

GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 63 OF 2008
ON
IMPLEMENTATION OF LAW ON FOUNDATIONS

BY THE BLESSINGS OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that to implement Article 9 section (4) and (5), Article 14 section (4), Article 15 section (4), Article 27 section (2), Article 61, and Article 69 section (2) of Law Number 16 of 2001 on Foundations as already amended by Law Number 28 of 2004 on Amendment to Law Number 16 of 2001 on Foundations, it is necessary to establish Government Regulation on the Implementation of Law on Foundations.

observing : 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 16 of 2001 on Foundations (State Gazette of the Republic of Indonesia of 2001 Number 112, Supplement to the State Gazette of the Republic of Indonesia Number 4132) as already amended by Law Number 28 of 2004 on Amendment to Law Number 16 of 2001 on Foundations (State Gazette of the Republic of Indonesia of 2004 Number 115, Supplement to the State Gazette of the Republic of Indonesia Number 4430);

HAS DECIDED:

To enact : GOVERNMENT REGULATION ON THE IMPLEMENTATION OF
LAW ON FOUNDATIONS

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Name of the Foundation means own name of the relevant Foundation.
2. Amalgamation means a legal action by a Foundation or more to amalgamate with another Foundation resulting in legal transfer of all assets and liabilities of the amalgamating Foundation to the Foundation accepting the amalgamation and the amalgamating Foundation is legally dissolved without any liquidation.
3. Register of Foundation means a register held by the Minister containing official record on anything relating to Foundations.
4. Law means Law Number 16 of 2001 regarding Foundations as already amended by Law Number 28 of 2008 on Amendment to Law Number 16 of 2001 on Foundations.
5. Indonesian means an Indonesian individual or Indonesian legal entities.
6. Foreigner means foreign individuals or foreign legal entities.
7. Minister means the Minister of Law and Human Rights of the Republic of Indonesia.

CHAPTER II
USE OF THE NAME OF THE FOUNDATION

Article 2

- (1) Each Foundation has own name.
- (2) The name of the Foundation already registered in Register of Foundation cannot be used by another Foundation.

- (3) The name of the Foundation of which the legal entity status has expired must be notified to the Minister for deletion from Register of Foundation by liquidators, receivers, or Management of the Foundation.

Article 3

- (1) A phrase "Foundation" may be used only by:
 - a. a Foundation recognized as a legal entity as referred to in Article 71 section (1) of the Law; and
 - b. a Foundation established under Law.
- (2) A phrase "Foundation" as referred to in section (1) is contained before the Name of the relevant Foundation.
- (3) In the event that the Foundation's assets originate from *waqf* a phrase "*waqf*" may be added before a phrase "Foundation".
- (4) A phrase "*waqf*" cannot be added before a phrase "Foundation" if the Foundation is not *Nazhir*.

Article 4

- (1) The use of the name of the Foundation is denied in case of:
 - a. being similar to the Name of another Foundation already first registered in Register of Foundation; or
 - b. contravening the public orderliness and/or ethics.
- (2) Provisions on reason(s) for denying the use of the Name of the Foundation as referred to in section (1) also apply to a Foundation as referred to in Article 71 section (1) of the Law notifying the Minister of adjustment of the Articles of Association of the relevant Foundation.
- (3) In the event of denial of the use of the Name of the Foundation due to a reason as referred to in section (1), the Foundation may file the use of another name.

Article 5

- (1) The name of the Foundation is registered in Register of Foundation in case of:
 - a. ratification of deed of establishment of the Foundation by the Minister;

- b. adjustment of the Articles of Association of the Foundation to the Law and the adjustment has been notified to the Minister as referred to in Article 71 section (3) of the Law; or
 - c. approval of deed of amendment to the Articles of Association containing the change of the Name of the Company by the Minister.
- (2) Further provisions regarding the Register of Foundation are regulated under Ministerial Regulation.

CHAPTER III PRELIMINARY ASSEST OF THE FOUNDATION

Article 6

- (1) Total preliminary assets of the Foundation established by Indonesian, originating from separation of personal assets of the Founders are at least Rp10,000,000.00 (ten million rupiah).
- (2) Total preliminary assets of the Foundation established by a Foreigner or Foreigner jointly with Indonesian, originating from separation of personal assets of the founders, are at least Rp100,000,000.00 (one hundred million rupiah).

