



COPY

**REGENT SUKOHARJO
PROVINCE OF CENTRAL JAVA**

**REGIONAL REGULATIONS OF SUKOHARJO DISTRICT
NUMBER 19 OF 2018**

ABOUT

**REGIONAL GOVERNMENT CAPITAL INCLUSION
TO REGIONAL OWNED ENTERPRISES**

BY THE GRACE OF GOD ALMIGHTY

REGENT SUKOHARJO,

- Considering:**
- a. that the Regional Government can increase the paid-in capital and/or increase capital participation in Regionally-Owned Enterprises (BUMD) to strengthen the capital structure, so that the BUMD in question can be more competitive, grow and develop;**

 - b. that based on the provisions of Article 304 paragraph (1) of Law Number 23 of 2014 concerning Regional Government as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to Law Number 23 of 2014 concerning Regional Government, Regions can undertake capital participation in State-Owned Enterprises and/or BUMD;**

 - c. that based on the provisions of Article 41 of Law Number 1 of 2004 concerning State Treasury, it is stated that regional government capital participation in regional companies are determined by Regional Regulations;**

 - d. that Sukoharjo Regency Regional Regulation Number 14 of 2016 concerning Regional Government Capital Inclusion in Regionally Owned Enterprises is no longer in accordance with developments in capital needs and changes in the legal form of BUMD in Sukoharjo Regency and therefore needs to be replaced;**

 - e. that based on the considerations as intended in letters a, b, c and d, it is necessary to stipulate a Regional Regulation concerning Regional Government Capital Participation in Regionally Owned Enterprises;**

Bearing in mind: 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 17 of 2003 concerning State Finance (State Gazette of the Republic of Indonesia 2003 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4286);
4. Law Number 1 of 2004 concerning State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to State Gazette of the Republic of Indonesia Number 4355);
5. Law Number 15 of 2004 concerning Audit of Financial Management and Responsibility State (State Gazette of the Republic of Indonesia of 2004 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 4400);
6. Law Number 33 of 2004 concerning Financial Balance between the Central Government and Regional Government (State Gazette of the Republic of Indonesia of 2004 Number 126, Supplement to the State Gazette of the Republic of Indonesia Number 4438);
7. Law Number 8 of 2007 concerning Government Investment (State Gazette of the Republic of Indonesia of 2007 Number 24, Supplement to State Gazette of the Republic of Indonesia Number 4698);
8. Law Number 25 of 2007 concerning Capital Investment (State Gazette of the Republic of Indonesia Year 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
9. 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);
10. Law Number 12 of 2011 concerning the Formation of Legislation (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234);
11. 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);

12. **Government Regulation Number 58 of 2005 concerning Regional Financial Management (State Gazette of the Republic of Indonesia of 2005 Number 140, Supplement to State Gazette of the Republic of Indonesia Number 4578);**
13. **Government Regulation Number 1 of 2008 concerning Government Investment (State Gazette of the Republic of Indonesia of 2008 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 4812);**
14. **Government Regulation Number 71 of 2010 concerning Government Accounting Standards (State Gazette of the Republic of Indonesia of 2010 Number 123, Supplement to State Gazette of the Republic of Indonesia Number 4516);**
15. **Government Regulation Number 12 of 2017 concerning Development and Supervision of Regional Government Implementation (State Gazette of the Republic of Indonesia of 2017 Number 73, additional State Gazette of the Republic of Indonesia Number 6041);**
16. **Government Regulation Number 54 of 2017 concerning Regional Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to State Gazette of the Republic of Indonesia Number 6173);**
17. **Presidential Regulation Number 87 of 2014 concerning Implementing Regulations of Law Number 12 of 2011 concerning the Formation of Legislative Regulations (State Gazette of the Republic of Indonesia of 2014 Number 199);**
18. **Central Java Province Level I Regional Regulation Number 6 of 1999 concerning Changes in the Legal Entity of the Central Java Regional Development Bank from a Regional Company (PD) to a Limited Liability Company (PT) Central Java Regional Development Bank (1999 Central Java Provincial Gazette Number 17, Series D Number 17);**
19. **Central Java Province Regional Regulation Number 4 of the Year 2017 concerning the Formation of Regional Companies, People's Credit Banks, Central Java District Credit Agency (Central Java Province Regional Gazette 2017 Number 4, Supplement to Central Java Province Regional Gazette 2017 Number 89);**
20. **Central Java Province Regional Regulation Number 5 of the Year 2018 concerning Regional Companies, Rural Banks, District Credit Agencies (Gazette Central Java Province Region 2018 Number 5, Supplement to Central Java Province Regional Gazette 2018 Number 99);**

