



COPY

**REGENT SUKOHARJO
PROVINCE OF CENTRAL JAVA
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT
NUMBER 6 OF 2020
ABOUT**

**GUIDELINES FOR ESTABLISHMENT, SETTING AND MANAGEMENT, AND
DISSOLUTION OF VILLAGE OWNED BUSINESS ENTERPRISES
BY THE GRACE OF GOD ALMIGHTY**

REGENT SUKOHARJO,

- Considering:**
- a. that in order to develop the economy and the welfare of village communities based on family values and mutual cooperation, in order to increase village income to accommodate various community economic business activities, the village government can establish village-owned business entities according to the needs and potential of the village;**
 - b. that with the enactment of the Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 4 of 2015 concerning the Establishment, Management and Management, and Dissolution of Village-Owned Enterprises, there are changes to the main material relating to the regulation of Village-Owned Enterprises, then Sukoharjo Regency Regional Regulation Number 2 of the Year 2011 concerning Guidelines for Procedures for the Formation and Management of Village-Owned Enterprises are no longer appropriate and need to be replaced;**
 - c. that based on the considerations as intended in letters a and b, it is necessary to establish Regional Regulations concerning Guidelines for the Establishment, Management and Management and Dissolution of Village-Owned Enterprises ;**
- Remember :**
- 1. Article 18 paragraph (6) of the 1945 Constitution of the Republic of Indonesia; 2. Law Number 13 of 1950 concerning the Establishment of Regency Regions within the Province of Central Java;**
 - 3. Law Number 40 of 2007 concerning Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);**

4. Law Number 1 of 2013 concerning Microfinance Institutions (State Gazette of the Republic of Indonesia of 2013 Number 12, Supplement to State Gazette of the Republic of Indonesia Number 5394);
5. Law Number 6 of 2014 concerning Villages (State Gazette of the Republic of Indonesia of 2014 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 5495);
6. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to the Law. Law Number 23 of 2014 concerning Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to State Gazette of the Republic of Indonesia Number 5679);
7. Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages (State Gazette of the Republic of Indonesia of 2014 Number 123, Supplement to State Gazette of the Republic of Indonesia Number 5539) as amended several times, most recently by Government Regulation Number 11 of the Year 2019 concerning the Second Amendment to Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages (State Gazette of the Republic of Indonesia Year 2019 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6321);

With Mutual Consent
REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF SUKOHARJO DISTRICT
And
REGENT SUKOHARJO
DECIDE:

Establish: REGIONAL REGULATIONS CONCERNING THE ESTABLISHMENT, MANAGEMENT AND MANAGEMENT, AND DISSOLUTION OF VILLAGE-OWNED BUSINESS ENTITIES.

PIG
GENERAL REQUIREMENTS
article 1

- In this Regional Regulation what is meant by: 1. Region is Sukoharjo Regency.
2. Regional Government is the Regent as an element of regional government administrators who leads the implementation of government affairs which fall under the authority of the autonomous region.

3. **The Regent is the Regent of Sukoharjo.**
4. **Regional Apparatus is the supporting element of the Regent and the Regional People's Representative Council in administering government affairs which fall under regional authority.**
5. **Subdistrict head is the lead coordinator of government administration in the sub-district working area who, in carrying out his duties, obtains delegation of government authority from the Regent to handle some regional autonomy affairs and carry out general government tasks.**
6. **A village is a legal community unit that owns territorial boundaries with the authority to regulate and govern, community affairs the interests of managing local based on community initiatives, rights of origin, and/or traditional rights recognized and respected in the Government system of the Unitary State of the Republic of Indonesia.**
7. **Village Government is the administration of government affairs and the interests of local communities in the government system 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. **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 determined democratically.**
10. **Village Deliberation is a deliberation between the BPD, the Village Government and elements of society held by the BPD to agree on matters strategic in nature.**
11. **A Village Deliberation Agreement is the result of a decision from the Village Deliberation in the form of an agreement outlined in the minutes of the Village Deliberation agreement signed by the Chair of the Village Deliberative Body and the Village Head.**
12. **Village Regulations are Legislative Regulations stipulated by the Village Head after being discussed and agreed upon with the Village Consultative Body.**
13. **Joint Village Head Regulations are regulations that determined by two or more Village Heads and is regulatory in nature.**
14. **Village-Owned Enterprises, hereinafter referred to as BUM A Village is a business entity whose capital is wholly or largely owned by the Village through direct participation originating from Village assets which are separated to manage assets, services and other efforts for the greatest welfare of the Village community.**