Article 7

Separation of assets as referred to in Article 6 is accompanied by statement of the founders of the validity of the separated assets and a proof being a part of the financial document of the Foundation.

CHAPTER IV FOUNDATION ESTABLISMENT BASED ON TESTAMENT

Article 8

Foundation establishment based on a testament is made by an open testament.

Article 9

Foundation establishment as referred to in the Article 8 is made as follows:

- a. Foundation establishment is directly contained in the relevant testament by containing provisions of the Articles of Association of the Foundation to establish; or
- b. Foundation establishment is implemented by the beneficiary(-ies) mentioned in the testament by the testament-giver in accordance with the provisions of these Law and Government Regulation.

CHAPTER V

TERMS OF AND PROCEDURES FOR FOUNDATION ESTABLISHMENT BY FOREIGNERS

Article 10

- (1) Foreigners or Foreigners jointly with Indonesians may establish a Foundation in accordance with these Law and this Government Regulation.
- (2) In addition to this Government Regulation, other provisions of laws and regulations also apply to Foundation establishment by Foreigners or Foreigners jointly with Indonesian.

Article 11

- (1) Foundation establishment by expatriates is furnished with the following documents:
 - a. identities of the founders proven with valid passport;
 - b. separation of part of personal assets of the founders serving as the preliminary assets of the Foundation of at least Rp100,000,000.00 (one hundred million rupiah) proven with statement of the founders of validity of the assets; and
 - c. statement of the founders that the activities of the established Foundation does not harm the public, the nation, and the state of the Indonesia.

2. Foundation establishment by foreign corporate body must comply with the following documents:
 - a. identities of the foreign legal entity founders of foundation proven with valid founding corporate body of the Foundation;
 - b. separation of part of personal assets of the founders serving as the preliminary assets of the Foundation of at least Rp100,000,000.00 (one hundred million rupiah) proven with statement of founding corporate body management of validity of the assets; and
 - c. statement of management of the relevant legal entity that the activities of the established Foundation does not harm the public, the nation, and the state of the Indonesia.

Article 12

- (1) In the event of Foundation established by Foreigners or Foreigners jointly with Indonesians, one of the members of Executive Board as an office of the chairman, secretary, or treasurer is obligated to be occupied by an Indonesian.
- (2) Members of Executive Board established by Foreigners or Foreigners jointly with Indonesians are obligated to reside in Indonesia.
- (3) Foreign members of Executive Board holds permits to run any business within the territory of the state of the Republic of Indonesia and holds a Temporary Stay Permit.
- (4) Foreign members of Executive Board not fulfilling the provision as referred to in section (3) due to the matters pertaining to the law shall be dismissed from his/her office.
- (5) In the event of vacancy in the membership of Management occupying the office of the chairman, secretary, or treasurer, the substitute is appointed within not later than 30 (thirty) days as of date of vacancy.

Article 13

- (1) Foreign members of Governing and Supervisory Boards of the Foundation if staying in Indonesia must hold permits to

run any business within the territory of the Republic of Indonesia and hold a Temporary Stay Permit.

- (2) Foreign members of Governing and Supervisory boards of the Foundation not fulfilling section (1) due to the matters pertaining to the law must leave the territory of the state of the Republic of Indonesia.

Article 14

Provisions in the Article 12 section (3) and Article 13 section (1) does not not apply to any officials of diplomatic corps and their family members placed in Indonesia.

CHAPTER VI

PROCEDURES FOR SUBMITTING REQUEST FOR RATIFICATION OF DEED OF ESTABLISHMENT AND APPROVAL OF DEED OF AMENDMENT ARTICLES OF ASSOCIATION OF FOUNDATION

Article 15

- (1) Request for ratification of deed of establishment of a Foundation to obtain a corporate body status for the Foundation is submitted to the Minister by the founders or their proxy through notary public drawing up deed of establishment of the Foundation.
- (2) Request as referred to in section (1) is enclosed with:
 - a. copy of deed of establishment of the Foundation;
 - b. copy of Taxpayer Identification Number of the Foundation already certified by notary;
 - c. statement of domicile and full address of the Foundation signed by the Foundation's Management and recognized by the local village head;
 - d. proof of payment or bank's statement in the name of the Foundation or written statement from the founders containing the information on assets separated from preliminary assets to establish the Foundation;
 - e. statement of the founders on validity of the preliminary assets;

- f. proof of payment of fees for ratifying and publicizing deed of establishment of the Foundation.
- (3) Request for ratification of deed of establishment of the Foundation to obtain a legal entity status as referred to in section (1) is submitted to the minister within not later than 10 (ten) days as of date of signing of deed of establishment of the Foundation.