21. Sukoharjo Regency Regional Regulation Number 21 of 2007 concerning Regional Printing and Publishing Companies (Sukoharjo Regency Regional Gazette of 2007 Number 24, Supplement to Sukoharjo Regency Regional Gazette Number 153);
22. Sukoharjo Regency Regional Regulation Number 6 of 2012 concerning the Establishment of a Limited Liability Company Sharia People's Financing Bank of Sukoharjo Regency (Sukoharjo Regency Regional Gazette of 2012 Number 11, Supplement to Sukoharjo Regency Regional Gazette Number 201);
23. Sukoharjo Regency Regional Regulation Number 2 of 2013 concerning Sukoharjo Regency Agricultural Regional Companies (Sukoharjo Regency Regional Gazette of 2013 Number 3, Supplement to Sukoharjo Regency Regional Gazette Number 204);
24. Sukoharjo Regency Regional Regulation Number 7 of 2015 concerning Regional Public Companies with Various Businesses and Services (Sukoharjo Regency Regional Gazette Year 2015 Number 7, Supplement to Sukoharjo Regency Regional Gazette Number 221);
25. Sukoharjo Regency Regional Regulation Number 20 of the Year 2016 concerning Regional Public Drinking Water Companies (Sukoharjo Regency Regional Gazette 2016 Number 20 Supplement to Sukoharjo Regency Regional Gazette Number 242);
26. Sukoharjo Regency Regional Regulation Number 5 of 2017 concerning Regional Liability Companies of Rural Bank Sukoharjo Bank (Sukoharjo Regency Regional Gazette of 2017 Number 5, Supplement to Sukoharjo Regency Regional Gazette Number 248);

With Mutual Consent

REGIONAL PEOPLE'S REPRESENTATIVE COUNCIL OF SUKOHARJO DISTRICT

And

REGENT SUKOHARJO

DECIDE :

To stipulate: REGIONAL REGULATIONS CONCERNING REGIONAL GOVERNMENT CAPITAL INCLUSION IN REGIONAL 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. The Regional People's Representative Council, hereinafter abbreviated as DPRD, is the Regional People's Representative Institution which functions as an organizing element of Regional Government.
5. Sukoharjo Regency Regional Revenue and Expenditure Budget, hereinafter abbreviated as APBD, is the regional annual financial plan determined by Regional Regulation.
6. Regional government capital participation is a form of regional government investment in the form of money in a Business Entity by obtaining ownership rights and/or transfer of ownership of regional property from unseparated regional assets to separate regional assets, to be calculated as regional capital/shares in the entity business or other legal entity.
7. The General Meeting of Shareholders, hereinafter abbreviated to GMS, is the organ of a Regional company which holds the highest authority in a Regional company and holds all authority which is not delegated to the Directors or Commissioners.
8. Regional Heads Who Represent Internal Regional Government Ownership of Separate Regional Assets in Regional Public Companies, hereinafter abbreviated as KPM, is the organ of Regional public companies which holds the highest power in Regional public companies and holds all authority that is not delegated to the Directors or Supervisory Board.
9. Regional Owned Enterprises, hereinafter abbreviated BUMD is a business entity whose capital is wholly or largely owned by the Region.
10. Central Java Regional Development Bank Limited Liability Company, hereinafter referred to as PT Bank Pembangunan
The Central Java Region is a limited liability company operating in the banking sector of the Central Java Provincial Government whose shares are owned by the Government
Central Java Province and district/city governments throughout Central Java Province.