15. **Joint Village BUM is a Village BUM where all or most of the capital is owned by 2 (two) or more through direct capital participation originating from the assets of each Village which are separated in order to manage assets, services and other businesses to the greatest extent possible. the magnitude of the welfare of the village community.**
16. **The Inter-Village Cooperation Agency, hereinafter abbreviated as BKAD, is a body formed on the basis of an inter-Village agreement to assist the Village head in implementing inter-Village cooperation.**
17. **Village finances are all Village rights and obligations that can be valued in money and everything in the form of money and goods related to the implementation of Village rights and obligations.**
18. **Village assets are items belonging to the Village that originate from the Village's original assets, purchased or obtained at the expense of the Village APBD or the acquisition of other legal rights.**
19. **Village Property is wealth belonging to the Village in the form of movable goods and immovable goods.**
20. **Village Capital Inclusion is the transfer of Village assets which were originally unseparated assets into separated assets to be calculated as Village capital in BUMDesa.**
21. **Inter-Village Capital Participation is capital participation originating from Village assets which are separated to be calculated as Capital and intended for the Establishment of a Joint Village BUM.**
22. **The Articles of Association are a series of provisions governing the operations of BUM Desa and/or BUM Desa Bersama containing at least the name, place of domicile, aims and objectives, capital, business activities, period of establishment of BUM Village, management organization and procedures for use and distribution of profits to create order, effectiveness and purpose Village BUM business.**
23. **Bylaws are rules that contain the elaboration and/or implementation of the rules of the articles of association containing at least the rights and obligations, period of service, procedures for appointing and dismissing management organization personnel, determining the type of business and sources of capital for BUM Village activities.**

Section 2

This Regional Regulation is intended as a guideline for villages in the establishment, administration and management, and dissolution of BUMDesa.

Article 3

- This Regional Regulation aims to:
- a. facilitate the establishment and development of BUMDesa;
 - b. provide a reference in the development and supervision of BUM Desa for the district government, village government and related parties;
 - c. realizing professional, innovative and sustainable management and development of BUM Desa in the Region;
 - d. realizing a strong and advanced Village BUM as a driver of the village economy which is able to improve community welfare and village original income; And
 - e. realizing Village BUMs that are able to optimize Village Potential based on the application of knowledge and technology, and the effective, efficient and sustainable use of environmentally friendly natural resources.

CHAPTER II

SCOPE

Article 4

The scope of this Regional Regulation includes:

- a. Purpose and objectives
- b. Village BUM principles;
- c. Establishment of BUMDesa;
- d. Management and Management of Village BUM;
- e. Inter-Village BUM Village Cooperation; f. Joint Village BUM;
- g. Bankruptcy and Dissolution of BUM Desa and BUM Desa Together;
- h. Guidance and supervision; And
- i. Transitional Provisions.

CHAPTER III

PRINCIPLES OF VILLAGE BUM

Article 5

The establishment of BUM Desa is carried out with the principles:

- a. based on local potential;
- b. society participation;
- c. community empowerment;
- d. side with the community;
- e. mutual cooperation;
- f. democratic;

- g. accountable;**
 - h. transparent;**
 - i. diversity; and J.**
- sustainable.**

CHAPTER IV

ESTABLISHMENT OF VILLAGE BUM

Article 6

- (1) Villages can establish Village BUMs.**
- (2) Village BUM as intended in paragraph (1) is managed with a spirit of kinship and mutual cooperation.**
- (3) Village BUM can carry out business in the economic sector and/or public services in accordance with the provisions of statutory regulations.**

Article 7

- (1) The establishment of a Village BUM is agreed upon through Deliberation Village.**
- (2) The establishment of a Village BUM as referred to in paragraph (1) is stipulated in a Village Regulation.**
- (3) The subject matter discussed in the Deliberation Villages as referred to in paragraph (1) at least include:**
 - a. establishment of BUM Desa in accordance with economic conditions and social culture of society; b.**
 - BUM Village management organization;**
 - c. BUM Village business capital; And**
 - d. BUM's Articles of Association and Bylaws Village.**

Article 8

The establishment of BUM Desa aims to:

- a. improving the Village economy;**
- b. optimize Village assets and potential so that they are beneficial for Village welfare;**
- c. increasing community efforts in managing the Village's economic potential; d. develop**
- business cooperation plans between villages and/or with third parties;**
- e. creating opportunities and market networks that support citizens' public service needs;**
- f. open employment opportunities;**

- g. improving community welfare through improving public services, growth and equitable distribution of the Village economy; And**
- h. increase village community income and village original income.**

Article 9

- Establishment of Village BUM by considering:**
- a. initiative of the Village Government and/or Village community;**
 - b. Village economic business potential;**
 - c. natural resources in the Village;**
 - d. human resources capable of managing BUM Village; And**
 - e. capital participation from the Village Government in the form of financing and Village assets handed over to be managed as part of the Village BUM business.**

CHAPTER V

VILLAGE BUM MANAGEMENT AND MANAGEMENT

Part One

Form of Village BUM Organization

Article 10

- (1) Village BUM may consist of business units which incorporated.**
- (2) The legal entity business unit as intended in paragraph (1) can be a business institution whose ownership comes from BUM Desa and public.**
- (3) In the event that the BUM Desa does not have business units that are legal entities, the organizational form of the BUM Village is based on the Village Regulation concerning the Establishment of the BUM Village, as intended in Article 7 paragraph (2).**

Article 11

BUM Desa can form business units, including:

- a. Limited Liability Company as a capital partnership, formed based on an agreement, and carrying out business activities with capital which is mostly owned by BUM Desa, in accordance with statutory regulations regarding Limited Liability Companies; And**
- b. Microfinance Institution with a Village BUM share of 60% (sixty percent), in accordance with the provisions of the laws and regulations concerning microfinance institutions.**

The second part
Village BUM Management Organization
Article 12

The BUM Village management organization is separate from the Village Government organization.

