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Implementation Good Corporate Governance (GCG) in Indonesia State Owned Enterprise (SOE) in Indonesia is been driven since the second wave of corporate governance, it started by issuing several regulations relating to corporate governance, even though not every regulations is talking about it but it seems that all regulations is carrying the good corporate governance spirit. The regulations as follows:

1. Keputusan Presiden Republik Indonesia Nomor 122 Tahun 2001 Tentang Tim Kebijakan Privatisasi Badan Usaha Milik Negara

This Presidential Decree is concerning the establishment of State Owned Enterprises Privatization Policy Team which responsible to set up policy relating to privatization issues and also to responsible for the smoothness of privatization process. This Presidential Decree also stated that one of the reasons to carry out SOE privatization is to increase SOE performance and create an added value to the company based on good corporate governance principle. This decree is also regulating about the organization of this team.

2. Keputusan Menteri Badan Usaha Milik Negara Nomor : Kep-103/Mbu/2002 Tentang Pembentukan Komite Audit Bagi Badan Usaha Milik Negara

This Ministerial Decree is regulating the establishment of Audit Committee for SOE which have functioned to help Board of Commissioner, Audit Committee is independent and directly responsible to the Board of Commissioner. In order carry out his function, Audit Committee has several tasks such as evaluating the audit process and the result of the audit done by Internal Audit or External Audit after that Audit Committee directly report to the Board of Commissioner. This decree is also regulating about the organization of this committee as also the requirement to become member of this committee.

3. Keputusan Menteri Badan Usaha Milik Negara Nomor Kep-104/Mbu/2002 Tahun 2002 Tentang Penilaian Calon Anggota Direksi Badan Usaha Milik Negara

This Ministerial Decree is regulating the formal and material requirement to become SOE director candidates. And also the establishment of Evaluating Committee for evaluates SOE director candidates this decree also stated that each Board of Director candidates before they acknowledge as a Board of Director is obligatory to sign statement letter to carry out and build good corporate governance principle in company management.

4. Lampiran Keputusan Menteri Badan Usaha Milik Negara Nomor Kep-104/Mbu/2002 Tahun 2002 Tanggal 4 Juni 2002

The content of this enclosure is the Statement Letter to be signed by Board of Director candidates before they acknowledged as Board of Director.

5. Keputusan Menteri Badan Usaha Milik Negara Nomor Kep-117/M-Mbu/2002 Tahun 2002 Tentang Penerapan Praktek Good Corporate Governance Pada Badan Usaha Milik Negara (BUMN)

This Ministerial Decree is legal basis of good corporate governance implementation in SOE and as a reference to SOE management in order to implement the good corporate governance in their company.

6. Surat Edaran Menteri Badan Usaha Milik Negara Nomor Se-01/Mbu/2004 Tahun 2004 Tentang Pengaturan Anggota Direksi, Komisaris, Dan Dewan Pengawas Serta Karyawan BUMN Yang Menjadi Pengurus Partai Politik, Dan/Atau Calon Anggota DPR, DPD, DPRD Provinsi, Dan DPRD Kabupaten/Kota (Calon Anggota Legislatif)

This Ministerial Letter is stated that pursuant to good corporate governance principle and to prevent misuse company facility which can damaged the company therefore Minister of SOE issued regulations about Board of Director, Board of Commissioner, Advisory Board and SOE employee who become member of political party and/or legislation candidates. So based on this letter none of the Board of Director, Board of Commissioner, Advisory Board and SOE employee can also holds as a member of political party and/or legislation candidates, they have to choose whether to stay as SOE family or will be discharge from SOE family.

7. Peraturan Bank Indonesia Nomor 8/4/Pbi/2006 Tentang Pelaksanaan *Good Corporate Governance* Bagi Bank Umum

This Decree is regulating the good corporate governance implementation for regular bank including state bank. This decree will be the reference for Bank to manage the Bank based on corporate governance principle and also stated that Indonesian Central Bank will evaluate the implementation of corporate governance. This decree have the some function as regulations number 5 (five) mentioned above.

Regardless of all the prevailing regulations there is some doubt on Board of Director and Board of Commissioner of the Indonesia State Owned Enterprises (SOE) regarding this issue because there is still overlapping regulations between State Owned Enterprises Law, Company Law, Capital Market Law and Ministerial Decree No. 117 Year 2002 as Corporation Law and UU Kekayaan Negara, UU Perbendaharaan Negara, UU Piutang Negara as Public Law regarding director or commissioner functions. Both of director and commissioner are facing the same dilemma, which law that they have to follow between Corporation Law with Public Law. Are they referring to Corporate Law since they are running business or refer to Public Law since they served the country? This kind of problem still becomes big issues in level of policy maker, business practitioner and legal practitioner. Pending on this issue will damage the good corporate governance implementation and will reflect on business development.