

# PROCEDURES FOR PROVIDING, DISBURSING AND HOLDING ACCOUNTABILITY FOR SEED SUBSIDY FUNDS

(Regulation of the Minister of Finance Number  
66/PMK.02/2012 dated March 21, 2013)

BY GRACE OF GOD THE ALMIGHTY

THE MINISTER OF FINANCE OF

THE REPUBLIC OF INDONESIA,

Considering:

- a. in the framework of driving up the production of food crop to support national food security, seed-subsidy funds have been allocated in state budget of revenue and expenditure and/or revised state budget of revenue and expenditure;
- b. in order to help farmers so as to be able to purchase certified seeds of superior variety at an affordable price, it's necessary to provide seed subsidy;
- c. in the framework of utilizing seed subsidy optimally, it's necessary to re-regulate procedures for providing, disbursing and holding accountability for seed subsidy previously already regulated in Regulation of the Minister of Finance Number 129/PMK.02/2010;
- d. that having regards letters a, b and c, it is necessary to stipulate a regulation of the Minister of Finance on procedures for providing, disbursing and holding accountability for seed subsidy funds;

In view of:

1. Law Number 17 Year 2003 on State Finance (Statute Book of the Republic of Indonesia Year 2003 Number 47, Supplement to Statute Book of the Republic of Indonesia Number 4286);
2. Law Number 19 Year 2003 on State-owned Business Entity (Statute Book of the Republic of Indonesia Year 2003 Number 70, Supplement to Statute Book of the Republic of Indonesia Number 4297);
3. Law Number 1 Year 2004 on State Treasury (Statute Book of the Republic of Indonesia Year 2004 Number 5, Supplement to Statute Book of the Republic of Indonesia Year 2004 Number 4355);
4. Law Number 15 Year 2004 on Audit of State Finance Management and Responsibility (Statute Book of the Republic of Indonesia Year 2004 Number 66, Supplement to Statute Book of the Republic of Indonesia Number 4400);
5. Law Number 19 Year 2012 on State Budget of Revenue and Expenditure in Fiscal Year 2013 (Statute Book of the Republic of Indonesia Year 2012 Number 228, Supplement to Statute Book

- of the Republic of Indonesia Number 5361);
6. Government Regulation Number 8 Year 2006 on Reporting of Finance and Performance of Government Institutions (Statute Book of the Republic of Indonesia Year 2006 Number 25, Supplement to Statute Book of the Republic of Indonesia Number 4614);
  7. Government Regulation Number 90 Year 2010 on Formulation of Work Plan and Budget of State Ministries/Institutions (Statute Book of the Republic of Indonesia Year 2010 Number 152, Supplement to Statute Book of the Republic of Indonesia Number 5178);
  8. Presidential Decree Number 42 Year 2002 on Guidance for the Realization of State Budget of Revenue and Expenditure (Statute Book of the Republic of Indonesia Year 2002 Number 73, Supplement to Statute Book of the Republic of Indonesia Number 4212), as already amended by Presidential Decree Number 72 Year 2004 (Statute Book of the Republic of Indonesia Year 2004 Number 92, Supplement to Statute Book of the Republic of Indonesia Number 4418);
  9. Presidential Decree Number 37 Year 2012 on Detail of Expenditure Budget of the Central Government in Fiscal Year 2013;
  10. Regulation of the Minister of Finance Number 82/PMK.05/2007 on Procedure for Disbursing Funds at Expense of State Budget of Revenue and Expenditure through State General Cash Account as already amended by Regulation of the Minister of Finance Number 179/PMK.05/2010;
  11. Regulation of the Minister of Finance Number 91/PMK.05/2007 on Standard Account Chart;
  12. Regulation of the Minister of Finance Number 171/PMK.05/2007 on Accounting and Financial Reporting System of the central government as already amended by Regulation of the Minister of Finance Number 233/PMK.05/2011;
  13. Regulation of the Minister of Finance Number 250/PMK.05/2010 on Procedures for Disbursing State Budget of Revenue and Expenditure at Budget Item of State General Treasurer in State Treasury Service Office;
  14. Regulation of the Minister of Finance Number 256/PMK.05/2010 on Procedures for Depositing and Disbursing Reserve Funds;
  15. Regulation of the Minister of Finance Number 160/PMK.02/2012 on Directive for the Formulation and Legalization of Completing List of the Realization of Budget of State Ministries/Institutions as already amended by Regulation of the Minister of Finance Number 29/PMK.02/2013;
  16. Regulation of the Minister of Finance Number 190/PMK.05/2012 on Procedures for the Payment in the Framework of Realizing State Budget of Revenue and Expenditure;
  17. Regulation of the Minister of Finance Number 241/PMK.05/2012 on Accounting System of Subsidy Expense;
  18. Regulation of the Minister of Finance Number 247/PMK.02/2012 on Procedures for Planning,

Stipulating Allocation and legalization of Documents of the Realization of State Budget of Revenue and Expenditure.

#### DECIDES :

To stipulate:

#### THE REGULATION OF THE MINISTER OF FINANCE ON PROCEDURES FOR PROVIDING, DISBURSING AND HOLDING ACCOUNTABILITY FOR SEED SUB- SIDY FUNDS

##### Article 1

Referred to in this ministerial regulation as:

1. Seed Producer shall be state-owned business entity (BUMN) producing seed, which is stipulated as distributor of subsidized seed by the State Minister of BUMN.
2. Account of Reserve Funds shall be account belonging to the Minister of Finance as State General Treasurer, which is used to save reserve funds.
3. Seed Price hereinafter abbreviated to HB shall be the whole cost arising directly or indirectly from the production process unto the seed is ready to sell for farmer groups, including profit and transportation cost as set forth by the Minister of Agriculture.
4. Highest Retail Price hereinafter abbreviated to HET shall be the highest price of seed purchased by farmer at the level of farmer group as set forth by the Minister of Agriculture.