Article 13

The management structure of the BUM Desa management organization consists of:

- a. Advisor;**
- b. Operational Executor; And**
- c. Supervisor.**

Article 14

(1) The advisor as referred to in Article 13 letter a is held *ex-officio* by the Village Head concerned.

(2) The advisor as intended in paragraph (1) is obliged to:

- a. provide advice to operational implementers in carrying out Village BUM management;**
- b. provide suggestions and opinions regarding issues considered important for the management of BUM Desa; And**
- c. controlling the implementation of Village BUM management activities.**

(3) The advisor as intended in paragraph (1) has the authority to: a. request an

explanation from the Operations Executive regarding issues relating to Village business management; And

b. protect Village businesses against things that can reduce the performance of Village BUMs.

Article 15

(1) Operational Executor as referred to in Article 13 letter b consists of:

- a. Chairman;**
- b. Secretary;**
- c. Treasurer; And**
- d. Head of Business Unit.**

(2) The Operational Executive has the task of administering and managing the Village BUM in accordance with the Articles of Association and Bylaws.

- (3) The Operational Executor as intended in paragraph (1), is obliged to:**
- a. implement and develop BUM Desa so that it becomes an institution that serves the economic needs and/or public services of the Village community;**
 - b. explore and utilize the potential of Village economic businesses to increase the village's original income;**
 - c. collaborate with other Village economic institutions; And**
 - d. reporting accountability for the implementation of BUM Village.**
- (4) Operational Executor as referred to in paragraph (1),**
- authorized:**
 - a. make financial reports for all BUM Desa business units every month;**
 - b. make monthly progress reports on the activities of BUM Desa business units; And**
 - c. provide reports on the development of BUM Village business units to the Village community through Village Deliberations at least 2 (two) times in 1 (one) year.**

Article 16

- (1) In carrying out the obligations as intended in Article 15 paragraph (3), the Operational Executor can appoint management members in accordance with the capacity of the business sector, especially in managing business records and administration and operational functions of the business sector.**
- (2) Operational Executors can be assisted by appropriate employees according to needs and must be accompanied by a job description regarding responsibilities, division of roles and other aspects of division of work.**
- (3) The task description as intended in paragraph (2) is determined by the Chairman.**

Article 17

- (1) Requirements to become an Operational Executor include:**
 - a. Village communities who have an entrepreneurial spirit except Village Apparatus, BPD, and Village Community Institutions;**
 - b. domiciled and settled in the Village for at least 2 (two) year;**
 - c. good personality, honest, fair, capable and caring towards Village economic efforts; And**

d. minimum education at the level of Senior High School (SMA)/Madrasah Aliyah (MA)/Vocational High School (SMK) or equivalent.

(2) The selection mechanism for operational executors is regulated in the Regent's Regulation.

Article 18

The term of office of the Operational Executive is 5 years and can be re-elected for up to 3 terms of office.

Article 19

(1) The Operational Executor stops because:

a. die; b. own request;

And

c. dismissed.

(2) The operational executive is dismissed as intended in paragraph 1 letter c because:

a. end of term of office;

b. unable to carry out his duties continuously or permanently absent for 6 (six) consecutive months;

c. no longer fulfills the requirements as intended in Article 17 paragraph (1); and/or

d. involved in a criminal case and has been named a suspect.

Article 20

(1) Supervisor as intended in Article 13 letter c represent the interests of society.

(2) The supervisory management structure consists of:

a. chairman;

b. deputy chairman and member;

c. secretary cum member; And

d. member.

Article 21

(1) Supervisors have the obligation to hold a General Meeting to discuss the performance of BUM Desa at least once a year.

(2) The Supervisor has the authority to organize a General Meeting Supervisor for:

a. election and appointment of management as intended in Article 20 paragraph (2);

- b. determining business activity development policies from BUM Desa; And
- c. implementation of monitoring and evaluation of the performance of Operational Executors.

Article 22

- (1) The requirements to become a supervisor consist of at least:
 - a. local community members and domiciled in the village in accordance with the location and existence of the Village BUM;
 - b. minimum education at the level of Senior High School (SMA)/Madrasah Aliyah (MA)/Vocational High School (SMK) or equivalent;
 - c. do not have a direct or lateral blood family relationship or a marriage relationship (son-in-law/in-law) with the Village Head, Village Apparatus, operational executors and managers
Other Village BUMs.
 - d. does not represent the interests of certain political parties and does not side with certain groups or groups of people;
 - e. not working within the Village Government; And
 - f. free from conflicts of interest and business activities or other relationships that may hinder or interfere with the ability of the supervisor concerned to act or think freely in scope of BUM Desa. Which
- (2) The selection mechanism for filling supervisors is regulated in the Regent's Regulation.