Article 16

- (1) Request for approval of amendment to Articles of Association of the Company concerning the name and activities of the Foundation is submitted to the minister by the Foundation's Management or their proxy through notary -public drawing up the deed of amendment to the Articles of Association of the Foundation.
- (2) The request as referred to in the section (1) is enclosed with:
 - a. copy of deed of amendment to the Articles of Association of the Foundation;
 - b. copy of Taxpayer Identification Number of the Foundation already certified by notary; and
 - c. proof of payment of fees for approving amendment to Articles of Association of the Foundation and publication thereof.

Article 17

Amendment to Articles of Association of the Foundation as referred to in the Article 16 becomes effective as of date of approval by the Minister.

CHAPTER VII

PROCEDURES FOR NOTIFYING AMENDMENT TO FOUNDATION'S ARTICLES OF ASSOCIATION AND DATA

Article 18

- (1) Notice of amendment to Articles of Association of Foundation other than change of name and activities of the Foundation is submitted to the Minister by the

Foundation's Management to register in Register of Foundation and publicize in Supplement to Bulletin Gazette of the Republic of Indonesia.

- (2) Notice as referred to in section (1) is enclosed with:
 - a. copy of deed of amendment to the Articles of Association of the Foundation;
 - b. copy of Taxpayer Identification Number of the Foundation already certified by notary public; and
 - c. proof of payment of fees for receiving notice of amendment to Articles of Association of the Foundation and publication thereof.
- (3) In addition to the requirements as referred to in section (2), any Foundation:
 - a. changes its domicile must enclose statement of its domicile signed by the Foundation's management and recognized by the local village head.
 - b. receives state aid, foreign aid, and/or other 'parties' aid amounting to Rp500,000,000.(five hundred million rupiah) or more in 1 (one) fiscal year or having assets outside waqf assets amounting to Rp20,000,000,000. (twenty billion rupiah) or more must enclose announcement in a newspapers containing summary of annual reports and carbon copy of annual reports audit results.

Article 19

- (1) Notice of amendment to Foundation's data is submitted to the Minister by the Foundation's Management or their proxy by enclosing a document containing the amendment.
- (2) The amendment as referred to in section (1) becomes effective as of date of register of amendment to the data in Register of Foundation.

CHAPTER VIII
TERMS OF AND PROCEDURES FOR GRANTING STATE AID TO
FOUNDATIONS

Article 20

- (1) State aid is granted to any Foundations incorporated by Indonesians where the realization is made by the Central or Local Government.
- (2) State aid from Central Government originates from State Budget.
- (3) State aid from Local Government originates from Regional Budget.

Article 21

- (1) State aid may be only granted to any Foundation having work program and implementing activities that support programs of the Central Government and/or Regional Government.
- (2) State aid as referred to in section (1) is granted in accordance with the allocation of fund in State Budget and Regional Budget, and may be in the form of:
 - a. money; and/or
 - b. services and/or other forms that can appraised with money by grant or other ways.
- (3) The granting of aid as referred to in section (1) and (2) complies with the provisions of laws and regulations.

Article 22

- (1) State aid to a Foundation may be granted with or without request from the foundation.
- (2) State aid without request from the Foundation as referred to in section (1) is provided in accordance with the provisions of laws and regulations.
- (3) State aid granted to Foundation by request is submitted in writing by the Foundation's Management to:
 - a. the minister or the heads of non ministerial government agencies of which the tasks and responsibilities relate to the Foundation's activities; or

