ALMIGHTY GOD

REGENT OF SUKOHARJO,

Considering : a. that in order to support the growth and development of the Village economy and increase income

Village in order to improve the welfare of the community in accordance with the state objectives stated in the preamble of the 1945 Constitution of the Republic of Indonesia;

b. that to To develop the economy and welfare of the Village community based on family values and mutual cooperation, in order to increase Village income to accommodate various community economic business activities, the Village Government may establish a Village-Owned Enterprise according to the needs and potential of the Village;

c. that with the enactment of Government Regulation Number 11 of 2021 concerning Village-Owned Enterprises, there are several changes related to the regulation of Village-Owned Enterprises, therefore the Sukoharjo Regency Regional Regulation Number 6 of 2020 concerning the Establishment, Management, and Dissolution of Village-Owned Enterprises, needs to be replaced;

d. that based on the considerations as referred to in letters a, b, and c, it is necessary to stipulate a Regional Regulation on Village-Owned Enterprises;

Remembering : 1. Article 18 paragraph (6) of the Constitution Republic of Indonesia Year 1945;

2. Law Number 13 of 1950 Concerning the Establishment of Regency Regions within the Province of Central Java as amended by Law Number 9 of 1965 Concerning the Establishment of Batang Level II Region by amending Law Number 13 of 1950 Concerning the Establishment of Regency Regions within the Province of Central Java (State Gazette of 1965 Number 52, Supplement to State Gazette Number 2757);

3. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to State Gazette of the Republic of Indonesia Number 5587) as amended several times lastly by Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to State Gazette of the Republic of Indonesia) Number 6856);

By mutual
consent
REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF SUKOHARJO
DISTRICT
and
REGENT OF SUKOHARJO

DECIDE:

Establish : REGIONAL REGULATION ON VILLAGE-OWNED ENTERPRISES.

CHAPTER I
GENERAL
PROVISIONS

Article 1

In this Regional Regulation what is meant by:

1. The region is Sukoharjo Regency.
2. The Regional Government is the Regent as an element of regional government organizers who lead the implementation of government affairs which are the authority of the autonomous Region.

3. Regent is the Regent of Sukoharjo.
4. The Regional Apparatus is an auxiliary element of the Regent and the Regional People's Representative Council in the implementation of government affairs which fall under the authority of the Region.
5. Camat is the head of the sub-district area of Sukoharjo Regency.
6. Village is a legal community unit that has territorial boundaries that is authorized to regulate and manage government affairs, the interests of the local community based on initiatives, rights of origin, and / or traditional rights that are recognized and respected in the system of government of the Unitary State of the Republic of Indonesia.
7. Village Government is the administration of government affairs and the interests of the local community within the system of government of the Unitary State of the Republic of Indonesia.
8. The Village Government is the Village Head assisted by the Village Apparatus as the organizing element of the Village Government.
9. The Village Consultative Body, hereinafter abbreviated as BPD, is an institution that carries out Government functions whose members are representatives of the Village population based on regional representation and are determined democratically.
10. Village deliberation is a meeting between the BPD, Village Government, and elements of the community organized by the BPD to agree on strategic matters.
11. Inter-Village Deliberation is a joint deliberation between a Village and another Village attended by each BPD, the Village Government, and elements of the community organized by agreement of each Village Head in the context of inter-Village cooperation.
12. Village Regulations are laws and regulations stipulated by the Village Head after being discussed and agreed upon with the BPD.
13. Joint Regulation of Village Heads is a regulation stipulated by the Village Heads of 2 (two) or more Villages that is discussed and agreed upon together in an Inter-Village Consultative Meeting in the context of inter-Village cooperation.
14. Village-Owned Enterprises, hereinafter referred to as BUM Desa, is a legal entity established by the Village and/or together with the Villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the greatest welfare of the Village community.
15. BUM Desa business is an activity in the economic sector and/or public services that are managed independently by BUM Desa.
16. BUM Desa Business Unit is a business entity

owned by BUM Desa that carries out economic activities and/or public services with a legal entity that carries out the functions and objectives of BUM Desa.

17. The Village Budget, hereinafter referred to as APB Desa, is the annual financial plan of the Village Government.
18. Village assets are goods owned by the Village that originate from the original wealth of the Village, are purchased, or are obtained at the expense of the Village Budget or the acquisition of other legal rights.
19. Articles of Association are the main provisions of BUM Desa organizational procedures which are an integral part of the Village Regulation or Joint Regulation of Village Heads regarding the establishment of BUM Desa.
20. Bylaws are rules that contain the elaboration and/or implementation of the rules of the Articles of Association containing a minimum of rights and obligations, service period, procedures for the appointment and dismissal of management organization personnel, determination of the type of business and source of capital for BUM Desa/BUM Desa Bersama activities.

Article 2 This

Regional Regulation aims to:

- a. provide guidelines in the establishment and implementation of BUM Desa/BUM Desa Bersama; and
- b. provide guidelines in the guidance and development of BUM Desa/BUM Desa Bersama.

Article 3

This Regional Regulation is implemented based on the principles of:

- a. professional;
- b. open and responsible;
- c. participatory; and
- d. sustainable.

Article 4

The scope of this Regional Regulation covers:

- a. type and purpose;
- b. establishment;
- c. Articles of Association and Bylaws;
- d. organization and employees;
- e. work program plan;
- f. ownership, capital, assets, and loans;
- g. Business Unit;
- h. procurement of goods and/or services;
- i. cooperation;
- j. accountability;
- k. profit sharing;
- l. Loss;
- m. cessation of business activities;
- n. coaching and development; and

- o. BUM Desa Bersama Eks National Program for Rural Independent Community Empowerment.

CHAPTER II TYPE AND PURPOSE

Article 5

- (1) BUM Desa consists of:
 - a. BUM Desa; and
 - b. BUM Desa Bersama.
- (2) BUM Desa and BUM Desa Bersama as referred to in paragraph (1) may conduct business in the economic sector and/or public services in accordance with the provisions of laws and regulations.

Article 6 BUM Desa/BUM

Desa Bersama aims:

- a. conducting economic business activities through business management, as well as developing investment and economic productivity, and the potential of the Village;
- b. conduct public service activities through the provision of goods and/or services and fulfillment of the general needs of the Village community, and manage the Village food barn;
- c. obtaining profits or net income for increasing the Village's original income and developing the maximum benefit of the economic resources of the Village community;
- d. utilization of Village Assets in order to create added value to Village Assets; and
- e. developing the digital economy ecosystem in the Village.

CHAPTER III ESTABLISHMENT

Article 7

- (1) BUM Desa is established by 1 (one) Village based on Village Deliberation and its establishment is stipulated by Village Regulation.
- (2) Joint BUM Desa is established by 2 (two) or more Villages based on Inter-Village Consultation and its establishment is stipulated by a Joint Regulation of Village Heads.
- (3) BUM Desa Bersama is established based on similarities in potential, business activities, or regional proximity.
- (4) The establishment of BUM Desa Bersama as referred to in paragraph (2) is not bound by administrative boundaries.
- (5) The establishment of a Joint BUM Desa is

- conducted by the Village with other Villages directly without considering the existence or non-existence of BUM Desa in the respective Villages.
- (6) The Village Regulation as referred to in paragraph (1) and the Joint Regulation of Village Heads as referred to in paragraph (2) shall at least contain:
- a. determination of the establishment of BUM Desa/BUM Desa Bersama;
 - b. Articles of Association of BUM Desa/BUM Desa Bersama; and
 - c. determination of the amount of capital participation of the Village and/or the Village community in the context of establishing BUM Desa/BUM Desa Bersama.

Article 8

- (1) BUM Desa/BUM Desa Bersama obtains legal entity status upon the issuance of an electronic registration certificate from the minister who organizes government affairs in the field of law and human rights.
- (2) In the event that BUM Desa/BUM Desa Bersama has a BUM Desa/BUM Desa Bersama Business Unit, the legal entity position of the Business Unit is separate from BUM Desa/BUM Desa Bersama in accordance with the provisions of laws and regulations.
- (3) The provisions on procedures for obtaining legal entity status as referred to in paragraph (1) shall be implemented in accordance with the provisions of laws and regulations.

Article 9

The establishment of BUM Desa/BUM Desa Bersama as referred to in Article 7 is based on considerations:

- a. community needs;
- b. joint problem solving;
- c. business feasibility;
- d. business model, governance, organizational form and type of business, as well as knowledge and technology; and
- e. preservation vision, sustainability orientation, protection mission of religious values, customs, social behavior, and local wisdom.