Article 23

The term of office of the Supervisor is 4 (four) years and can be re-elected for up to 3 (three) terms of office.

Article 24

- (1) The supervisor stops because:
 - a. die;
 - b. own request; and c. dismissed;
- (2) The supervisor is dismissed as intended in paragraph 1 letter c because;
 - a. end of term of office;
 - b. unable to carry out his duties continuously or permanently absent for 6 months consecutively;

- c. involved in a criminal case and has been named a suspect.

Part Three

Village BUM capital

Article 25

- (1) The initial capital of BUM Desa is sourced from APBDesa.**
- (2) Village BUM capital consists of:**
 - a. Village capital participation; And**
 - b. Village community capital participation.**
- (3) Village capital participation as referred to in paragraph (2) letter a constitutes separated Village assets.**
- (4) Village capital participation as referred to in paragraph (2) letter a comes from the Village APBDes.**
- (5) Village capital participation as referred to in paragraph (2) letter a, consists of:**
 - a. grants from the private sector, socio-economic institutions, community and/or channeled donor agencies through the APBDesa mechanism;**
 - b. assistance from the Government, Provincial Government and Regional Government which is channeled through the APBDesa mechanism;**
 - c. business cooperation from the private sector, community socio-economic institutions and/or donor institutions which are confirmed as collective village wealth and channeled through the APBDesa mechanism; And**
 - d. Village assets submitted to APBDesa are in accordance with the provisions of laws and regulations concerning Village Assets.**
- (6) Community capital participation as referred to in paragraph 2 letter b comes from community savings and/or community savings.**
- (7) Further provisions regarding procedures for capital participation are regulated in a Regent's Regulation.**

Part Four

Village BUM Classification

Paragraph 1

General

Article 26

The BUM Village classification consists of:

- a. Classification of Village BUM Business Types; And**
- b. Classification of Village BUM Development.**

Paragraph 2

Classification of Village BUM Business Types

Article 27

- (1) Village BUMs can run simple social businesses that provide public services to the community by obtaining financial benefits.**
- (2) Business units in BUM Desa as intended in paragraph (1) can utilize local resources and appropriate technology, including:**
 - a. Village drinking water;**
 - b. Village electricity business;**
 - c. food barn;**
 - d. creative economy;**
 - e. tourism industry; and f.**
local resources and other appropriate technologies.
- (3) Further provisions regarding the utilization of local resources as intended in paragraph (2) are regulated in Village Regulations.**

Article 28

- (1) BUM Desa can run a goods rental business to serve the needs of the Village community and is intended to obtain original village income.**
- (2) Business units in BUM Desa as intended in paragraph (1) can carry out rental business activities including:**
 - a. means of transportation;**
 - b.**
party utensils;
 - c. meeting hall;**
 - d. shophouse;**
 - e. land belonging to BUM Desa; And**
 - f. other rental items.**

Article 29

- (1) BUM Desa can run an intermediary business that provides services to residents.**
- (2) Business units in BUM Desa as intended in paragraph (1) can carry out business activities intermediaries, which include:**
 - a. electricity payment services;**
 - b. Land and Building Tax payment services;**
 - c. Village market to market products produced by society; And**

d. other services.

Article 30

- (1) BUM Desa can run businesses that produce and/or trade certain goods to meet community needs or market them on a wider market scale.
- (2) Business units in BUM Desa as intended in paragraph (1) can carry out trading activities *including* , among others:
 - a. agricultural product;
 - b. agricultural production facilities;
 - c. craft products; and D.other productive business activities.

Article 31

- (1) Village BUMs can run financial businesses that meet the needs of micro-scale businesses run by Village economic entrepreneurs.
- (2) The business units within the Village BUM as referred to in paragraph (1) can provide access to credit and borrowing that is easily accessible to the Village community.

Article 32

- (1) BUM Desa can run a joint business as the parent of business units developed by the Village community both on a local village scale and in rural areas.
- (2) The business units as intended in paragraph (1) can stand alone and be regulated and managed synergistically by BUM Desa so that they grow into joint businesses.
- (3) Business units in BUM Desa as intended in paragraph (1) can carry out joint business activities including:
 - a. Tourism Village which organizes a series of business types from community groups; And
 - b. Joint business activities that consolidate other types of local businesses.

Paragraph 3

Classification of Village BUM Development

Article 33

- (1) The classification of BUM Village development is used as assessment instrument to determine the development of BUM Desa.

- (2) The assessment of the classification of BUM Desa development as referred to in paragraph (1) is used as the basis for a strategy for fostering, strengthening and developing BUM Desa.
- (3) The results of the BUM Village development classification assessment can be utilized by:
 - a. Local government; b. Village government;
 - c. Professional Companion;
 - d. Public; e. Village BUM Management; and
 - f. Other parties for the development of BUM Desa.
- (4) Classification of BUM Village development is carried out using the following parameter aspects:
 - a. institutional; b. rule; c. business;
 - d. administration, reporting and accountability; e. capital and assets; f. the impact of BUM Desa on the community; and g. other parameter aspects.
- (5) The BUM Village development classification uses a strategy for fostering the development of Village BUM by looking at the aspects as intended in paragraph (4).
- (6) Provisions regarding procedures for assessing and/or classifying the development of BUM Desa are further regulated in the Regent's Regulations. flower, go forward)

Part Five

Allocation of Village BUM Business Results

Article 34

- (1) BUM Desa business results are income obtained from transaction results minus expenses and obligations to other parties, as well as depreciation on inventory items in 1 (one) financial year.
- (2) The distribution of BUM Desa business results as intended in paragraph (1) is determined based on the provisions regulated in the BUM Village Articles of Association and Bylaws.
- (3) The allocation of distribution of business results as intended in paragraph (2) can be managed through a simple accounting system.

