

Type: PRESIDENTIAL REGULATION (PERPRES)
By: PRESIDENT OF THE REPUBLIC OF INDONESIA
Number: 9 YEAR 2013
Date: 10 JANUARY 2013 (JAKARTA)
Title: IMPLEMENTATION OF MANAGEMENT OF NATURAL OIL AND GAS
UPSTREAM BUSINESS ACTIVITIES

BY THE GRACE OF THE ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering: whereas as follow up of the transfer of implementation of duties, functions and organization of Oil and Gas Upstream Business Executive Agency, as well as to arrange the implementation of management of natural oil and gas upstream business activities in connection with Decision of the Constitutional Court Number 36/PUU-X/2012 dated 13 November 2012, it is necessary to stipulate Presidential Regulation regarding Implementation of Management of Natural Oil and Gas Upstream Business Activities;

In view of:

1. Article 4 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 22 Year 2001 regarding Natural Oil and Gas (State Gazette of the Republic of Indonesia Year 2001 Number 136, Supplement to State Gazette of the Republic of Indonesia Number 4152);
3. Law Number 17 Year 2003 regarding State Finance (State Gazette of the Republic of Indonesia Year 2003 Number 47, Supplement to State Gazette of the Republic of Indonesia Number 4286);
4. Law Number 1 Year 2004 regarding State Treasury (State Gazette of the Republic of Indonesia Year 2004 Number 5, Supplement to State Gazette of the Republic of Indonesia Number 4355);
5. Law Number 39 Year 2008 regarding State Ministries (State Gazette of the Republic of Indonesia Year 2008 Number 166, Supplement to State Gazette of the Republic of Indonesia Number 4916);
6. Government Regulation Number 35 Year 2004 regarding Natural Oil and Gas Upstream Business Activities (State Gazette of the Republic of Indonesia Year 2004 Number 123, Supplement to State Gazette of the Republic of Indonesia Number 4316), as amended twice most recently by Government Regulation Number 55 Year 2009 (State Gazette of the Republic of Indonesia Year 2009 Number 128, Supplement to State Gazette of the Republic of Indonesia Number 5047);

7. Presidential Regulation Number 95 Year 2012 regarding Transfer of Implementation of Duties and Functions of Natural Oil and Gas Upstream Business Activities (State Gazette of the Republic of Indonesia Year 2012 Number 226);

HAS DECIDED:

To stipulate: PRESIDENTIAL REGULATION REGARDING IMPLEMENTATION OF MANAGEMENT OF NATURAL OIL AND GAS UPSTREAM BUSINESS ACTIVITIES.

Article 1

The Minister in charge of governmental affairs in the field of energy and mineral resources, hereinafter referred to as the Minister, shall provide guidance, coordinate and supervise the implementation of management of natural oil and gas upstream business activities.

Article 2

- (1) The management of natural oil and gas upstream business activities as intended in Article 1, until the issuance of new law in the field of natural oil and gas, shall be implemented by a special task for unit implementing natural oil and gas upstream business activities hereinafter referred to as SKK Migas.
- (2) In the context of control, supervision, and evaluation on the management of natural oil and gas upstream business activities by SKK Migas, a Supervision Commission shall be established.

Article 3

Members of the Supervision Commission as intended in Article 2 paragraph (2), shall consist of:

- a. Chairman : The Minister of Energy and Mineral Resources;
- b. Deputy Chairman: Deputy Minister of Finance in charge of state budget;
- c. Members :
 1. Head of Capital Investment Coordinating Board;
 2. Deputy Minister of Energy and Mineral Resources.

Article 4

The Supervision Commission as intended in Article 2 paragraph (2), shall have the following duties:

- a. granting approval for proposals on strategic policies and work plans of SKK Migas in the context of implementation of management of natural oil and gas upstream business activities;
- b. conducting control, supervision, and evaluation on the implementation of operational activities of SKK Migas in the implementation of management of natural oil and gas upstream business activities;
- c. providing opinions, suggestions, and responses on periodic report on the performance of SKK Migas;

- d. providing considerations over proposals on appointment and dismissal of the Head of SKK Migas;
and
- e. granting approval in the appointment and dismissal of the executive officers of SKK Migas other than the Head of SKK Migas.

Article 5

In implementing the duties as intended in Article 4, the Supervision Commission shall convey a report to the President periodically at least once every 6 (six) months.