CHAPTER IV

ARTICLES OF ASSOCIATION AND BYLAWS

Article 10

- (1) The Articles of Association of BUM Desa/BUM Desa Bersama and its amendments are discussed and stipulated in the Village Consultative Meeting/Inter-Village Consultative Meeting.
- (2) The Articles of Association of BUM Desa/BUM Desa Bersama as referred to in paragraph (1) shall at least contain:
 - a. Name;
 - b. place of residence;

- c. purpose and objectives of the establishment;
 - d. Capital;
 - e. type of business in the economic sector and/or public services;
 - f. name and number of advisors, operational executives, and supervisors;
 - g. rights, obligations, duties, responsibilities and authorities as well as procedures for the appointment, replacement and dismissal of advisors, operational executives and/or supervisors; and
 - h. basic provisions on the use and distribution and/or implementation and utilization of business results.
- (3) Amendments to the Articles of Association of BUM Desa/BUM Desa Bersama as referred to in paragraph (1) shall be notified through the Village information system integrated with the legal entity administration system of the ministry that organizes government affairs in the field of law and human rights.
- (4) In the event that BUM Desa/BUM Desa Bersama has a Business Unit, the Articles of Association of BUM Desa/BUM Desa Bersama shall contain the Business Unit of BUM Desa/BUM Desa Bersama.

Article 11

- (1) The name of BUM Desa/BUM Desa Bersama as referred to in Article 10 paragraph (2) letter a, must fulfill the provisions:
- a. not the same or not resembling a name:
 - 1. BUM Desa/BUM Desa Bersama others;
 - 2. government agencies; and
 - 3. international institutions;
 - b. begins with the phrase BUM Desa and ends with the Village administrative name for BUM Desa;
 - c. begins with the phrase BUM Desa Bersama for BUM Desa Bersama;
 - d. not contrary to public order and/or decency;
 - e. in accordance with or reflecting the purpose and objectives, and Business of BUM Desa/BUM Desa Bersama;
 - f. consists of a series of letters that form a word; and
 - g. does not contain foreign language.
- (2) The name as referred to in paragraph (1) shall be registered through the Village information system prior to the Village Deliberation/Inter-Village Deliberation discussing the establishment of BUM Desa/BUM Desa Bersama.

Article 12

- (1) BUM Desa/BUM Desa Bersama bylaws and/or amendments are discussed and agreed upon in a joint meeting between advisors, operational executors, and supervisors.

- (2) The Bylaws of BUM Desa/BUM Desa Bersama as referred to in paragraph (1) shall at least contain:
- a. rights and obligations employees BUM Village/BUM Joint Village;
 - b. procedures for recruitment and dismissal of BUM Desa/BUM Desa Bersama employees;
 - c. system and salary amount for BUM Desa/BUM Desa Bersama employees;
 - d. work procedures or standard operating procedures; and
 - e. detailed description of the Articles of Association of BUM Desa/BUM Desa Bersama.
- (3) The Bylaws of BUM Desa/BUM Desa Bersama as referred to in paragraph (2) shall be stipulated by Village Head Regulation or Joint Village Head Regulation.

CHAPTER V
ORGANIZATION AND
STAFF

Section One
Managing
Organization

Article 13

Organization BUM
Village/BUM Village

Together separate from the Village
Government.

Article 14

The organizational device of BUM Desa/BUM Desa Bersama consists of:

- a. Village deliberation/inter-village deliberation;
- b. advisor;
- c. operational executors; and
- d. supervisor.

Paragraph 1

Village Consultative

Meeting/Inter-Village Consultative

Meeting

Article 15

- (1) Village Consultative Meeting / Inter-Village Consultative Meeting as referred to in Article 14 letter a, is the highest authority in BUM Desa / Joint Village BUM.
- (2) Village/inter-village deliberations are attended by the BPD, the Village Government and elements of the community, the implementation of which is regulated in the Articles of Association.

Article 16

Village/inter-village

deliberations are authorized:

- a. establishing the establishment of BUM Desa/BUM Desa Bersama;
- b. establish the Articles of Association of BUM Desa/BUM Desa Bersama and its amendments;
- c. to discuss and decide on the number, organization, rights and obligations, as well as the authority of the receiver of the advisory function at BUM Desa;
- d. discuss and agree on the arrangement and rotation of advisors for BUM Desa Bersama;
- e. permanently appoint and dismiss the operational executor of BUM Desa/BUM Desa Bersama;
- f. appoint supervisors of BUM Desa/BUM Desa Bersama;
- g. appoint the secretary and treasurer of the BUM Desa/BUM Desa Bersama;
- h. give approval for Capital Participation in BUM Desa/BUM Desa Bersama;
- i. approve the draft work program plan submitted by the operational executor after review by the supervisor and advisor;
- j. approve loans of BUM Desa/BUM Desa Bersama with a certain amount as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama;
- k. approve the cooperation of BUM Desa/BUM Desa Bersama with a certain value, investment amount, and/or form of cooperation with other parties as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama;
- l. determine the distribution of the amount of net profit of BUM Desa/BUM Desa Bersama;
- m. determine the purpose of using the net profit of BUM Desa/BUM Desa Bersama;
- n. decides on the assignment of the Village to BUM Desa/BUM Desa Bersama to carry out certain activities;
- o. decides on the closure of BUM Desa/BUM Desa Bersama Business Unit;
- p. determine the priority use of the distribution of BUM Desa/BUM Desa Bersama and/or BUM Desa/BUM Desa Bersama Business Units submitted to the Village;
- q. receive the annual report of the BUM Desa/BUM Desa Bersama and declare the release of responsibility of the advisors, operational executors, and supervisors;
- r. discuss and decide on the closure of BUM Desa/BUM Desa Bersama losses with BUM Desa/BUM Desa Bersama assets;
- s. to discuss and decide on the form of accountability that must be carried out by advisors, operational executors, and/or supervisors in the event of BUM Desa/BUM Desa Bersama losses caused by elements of intent or negligence;

- t. decide to settle the loss by legal process in the event that the advisor, and/or the supervisor does not show good good faith good faith carry out the accountability;
- u. decides on the termination of all operational activities of BUM Desa/BUM Desa Bersama due to certain circumstances;
- v. appoint a resolver in the context of settling all obligations and distributing assets or wealth from the cessation of BUM Desa/BUM Desa Bersama business activities;
- w. requesting and receiving the accountability of the resolvers; and
- x. order the supervisor or appoint an independent auditor to conduct an investigative audit in the event that there are indications of errors and/or negligence in the management of BUM Desa/BUM Desa Bersama.

Article 17

Decisions of the Village Deliberation/Inter-Village Deliberation are made based on deliberation to reach consensus.

Article 18

- (1) The Village Consultative Meeting/Inter-Village Consultative Meeting consists of:
 - a. Annual Village/Inter-Village Deliberation; and
 - b. Village deliberation / special inter-village deliberation.
- (2) The annual Village/Multi-Village Deliberation as referred to in paragraph (1) letter a, at least decides on the accountability of the operational executor.
- (3) The annual Village/Multi-Village Deliberation as referred to in paragraph (2) shall be held no later than 3 (three) months after the financial year has passed.
- (4) The special Village Deliberation/Inter-Village Deliberation as referred to in paragraph (1) letter b, is held in the event that circumstances require an immediate decision whose authority lies with the Village Deliberation/Inter-Village Deliberation.
- (5) Special Village/Multi-Village Deliberations as referred to in paragraph (4) may be held at the request of the advisor and/or operational executor.
- (6) A special Village Deliberation/Inter-Village Deliberation has the same authority as an annual Village Deliberation/Inter-Village Deliberation.

Article 19

- (1) The requirements, procedures, and venue for organizing the annual Village Deliberation/Inter-Village Deliberation and special Village Deliberation/Inter-Village Deliberation are regulated in the Articles of Association of the BUM Desa/BUM Desa Bersama.

- (2) BUM Desa Articles of Association as referred to in paragraph
(1) stipulated by Village Regulation.
- (3) The Articles of Association of BUM Desa Bersama as referred to in paragraph (1) shall be stipulated by a Joint Regulation of the Village Heads.

Paragraph 2
Advisor
Article 20

- (1) The advisor as referred to in Article 14 letter b, is concurrently held by the Village Head.
- (2) The Village Head as referred to in paragraph (1) may authorize other parties to carry out the advisory function.
- (3) Other parties as referred to in paragraph (2) shall determine the number of members, organization, rights and obligations, and authority by considering professionalism or expertise, effectiveness and efficiency, in accordance with the development, capabilities, and needs of BUM Desa/BUM Desa Bersama.
- (4) The amount of organization, rights and obligations, and authority of other parties as referred to in paragraph (3) are discussed and decided in the Village Consultative Meeting/Inter-Village Consultative Meeting and stated in the Articles of Association of the BUM Desa/BUM Desa Bersama.