- b. governor, district head, or mayor in the Foundation's domicile and/or activity place.
- (4) Request as referred to in section.(3) is enclosed with:
- a. copy of Ministerial Decree on legal entity status of the Foundation;
 - b. copy of Ministerial Decree on approval of amendment to Articles of Association of the Foundation, letter of receipt of notice of amendment to Articles of Association of the Foundation, and/or letter of receipt of notice of amendment to the Foundation's data, if any;
 - c. copy of Supplement to Official Gazette of the State of the Republic of Indonesia containing Articles of Association of the Foundation;
 - d. information on full name and address of the Foundation's Management;
 - e. copy of financial statement of the foundation for the last consecutive 2 (two) years in accordance with the Law;
 - f. information on work program of the Foundation in progress and to implement; and
 - g. written statement from the relevant technical agencies in the field of the Foundation's activities.
- (5) The relevant minister or the heads of non ministerial government agencies, governor, district head, or mayor examines the correctness of the documents as referred to in section (4) and find the fact or information on condition of the relevant Foundation from other parties of which the accuracy can be accounted for.
- (6) In addition to the fact or information as referred to in section (5), the public may also submit written data or information to the relevant minister or the heads of non ministerial government agencies, governor, district head, or mayor on Foundations to receive state aid by explaining the fact they know.

Article 23

The relevant minister or the heads of non ministerial government agencies, governor, district head, or mayor does not grant state aid to any Foundation if the aid will benefit:

- a. any company directly or indirectly owned or controlled by Patrons, Management, Supervisors, or managers of the Foundation; or
- b. anyone or any corporation being the business partner of the Foundation or other parties receiving the placement from the Foundation.

Article 24

- (1) Any Foundation receiving state aid is obligated to make and submit its annual reports once a year to the relevant minister or the heads of non ministerial government institutions, governor, regent, or mayor granting the aid.
- (2) Annual reports as referred to in section (1) cover activity report and financial statement.

Article 25

- (1) A Foundation may only apply state aid as referred to in Article 21 in accordance with the aims and objectives as well as activities of Foundation based on the Articles of Association and in accordance with work program of the Foundation.
- (2) The use of state aid already received by a Foundation but not fulfilling the provision as referred to in section (1) is the joint responsibility of members of the Foundation's Executive Board.
- (3) State aid received by a Foundation shall not be transferred or distributed directly or indirectly to Governing, Executive and Supervisory Boards, or other parties.
- (4) Civil responsibility as referred to in the section (2) and section (3) does not write-off criminal responsibility in accordance with laws and regulations.

CHAPTER IX
TERMS OF AND PROCEDURES FOR PERFORMING ACTIVITIES
IN INDONESIA BY FOREIGN FOUNDATIONS

Article 26

- (1) Any foreign Foundations may perform activities in Indonesia only in social, religious, and humanitarian activities.
- (2) A foreign Foundation as referred to in section (1) makes partner with a Foundation incorporated by Indonesians of which the aims and objectives are the same as those of the foreign Foundation.
- (3) Partnership as referred to in section (2) is free from political, juridical, technical, and security aspects,
- (4) Partnership between a foreign Foundation and a Foundation established by Indonesian complies with the provisions of laws and regulations.

CHAPTER X
PROCEDURES FOR FOUNDATION AMALGAMATION

Article 27

- (1) Foundation amalgamation is made by preparing Amalgamation plan proposal by Managements of the respective Foundations.
- (2) Amalgamation plan proposal as referred to in section (1) contains at least:
 - a. information on the Names and domiciles of the Foundations to Amalgamate;
 - b. explanation from the respective Foundations on reason(s) for Amalgamation;
 - c. summary of financial statement of the Foundations to Amalgamate;
 - d. information on the main activities of the Foundations change during the current fiscal year;
 - e. breakdown of problems during the current fiscal year;
 - f. procedures. for settling status of managers, executives, and employees to amalgamate;

- g. estimated term of Amalgamation;
- h. information on the names of the members of Patrons, Management, and Supervisors; and
- 1. draft amendment to Articles of Association of the foundation to take the Amalgamation, if any.

Article 28

- (1) Foundation amalgamation plan as referred to in Article 27 is a basis to prepare draft deed of Amalgamation by the Management of the Foundation to Amalgamate.
- (2) Draft deed of Amalgamation as referred to in section (1) is approved by the Founders of the respective Foundations.
- (3) Draft deed of Amalgamation as referred to in section (2) is contained in deed of Amalgamation drawn up before notary, in Indonesian.

Article 29

- (1) In the event of Foundation Amalgamation not continued with amendment to the Articles of Association, the Management of the Foundation approving the Amalgamation is obligated to submit deed of Amalgamation to the Minister.
- (2) Amalgamation becomes effective as of date of the signing of deed of Amalgamation or the given date in deed of Amalgamation.
- (3) The given date in deed of Amalgamation as referred to in section (2) is later than date of deed of Amalgamation.