5. Seed Subsidy shall be a difference between HB and HET.
6. Completing List of the Realization of Budget hereinafter abbreviated to DIPA shall a document of budget realization formulated by budget user/proxy of budget user.
7. Proxy of Budget User hereinafter abbreviated to KPA shall be an official secure authority from budget user to execute part of the authority and responsibility for the use of budget in the said state ministry/institution.

##### Article 2

Based on the allocation of funds and volume of subsidized seed in State Budget of Revenue and Expenditure (APBN) and/or Revised State Budget of Revenue and Expenditure (APBN-P), the Minister of Agriculture shall stipulate HB and HET.

##### Article 3

- (1) Kinds of the subsidized seed shall be stipulated by the Minister of Agriculture.
- (2) The distribution of subsidized seed shall be executed by seed producers in accordance with the provision of legislation.

##### Article 4

The amount of seed subsidy on each kind of seed shall be calculated on the basis of difference between HB (Rp/Kg), subtracted by HET (Rp/Kg) and multiplied by the volume of the distributed seed (Kg).

## Article 5

- (1) Based on the allocation of seed-subsidy funds in APBN and/or APBN-P, and observing HB and HET stipulated by the Minister of Agriculture as meant in Article 2, DIPA shall be issued in accordance with the provision of legislation.
- (2) DIPA as meant in paragraph (1) shall be used as the basis for the realization of the payment for seed subsidy.

## Article 6

- (1) In the framework of executing seed subsidy, the Minister of Finance as budget user shall appoint the Director General of Food Crop-Ministry of Agriculture as KPA.
- (2) KPA as meant in paragraph (1) shall issue decision to stipulate:
  - a. official authorized to take action causing expense in expenditure budget/personnel in charge of activity/commitment maker; and
  - b. official authorized to verify bill to the state and sign payment order.
- (3) Copy of the decision as meant in paragraph (2) shall be submitted to Head of State Treasury Service Office of working partner as proxy of State General Treasurer.

## Article 7

- (1) KPA shall verify the provision and distribution of subsidized seed.
- (2) Result of the verification as meant in paragraph

(1) shall be used as the basis for the payment of seed subsidy.

- (3) In order to execute the verification as meant in paragraph (1), KPA may establish a verification team.
- (4) Further provision on verification procedures shall be regulated by KPA.

## Article 8

Procedures for disbursing funds in the framework of executing seed subsidy shall be executed in accordance with the provision of legislation.

## Article 9

- (1) Seed subsidy not yet payable up to late December of the current year because the verification of document of claim on seed subsidy as meant in Article 7 has not been executable, shall be placed in reserve funds account in accordance with the provision of legislation.
- (2) The placement of funds in the reserve funds account as meant in paragraph (1) shall be as much as the value of the claim and maximally amounting to the rest of the ceiling of DIPA.
- (3) The disbursement of funds in the reserve funds account as meant in paragraph (2) shall be executed in accordance with the provision of legislation.

## Article 10

Seed producers shall be responsible formally

and materially for the realization and use of seed subsidy funds.

#### Article 11

KPA shall be responsible fully for the distribution of seed subsidy funds in accordance with the provision of legislation.

#### Article 12

- (1) Seed producers shall submit report on accountability for the distribution of subsidized seeds to KPA in accordance with the provision of legislation.
- (2) The accountability report as meant in paragraph (1) shall contain at least plan and realization of the distribution of subsidized seed.

#### Article 13

KPA shall perform accounting and reporting in accordance with the provision of legislation.

#### Article 14

- (1) The realization of seed subsidy shall be audited by the authorized auditor in accordance with the provision of legislation.
- (2) Report on the audit result as meant in paragraph (1) shall be submitted to KPA, Director General of Budgetary Affairs-Ministry of Finance and Director General of Treasury Affairs-Ministry of Finance.
- (3) In the case of the audit result as meant in para-

graph (1) certifying that the amount of funds used for the execution of seed subsidy is bigger than the amount already paid by the government to seed producers, the shortfall of the payment shall be recommended for the budgeting in APBN and/or APBN-P in accordance with the provision of legislation.

- (4) In the case of the audit result as meant in paragraph (1) certifying that the amount of funds used for the execution of seed subsidy is smaller than the amount already paid by the government to seed producers, the excess of the payment shall be remitted to state cash as non-tax state revenue in accordance with the provision of legislation.

#### Article 15

In the framework of executing seed subsidy, the Ministry of Finance and Ministry of Agriculture may establish a team to conduct monitoring and evaluation by virtue of their authority.

#### Article 16

The ministerial regulation shall be effective as long as the funds needed for seed subsidy is still budgeted/provided in APBN and/or APBN-P.

#### Article 17

The provisions on procedures for providing, disbursing and holding accountability for seed subsidy funds as meant in this ministerial regulation shall start to apply on January 1, 2013.

## Article 18

Following the enforcement of this ministerial regulation, Regulation of the Minister of Finance Number 129/PMK.02/2010 on Procedures for Providing, Disbursing and Holding Accountability for Subsidy on Seeds of Non-Hybrid Paddy, Composite Corn, Hybrid Corn and Certified Soybean shall be revoked and declared null and void.

## Article 19

The ministerial regulation shall come into force as from the date of promulgation.

For public cognizance, the ministerial regulation shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On March 21, 2013

THE MINISTER OF FINANCE OF  
THE REPUBLIC OF INDONESIA

sgd.

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

On March 21, 2013

THE MINISTER OF LAW AND HUMAN RIGHTS OF  
THE REPUBLIC OF INDONESIA

sgd

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
YEAR 2013 NUMBER 467

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