Article 21

- (1) In terms of determining the advisors for BUM Desa Bersama, an advisory board may be formed in which the implementation of the advisory is carried out in a collegial collective manner.
- (2) The amount of organization, rights and obligations, as well as the authority of the advisors of BUM Desa Bersama are decided in the Inter-Village Consultative Meeting and stated in the Articles of Association of BUM Desa Bersama by considering effectiveness and efficiency, in accordance with the development, capabilities, and needs of BUM Desa Bersama.
- (3) Provisions regarding the working procedures of the advisory board of BUM Desa Bersama are regulated in the Articles of Association of BUM Desa Bersama.

Article 22

- (1) The advisor as referred to in Article 20 is authorized:
 - a. together with operational executives and supervisors, discuss and agree on the BUM Desa/BUM Desa Bersama bylaws and/or amendments;
 - b. together with the supervisor, review the draft work program submitted by the operational executor to be submitted to the Village

Consultative Meeting/Inter-Village Consultative Meeting;

- c. determine the permanent dismissal of the operational executor in accordance with the decision of the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - d. in certain circumstances temporarily dismiss the operational executor and take over the operational implementation of BUM Desa/BUM Desa Bersama;
 - e. together with operational executives and supervisors, compile and submit financial analysis, activity plans, and needs in the context of planning for additional Village capital and/or Village communities to be submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - f. reviewing the report on the implementation of BUM Desa/BUM Desa Bersama business management by the operational executor and the supervisor's report before it is submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting in the financial report;
 - g. determine the acceptance or ratification of the annual report of BUM Desa/BUM Desa Bersama based on the decision of the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - h. together with the supervisor, approve loans of BUM Desa/BUM Desa Bersama with a certain amount as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama; and
 - i. together with the supervisor, approves the cooperation of BUM Desa/BUM Desa Bersama with a certain value, investment amount, and/or form of cooperation with other parties as stipulated in the BUM Desa/BUM Desa Bersama Articles of Association.
- (2) The advisor as referred to in paragraph (1) is in charge:
- a. provide input and advice to operational executives in carrying out the management of BUM Desa/BUM Desa Bersama;
 - b. review the draft work program plan and determine the work program plan of BUM Desa/BUM Desa Bersama based on the decision of the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - c. accommodate aspirations for business and organizational development of BUM Desa/BUM Desa Bersama in accordance with the Articles of Association and Bylaws;
 - d. together with the supervisor, review the semesterly report on the implementation of BUM Desa/BUM Desa Bersama business management;

- e. together with the supervisor, review the annual report on the implementation of BUM Desa/BUM Desa Bersama business management to be submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting;
- f. provide considerations in the development of the business and organization of BUM Desa/BUM Desa Bersama in accordance with the Articles of Association and Bylaws and/or decisions of the Village Consultative Meeting/Inter-Village Consultative Meeting;
- g. provide advice and opinions on issues deemed important for the management of BUM Desa/BUM Desa Bersama in accordance with the Articles of Association, By-Laws and/or decision Village Consultative Meeting/Inter-Village Consultative Meeting; and
- h. requesting explanations from the operational executor regarding BUM Desa/BUM Desa Bersama management issues in accordance with the Articles of Association, Bylaws, and/or decisions of the Village Consultative Meeting/Inter-Village Consultative Meeting.

Paragraph 3
Operational Executive
Article 23

- (1) The operational executor as referred to in Article 14 letter c, shall be appointed by the Village Consultative Meeting/Inter-Village Consultative Meeting.
- (2) The Village Deliberation/Inter-Village Deliberation selects the operational executor as referred to in paragraph (1) from the names proposed by the Village Head, BPD, and/or elements of the community.
- (3) The operational executor as referred to in paragraph (1) is carried out by the Director of BUM Desa/BUM Desa Bersama.
- (4) The operational executor as referred to in paragraph (3) is an individual who must meet the requirements of expertise, integrity, leadership, experience, honesty, good behavior, and have high dedication to advance and develop BUM Desa/BUM Desa Bersama.
- (5) Further provisions regarding the requirements to be elected and appointed as operational executor as referred to in paragraph (4) shall be regulated in the Articles of Association of BUM Desa/BUM Desa Bersama.

Article 24

- (1) The number of operational executives is determined by the Village Consultative Meeting/Inter-Village Consultative Meeting in

accordance with the needs of the BUM Desa/BUM Desa Bersama.

- (2) In the event that the operational executor is more than 1 (one) person, one of the members of the operational executor is appointed as the chief operational executor, hereinafter referred to as the managing director.
- (3) Provisions regarding the relationship of work procedures and governance of operational executors as referred to in paragraph (2) shall be regulated in the Articles of Association of BUM Desa/BUM Desa Bersama.

Article 25

The operational executor of BUM Desa/BUM Desa Bersama as referred to in Article 23 paragraph (3) holds a position for 5 (five) years and can be reappointed for a maximum of 2 (two) terms of office with consideration of being able to carry out tasks well during his/her term of office, regeneration, and avoiding conflicts of interest.

Article 26

- (1) The operational executor as referred to in Article 23 is authorized:
 - a. together with advisors and supervisors, discuss and agree on the BUM Desa/BUM Desa Bersama bylaws and/or amendments;
 - b. make decisions related to the operationalization of BUM Desa/BUM Desa Bersama businesses in accordance with BUM Desa/BUM Desa Bersama policies stated in the Articles of Association, Bylaws, and decisions of the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - c. coordinate the implementation of BUM Desa/BUM Desa Bersama business both internally within the organization and with other parties;
 - d. regulates provisions regarding the employment of BUM Desa/BUM Desa Bersama including the determination of salaries, allowances, and other benefits for BUM Desa/BUM Desa Bersama employees;
 - e. appoint and dismiss employees of BUM Desa/BUM Desa Bersama, other than the secretary and treasurer, based on labor laws and regulations;
 - f. make BUM Desa/BUM Desa Bersama loans after obtain approval or advisors and supervisors in accordance with the provisions in the BUM Desa/BUM Desa Bersama Articles of Association;
 - g. cooperate with other parties to develop the BUM Desa/BUM Desa Bersama business after obtaining approval or advisors and supervisors in accordance with the provisions in the BUM

Desa/BUM Desa Bersama Articles of Association;

- h. carry out the distribution of the amount of net profit of BUM Desa/BUM Desa Bersama together in accordance with that determined by the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - i. implementing the objective of using the net profit of BUM Desa/BUM Desa Bersama in accordance with that stipulated by the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - j. carry out certain activities that are confirmed by the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - k. act as a resolver in the event that the Village Deliberation does not appoint a resolver; and
 - l. organize, manage, administer, and perform all actions and/or other deeds for the benefit of the management of BUM Desa/BUM Desa Bersama regarding all matters and all events, with restrictions as stipulated in the Articles of Association, decisions of the Village Consultative Meeting/Inter-Village Consultative Meeting, and/or in accordance with the provisions of laws and regulations, as well as representing BUM Desa/BUM Desa Bersama in and/or out of court.
- (2) The operational executor as referred to in Article 23 is in charge:
- a. carry out all actions related to the management of BUM Desa/BUM Desa Bersama for the benefit of BUM Desa/BUM Desa Bersama in accordance with the aims and objectives of BUM Desa/BUM Desa Bersama, and represent BUM Desa/BUM Desa Bersama in and/or out of court regarding all matters and all events, with restrictions as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama, decisions of the Village Consultative Meeting/Inter-Village Consultative Meeting, and/or provisions of laws and regulations;
 - b. prepare and implement the BUM Desa/BUM Desa Bersama work program plan;
 - c. prepare a semesterly report on the implementation of BUM Desa/BUM Desa Bersama business management to be submitted to the advisor and supervisor;
 - d. prepare an annual report on the implementation of BUM Desa/BUM Desa Bersama business management to be submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting after being reviewed by the advisors and supervisors;
 - e. at the request of the advisor, explain the management issues of BUM Desa/BUM Desa

Bersama to the advisor;

- f. explain the management issues of BUM Desa/BUM Desa Bersama to the Village Consultative Meeting/Inter-Village Consultative Meeting; and
- g. together with advisors and supervisors, compile and submit the results of financial analysis, activity plans and needs in the context of planning for additional Village capital and / or Village communities to be submitted to the Village Consultative Meeting / Inter-Village Consultative Meeting.

Paragraph 4

Supervisor

Article 27

- (1) Supervisors as referred to in Article 14 letter d, are appointed by the Village Consultative Meeting/Inter-Village Consultative Meeting.
- (2) The Village Deliberation/Inter-Village Deliberation selects the supervisor as referred to in paragraph (1) from the names proposed by the Village Head, BPD, and/or elements of the community.
- (3) The supervisor as referred to in paragraph (2) is an individual who must meet the requirements of expertise, integrity, leadership, experience, honesty, good behavior, and have high dedication to advance and develop BUM Desa/BUM Desa Bersama.
- (4) Further provisions regarding the requirements to be elected and appointed as supervisor as referred to in paragraph (3) shall be regulated in the Articles of Association of BUM Desa/BUM Desa Bersama.