Article 35

The results of BUM Desa's efforts are used for:

a. business development; and b.

Village development, empowerment of village communities, and providing assistance to poor communities through grants, social assistance, and revolving fund activities stipulated in the Village APBDes.

Part Six

Village BUM Management Strategy

Article 36

The BUM Desa management strategy is gradual by considering the development of innovation carried out by the BUM Desa, including:

a. socialization and learning about BUM Desa; b.

implementation of Village Deliberations with discussion topics regarding Village BUM;

c. establishment of BUM Desa which runs social business and rental business;

d. feasibility analysis of oriented Village BUM businesses in intermediary businesses, joint ventures, social businesses, financial and trading business, rental business includes technical and technological aspects, management and human resources aspects, financial aspects, socio-cultural, economic, political, business and environmental aspects, legal entity aspects, and business planning aspects;

e. development of strategic partnership cooperation in the form of BUM Desa cooperation between villages or cooperation with the private sector, socio-economic organizations, and/or donor agencies; And

f. business diversification in the form of BUM Desa which is oriented towards financial business and joint ventures.

Part Seven

Statutes and bylaws

Article 37

(1) The Articles of Association and Bylaws are agreed upon through village deliberations.

(2) The Articles of Association as referred to in paragraph (1) contain at least:

a. Name;

b. domicile;

c. purpose and objectives;

d. capital;

- e. business activities;
 - f. the period of establishment of BUM Desa;
 - g. management organization;
 - and h. procedures for use and distribution of profits.
- (3) Bylaws as referred to in paragraph (1) contains at least:
- a. rights and obligations;
 - b. service period;
 - c. procedures for appointing and dismissing management organization personnel;
 - d. determining the type of business;
 - and e. source of capital.
- (4) The Articles of Association and Bylaws as referred to in Paragraph (1) are determined by the Village Head.

Part Eight

Development of Business Activities

Article 38

- (1) To develop its business activities, BUM Desa can:
- a. receive legitimate loans and/or assistance from other parties; And
 - b. establishing a BUM Desa business unit.
- (2) Village BUMs that make loans must obtain approval from the Village Government.
- (3) The establishment, management and management of the BUM Desa business unit as referred to in paragraph (1) letter b is carried out in accordance with the provisions of statutory regulations.

Part Nine

Accountability for the Implementation of Village BUM

Article 39

Operational Executor reports accountability implementation of Village BUM to the Advisor who is *ex-officio* held by the Village Head.

CHAPTER VI

INTER-VILLAGE BUM VILLAGE COOPERATION

Article 40

- (1) BUM Desa can collaborate between 2 (two) Village BUM or more.

- (2) Collaboration between 2 (two) or more Village BUMs can be carried out within one District or between Districts.**
- (3) Collaboration between 2 (two) Village BUMs or more as intended in paragraph (1) must obtain approval from each Village Government.**
- (4) The Village Government reports the BUM Village cooperation as intended in paragraph (1) to the Regent through the Camat.**

Article 41

- (1) Cooperation between 2 (two) BUM Desa or more is made in the text of the cooperation agreement.**
- (2) Text of the cooperation agreement between 2 (two) Village BUMs or more, containing at least: a. subject of cooperation; b. cooperation object; c. time period; d. rights and obligations; e. funding; f. coercive circumstances; g. assets acquisition; and h. dispute resolution.**
- (3) The text of the cooperation agreement between 2 (two) or more Village BUMs is determined by the Operational Implementer of each collaborating Village BUM.**

Article 42

- (1) Collaborative activities between 2 (two) or more Village BUMs are accountable to the respective Villages as the owners of Village BUMs.**
- (2) Collaboration activities between BUM Desa business units which are legal entities are regulated in accordance with the provisions of laws and regulations concerning Limited Liability Companies and Microfinance Institutions.**

CHAPTER VII

BUM VILLAGE TOGETHER

Part One

Establishment of Joint Village BUM

Article 43

- (1) In the framework of inter-Village cooperation and inter-Village business services, a Joint Village BUM can be formed which belongs to 2 (two) or more Villages.**

- (2) The formation of a Joint Village BUM as intended in paragraph (1) can be carried out through the establishment, merger or consolidation of Village BUM.
The establishment of a joint Village BUM as intended in paragraph (1) is agreed upon through an Inter-Village Deliberation facilitated by BKAD, which consists of: a. Village government; b. BPD members; c. Village Community Institutions; d. other Village institutions; and e. Community figures considering gender justice.
- (3) Joint Village BUM is stipulated in a Joint Regulation Village Head regarding the Establishment of a Joint Village BUM.
- (4) The main topics discussed in the inter-Village deliberations as intended in paragraph (3) include at least:
- a. Establishment of BUM Desa Bersama in accordance with the economic and socio-cultural conditions of the community;
 - b. Joint BUM Village management organization;
 - c. Joint Village BUM business capital; And
 - d. Joint Village BUM Village Articles of Association and Bylaws.