11. **Regional Limited Liability Company (Perseroda) People's Credit Bank, Central Java District Credit Agency, hereinafter referred to as PT BPR BKK Jateng (Perseroda), is a Limited Liability Company, People's Credit Bank, Central Java District Credit Agency, which is a merger of 29 (twenty nine) Regional Credit Agency Companies District/City District in Central Java.**
12. **Regional Printing and Publishing Company is the Regional Printing and Publishing Company of Sukoharjo Regency, hereinafter referred to as Percada.**
13. **Sharia People's Financing Bank Limited Liability Company, hereinafter referred to as PT. BPR Syariah is a business entity that carries out its business in the banking sector based on sharia principles, the capital of which partly belongs to the regional government which is separated regional wealth.**
14. **The Sukoharjo Regency Agricultural Regional Company is a Regional Company which operates in the field of agricultural empowerment.**
15. **Regional Public Company Various Businesses and Services, hereinafter referred to as Perumda Various Businesses and Services, is a Regionally Owned Business Entity engaged in various businesses and services whose entire capital is owned by the region and is not divided into shares.**
16. **The Regional Public Company for Drinking Water, hereinafter abbreviated to Perumda Air Drink, is the Regional Public Company for Drinking Water of Sukoharjo Regency which is Regional Public Company which operates in the field of drinking water services.**
17. **Regional People's Credit Bank Company Bank Sukoharjo, hereinafter referred to as BPR Bank Sukoharjo (Perseroda), is a BUMD in the form of a limited liability company whose capital is divided into shares, all of which or at least 51% (fifty one percent) of the shares are owned by the Regional Government.**
18. **Regional Liability Company (Perseroda) People's Credit Bank, District Credit Agency, hereinafter referred to as PT BPR BKK Grogol (Perseroda), is a Limited Liability Company, District Credit Bank in Central Java Province.**

CHAPTER II

PURPOSE AND OBJECTIVES

Section 2

- (1) **Capital participation as a direct regional government investment is intended to obtain economic, social and/or other benefits.**

- (2) Economic, social and/or other benefits as intended in paragraph (1) include:**
- a. a certain amount of profit within a certain period of time in the form of dividends, interest and growth in the value of Regional Companies that receive regional government investment;**
 - b. increase in the form of services and profits for investment returns of a certain amount within a certain period of time;**
 - c. an increase in regional revenues within a certain period of time as a direct result of the investment in question;**
 - d. an increase in the absorption of a certain amount of labor within a certain period of time as a direct result from the investment in question; and/or**
 - e. increasing social welfare as a result from local government investment.**

Article 3

The objectives of Regional Government capital participation are:

- a. increasing regional economic growth; And development**
- b. increase regional income; and**
- c. improve community welfare.**

CHAPTER III

SCOPE

Article 4

The scope of regional government capital participation includes:

- a. PT Central Java Regional Development Bank;**
 - b. PT BPR BKK Grogol (Perseroda);**
 - c. PT BPR BKK Jateng (Perseroda);**
 - d. BPR Bank Sukoharjo (Perseroda);**
 - e. Perumda Drinking Water;**
 - f. Perkad;**
 - g. PT. Sharia BPR; h.**
- Sukoharjo Regency Agricultural Regional Company; And**
- i. Perumda Various Businesses and Services.**

CHAPTER IV

REGIONAL GOVERNMENT CAPITAL INCLUSION**Part One****PT Central Java Regional Development Bank****Article 5**