Article 28

- (1) The number of supervisors is determined by the Village Consultative Meeting/Inter-Village Consultative Meeting in accordance with the needs of the BUM Desa/BUM Desa Bersama.
- (2) In the event that the supervisors are more than 1 (one) person, one of the supervisory members shall be appointed as the chairman of the supervisors, hereinafter referred to as the chairman of the supervisory board.
- (3) Supervisors consisting of more than 1 (one) member constitute an assembly whose supervisory implementation is carried out collectively collegially.
- (4) Provisions regarding the working procedures and governance of the supervisor as referred to in paragraph (2) shall be regulated in the Articles of Association of the BUM Desa/BUM Desa Bersama.

Article 29

The Supervisor of BUM Desa/BUM Desa Bersama as

referred to in Article 27 paragraph (1) holds a position for 5 (five) years and can be reappointed for a maximum of 2 (two) terms of office with consideration of being able to carry out tasks well during his/her term of office, regeneration, and avoiding conflicts of interest.

Article 30

- (1) The supervisor as referred to in Article 27 is authorized:
 - a. together with the advisor and operational executor, discuss and agree on the BUM Desa/BUM Desa Bersama bylaws and/or amendments;
 - b. together with the advisor, reviews the draft work program plan submitted by the operational executor to be submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting;
 - c. together with the advisor, approves loans of BUM Desa/BUM Desa Bersama with a certain amount as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama;
 - d. together with the advisor, approves the cooperation of BUM Desa/BUM Desa Bersama with a certain value, investment amount, and/or form of cooperation with other parties as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama;
 - e. together with the advisor and operational executor, compile and submit a financial analysis, activity plan and needs in the context of planning for additional Village capital and/or Village communities to be submitted to the Village Consultative Meeting / Inter-Village Consultative Meeting;
 - f. upon the order of the Village Consultative Meeting/Inter- Village Consultative Meeting, carry out and report on investigative audits in the event that there are indications of errors and/or omissions in the management of BUM Desa/BUM Desa Bersama that could potentially harm BUM Desa/BUM Desa Bersama; and
 - g. examine the books, documents, and implementation of BUM Desa/BUM Desa Bersama.
- (2) The supervisor as referred to in paragraph (1) is in charge of:
 - a. supervise the management policy and the course of management of BUM Desa/BUM Desa Bersama by operational executors including supervision of the implementation of work programs, in accordance with the Articles of Association, decisions of the Village Consultative Meeting/Inter-Village Consultative Meeting, and/or provisions of laws and regulations;

- b. conduct an investigative audit of the financial statements of BUM Desa/BUM Desa Bersama;
- c. submit an annual inspection or supervision report annualto Village Consultative Meeting/Inter-Village Consultative Meeting;
- d. reviewing the semesterly report on the implementation of BUM Desa/BUM Desa Bersama business management from the operational executor to be submitted to the advisor;
- e. together with the advisor, review the proposed work program plan from the operational executor to be submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting;
- f. together with the advisor, conducts a review of the annual report on the implementation of BUM Desa/BUM Desa Bersama business management by the operational executor before it is submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting;
- g. together with the advisor, review the annual report on the implementation of BUM Desa/BUM Desa Bersama business management to be submitted to the Village Deliberation/Inter-Village Deliberation; and
- h. provide explanations or information about the results of supervision in the Village Consultative Meeting/Inter-Village Consultative Meeting.

Article 31

- (1) The inauguration of BUM Desa operational executors and supervisors is carried out by the Village Head.
- (2) The inauguration of operational executors and supervisors of BUM Desa Bersama is carried out by the Village Head who is authorized by the Village Heads of the founding Villages.

Article 32

- (1) The salaries and allowances of advisors, operational executors, and supervisors as referred to in Article 14 letter b, letter c, and letter d, shall be regulated in elaboration and details in the Articles of Association and/or Bylaws of BUM Desa/BUM Desa Bersama.
- (2) Provisions regarding salaries and allowances as referred to in paragraph (1) are regulated in accordance with the provisions of laws and regulations and take into account the ability of BUM Desa/BUM Desa Bersama and are based on the spirit of kinship and mutual cooperation.

Second
Part
Employee
Article 33

- (1) Employees of BUM Desa/BUM Desa Bersama are employees whose appointment, dismissal, rights and obligations are based on a work agreement in accordance with the provisions of laws and regulations regarding employment.
- (2) BUM Desa/BUM Desa Bersama employees as referred to in paragraph (1) consist of:
 - a. secretary;
 - b. treasurer; and
 - c. other employees.
- (3) The secretary and treasurer are in charge of assisting the implementation of the authority and duties of the operational executor.
- (4) The appointment and dismissal of the secretary and treasurer are decided through the Village Consultative Meeting/Intra-Village Consultative Meeting and determined by the operational executor.
- (5) The appointment and dismissal of other employees is determined by the operational manager.

Article 34

- (1) Employees of BUM Desa/BUM Desa Bersama receive a fair and decent income in accordance with workload, responsibilities, and performance.
- (2) The income of BUM Desa/BUM Desa Bersama employees as referred to in paragraph (1) includes:
 - a. salary; and/or
 - b. allowances and other benefits in accordance with the financial capacity of BUM Desa/BUM Desa Bersama.

Article 35

In order to increase employee competence, BUM Desa/BUM Desa Bersama implements a human resource capacity building program.

CHAPTER VI
WORK PROGRAM
PLAN

Article 36

- (1) The operational executor prepares a draft work program plan for BUM Desa/BUM Desa Bersama prior to the start of the upcoming financial year.
- (2) The draft work program plan of BUM Desa/BUM Desa Bersama as referred to in paragraph (1) is submitted to the advisor and supervisor for review.
- (3) The results of the review of the draft work program plan of BUM Desa/BUM Desa Bersama as referred to in paragraph (2) shall be decided in the Village Consultative Meeting/Inter-Village

Consultative Meeting as the work program plan of BUM Desa/BUM Desa Bersama.

- (4) In the event that the operational executor does not prepare a draft work program plan for BUM Desa/BUM Desa Bersama as referred to in paragraph (1), the previous year's BUM Desa/BUM Desa Bersama work program plan shall apply.

Article 37

Plan program work BUM Village/BUM Village Joint as referred to in Article 36 paragraph (3) at least contains:

- a. target Business, strategy business strategy, policy, and work programs/activities of BUM Desa/BUM Desa Bersama;
- b. BUM Desa/BUM Desa Bersama budget detailed for each workprogram/activity budget; and
- c. p otherthat require decision Villagedeliberation/inter-village deliberation.

CHAPTER VII

OWNERSHIP, CAPITAL, ASSETS AND LOANS

First Section

Ownership

Article 38

- (1) All or most of the capital ownership of BUM Desa/BUM Desa Bersama is owned by the Village or jointly by Villages.
- (2) The amount of capital ownership of BUM Desa/BUM Desa Bersama as referred to in paragraph (1) is stated in the Articles of Association of BUM Desa/BUM Desa Bersama.

Second

Section

Capital

Article 39

- (1) The capital of BUM Desa/BUM Desa Bersama consists of:
 - a. Village capital participation;
 - b. Village community capital participation; and
 - c. a portion of the business profit that is determined in the Village Consultative Meeting/Inter-Village Consultative Meeting to increase capital.
- (2) The initial capital of BUM Desa/BUM Desa Bersama can come from:
 - a. Village capital participation; and
 - b. Village capital participation and Village community capital participation.
- (3) Village capital participation as referred to in paragraph (1) letter a, is sourced from the Village APB or Village APB of each Village, which is stipulated by Village Regulation or Joint Regulation of the Village Head.
- (4) Village community capital participation as referred to

in paragraph

(1) letter b, can come from legal entities, non-legal entities, individuals, a combination of people from the Village and/or local villages.

Article 40

- (1) Capital participation of the Village and/or Village community can be done for:
 - a. initial capital for the establishment of BUM Desa/BUM Desa Bersama; and/or
 - b. capital increase of BUM Desa/BUM Desa Bersama.
- (2) Village capital participation as referred to in paragraph (1) in the form of:
 - a. money; and/or
 - b. goods other than land and buildings.
- (3) Village community capital participation as referred to in paragraph (1) in the form of:
 - a. money; and/or
 - b. goods both land and buildings and non-land and buildings.
- (4) Village capital participation and Village community capital participation as referred to in paragraph (2) and paragraph (3) are discussed and decided in the Village Deliberation and/or Inter- Village Deliberation.

Article 41

Capital participation of the Village and/or Village community for additional capital of BUM Desa/BUM Desa Bersama as referred to in Article 40 paragraph (1) letter b, is used for:

- a. development of BUM Desa/BUM Desa Bersama business activities and/or BUM Desa/BUM Desa Bersama business units;
- b. strengthening capital structure and increasing business capacity; and/or
- c. Village assignment to BUM Desa/BUM Desa Bersama to carry out certain activities.