The second part

Joint Village BUM Organization

Article 44

- (1) The Joint Village BUM Management Organization is separate from Village Government Organization and BKAD.
- (2) The Joint Village BUM Organizational Structure consists of:
- a. Advisor;
 - b. Operational Executor; And
 - c. Supervisor.
- (3) Advisors are appointed *ex officio* by all Village Heads concerned and/or who carry out cooperation in the name of the position.
- (4) The operational executor is an individual who has competence, commitment and integrity, appointed and dismissed jointly by the Village Head based on inter-Village deliberations determined by a Joint Village Head Decision.
- (5) Supervisors represent the interests of the community to carry out monitoring, evaluation and monitoring operational implementation originating from elements of the Inter-Village Working Body.

Part Three

Joint Village BUM Capital

Article 45

- (1) The initial capital of BUM Desa Bersama consists of:
- a. Inter-Village Capital Inclusion;
 - b. Village BUM Capital Inclusion;
 - c. Capital participation of community groups in rural areas; And
 - d. Government, regional government and private assistance aimed at developing rural areas.
- (2) Distribution of the results of the Joint Village BUM business is carried out based on the net profits of the business, the use of which is regulated by the Joint Village Head Regulations and the Articles of Association and Bylaws of the Joint Village BUM.

Article 46

Further provisions regarding the governance of BUM Desa Bersama are further regulated in the Regent's Regulations.

CHAPTER VIII

BANKRUPTCY AND DISSOLUTION

BUM VILLAGE AND BUM VILLAGE TOGETHER

Part One

Bankruptcy of Village BUM

Article 47

- (1) Losses experienced by BUM Desa are borne by the BUM Village.
- (2) In the event that the Village BUM cannot cover losses with the assets and wealth it owns, it shall declare a loss through the Village Deliberation.

Article 48

- (1) Business units belonging to BUM Desa which are not legal entities and unable to cover losses with the assets and wealth he owned, he was declared bankrupt through village deliberations.
- (2) Business units belonging to BUM Desa which are legal entities and cannot cover losses with the assets and wealth they own, are declared bankrupt in accordance with with the provisions of laws and regulations regarding bankruptcy.

- (3) In the event of bankruptcy as intended in paragraph (1) and paragraph (2), the Village Government is obliged to facilitate the settlement of all Village BUM obligations.**
- (4) In the event that bankruptcy occurs due to the error or negligence of the Operational Executor and the assets of the Village BUM are insufficient to cover losses resulting from the bankruptcy, the Operational Executor is jointly and severally responsible for the losses in question.**
- (5) Operational Executors as referred to in paragraph (4) who can prove that bankruptcy was not due to their fault or negligence are not jointly and severally liable for the losses in question.**

The second part

Bankruptcy of BUM Desa Bersama

Article 49

- (1) Losses experienced by BUM Desa Bersama are a burden
Joint Village BUM.**
- (2) In the event that BUM Desa Bersama cannot cover losses with the assets and wealth it owns, it shall declare a loss through the Inter-Village Deliberation.**

Article 50

- (1) Business units belonging to BUM Desa Bersama which are not legal entities and cannot cover losses with the assets and wealth they own, are declared bankrupt through inter-village deliberations.**
- (2) The business unit belongs to BUM Desa together which is a legal entity and cannot cover losses with assets and the assets he owns, are declared bankrupt in accordance with the provisions of laws and regulations regarding bankruptcy.**
- (3) In the event of bankruptcy as intended in paragraph (1) and paragraph (2), each Village Government is obliged to participate in completing all the obligations of the Joint Village BUM.**
- (4) In the event that bankruptcy occurs due to the error or negligence of the Operational Executor and the assets of BUM Desa Bersama are not sufficient to cover losses resulting from the bankruptcy, the Operational Executor is jointly and severally responsible for the losses in question.**
- (5) Operational Executors as referred to in paragraph (4) who can prove that bankruptcy was not due to their fault or negligence are not jointly and severally liable for the losses in question.**

Part Three
Dissolution of BUM Desa and BUM Desa Bersama
Article 51

- (1) BUM Desa and BUM Desa Bersama can be dissolved if:**
- a. experiencing continuous losses;**
 - b. changes to higher levels of legislation; and/or**
 - c. declared bankrupt by a judicial decision.**
- (2) Further provisions regarding the procedures for dissolving BUM Desa and BUM Desa Bersama are regulated in a Regent's Regulation.**