- (1) The Regional Government's capital contribution paid to PT Central Java Regional Development Bank until the end of 2018 is IDR 94,589,000,000.00 (ninety-four billion five hundred and eighty-nine million rupiah).
- (2) With this Regional Regulation the Regional Government makes capital participation to PT Central Java Regional Development Bank amounting to IDR 84,293,000,000.00 (eighty four billion two hundred ninety-three million rupiah) with the following details:
- a. In 2019 amounting to IDR 11,400,000,000.00 (eleven billion four hundred million rupiah);
 - b. In 2020 amounting to IDR 18,224,000,000.00 (eighteen billion two hundred and twenty four million rupiah);
 - c. In 2021 amounting to IDR 18,223,000,000.00 (eighteen billion two hundred and twenty three million rupiah);
 - d. In 2022 amounting to IDR 18,223,000,000.00 (eighteen billion two hundred and twenty three million rupiah); and e. In 2023 it will be IDR 18,223,000,000.00 (eighteen billion two hundred and twenty three million rupiah).
- (3) Fulfillment of Regional Government Capital Inclusion to PT Central Java Regional Development Bank as referred to in paragraph (2), is budgeted through the APBD for the relevant fiscal year up to 2023.

The second part**PT. BPR BKK Grogol (Perseroda)****Article 6**

- (1) Inclusion of Regional Government capital paid to PT. BPR BKK Grogol (Perseroda) as of the end of 2018 is IDR 9,850,000,000.00 (nine billion eight hundred and fifty million rupiah).

(2) With this Regional Regulation the Regional Government makes capital participation to PT. BPR BKK Grogol (Perseroda) amounting to IDR 19,550,000,000.00 (nineteen billion five hundred and fifty million rupiah), with the following details:

a. In 2019 it amounted to IDR 3,910,000,000.00 (three billion nine hundred and ten million rupiah);

b. In 2020 it amounted to IDR 3,910,000,000.00 (three billion nine hundred and ten million rupiah);

c. In 2021 it will amount to IDR 3,910,000,000.00 (three billion nine hundred and ten million rupiah);

d. In 2022 it will amount to IDR 3,910,000,000.00 (three billion nine hundred and ten million rupiah); and e.

In 2023 it will be IDR 3,910,000,000.00 (three billion nine hundred and ten million rupiah).

(3) In the case of Regional Government capital participation in PT. BPR BKK Grogol (Perseroda) as intended in paragraph (2), budgeted through the APBD for the relevant fiscal year up to 2023.

Part Three

PT BPR BKK Central Java (Perseroda)

Article 7

(1) Regional Government capital participation paid in to PT BPR BKK Jateng (Perseroda) until the end of 2018 is IDR 9,799,999,752.00 (nine billion seven hundred ninety-nine million nine hundred ninety-nine thousand seven hundred and fifty two rupiah).

(2) With this Regional Regulation the Regional Government makes capital participation to PT BPR BKK Jateng (Perseroda) amounting to Rp. 12,722,600,248.00 (twelve billion seven hundred twenty-two million six hundred thousand two hundred and forty-eight rupiah) with details:

a. In 2019, it amounted to IDR 2,544,520,248.00 (two billion fifty hundred four thousand five hundred and forty eight rupiah);

b. In 2020 amounting to IDR 2,544,520,000.00 (two billion five hundred forty four million five hundred and twenty thousand rupiah);

c. In 2021 amounting to IDR 2,544,520,000.00 (two billion fifty hundred four thousand five hundred and twenty thousand rupiah); and

d. In 2022 amounting to IDR 2,544,520,000.00 (two billion fifty hundred four million five hundred and eighty two rupiah); And

e. In 2023 it will amount to IDR 2,544,520,000.00 (two billion fifty four million five hundred and eighty two rupiah).

(3) In the case of Regional Government capital participation in PT BPR BKK Jateng (Perseroda) as referred to in paragraph (2), is budgeted through the APBD for the fiscal year up to 2023.