Article 42

- (1) Capital participation originating from the Village and/or Village community as referred to in Article 39 paragraph (1) letter a, and letter b, shall be channeled directly to BUM Desa/BUM Desa Bersama no later than 3 (three) months from the decision of the Village Deliberation/Inter-Village Deliberation.
- (2) Direct distribution of capital participation to BUM Desa/BUM Desa Bersama as referred to in paragraph (1) in the form of money is placed in the BUM Desa/BUM Desa Bersama account.
- (3) Direct distribution of capital participation to BUM Desa/BUM Desa Bersama as referred to in paragraph (1) in the form of goods is recorded in the financial statements of BUM Desa/BUM Desa Bersama.

Article 43

- (1) In the event that there is a need for additional BUM Desa/BUM Desa Bersama capital, the operational executor submits the plan to the advisor and supervisor.
- (2) The plan to increase the capital of BUM Desa/BUM Desa Bersama as referred to in paragraph (1) is submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting after a financial analysis is conducted by the advisor, operational executor, and supervisor of BUM Desa/BUM Desa Bersama, and after the availability of an activity plan.
- (3) The plan to increase the capital of BUM Desa/BUM Desa Bersama as referred to in paragraph (2) is discussed and decided in the Village Deliberation/Inter-Village Deliberation.
- (4) The additional capital of BUM Desa/BUM Desa Bersama as referred to in paragraph (3) is stipulated in the amendment to the Village Regulation or Joint Regulation of Village Heads regarding the Articles of Association of BUM Desa/BUM Desa Bersama.

Article 44

- (1) Capital Participation of BUM Desa/BUM Desa Bersama sourced from APB Desa or APB Desa of each Village as referred to in Article 39 paragraph (3), is based on an investment feasibility analysis.
- (2) Investment feasibility analysis as referred to in paragraph
 - (1) implemented in accordance with the provisions of laws and regulations.

Third
Section
Assets

Article 45

- (1) BUM Desa/BUM Desa Bersama assets are sourced from:
 - a. equity participation;
 - b. non-binding assistance including grants;
 - c. business results;
 - d. loans; and/or
 - e. other legitimate sources.
- (2) The development and existence of BUM Desa/BUM Desa Bersama assets are reported periodically in financial reports.

Article 46

BUM Desa/BUM Desa Bersama manages the assets of BUM Desa/BUM Desa Bersama based on sound business principles.

Article 47

- (1) BUM Desa/BUM Desa Bersama may receive assistance from the central government, provincial government, regional government, and/or other non-binding parties.
- (2) Assistance as referred to in paragraph (1) becomes

an Asset of BUM Desa/BUM Desa Bersama.

- (3) Assistance from the central government, provincial government, and regional government as referred to in paragraph (1) is channeled directly to BUM Desa/BUM Desa Bersama and implemented in accordance with the provisions of laws and regulations.
- (4) The assistance of other parties as referred to in paragraph (1) is channeled directly to BUM Desa/BUM Desa Bersama and is carried out at any time in accordance with the agreement of the party with BUM Desa/BUM Desa Bersama.

Fourth Part

Loans

Article 48

- (1) BUM Desa/BUM Desa Bersama may make loans in accordance with the principles of transparency, accountability, efficiency and effectiveness, and prudence in accordance with the provisions of laws and regulations.
- (2) Loans of BUM Desa/BUM Desa Bersama can be made to financial institutions, central government, local government, and other domestic sources of funds with provisions:
 - a. loans are used for business development and/or the establishment of BUM Desa/BUM Desa Bersama Business Units;
 - b. the period of repayment of principal, interest and other charges within a period not exceeding the remaining term of office of the director;
 - c. have healthy financial statements for at least 2 (two) consecutive years; and
 - d. does not result in a change in the proportion of capital ownership.
- (3) The loan plan is submitted by the operational executor for approval by the advisors and supervisors or the Village Consultative Meeting/Inter-Village Consultative Meeting in accordance with their authority as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama.

CHAPTER

VIII

BUSINESS

UNITS

Article 49

- (1) BUM Desa/BUM Desa Bersama may own and/or establish BUM Desa/BUM Desa Bersama Business Units in accordance with the provisions of laws and regulations.
- (2) In the event that the BUM Desa/BUM Desa Bersama Business Unit as referred to in paragraph (1) has a strategic function and is related to the livelihood of many people and public welfare, a majority of the capital of the Business

Unit must be owned by BUM Desa/BUM Desa Bersama.

- (3) BUM Desa/BUM Desa Bersama can have capital outside the BUM Desa/BUM Desa Bersama Business Unit after obtaining approval from the Village Consultative Meeting/Inter-Village Consultative Meeting.

Article 50

To obtain financial benefits and provide benefits to the community, BUM Desa/BUM Desa Bersama Business Units may conduct activities:

- a. management of natural, economic, cultural, social, religious resources and potentials, knowledge, skills, and ways of life based on local wisdom in the community;
- b. local resource-based industries;
- c. distribution and trade networks;
- d. financial services;
- e. prioritized basic needs public services including food, electrification, sanitation, and housing;
- f. intermediaries of goods/services including distribution and agency; and
- g. other activities that meet eligibility.

Article 51

- (1) BUM Desa/BUM Desa Bersama may close the BUM Desa/BUM Desa Bersama Business Unit, in the following cases:
 - a. performance degradation or failure;
 - b. there are indications that the BUM Desa/BUM Desa Bersama Business Unit causes pollution and/or damage to the environment and losses to the Village community;
 - c. irregularities occur or management is not in accordance with the Articles of Association and Bylaws of the BUM Desa/BUM Desa Bersama Business Unit;
 - d. other reasons agreed upon in the Village Deliberation/Inter-Village Deliberation; and/or
 - e. other reasons based on a court decision and/or in accordance with the provisions of laws and regulations.
- (2) Provisions regarding the closure of BUM Desa/BUM Desa Bersama Business Units are implemented in accordance with statutory provisions.

Article 52

Village Assets that are managed, leased, borrowed, and taken advantage of, at the time of closing the BUM Desa/BUM Desa Bersama Business Unit as referred to in Article 51 cannot be used as collateral, compensation, fulfillment of obligations or other achievements that become the legal responsibility of the BUM Desa/BUM Desa Bersama

Business Unit.

CHAPTER IX
PROCUREMENT OF GOODS AND/OR SERVICES

Article 53

- (1) Procurement of goods and/or services at BUM Desa/BUM Desa Bersama is carried out by taking into account the principles of transparency, accountability, efficiency, and professionalism.
- (2) The implementation of procurement of goods and/or services at BUM Desa/BUM Desa Bersama is published through media that can be reached by the Village community.
- (3) Procurement of goods and/or services at BUM Desa/BUM Desa Bersama as referred to in paragraph (1) shall be guided and implemented in accordance with the provisions of laws and regulations.

CHAPTER
X
COOPERATION

Article 54

- (1) BUM Desa/BUM Desa Bersama in conducting business in the economic sector and/or public services may cooperate with other parties.
- (2) Cooperation as referred to in paragraph (1) consists of:
 - a. business cooperation; and
 - b. non-business cooperation.
- (3) BUM Desa/BUM Desa Bersama can cooperate with state-owned enterprises, regional-owned enterprises, privately-owned enterprises, and/or cooperatives.
- (4) Cooperation as referred to in paragraph (1) must be mutually beneficial and protect the interests of the Village and the Village community as well as the cooperating parties.
- (5) BUM Desa cooperation as referred to in paragraph (3) is carried out to form mutually beneficial partnerships between economic actors and strengthen each other to realize economic democracy and highly competitive national efficiency.

Article 55

Other parties as referred to in Article 54 paragraph (1) include the central government, provincial government, regional government, village government, business world or cooperatives, non-governmental organizations, educational institutions, and socio-cultural institutions, which are owned by Indonesian citizens or legal entities, and BUM Desa/BUM Desa Bersama others.

Article 56

- (1) Business cooperation as referred to in Article 54 paragraph
 - (2) letter a, including but not limited to cooperation with the Village Government in the field of utilization of Village Assets in accordance with the provisions of laws and regulations regarding the management of Village Assets.
- (2) In business cooperation as referred to in paragraph (1), BUM Desa/BUM Desa Bersama is prohibited from making or placing the burden of any obligation or performance on other parties including for the closing of the risk of loss and/or loan guarantees for Village Assets that are managed, utilized, and certain benefits are derived.
- (3) In addition to business cooperation as referred to in paragraph (1), BUM Desa/BUM Desa Bersama may conduct business cooperation with other parties in the form of business cooperation but not limited to the form of joint management of resources.
- (4) BUM Desa/BUM Desa Bersama business cooperation with other parties in the form of resource management as referred to in paragraph (3) is carried out after considering the legal position of the ownership and/or control status of the object based on the provisions of laws and regulations.
- (5) The business cooperation plan is submitted by the operational executor to obtain approval from the advisors and supervisors or the Village Consultative Meeting/Inter-Village Consultative Meeting in accordance with their authority as stipulated in the Articles of Association of BUM Desa/BUM Desa Bersama.