CHAPTER IX

GUIDANCE AND SUPERVISION

Part One

Coaching

Article 52

- (1) The Regent carries out guidance on the development of management and human resources for managing BUM Desa and BUM Desa Bersama.**
- (2) The Regent carries out Guidance through mentoring activities including:**
- a. socialization of the establishment of BUM Desa and BUM Desa Bersama district scale;**
 - b. carry out monitoring of the management and development of BUM Desa and Joint BUM Village;**
 - c. providing grants, capital strengthening assistance and/or business capital participation for BUM Desa and BUM Desa Bersama; And**
 - d. Facilitate accelerated capital development and business collaboration with third parties.**
- (3) The Regent in carrying out the guidance as intended in paragraph (1) delegates to the Regional Apparatus in charge of community and village empowerment affairs.**

The second part

Supervision

Article 53

- (1) The Regent supervises the Village Government in carrying out management and human resources for managing BUM Desa and BUM Desa Bersama.**

- (2) Supervision as intended in paragraph (1) is carried out in the form of monitoring and evaluation, including: a. implementation of the Articles of Association and Bylaws of BUM Desa and Joint BUM Village; b. business development; c. cooperation between Village BUMs; and D. implementation of management and human resource development for BUM Desa and BUM Desa Bersama managers.**
- (3) The Regent in carrying out supervision as referred to in paragraph (1) delegates to the Regional Apparatus in charge of community and village empowerment affairs.**
- (4) Monitoring and evaluation as intended in paragraph (2) is carried out at least 1 (one) time in 1 (one) year.**

CHAPTER X

TRANSITIONAL PROVISIONS

Article 54

- (1) Existing Village BUMs can still carry out their activities and adapt to this Regional Regulation no later than 1 (one) year from the promulgation of this Regional Regulation.**
- (2) Village BUM management organizations that were formed before this Regional Regulation came into effect, will still carry out their duties and authority until their term of office ends.**

CHAPTER XI

CLOSING

Article 55

When this Regional Regulation comes into force, Regional Regulation Number 2 of 2011 concerning Procedure Guidelines The Establishment and Management of Village-Owned Enterprises (Sukoharjo Regency Regional Gazette 2011 Number 2), is revoked and declared invalid.

Article 56

This local regulation are applied at the date stated.

So that everyone is aware, this Regulation is ordered to be promulgated by placing it in the Regional Gazette of Sukoharjo Regency.

**Stipulated in Sukoharjo on
October 26 2020
REGENT SUKOHARJO,**

signed

WARDOYO WIJAYA

**Promulgated in Sukoharjo on
October 26 2020**

**Acting REGIONAL
SECRETARY OF SUKOHARJO DISTRICT,**

signed

WIDODO

**SUKOHARJO DISTRICT REGIONAL GAZETTE
YEAR 2020 NUMBER 6**

**Copy Corresponds to the original
Head of Legal Department**

**BUDI SUSETYO, SH, MH
Level I Supervisor
NIP.19730705 199203 1 004**

EXPLANATION
ON
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT
NUMBER 6 OF 2020
ABOUT
ESTABLISHMENT, MANAGEMENT AND MANAGEMENT, AND DISSOLUTION
VILLAGE OWNED BUSINESS ENTERPRISES

I. GENERAL

BUM Desa is a business entity with village characteristics where all or most of the capital is owned by the village through direct participation originating from Village Wealth.

Development of Village BUM is a form of strengthening village economic institutions and is a tool for utilizing the local economy with various types of potential that exist 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 village communities.

With the enactment of Law Number 6 of 2014 concerning Villages, and Government Regulation Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages as amended several times, most recently by Government Regulation Number 11 of 2019 concerning Second Amendment to Government Regulations Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages and Regulation of the Minister of Villages, Development of Disadvantaged Regions and Transmigration Number 4 of 2015 concerning the Establishment, Management and Management, and Dissolution of Village-Owned Enterprises, then the existing BUM Village regulations So far, normative regulations have to be adjusted to be in line with statutory regulations.

There is a need for new regional regulations that regulate Village BUM and it is hoped that this regional regulation will become a guideline to encourage the optimization of Village BUM management through increasing capacity in institutional aspects, human resource aspects, organizational management aspects and financial aspects.

Based on this, the Regional Government of Sukoharjo Regency established Regional Regulations regarding the Establishment, Management and Management, as well as the Dissolution of Village BUMs.

II. ARTICLE BY ARTICLE

article 1

Quite clear.

Section 2

Quite clear.

Article 3

Quite clear.

Article 4

Quite clear.

Article 5

Letter a

What is meant by the principle "based on local potential" is that BUM Desa must consider the potential of natural resources and human resources owned by the village.

Letter b

What is meant by the principle of "community participation" is that the community contributes actively and can include community capital in the Village BUM.

Letter c

What is meant by the principle of "community empowerment" is that BUM Desa must increase capacity by strengthening the potential or power possessed by the community.

Letter d

What is meant by the principle of "supporting the community" is that the establishment of a Village BUM is aimed at the interests of the community and so that it does not have the potential to kill community businesses

Letter e

What is meant by the principle of "mutual cooperation" is that BUM Desa is established with a spirit of togetherness, community cooperation to achieve common prosperity.