Article 30

In the event of Foundation Amalgamation continued with amendment to Articles of Association, deed of amendment to Articles of Association is prepared by the Executive Board of the Foundation approving the Amalgamation and 'approved by the Governing Board approving the Amalgamation.

Article 31

- (1) In the event of Foundation Amalgamation continued with amendment to Articles of Association and not requiring the

approval from the Minister, the Management of the Foundation notifies the amendment to Articles of Association to the Minister enclosed with copy of deed of amendment to Articles of Association and copy of deed of Amalgamation.

- (2) Amendment to Articles of Association of the Foundation as referred to in e section (1) becomes effective as of date of receipt of notice of amendment to Articles of Association or the given date in deed of Amalgamation.

Article 32

- (1) In the event of Foundation Amalgamation continued with amendment to Articles of Association covering provisions as referred to in Article 21 section (1) of the Law, the Executive Board of the Foundation to take the Amalgamation submits deed of amendment to Articles of Association to the minister for approval, enclosed with copy of deed of amendment to Articles of Association and copy of deed of Amalgamation.
- (2) Foundation amalgamation as referred to in section (1) becomes effective as of date of approval of amendment to Articles of Association by the Minister or the given date in the approval of the Minister.

Article 33

Foundation Amalgamation result is obligated to be announced by the Management of the foundation approving the Amalgamation in 1 (one) Indonesian daily newspapers within not later than 30 (thirty) days as of date of effectiveness of Amalgamation.

CHAPTER XI

FEES

Article 34

Fees for drawing up deed of establishment and/or deed of amendment to Articles of Association of Foundation are fixed based on the economic and sociologic values as referred in the Law on Notary.

Article 35

Fees for ratifying deed of established, approving amendment to Articles of Association, receiving notice of amendment to Articles of Association, and publication thereof in Supplement to the Bulletin Gazette of the Republic of Indonesia constitute Non Tax State Revenues.

CHAPTER XII

TRANSITIONAL PROVISION

Article 36

- (1) Any Foundation already established before effectiveness of the law and not recognized as a legal entity and not implementing Article 71 section (2) of the Law submit request for ratification of deed of incorporation to obtain a corporate body status as referred to in Article 15.
- (2) Premise of deed of establishment as referred to in section (1) mention the origin of Foundation establishment including the assets of the relevant Foundation.
- (3) Legal action by the Foundation as referred to in section (1) not yet obtaining a legal entity status is jointly the personal responsibility of members of the Foundation's organs.

Article 37

- (1) Amendment to Articles of Association of the Foundation recognized as a corporate body pursuant to Article 71 section (1) of the Law is made by the Foundation's organs in accordance with the Articles of Association of the relevant Foundation.
- (2) Amendment to Articles of Association of the Foundation as referred to in section (1) is made by amending the entire Articles of Association of the Foundation and mentioning:
 - a. the entire assets of the Foundation held upon adjustment proven with:

- 1) financial statement made and signed by the Foundation's Executive Board; or
 - 2) financial statement already audited by a public accountant for any Foundation of which the financial statement must be audited pursuant to the Law;
- b. data on the names of the members of Patrons, Management, and Supervisors appointed upon adjustment.
- (3) Notice of amendment to Articles of Association of the Foundation as referred to in section (2) already adjusted to the Law shall be submitted to the Minister by the Foundation's Executive Board or their proxy through notary public drawing up deed of amendment to the Articles of Association of the Foundation.
- (4) Notice of amendment to the Articles of Association of the Foundation as referred to in section (3) is enclosed with:
- a. copy of deed of amendment to the Articles of Association of the Foundation;
 - b. Supplement to Bulletin Gazette of the Republic of Indonesia containing deed of Foundation establishment or proof of registration of deed. of establishment with district court and permits to perform activities from the relevant agencies;
 - c. copy of Taxpayer Identification Number of the Foundation already certified by notary public;
 - d. statement of domicile and full address of the Foundation signed by the Foundation's management and recognized by the local village head;
 - e. balance sheet of the Foundation signed by all members of the Foundation's organs or public account report on the Foundation's assets upon adjustment;
 - f. announcement in newspapers on summary of annual reports for any Foundation of which the part of the assets originates from State aid, foreign aid, and/or public contribution as referred to in Article 72 of the Law; and

- g. proof of payment of fees for receiving notice of amendment to the Articles of Association of the Foundation and announcement thereof.