Article 6

In the context of providing guidance, coordinating and supervising the implementation of management of natural oil and gas upstream business activities as intended in Article 1, the Minister shall conduct arrangement of:

- a. Organization of SKK Migas;
 - b. Employees of SKK Migas; and
 - c. Assets of SKK Migas;
- in accordance with laws and regulations.

Article 7

Organizational structure of SKK Migas as intended in Article 2 paragraph (1), shall consist of:

- a. Head;
- b. Vice Head;
- c. Secretary;
- d. Internal Supervisor; and
- e. Deputies, a maximum of 5 (five) people.

Article 8

- (1) The Head of SKK Migas as intended in Article 7 sub-article a, shall be appointed and dismissed by the President upon the proposal of the Minister, after first obtaining consideration from the Supervision Commission.
- (2) For the first time, the Head SKK Migas shall be directly stipulated by the President.
- (3) Prior to the stipulation of the Head of SKK Migas as intended in paragraph (2), the implementation of management of natural oil and gas upstream business activities shall be conducted by the Minister.

Article 9

- (1) The Head of SKK Migas as intended in Article 7 sub-article a, shall be directly responsible to the President.
- (2) The Head of SKK Migas must sign Pact of Integrity and Performance Contract to the President.

Article 10

- (1) Vice Head, Secretary, Internal Supervisor, and the Deputies of SKK Migas as intended in Article 7 sub-article b, sub-article c, sub-article d, and sub-article e shall be appointed and dismissed by the Minister upon the proposal of the Head of SKK Migas.
- (2) In appointing and dismissing the Vice Head, Secretary, Internal Supervisor, and Deputies of SKK Migas the Minister shall first obtain approval from the Supervision Commission.

Article 11

Employees of SKK Migas other than those as intended in Article 7, shall be appointed and dismissed by the Head of SKK Migas.

Article 12

- (1) The limit of retirement age for the Head, Vice Head, Secretary, Internal Supervisor, and Deputies of SKK Migas as intended in Article 7, shall be 60 (sixty) years.
- (2) The limit of retirement age for employees of SKK Migas other than those as intended in Article 7, shall be 56 (fifty-six) years.

Article 13

- (1) Employees of SKK Migas may originate from civil servants and non-civil servants.
- (2) Employees of SKK Migas for the first time shall originate from transfer of former employees of Oil and Gas Upstream Business Executive Agency.
- (3) Employees of SKK Migas must sign Pact of Integrity.

Article 14

In implementing his duties, the Head of SKK Migas may appoint experts a maximum of 5 (five) people.

Article 15

- (1) Employees of SKK Migas shall be given financial rights and facilities.
- (2) Provisions on the types and amount of financial rights and facilities as intended in paragraph (1), shall be stipulated by the Minister upon obtaining considerations from the Minister of Finance.

Article 16

Provisions on duties, organizational structure, employment, and work procedure of SKK Migas, shall be further stipulated by the Minister.

Article 17

In the context of implementation of management of natural oil and gas upstream business activities, SKK Migas shall utilize former assets of Oil and Gas Upstream Business Executive Agency by applying the principles of optimization and efficiency.

Article 18

- (1) Operational costs in the context of management of natural oil and gas upstream business activities, shall originate from certain amount of the state's portion from each natural oil and gas upstream business activity.
- (2) The amount of operational costs as intended in paragraph (1), shall be proposed by the Minister, to be stipulated by the Minister of Finance.
- (3) Operational costs needed in the management of natural oil and gas upstream business activities for year 2012, shall use the remaining budget of the former Oil and Gas Upstream Business Executive Agency for Year 2012.

Article 19

In the context of utilizing the former assets of Oil and Gas Upstream Business Executive Agency and the implementation of management of natural oil and gas upstream business activities by SKK Migas, audit shall be conducted in accordance with laws and regulations.

Article 20

This Presidential Regulation shall come into effect on the date of its promulgation, shall be retroactive as from 13 November 2012 insofar as related to operational costs in the context of management of natural oil and gas business activities as intended in Article 18.

For public cognizance, hereby ordering the promulgation of this Presidential Regulation by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On 10 January 2013
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta
On 14 January 2013
THE MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

Signed

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2013 NUMBER 24

Issued as true copy
CABINET SECRETARIAT OF THE REPUBLIC OF INDONESIA
Deputy of Economy
p.p.
Assistant Deputy of Legislative Drafting
On Economy,

Signed and stamped

Satya Bhakti Parikesit

Notes

Source: ELECTRONIC MEDIA OF STATE SECRETARIAT YEAR 2013