Part Four

BPR Bank Sukoharjo (Perseroda)

Article 8

(1) Regional Government capital participation paid into BPR Bank Sukoharjo (Perseroda) until the end of 2018 is IDR 34,999,999,418.00 (thirty four billion nine hundred ninety nine million nine hundred ninety nine thousand four hundred eighteen rupiah).

(2) With this Regional Regulation the Regional Government makes capital participation to BPR Bank Sukoharjo (Perseroda) in the amount of IDR 15,000,000,582.00 (fifteen billion five hundred and eighty two rupiah) with details:

a. In 2019 it amounted to IDR 3,000,000,000.00 (three billion rupiah);

b. In 2020 it amounted to IDR 3,000,000,582.00 (three billion five hundred and eighty two rupiah);

c. In 2021 it will amount to IDR 3,000,000,000.00 (three billion rupiah);

d. In 2022, IDR 3,000,000,000.00 (three billion rupiah); And

e. In 2023 it will be IDR 3,000,000,000.00 (three billion rupiah).

(3) In the case of Regional Government capital participation in BPR Bank Sukoharjo (Perseroda) as intended in paragraph (2), budgeted through the APBD for the relevant fiscal year up to 2023.

Part Five

Perumda Drinking Water

Article 9

- (1) The Regional Government's capital contribution paid to Perumda Air Minum until the end of 2018 is IDR 65,918,166,646.00 (sixty-five billion nine hundred eighteen million one hundred sixty-six thousand six hundred and forty-six rupiah).
- (2) With this Regional Regulation the Regional Government provides capital participation to Perumda Drinking Water amounting to Rp. 72,500,000,000.00 (seventy-two billion five hundred million rupiah) with details: a.
- In 2019 amounting to IDR 12,500,000,000.00 (twelve billion five hundred million rupiah);
- b. In 2020 amounting to IDR 15,000,000,000.00 (fifteen billion rupiah);
- c. In 2021 amounting to IDR 15,000,000,000.00 (fifteen billion rupiah);
- d. In 2022 amounting to IDR 15,000,000,000.00 (fifteen billion rupiah); And
- e. In 2023 it will be IDR 15,000,000,000.00 (fifteen billion rupiah).
- (3) In the case of Regional Government capital participation in Perumda Drinking Water as intended in paragraph (2), it is budgeted through the APBD for the relevant fiscal year up to 2023.

Part Six

Believe it

Article 10

- (1) Regional Government capital participation paid into Percada until the end of 2018 is IDR 6,427,208,002.00 (six billion four hundred twenty-seven million two hundred eight thousand two rupiah); (2) With this Regional Regulation, the Regional Government shall invest capital in Percada in the amount of IDR 3,572,791,998.00 (three billion five hundred seventy-two million seven hundred ninety-one thousand nine hundred and ninety-eight rupiah) with the following details: a. In 2019 it amounted to IDR 1,000,000,000.00 (one billion rupiah);
- b. In 2020 it is IDR 750,000,000.00 (one billion rupiah);
- b. In 2021 it will be IDR 750,000,000.00 (one billion rupiah);

- c. In 2022 amounting to IDR 572,791,998.00 (five hundred seventy-two million seven hundred ninety-one thousand nine hundred and ninety-eight rupiah);
And
 - d. In 2023 it will be IDR 500,000,000.00 (five hundred million rupiah).
- (3) In the case of Regional Government capital participation in Percada as referred to in paragraph (2), will be budgeted through the APBD for the relevant fiscal year up to 2023.