Article 38

Amendment to the Articles of Association of the Foundation as referred to in Article 37 becomes effective as of registration of the amendment in Register of Foundation.

Article 39

Any Foundation not yet notifying the Minister of the same pursuant to a provision as referred to in Article 71 section (3) of the Law cannot use a phrase "Foundation" before its name as referred to in Article 71 section (4) of the Law and liquidates their assets as well as submit the remaining liquidation proceeds in accordance with the provisions as referred to in the Article 68 of the Law.

Article 40

- (1) Any foreign Foundation already making their activities in Indonesia before effectiveness of this Government Regulation is obligated to adjust as referred to in to Article 26 within not later than 3 (three) months as of date of effectiveness of this Government Regulation,
- (2) Activities of the Foundation as referred to in section (1) not adjusting to the provisions of Article 26 after the lapse of 3 (three) months as of date of effectiveness of this Government Regulation may be stopped by the competent agency or the prosecution in the public interest.

Article 41

Any Foundation of which the assets originate from state aid granted as a grant, foreign aid, and/or public contribution received before effectiveness of this Government Regulation becomes the Foundation's assets.

CHAPTER XIII CLOSING PROVISIONS

Article 42

This Government Regulation come into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Government Regulation by its placement in State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on September 23 2008

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed.

SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta
on September 23 2008

MINISTER OF LAWS AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA

Signed.

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2008 NUMBER 134

Jakarta, 7 June 2017

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA

ELUCIDATION
OF
GOVERNMENT REGULATION
OF THE REPUBLIC OF INDONESIA
NUMBER 63 OF 2008
ON
IMPLEMENTATION OF LAW ON FOUNDATIONS

I. GENERAL

The existence of Foundations in the community to perform activities and attain certain aims and objectives in social, religious, and humanitarian activities has developed rapidly with various characteristics. Therefore, for legal certainty and orderliness and to return the functions of Foundations as a legal institution to attain their activities, aims, and purposes, Law Number 16 of 2001 on Foundations as already amended by Law Number 28 of 2004 on Amendment to Law Number 16 of 2001 on Foundations has been stipulated.

The Law indicates that several provisions are further stipulated under Government Regulation. The provisions are:

1. Article 9 section (4) regarding fees for drawing up notarial deed of the establishment of Foundation.
2. Article 9 sections (5) regarding Foundation Establishment by foreigners or jointly with foreigners and on terms of and procedures for Foundation establishment.
3. Article 14 section (14) regarding the minimum preliminary assets separated from personal assets of the founders of the Foundation.
4. Article 15 section (4) regarding the use of the name of the Foundation.

5. Article 27 section (2) regarding terms of and procedures for granting State aid to Foundations.
6. Article 61 regarding procedures for Foundation amalgamation.
7. Article 69 section (2) regarding terms of and procedures for making activities in Indonesia by foreign Foundations.

Based on the foregoing, the implementing regulation thereof is contained in on Government Regulation, namely Government Regulation on Implementation of Law on Foundations to make this Government Regulation easily understood by the public particularly the users.

The subjects contained in Government Regulation on Implementation of Law on Foundations cover:

1. General Provisions;
2. Use of the Name of the Foundation;
3. Preliminary Assets of Foundations;
4. Foundation Incorporation Based on Testament;
5. Terms of and Procedures for Foundation Establishment by Foreigners;
6. Terms of and Procedures for Requesting for Ratification of Deed of Establishment and Approval of Deed of Amendment to Articles of Association of Foundations;
7. Procedures for Notifying Amendment to Foundations' Articles of Association and Data;
8. Terms of and Procedures for Granting State Aid to Foundations;
9. Terms of and Procedures for Making Activities in Indonesia by Foreign Foundations;
10. Procedures for Foundation Amalgamation;
11. Fees;
12. Transitional Provisions; and
13. Closing Provisions.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Section (1)

The term "own name" means the name of the relevant Foundation.

Examples of the Names of the Foundations are among others: Jhonsori and Jhonson Foundation, Al-Muttaqin Foundation, Matahari Foundation, and Rumah Abu Oei Foundation.

Section (2)

Sufficiently clear.