Letter f

What is meant by the "democratic" principle is that BUM Desa is an organization that comes from citizens, for the benefit of citizens, controlled by citizens, which actively participates in formulating policies and making decisions.

Letter g

What is meant by the "accountable" principle is that the implementation of village BUM can be accounted for before the community.

Letter h

What is meant by the "transparent" principle is the openness of information that allows the public to access and use information to assess the performance of BUM Desa.

Letter i

What is meant by the principle of "diversity" is that BUM Desa is an organization open to all village residents to be able to use the services it provides and is willing to accept the responsibilities of citizens, without distinction of gender, social, ethnic, political or religious background.

Letter j

What is meant by "sustainable" is that Village-Owned Enterprises work for the sustainable development of the village business community.

Article 6

Quite clear.

Article 7

Quite clear.

Article 8

Quite clear.

Article 9

Quite clear.

Article 10

Quite clear.

Article 11

Quite clear.

Article 12

Quite clear.

Article 13

Quite clear.

Article 14

Paragraph (1)

The advisor is appointed *ex-officio* by the Village Head concerned. The meaning of *ex-officio* is that someone holds the position of Advisor at the Village BUM, because of his/her position as Village Head

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Article 15

Quite clear.

Article 16

Quite clear.

Article 17

Quite clear.

Article 18

Quite clear.

Article 19

Quite clear.

Article 20

Quite clear.

Article 21

Quite clear.

Article 22

Quite clear.

Article 23

Quite clear.

Article 25

Quite clear.

Article 25

Paragraph (1)

Quite clear.

Paragraph (2)

Quite clear.

Paragraph (3)

What is meant by "Village Government Capital Participation" is the transfer of Village assets which were originally unseparated assets into separated assets to be calculated as Village capital in the Village BUM.

Paragraph (4)

Quite clear

Paragraph (5)

Quite clear

Paragraph (6)

What is meant by "inclusion of community-sourced capital and community savings" is intended for Village BUMs that carry out activities in the financial services sector. In technical implementation, it is regulated in Village Regulations and the Articles of Association and Expenditure Budget.

What is meant by "inclusion of community originating capital and community savings" is intended for Village BUMs that carry out business activities other than financial services. In terms of technical implementation, it is regulated in Village Regulations and the Articles of Association and Bylaws.

Paragraph (7)

Quite clear.

Article 26

Quite clear.

Article 27

Paragraph (1)

Quite clear.

Paragraph (2)

Letter a

Quite clear.

Letter b

Quite clear.

Letter c

Quite clear.

Letter d

What is meant by "Creative Economy" is the realization of added value from intellectual property originating from human creativity based on cultural heritage, science and/or technology.

Letter e

What is meant by "Tourism Industry" is a collection of interrelated tourism businesses in order to produce goods and/or services to fulfill the needs of tourists in organizing tourism.

Letter f

Quite clear.

Paragraph (3)

Quite clear

Article 28

Quite clear.

Article 29

Quite clear.

Article 30

Quite clear.

Article 31

Quite clear.

Article 32

Paragraph (1)

Quite clear.

Paragraph (2)

Quite clear.

Paragraph (3)

Letter a

What is meant by "Tourist Village" is a community or society consisting of residents of a limited area who can interact with each other directly under management and have the concern and awareness to play a role together according to their respective skills and abilities to empower their potential in a conducive manner.

Letter b

Quite clear.

Article 33

Quite clear.

Article 34

Quite clear.

Article 35

Quite clear.

Article 36

Quite clear.

Article 37

Quite clear.

Article 38

Quite clear.

Article 39

Quite clear.

Article 40

Quite clear.

Article 41

Quite clear.

Article 42

Quite clear.

Article 43

Quite clear.

Article 44

Quite clear.

Article 45

Quite clear.

Article 46

Quite clear.

Article 47

Quite clear.

Article 48

Paragraph (1)

Quite clear.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Paragraph (4)

What is meant by "joint liability for losses" is an obligation that is a joint responsibility (collegial collective) by operational implementers in proportion to BUM Village losses determined through village deliberations.

Paragraph (5)

Quite clear.

Article 49

Quite clear.

Article 50

Paragraph (1)

Quite clear.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Paragraph (4)

What is meant by joint responsibility for losses is an obligation that is a joint responsibility (collegial collective) by operational implementers in proportion to the losses of BUM Desa Bersama through inter-village deliberations.

Paragraph (5)

Quite clear.

Article 51

Paragraph (1)

Letter a

What is meant by "continuous loss" is that according to the evaluation results, BUM Desa experiences losses within 1 year.

Letter b

What is meant by "changes to higher statutory regulations" are statutory regulations relating to BUM Desa which regulate the material different.

Letter c

What is meant by "judicial decision" is the decision of the commercial administrative court.

Paragraph (2)

Quite clear.

Article 52

Quite clear.

Article 53

Quite clear.

Article 54

Quite clear.

Article 55

Quite clear.

Article 56

Quite clear.

SUPPLEMENTARY REGIONAL GAZETTE OF SUKOHARJO DISTRICT NUMBER 291