Part Seven

PT. Sharia BPR

Article 11

- (1) With this Regional Regulation the Regional Government makes capital participation to PT BPR Syariah amounting to IDR 9,000,000,000.00 (nine billion rupiah) with details: a. In 2019, it amounted to IDR 3,500,000,000.00 (three billion five hundred million rupiah);
- b. In 2020 amounting to IDR 1,500,000,000.00 (one billion five hundred million rupiah);
 - c. In 2021 amounting to IDR 1,500,000,000.00 (one billion five hundred million rupiah);
 - d. In 2022, IDR 1,500,000,000.00 (one billion five hundred million rupiah); and e. In 2023 it will be IDR 1,000,000,000.00 (one billion rupiah).
- (2) Capital participation as intended in paragraph (1) letter a represents paid-in capital from the Regional Government.
- (3) Fulfillment of Regional Government capital participation to PT. Sharia BPR as intended in paragraph (1), budgeted through the APBD for the fiscal year up to 2023.

Part Eight

Sukoharjo Regency Agricultural Regional Company

Article 12

- (1) With this Regional Regulation the Regional Government carries out capital participation in Regional Companies Sukoharjo Regency amounting to IDR 15,000,000,000.00 (fifteen billion rupiah) with details: a. In 2019 it amounted to IDR 5,000,000,000.00 (five billion rupiah);

- b. In 2020 it is IDR 2,000,000,000.00 (two billion rupiah);
 - c. In 2021 it will be IDR 2,000,000,000.00 (two billion rupiah);
 - b. In 2022, IDR 3,000,000,000.00 (three billion rupiah); and c. In 2023 it will be IDR 3,000,000,000.00 (three billion rupiah).
- (2) Capital participation as intended in paragraph (1) letter a represents paid-in capital from the Regional Government.
- (3) In terms of Regional Government capital participation in the Sukoharjo Regency Agricultural Regional Company as referred to in paragraph (1), it is budgeted through the APBD for the relevant fiscal year up to 2023.

Part Nine

Perumda Various Businesses and Services

Article 13

- (1) With this Regional Regulation the Regional Government makes capital participation to Perumda Miscellaneous Enterprises and Services in the amount of IDR 15,000,000,000.00 (fifteen billion rupiah) with details: a. In 2019, it amounted to IDR 3,500,000,000.00 (three billion five hundred million rupiah); b. In 2020 amounting to IDR 2,500,000,000.00 (two billion five hundred million rupiah); b. In 2021 the amount is IDR 3,000,000,000.00 (three billion rupiah);
- c. In 2022 it will amount to IDR 3,000,000,000.00 (three billion rupiah); And
- d. In 2023 it will be IDR 3,000,000,000.00 (three billion rupiah).
- (2) Capital participation as intended in paragraph (1) letter a represents paid-in capital from the Regional Government.
- (3) In terms of Regional Government capital participation in Perumda Aneka Usaha and Services as referred to in paragraph (1), it is budgeted through the APBD for the relevant budget year up to 2023.

CAPITAL INVESTMENT PROCEDURES**Article 14****(1) Fulfillment of Government capital participation requirements**

The regional budget is through the APBD for the fiscal year up to 2023 with details as follows:

- a. In 2019, it amounted to IDR 46,354,520,248.00 (forty-six billion three hundred fifty-four million five hundred twenty thousand two hundred and forty-eight rupiah);
- b. In 2020 it amounted to IDR 49,428,520,582.00 (forty-nine billion four hundred and twenty-eight million five hundred twenty thousand five hundred and eighty two rupiah);
- c. In 2021 IDR 49,927,520,000.00 (forty-nine billion nine hundred and twenty-seven million five hundred twenty thousand rupiah);
- d. In 2022 amounting to IDR 50,750,311,998.00 (fifty billion seven hundred fifty million three hundred eleven thousand nine hundred and ninety eight rupiah);
And
- e. In 2023 it will be IDR 50,177,520,000.00 (fifty billion one hundred seventy seven million five hundred and twenty rupiah).