Article 57

- (1) Non-business cooperation as referred to in Article 54 paragraph (2) letter b, is carried out in the form of a minimum transfer of technology, science, art and culture, and capacity building of human resources.
- (2) Non-business cooperation plans are submitted by the operational executor for approval by the advisor and supervisor.

CHAPTER
XI
ACCOUNTABILITY

Article 58

- (1) The operational executor must prepare periodic reports containing the implementation of the BUM Desa/BUM Desa Bersama work program plan.

- (2) Periodic reports as referred to in paragraph (1) include semesterly reports and annual reports.
- (3) The semi-annual report as referred to in paragraph (2) shall be submitted to the advisor.
- (4) The semi-annual report as referred to in paragraph (3) at least contains:
 - a. semi-annual statement of financial position and semi-annual profit and loss account and its explanation; and
 - b. details of issues arising during 1 (one) semester that affect BUM Desa/BUM Desa Bersama activities.
- (5) The annual report as referred to in paragraph (2) is submitted to the Village Consultative Meeting/Inter-Village Consultative Meeting after being reviewed by the advisor and supervisor.
- (6) The annual report as referred to in paragraph (5) shall at least contain:
 - a. annual accounts consisting of a statement of financial position at the end of the financial year just ended and a calculation of profit or loss for the financial year concerned and explanations thereof;
 - b. statement of financial position and calculation of the consolidated income statement of the BUM Desa/BUM Desa Bersama Business Unit.
 - c. report on the condition and operation of BUM Desa/BUM Desa Bersama and the results that have been achieved;
 - d. main activities of BUM Desa/BUM Desa Bersama and changes during the financial year;
 - e. details of issues arising during the financial year that affect the activities of BUM Desa/BUM Desa Bersama; and
 - f. report on the management duties by the operational executives, supervision by the supervisors, and provision of advice by the advisors that have been carried out during the financial year just ended.
- (7) In addition to the periodic reports as referred to in paragraph (1), the operational executor may at any time provide special reports to the supervisor and/or the Village Consultative Meeting/Inter-Village Consultative Meeting.

Article 59

- (1) The results of the Village Deliberation and/or Inter-Village Deliberation as referred to in Article 58 paragraph (5) shall be published through mass media tools and public information dissemination that is easily accessible to the Village community.
- (2) The Village Deliberation as referred to in paragraph (1) decides on the acceptance of the annual report of BUM Desa/BUM Desa Bersama as referred to in Article 58 paragraph (5) and decides on the use of BUM Desa/BUM Desa

- Bersama proceeds that become part of the Village.
- (3) The acceptance of the annual report of BUM Desa/BUM Desa Bersama by the Village Consultative Meeting/Inter-Village Consultative Meeting discharges the responsibilities of the advisors, operational executors, and supervisors or the implementation of duties and authorities in the financial year ended.

CHAPTER XII PROFIT SHARING

Article 60

- (1) BUM Desa/BUM Desa Bersama business results are income obtained from the results of business activities minus expenses in 1 (one) fiscal year.
- (2) The distribution of BUM Desa / Joint Village BUM business results submitted to the Village becomes Village revenue, the priority of use of which can be specifically determined and agreed upon in the Village Consultation / Inter-Village Consultation.
- (3) Provisions regarding the distribution of BUM Desa/BUM Desa Bersama business results as referred to in paragraph (1) to each capital participant are regulated in the BUM Desa/BUM Desa Bersama Articles of Association.

CHAPTER XIII LOSSES

Article 61

- (1) The financial statements of BUM Desa/BUM Desa Bersama are examined/audited by the supervisor.
- (2) The implementation of the examination/audit as referred to in paragraph (1) may be carried out by appointing and requesting the assistance of an independent auditor.
- (3) In the event that there are indications of errors and/or negligence in the management of BUM Desa/BUM Desa Bersama, an investigative audit may be conducted at the order of the Village Consultative Meeting/Inter-Village Consultative Meeting.

Article 62

- (1) In the event that the results of the examination/audit as referred to in Article 61 find losses of BUM Desa/BUM Desa Bersama, the advisor, operational executor, and/or supervisor shall be personally liable for the losses of BUM Desa/BUM Desa Bersama.
- (2) The advisor, operational executor, and/or supervisor shall not be liable for the loss as referred to in paragraph (1) if they can prove:
 - a. the loss is not due to his fault or negligence;

- b. has exercised its authority and duties in good faith and prudence for the benefit of and in accordance with the purposes and objectives of BUM Desa/BUM Desa Bersama and/or based on the decision of the Village Deliberation/Inter-Village Deliberation;
 - c. not have a conflict of interest either directly or indirectly over the actions that result in the loss; and
 - d. have taken measures to prevent the incurrence or continuance of the loss.
- (3) In the event that the loss of BUM Desa/BUM Desa Bersama is caused by intentional elements or negligence of the advisor, operational executor, and/or supervisor as referred to in paragraph (1), the Village Deliberation/Inter-Village Deliberation discusses and decides on the form of accountability that must be carried out by the advisor, operational executor, and/or supervisor based on the spirit of kinship and mutual cooperation.
 - (4) In the event that the advisor, operational executor, and/or supervisor does not show good faith in carrying out the accountability as referred to in paragraph (3), the Village Consultative Meeting/Inter-Village Consultative Meeting decides to resolve the loss through a legal process.

Article 63

- (1) In the event that the results of the examination/audit as referred to in Article 61 find that the loss is purely a business failure and is not caused by intentional elements or negligence of the advisor, operational executor, and/or supervisor, the loss shall be recognized as an expense of BUM Desa/BUM Desa Bersama.
- (2) In the event that BUM Desa/BUM Desa Bersama as referred to in paragraph (1) cannot cover losses with its assets and wealth, the statement and consequences of losses shall be discussed and decided through the Village Deliberation/Inter-Village Deliberation.
- (3) Based on the results of the Village Deliberation/Intra-Village Deliberation as referred to in paragraph (2), policy choices can be made:
 - a. in the event that BUM Desa/BUM Desa Bersama does not have creditors, the assets of BUM Desa/BUM Desa Bersama are returned to the capital participants and the business activities of BUM Desa/BUM Desa Bersama are terminated;
 - b. file a bankruptcy petition with the commercial court;
 - c. restructure the finances of BUM Desa/BUM Desa Bersama;

- d. closing some BUM Desa/BUM Desa Bersama businesses, and reorganizing BUM Desa/BUM Desa Bersama; and
- e. other appropriate policies based on the spirit of kinship and mutual cooperation.

CHAPTER XIV
CESSATION OF BUSINESS
ACTIVITIES

Article 64

- (1) The cessation of BUM Desa/BUM Desa Bersama business activities is the cessation of all operational activities of BUM Desa/BUM Desa Bersama including all BUM Desa/BUM Desa Bersama businesses owned due to certain circumstances decided through Village Consultation/Inter-Village Consultation and stipulated in Village Regulations/Joint Regulations of Village Heads.
- (2) Certain circumstances as referred to in paragraph (1) include:
 - a. experienced losses constantly which not can't be salvaged;
 - b. pollute the environment;
 - c. declared bankrupt; and
 - d. other legitimate reasons.
- (3) The termination of BUM Desa/BUM Desa Bersama business activities as referred to in paragraph (1) is based on the results of BUM Desa/BUM Desa Bersama business investment analysis, health assessment and performance evaluation results of BUM Desa/BUM Desa Bersama.
- (4) Termination of BUM Desa/BUM Desa Bersama Business activities as referred to in paragraph (1) is carried out through the closure of BUM Desa/BUM Desa Bersama Business.
- (5) The termination of BUM Desa/BUM Desa Bersama business activities as referred to in paragraph (1) is followed by the settlement of all obligations and the distribution of assets or assets resulting from the termination of BUM Desa/BUM Desa Bersama business activities to each capital participant and creditor in accordance with the provisions of laws and regulations.

Article 65

- (1) In the context of completing all obligations and distributing assets or assets resulting from the cessation of BUM Desa/BUM Desa Bersama business activities, a resolver is appointed through the Village Deliberation/Intra-Village Deliberation.

- (2) In the event that the Village Deliberation/Inter-Village Deliberation does not appoint a resolver, the operational executor acts as the resolver.
- (3) The resolver as referred to in paragraph (1) shall be stipulated in the decision of the advisor.
- (4) During the resolution process, the BUM Desa/BUM Desa Bersama continues to exist with the designation under resolution.