Section (3)

Any Foundation that has been liquidated is notified to the Minister by liquidators.

Any Foundation that is declared insolvent and has been liquidated is notified to the Minister through receivers.

Dissolution of an amalgamating Foundation is notified to the Minister by the Executive Board of the Foundation approving the Amalgamation.

Article 3

Sufficiently clear.

Article 4

Section (1)

Point a

The term "the same" means the same pronouncement or writing. In the event that the name may be added with the name of the village, and/or the name of the regency/municipality or another name as a distinctive feature of the same name as the name of a Foundation, for example, "Diponegoro Semarang Foundation" is different from "Diponegoro Buba'an Semarang Foundation".

Point b

For example

- The name of the Foundation contravenes the public orderliness, for example Togel Foundation.
- The name of the Foundation contravenes the ethics, for example Prostitute Foundation.

Section (2)

Sufficiently clear.

Section (3)

The term "Foundation" in this section means including any Foundation not recognized as a legal entity by Article 71 section (1) of the Law.

The term "another name" means the different name as the original name or by adding the name of the village, sub-district, or another name to the Name of the Foundation so refused so the difference is apparent.

Article 5

Sufficiently clear.

Article 6

Section (1)

The term "amounting to" means if the separated assets are not in the form of rupiah, the value of the assets equals Rp10,000,000.00 (ten million rupiah).

Section (2)

The term "amounting to" means if the separated assets are not in the form of rupiah, the value of the assets equals Rp 100,000,000.00 (one hundred million rupiah).

Article 7

The term "assets validity" means assets not procured illegally, for corruption, money laundering.

Article 8

The term "open testament" means a testament made before notary public in accordance with Civil Code.

Article 9

Sufficiently clear.

Article 10

Section (1)

Sufficiently clear.

Section (2)

The term "another rule of law" means for example, rule of law on immigration or labour affairs.

Article 11

Sufficiently clear.

Article 12

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term "permits" means permits to perform any activities or run any businesses, for example:

- work permit;
- research permit;
- study permit;
- religious permit;
- operation permit in accordance with the Law on Investment.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

The term "family" means husband or wife and their children.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Section (1)

The term "amendment to a Foundation's data" means amendment not to Articles of Association.

For example:

- Amendment to names of the Foundation's Governing, Executive, and Supervisory Boards.
- Amendment to the Foundation's full address notified.

Section (2)

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

- The term "state aid in the form of services" means, among others, in the form of trainings, scholarships or consultancy services that are appraised with money.
- The term "state aid in other forms" means those in the form of land, building, or other assets belonging to the state government and/or local government including any facilities provided by the state government and or local government.
- The term "otherwise" means among others lease.

Section (3)

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

The term "individual" means individuals or legal entities.

Article 24

Section (1)

The term "once a year" means at the end of fiscal year during granting of aid or application of aid.

Section (2)

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Section (1)

Social, religious, and humanitarian activities In this provision exclude research and development activities.

Section (2)

Sufficiently clear.

Section (3)

The term "political aspect" means that activities performed by a foundation must comply with foreign politics in the framework of the bases of the state namely Pancasila, the 1945 Constitution, the Unitary State of the Republic of Indonesia, and the diversity of Indonesia people.

The term "juridical aspect" means that activities performed by a foreign foundation must not contravene the provisions of laws and regulations.

The term "technical aspect" means that activities of a foundation are able to be well performed.

The term "security aspect" means that activities of a foundation are not intended for foreign intelligence activities that are able to harm the national security.

Section (4)

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Section (1)

The term "Articles of Association of the relevant Foundation" means Articles of Association of a Foundation recognized as a corporate body and not yet adjusted to the law.

Section (2)

Point a

The term "the entire assets of a Foundation" means those in the form of the preliminary assets of the Foundation and any assets procured after Foundation incorporation as contained in financial statement of the Foundation upon adjustment, so that the entire assets of the Foundation amount to less than Rp10,000,000.00 (ten million rupiah) upon adjustment.

Point b

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

The term "the provision as referred to in Article 71 section (3) of the Law" means the notice thereof 1 (one) year after adjustment, of which the time limit of the adjustment is 6 October 2008.

Article 40

Section (1)

Sufficiently clear.

Section (2)

The term "the competent agencies" means an agency granting permits to perform activities in Indonesia and an agency granting permits for foreigners to enter Indonesia.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

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