(2) The amount of Regional Government capital participation as referred to in paragraph (1) is in the form of cash deposits.**Article 15****(1) Regional Government in fulfilling the shortage of Regional Government capital participation as intended in Article 5 paragraph (2), Article 6 paragraph (2), Article 7 paragraph (2), Article 8 paragraph (2), Article 9 paragraph (2), Article 10 paragraph (2), Article 11 paragraph (1), Article 12 paragraph (1), Article 13 paragraph (1) consider:**

- a. Regional financial capacity in the relevant budget year; And
- b. BUMD performance evaluation results.

(2) If the regional government cannot fulfill the shortfall in capital participation in the relevant year based on the considerations as intended in paragraph (1), it can be budgeted again in the following fiscal year.

Article 16

- (1) Capital participation to PT. BPR BKK. Grogol (Perseroda), PT. BPR. BKK Jateng (Perseroda) and BPR Bank Sukoharjo (Perseroda) as intended in Article 6 paragraph (2), Article 7 paragraph (2) and Article 8 paragraph (2) will be given after the business permit is issued.**
- (2) Capital participation to PT. Sharia BPR as as intended in Article 11 paragraph (1) letters b, c, d and e will be given after the legal entity organ is formed and a business permit is issued.**
- (3) Fulfillment of Regional Government capital participation to Sukoharjo Regency Agricultural Regional Company and Perumda Miscellaneous Business and Services as intended in Article 12 and Article 13 is given after the organ legal entity is formed**

Article 17

Regional Government capital participation in BUMD is separate Regional wealth.

Article 18

The administration and accountability of Regional Government Capital Participation as referred to in Articles 5 to Article 13 is carried out in accordance with Government Accounting Standards.

CHAPTER VI

RIGHTS AND OBLIGATIONS

Article 19

- (1) The Regional Government has the right to:**
 - a. receive dividend distribution or profit distribution according to the percentage of share ownership in BUMD each year; And**
 - b. have voting rights at the BUMD GMS.**
- (2) BUMD must:**
 - a. report on the progress of the company's development to the Regent; and b.**
 - implement GMS or KPM decisions.**

CHAPTER VII

DIVIDEND

Article 20

- (1) Dividend distribution is determined by the GMS or KPM.**

- (2) Dividends as intended in paragraph (1) become the rights of the Regional Government and are deposited into the Regional Treasury.

Article 21

Dividends obtained from Regional Government capital participation in BUMD are directly a component Regional income.

CHAPTER VIII

TRANSITIONAL PROVISIONS

Article 22

- (1) Regional Government capital participation in PT Central Java Regional Development Bank, PT BPR BKK Grogol (Perseroda), PT BPR BKK Jateng (Perseroda), BPR Bank Sukoharjo (Perseroda), Perumda Air Minum, Percada, PT. BPR Syariah, Regional Agricultural Company of Sukoharjo Regency and Perumda Miscellaneous Businesses and Services which have been deposited prior to the enactment of this Regional Regulation are declared valid as capital participation of the Regional Government.
- (2) If there is a change in the form of the Legal Entity, name or other things at PT Bank Pembangunan Daerah Java Tengah, PT BPR BKK Grogol (Perseroda), PT BPR BKK Jateng (Perseroda), BPR Bank Sukoharjo (Perseroda), Perumda Drinking Water, Percada, PT. BPR Syariah, Sukoharjo Regency Agricultural Regional Company and Perumda Miscellaneous Business and Regional Government capital participation services remain valid and are still considered valid.
- (3) Other matters as intended in paragraph (2) include other :
- a. mergers;
 - b. merger; And
 - c. consolidation.

CHAPTER IX

CLOSING

Article 23

When this Regional Regulation comes into force, Sukoharjo Regency Regional Regulation Number 14 of 2016 concerning Regional Government Capital Inclusion in Regionally Owned Enterprises (Sukoharjo Regency Regional Gazette of 2016 Number 14, Supplement to Sukoharjo Regency Regional Gazette Number 238) is revoked and declared invalid.

Article 24

This local regulation are applied at the date stated.