Article 66

Resolvers have the following rights, powers and obligations:

- a. perform all legal actions for and on behalf of BUM Desa/BUM Desa Bersama in the settlement;
- b. collect all necessary information
- c. inviting operational executors of BUM Desa/BUM Desa Bersama, either individually or jointly;
- d. obtain, examine, and use all records and archives of BUM Desa/BUM Desa Bersama;
- e. establish and enforce any payment obligations that take precedence over the payment of other debts;
- f. use the remaining assets of BUM Desa/BUM Desa Bersama to settle the remaining liabilities of BUM Desa/BUM Desa Bersama;
- g. distributing the remaining settlement proceeds to equity investors; and
- h. draw up minutes of completion.

Article 67

- (1) Settlement is carried out after the decision to stop the business activities of BUM Desa/BUM Desa Bersama is issued by the Village Consultative Meeting/Inter-Village Consultative Meeting.
- (2) The Settlers are responsible to the Village Deliberation/Inter-Village Deliberation.

Article 68

In the event of termination of BUM Desa/BUM Desa Bersama's business activities, the capital participant only bears the loss of the capital contributed.

Article 69

- (1) The cessation of BUM Desa/BUM Desa Bersama business activities as referred to in Article 67 is reported to the Minister who organizes government affairs in the field of Villages, Disadvantaged Regions and Transmigration for data updating.
- (2) The termination of BUM Desa/BUM Desa Bersama business activities as referred to in paragraph (1) does not result in the elimination of BUM Desa/BUM Desa Bersama entities as legal entities.
- (3) BUM Desa/BUM Desa Bersama can be re-operated through:
 - a. new capital investment;
 - b. organizational arrangement of BUM Desa/BUM Desa

Bersama;

- c. establishment of new businesses; and
 - d. action other in accordance with the provisions of laws and regulations.
- (4) The operation of BUM Desa/BUM D e s a Bersama as referred to in paragraph (3) shall be stipulated by Village Regulation or Joint Regulation of Village Heads.
- (5) The operation of BUM Desa/BUM Desa Bersama business activities as referred to in paragraph (4) is reported to the Minister who organizes government affairs in the field of Villages, Disadvantaged Regions and Transmigration for data updating.

CHAPTER XV COACHING AND DEVELOPMENT

Article 70

- (1) The Regentin accordance with his/her authority provides guidance, and development of BUM Desa/BUM Desa Bersama.
- (2) The Regent may delegate the authority as referred to in paragraph (1) to the Regional Apparatus that organizes the affairs government affairs in the field of village community empowerment and/or the sub-district head.
- (3) Further provisions regarding guidance and development as referred to in paragraph (1) shall be regulated in a Regent Regulation.

CHAPTER XVI BUM DESA BERSAMA EX NATIONAL PROGRAM FOR RURAL SELF-RELIANT COMMUNITY EMPOWERMENT

Article 71

- (1) The management of the activities of the Community Revolving Fund of the Former National Program for Rural Independent Community Empowerment must be formed into a Joint BUM Desa.
- (2) The establishment of the manager of the Community Revolving Fund activities of the National Program for Rural Independent Community Empowerment into BUM Desa Bersama as referred to in paragraph (1) shall be carried out by:
 - a. transfer of assets;
 - b. institutional transfer;
 - c. transfer of personnel; and
 - d. transfer of business activities.
- (3) The establishment of the activity manager of the Community Revolving Fund of the National Program for Rural Independent Community Empowerment into a Joint BUM Desa is decided in the Inter-Village Deliberation, stated in the Articles of Association of the Joint BUM Desa, and

stipulated by a Joint Regulation of the Village Heads.

CHAPTER XVII
TRANSITIONAL
PROVISIONS

Article 72

Operational executors and supervisors of BUM Desa/BUM Desa Bersama that are determined before the enactment of this Regional Regulation, continue to carry out their duties until the end of their term of office.

CHAPTER XVIII
CLOSING
PROVISIONS

Article 73

When this Regional Regulation comes into force, Regional Regulation Number 6 of 2020 concerning Guidelines for the Establishment, Management, and Dissolution of Village-Owned Business Entities (Regional Gazette of Sukoharjo Regency of 2020 Number 6, Supplement to Regional Gazette of Sukoharjo Regency of 2020 Number 291) shall be revoked and declared invalid.

Article 74

This Regional Regulation shall come into force on the date of promulgation.

In order that everyone may know it, it is ordered that this Regional Regulation be promulgated by placing it in the Regional Gazette of Sukoharjo Regency.

Established in Sukoharjo
on September 4, 2024
BUPATISUKOHARJO,

ttd.

ETIK SURYANI

Promulgated in
Sukoharjo on
September 4, 2024

REGIONAL
SECRETARY OF
SUKOHARJO
REGENCY,

ttd. WIDODO

REGIONAL SHEET OF SUKOHARJO DISTRICT YEAR 2024 NUMBER 9

EXPLANATION OF
SUKOHARJO DISTRICT REGIONAL REGULATION
NUMBER 9 OF 2024
ON
VILLAGE-OWNED ENTERPRISES

I. GENERAL

BUM Desa is a legal entity established by the village and/or together with villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of businesses for the welfare of the village community. The development of BUM Desa is a form of strengthening of village economic institutions and is a means of utilizing the local economy with various types of potential in the village so that it becomes the backbone of the Village Government's economy in order to increase village income and the welfare of the village community.

With the enactment of Law Number 6 of 2014 concerning Villages as amended several times most recently by Law Number 3 of 2024, Government Regulation Number 11 of 2022 concerning Village-Owned Enterprises, Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and / or Services of Village-Owned Enterprises / Joint Village-Owned Enterprises, and Regulation of the Minister of Villages, Disadvantaged Regions and Transmigration Number 3 of 2021 concerning Registration, Data Collection and Ranking, Guidance and Development, and Procurement of Goods and / or Services of Village-Owned Enterprises / Joint Village-Owned Enterprises.

15 of 2021 concerning Procedures for the Establishment of Managers of Community Revolving Fund Activities of the Former National Program for Rural Independent Community Empowerment into Joint Village-Owned Enterprises, the existing BUM Desa regulations must be normatively adjusted to be in line with the laws and regulations.

There is a need for a new Regional Regulation that regulates BUM Desa. Arrangements are needed related to the legal entity status of BUM Desa and the emergence of BUM Desa Bersama and Inter-Village Consultation as new elements that must be accommodated. It is expected that this Regional Regulation will become a guideline to encourage the optimization of BUM Desa and Joint BUM Desa management through capacity building in institutional aspects, human resources aspects, organizational management aspects, and financial aspects. Based on this, the Regional Government of Sukoharjo Regency establishes a Regional Regulation on BUM Desa.

II. ARTICLE BY

ARTICLE Article 1

Clear enough.

Article 2 Clear

Article 3 enough

h.

Letter

a

What is meant by "professional" is governance that is carried out in accordance with existing rules and carried out by actors who have adequate abilities and competencies.

Letter b

What is meant by "open" is that the implementation of BUM Desa governance can be monitored by the public.

BUM Desa management data and information are easily accessible and displayed at any time and opportunity.

What is meant by "responsible" is that BUM Desa as a business entity owned by the Village and all its implementers must be responsible to the Village community.

Letter c

What is meant by "participatory" is to provide opportunities for community participation in the process of establishing and managing BUM Desa both in the form of statements and in the form of activities by providing input of thoughts, energy, time, expertise, capital or material, and participating in utilizing and enjoying the results.

Article 4

Article 5 Letter d

What is meant by "sustainable" is that the development of BUM Desa is expected to meet the needs of the Village community in the present without reducing the ability of future generations of Villagers to meet their needs.

Article 6

Article 7

Clear

Article 8 enough

Article 9 h.

Clear

enough

h.

Clear

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Letter a

The needs of the community pay attention to aspects:

1. value economics and benefits of management of public services carried out; and

2. compatibility of the fulfillment of community needs with the capacity and capability of the Village and/or Villages and the Village community.

Letter b

What is meant by "problem" is the gap between the expected ideal conditions and the factual conditions related to the economic, social, cultural, environmental, and knowledge and technology aspects of society.

Letter c

Business feasibility is assessed through analysis of economic feasibility, market and marketing analysis, financial feasibility analysis, and analysis of other supporting aspects such as technological availability and capability, availability and scale of natural, human, social, and cultural resources.

Letter d

The establishment of BUM Desa must be accompanied by clarity of purpose, objectives, service plans, business strategy and governance, infrastructure, organizational structure, commercial practices, and operational policies and process plans.

Letter e

Preservation, sustainability and protection of life support capacity are the basis for BUM Desa/BUM Desa Bersama to creatively develop BUM Desa/BUM Desa Bersama businesses based on the uniqueness and diversity of village community life based on religious values, customs, social behavior, and local wisdom.

Article 10

Clear enough.

Article 11

Clear enough.

Article 12

Clear enough.

Article 13

Clear enough.

Article 14

Clear enough.

Article 15

Paragraph (1)

Clear enough.

Paragraph (2)

The Articles of Association of BUM Desa/BUM Desa Bersama regulate the formation of attendance at the Village Consultative Meeting/Inter-Village Consultative Meeting attended by BPD, Village Government, and elements of the community.

What is meant by "elements of the community" is the community participating in the capital of BUM Desa/BUM Desa Bersama and other elements of the community.

Other elements of the community can be adjusted to the needs and local wisdom of the Village, among others:

- a. traditional leaders;
- b. religious leaders;
- c. community leaders;
- d. educational figures;
- e. farmer group representatives;
- f. representatives of fishermen groups;
- g. representative of the crafters' group;
- h. representatives of women's groups;
- i. representatives of child protection and awareness groups;
- j. representatives of the poor;
- k. regional representatives;
- l. representatives of public health observers/cadres;
- m. representatives of groups of people with disabilities;
- n. representatives of the elderly group;
- o. representatives of artist groups; and/or
- p. representatives of other groups identified in the Village concerned in accordance with the local wisdom of each Village.

Article 16

Clear enough.

Article 17

Clear enough.

Article 18

Clear enough.

Article 19

Clear enough.

Article 20

Clear enough.

Article 21

Paragraph (1)

What is meant by "collegial collective" is that in exercising their authority, members of the advisory board cannot act individually, but rather based on the decision of the advisory board.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Article 22

Paragraph (1)

Letter a

Clear enough.

Letter b

Clear enough.

Letter c

Clear enough.

Letter d

What is meant by "certain circumstances", among others, is that the operational executor is suspected of committing an act that is detrimental to BUM Desa/BUM Desa Bersama or has a conflict of interest with BUM Desa/BUM Desa Bersama.

Letter e

Clear enough.

Letter f

Clear enough.

Letter g

What is meant by "stipulate" is the act of issuing a decision letter to stipulate the decision of the Village Deliberation/Inter-Village Deliberation on the ratification of the acceptance of the annual report.

Letter h

Clear enough.

Letter i

Clear enough.

Paragraph (2)

Clear enough.

Article 23

Clear enough.

Article 24

Clear enough.

Article 25

The accumulated term of office of the operational executor of BUM Desa/BUM Desa Bersama is a maximum of 15 (fifteen) years if it includes serving in the first period for 5 (five) years, the operational executor of BUM Desa/BUM Desa Bersama as intended is reappointed with the provision of a maximum of 2 (two) terms of office.

Article 26

Clear enough.

Article 27

Clear enough.

Article 28

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

What is meant by "collegial collective" is that in exercising their authority the members of the supervisory board cannot act individually, but rather based on a decision of the supervisory board.

Paragraph (4)

Clear enough.

Article 29

The accumulated term of office of the Supervisor of BUM Desa/BUM Desa Bersama is a maximum of 15 (fifteen) years if after serving in the first period for 5 (five) years, the Supervisor of BUM Desa/BUM Desa Bersama as intended is reappointed provided that the maximum term of office is 2 (two) times.

Article 30

Clear enough.

Article 31

Clear enough.

Article 32

Clear enough.

Article 33

Clear enough.

Article 34

Clear enough.

Article 35

Clear enough.

Article 36

Clear enough.

Article 37

Clear enough.

Article 38

Paragraph (1)

What is meant by most of the capital ownership of BUM Desa/BUM Desa Bersama is at least 51% (fifty-one percent) of the capital is owned by the Village or jointly by the Villages.

Paragraph (2)

Clear enough.

Article 39

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

What is meant by "legal entity" includes cooperatives.

What is meant by "unincorporated institution" includes, among others, a limited liability partnership, unincorporated business entity, or other institution domiciled in the Village and/or local villages.

Article 40

Clear enough.

Article 41

Letter a

Clear enough.

Letter b

Clear enough.

Letter c

Village assignment to BUM Desa/BUM Desa Bersama is carried out based on the decision of the Village Consultative Meeting/Inter-Village Consultative Meeting.

Article 42

Paragraph (1)

What is meant by "Village Deliberation/Inter-Village Deliberation" is a deliberation that discusses the initial Capital Participation for the establishment and/or for the capital increase of BUM Desa/BUM Desa Bersama.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Article 43

Clear enough.

Article 44

Clear enough.

Article 45

Clear enough.

Article 46

Clear enough.

Article 47

Clear enough.

Article 48

Paragraph (1)

Clear enough.

Paragraph (2)

Letter a

Clear enough.

Letter b

Clear enough.

Letter c

Clear enough.

Letter d

Loans that result in a change in the proportion of capital ownership include types of loans that can turn into Capital Participation if BUM Desa/BUM Desa Bersama is unable to fulfill the obligations arising from the loan.

Paragraph (3)

The Articles of Association of BUM Desa/BUM Desa Bersama regulate the authority to approve loans of BUM Desa/BUM Desa Bersama by the Village Consultative Meeting/Inter- Village Consultative Meeting or advisors and supervisors based on criteria including the amount of pinkaman, the value of the loan, and the use of the loan.

Article 49

Paragraph (1)

BUM Desa may directly manage its own BUM Desa/BUM Desa Joint Business activities and/or establish a BUM Desa Business Unit separate from BUM Desa to carry out business activities.

Paragraph (2)

Clear enough.

Paragraph (3)

What is meant by "having capital outside the BUM Desa/BUM Desa Bersama Business Unit" includes BUM Desa/BUM Desa Bersama's capital ownership in cooperatives.

Article 50

Letter a

Clear enough.

Letter b

Clear enough.

Letter c

Clear enough.

Letter d

What is meant by "financial services" are microfinance institutions in accordance with the provisions of laws and regulations.

Letter e

Clear enough.

Letter f

Clear enough.

Letter g

Clear enough.

Article 51

Clear enough.

Article 52

Clear enough.

Article 53

Paragraph (1)

BUM Desa's procurement of goods and/or services follows the customary practices of the business world, and is not subject to the provisions of government and/or Village procurement of goods/services.

Paragraph (2)

What is meant by "media that can be reached by the Village community" includes online media, printed media, Village notice boards, or other media that are easily accessible to the Village community.

Paragraph (3)

Clear enough.

Article 54

Clear enough.

Article 55

Clear enough.

Article 56

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

Resource co-management is the management of public resources such as springs, rivers, lakes, beaches, natural mountains, forests, natural mines, and so on to be jointly managed as an economic business and/or public service business of BUM Desa/BUM Desa Bersama.

The natural resources referred to are the authority of the Village to manage or the authority of other parties that can be managed by the Village directly or in the form of cooperation, in accordance with the provisions of laws and regulations.

Paragraph (5)

The Articles of Association of BUM Desa/BUM Desa Bersama regulate the authority to approve cooperation of BUM Desa/BUM Desa Bersama by the Village Consultative Meeting/Inter-Village Consultative Meeting or advisors and supervisors based on criteria including the amount of investment value of cooperation and the form of cooperation.

The forms of cooperation that need to be approved by the Village Consultative Meeting include, among others, the utilization of Village Assets, namely leasing, utilization cooperation, building, handover, and/or building handover of Village Assets.

Meanwhile, forms of business cooperation that only need to be approved by advisors and supervisors include business cooperation in developing business services and features.

Article 57

Clear enough.

Article 58

Clear enough.

Article 59

Paragraph (1)

Clear enough.

Paragraph (2)

Clear enough.

Paragraph (3)

The exemption of operational advisors and supervisors from liability for the performance of their duties and authorities during the financial year does not apply to criminal acts.

Article 60

Paragraph (1)

Clear enough.

Paragraph (2)

The distribution of BUM Desa/BUM Desa Bersama's business results submitted to the Village becomes Village revenue, the priority of use of which can be specifically determined in the form of, among others, Village development, Village community empowerment, and providing assistance to the poor through grants, social assistance, and revolving fund activities stipulated in the Village Budget.

Paragraph (3)

Clear enough.

Article 61

Clear enough.

Article 62

Clear enough.

Article 63

Clear enough.

Article 64

Clear enough.

Article 65

Paragraph (1)

What is meant by "penyelesai" is the party in charge of administering the assets of the business entity which can come from internal or external BUM Desa/BUM Desa Bersama in accordance with the needs and capabilities of BUM Desa/BUM Desa Bersama.

Paragraph (2)

Clear enough.

Paragraph (3)

Clear enough.

Paragraph (4)

Clear enough.

Article 66

Clear enough.

Article 67

Clear enough.

Article 68

Clear enough.

Article 69

Clear enough.

Article 70

Clear enough.

Article 71

Clear enough.

Article 72

Clear enough.

Article 73

Clear enough.

Article 74

Clear enough.