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

**Stipulated in Sukoharjo on
December 31 2018**

REGENT SUKOHARJO,

signed

WARDOYO WIJAYA

**Promulgated in Sukoharjo
on December 31, 2018**

**REGIONAL SECRETARY
SUKOHARJO DISTRICT,**

signed

AGUS SANTOSA

**SUKOHARJO DISTRICT REGIONAL GAZETTE
YEAR 2018 NUMBER 19**

**The copy corresponds to the original
HEAD OF LEGAL SECTION,**

signed

**BUDI SUSETYO, SH, MH
NIP**

Trustee. 19730705 199203 1 004

**EXPLANATION
ON
REGIONAL REGULATIONS OF SUKOHARJO DISTRICT
NUMBER 19 OF 2018
ABOUT
REGIONAL GOVERNMENT CAPITAL INCLUSION TO
REGIONAL OWNED ENTERPRISES**

I. GENERAL.

Regional governments in carrying out capital participation either by increasing paid-in capital and/or increasing capital participation in Regional Owned Enterprises (BUMD) aim to strengthen the capital structure, so that BUMD can compete more, grow and develop.

Juridically, there have been a number of changes in both the legal form and name of BUMD as well as the dissolution of BUMD so that it is necessary to re-establish regional regulations regarding capital participation in BUMD.

Based on the reasons outlined previously, it is necessary to revoke Regional Regulation Number 14 of 2016 concerning Capital Participation in Regionally Owned Enterprises and re-draft it by establishing a new regional regulation.

II. ARTICLE BY ARTICLE.

article 1

Quite clear.

Section 2

Quite clear.

Article 3

Quite clear.

Article 4

Quite clear.

Article 5

Quite clear.

Article 6

Paragraph (1)

PT. BPR BKK Grogol (Perseroda) is a BUMD which was formed based on Central Java Province Regional Regulation Number 5 of 2018 concerning Regional Banking Companies People's Credit, District Credit Agency. this BUMD is a change to the previously named Business Entity PD. BPR. BKK. Grogol.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Article 7

Paragraph (1)

PT. BPR BKK Jateng (Perseroda) is a BUMD which was formed based on Central Java Province Regional Regulation Number 4 of 2017 concerning Regional Banking Companies Central Java District Credit Agency People's Credit. This BUMD is a change to the Business Entity which was originally called PD. BKK. Sukoharjo.

Paragraph (2)

Quite clear.

Paragraph (3)

Quite clear.

Article 8

Paragraph (1)

BPR Bank Sukoharjo (Perseroda) is a BUMD which was formed based on Sukoharjo Regency Regional Regulation Number 5 of 2017 concerning Regional Bank Company Companies Bank Sukoharjo People's Credit. This BUMD is a change to the Business Entity which was originally called PD. BPR. Market Bank.

Paragraph (2)

Quite clear.

Paragraph (3)

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)

Quite clear.

Paragraph (2)

What is meant by "cash" is no longer responsible or cash.

Article 15

Quite clear.

Article 16

Quite clear.

Article 17

Separated Regional Wealth is Regional wealth originating from the APBD to be used as Regional capital participation in BUMD.

Article 18

What is meant by "government accounting standards" are the accounting principles applied in preparing and presenting financial reports in accordance with the provisions of statutory regulations.

Article 19

Paragraph (1)

Shares are securities which are a sign of provincial and regional government participation or ownership in BUMD.

Paragraph (2)

Quite clear.

Article 20

Paragraph (1)

Dividends are a portion of the company's profits or income determined by the board of directors, ratified by the general meeting of shareholders to be distributed to shareholders.

Paragraph (2)

Quite clear.

Article 21

Quite clear.

Article 22

Quite clear.

Article 23

Quite clear.

Article 24

Quite clear.

SUPPLEMENTARY SUKOHARJO DISTRICT REGIONAL GAZETTE NUMBER 277