

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 13 OF 1968
ABOUT
CENTRAL BANK
RACHMAT WITH GOD ALMIGHTY.
PRESIDENT OF THE REPUBLIC OF INDONESIA,
Considering:

- a. that as a step towards the improvement of the people's economy should be a cornerstone of revaluing than all the wisdom of economy, finance and development with a view to obtaining the right balance between the effort and the purpose sought to be achieved, namely the creation of a just and prosperous society blessed by Almighty God Pancasila;
- b. that in order to safeguard the State Treasury in general and supervision as well as restructuring the banking system-in particular, needs to be revived considered a central bank that can carry out their duties as well as possible, and another one in accordance with the Provisional People's Consultative Assembly Decree No. XXIII / MPRS / 1966.
- c. that in connection with the things mentioned above should immediately review the rules and regulations applicable to the Bank Negara Indonesia Unit I and establish a law on the Central Bank;

Given:

1. Article 5 paragraph (1), Article 20 paragraph (1), Article 23 and Article 33 of the Act of 1945;
2. Article 55 of the Provisional People's Consultative Assembly Decree No. XXIII / MPRS / 1966.
3. Provisional People's Consultative Assembly Decree No. XLIV / MPRS / 1968.
4. Law No. 14 of 1967 on the Principles of Banking.
5. Act No. 32 of 1964 concerning Foreign Exchange Traffic Regulations.

With the approval of the House of Representatives Mutual Cooperation.

Decided:

Revoke: Presidential Decree number 8, 9, 10, 11, 13, 16, 17 and 18 of 1965 and Act No. 11 of 1953 on the Principles of Bank Indonesia with all the change and enhancements

To stipulate: LAW ON CENTRAL BANK.

CHAPTER I.
TERMS PFNDIRIAN.

Article 1.

- (1) In the name of Bank Indonesia established a Central Bank in Indonesia.
- (2) Bank Indonesia is the property of the State and is a legal entity, which is entitled to perform the duties and business based on this Act.
- (3) Without prejudice to the provisions of this Act, the Bank Indonesia applies all kinds of Indonesian law.

CHAPTER II.
GENERAL REQUIREMENTS.

Article 2.

Referred to in this Act with:

- a. "Bank" is a Bank Indonesia;
- b. "Governor" is the Governor of Bank Indonesia;
- c. "Substitute-governor" is Lieu-Governor of Bank Indonesia;
- d. "Director" means the Director of Bank Indonesia;

e. "Directors" means the governor and directors of Bank Indonesia.

Article 3.

- (1) Banks domiciled and headquartered in the capital city of the Republic of Indonesia and may have offices in all regions of the Republic of Indonesia.
- (2) The Bank may have representatives and correspondents outside the countries.

CHAPTER III. CAPITAL.

Article 4.

- (1) The capital of the Bank amounted to Rp. 1.000.000.000, - (one thousand million dollars) which is the State assets are separated.
- (2) Capital referred to in paragraph (1) can be coupled with the approval of the House of Representatives.

Article 5.

- (1) The Bank has a general reserve is formed and nurtured under the provisions of Article 47 paragraph (6) letter a.
- (2) General reserves used to cover losses that may be suffered against the Bank's capital.

Article 6.

- (1) Bank to form reserves of destination, in accordance with the provisions of Article 47 paragraph (6) letter b.
- (2) Every reserves held by the Bank must clearly turned out in the Bank's bookkeeping.

CHAPTER IV. MAIN TASKS BANK.

Article 7.

Bank principal task is to assist the Government in:

- a. Organize, preserve and maintain stability in the rupiah;
- b. Encourage the smooth production and development as well as expanding employment opportunities; in order to improve the lives of the people.

Chapter V.

CENTRAL BANK RELATIONSHIP WITH THE GOVERNMENT.

Article 8.

- (1) Bank run basic tasks mentioned in Article 7, based on a policy determined by the Government.
- (2) In establishing the policy in paragraph (1) the Government is assisted by a Monetary Board.

CHAPTER VI. MONETARY BOARD.

Article 9.

- (1) Monetary Board assist the Government in planning and set monetary policy as referred to in Article 8, to propose benchmarks in order to attempt to maintain monetary stability, fullness employment opportunities and improving the living standard of the people.
- (2) Monetary Board to lead and coordinate the implementation of monetary policy set by the Government.

Article 10.

- 1 Monetary Board consists of 3 (three) members, namely the membidang Ministers of Finance and Economy and the Governor of the Bank.
- 2) Between the members of the Monetary Board and the members of the Board of Directors should not have any family relationship up to third degree vertically or horizontally to the side, including law and brother in law.
- (3) If a Member of the Board of Directors after his appointment entry forbidden family relationship with a member of the Monetary Board as contemplated in subsection (2), the Board of Directors Member concerned should not continue to assume his post without permission of the President.
- (4) If deemed necessary, the Government can, add some Member minister as an advisor to the Monetary Board.
- (5) Secretariat of the Monetary Council was organized by the Ministry of Finance.

Article 11

- (1) Monetary Board is chaired by the Minister of Finance.
- (2) Members of the Monetary Council in whenever he is absent, to appoint a representative on proxies may participate in sessions of the Monetary Board with voting rights.

Article 12.

- (1) Monetary Board convened at least 14 (fourteen) days and thereafter each time when a member requests it.
- (2) In speaking of things that are technical, the Monetary Board Members each entitled to appoint an expert adviser who can attend the Council meeting.
- (3) Monetary Board could ask the Government Commissioner to attend the sessions of the Council.

Article 13.

- (1) Monetary Board's decision was taken with the wisdom deliberation.
- (2) If the governor can not agree with the results of the deliberations of the Monetary Board, he may submit his opinion to the Government.

Article 14.

Rules and how to run jobs Monetary Council established by the Monetary Board.

CHAPTER VII. DIRECTORS

Article 15.

- (1) The Bank is led by a Board of Directors consisting of a Governor and at least 5 (five) and no more than seven (7) Directors.
- (2) total-lot 2 (two) Directors appointed by the President as Substitute-governor to represent the governor when the governor is absent.
- (3) a. Governors and Directors are appointed by the President upon the recommendation of the Monetary Board for a term of 5 (five) years. After that time expires, the question may be reappointed;

b. To be appointed as Governor and Director, which bersangkutan must Warga- State of Indonesia which has the expertise and character and good morals.

Article 16.

-1 Duties and obligations of the Board of Directors are:

- a. carry out all the work of the Bank as stipulated in this Law;
- b. implementing monetary policy set by the Government;
- c. determine policy in the management of the Bank.

-2 On the performance of duties and obligations mentioned in paragraph (1) The Board of Directors is responsible to the Government.

-3 Decision of the Board of Directors taken with wisdom deliberation.

-4 Directors appoint and dismiss employees of the Bank in accordance with personnel regulations Bank without prejudice to the provisions based on the Government's rules and regulations.

-5 Directors determine the salaries, pensions and annuities as well as other income of Bank Employees.

-6 Discipline and how to carry out the work the Board of Directors is set in a regulation established by the Board of Directors.

Article 17.

-1 President can dismiss the governor and directors even though tenure has not yet ended:

- a. since died;
- b. because doing something or being detrimental Bank or contrary to the interests of the State;
- c. because something that caused him to not be able to carry out their duties with reasonable;
- d. at his own request.

-2 In cases where there are allegations alleged in paragraph (1) letter b, the governor and directors may be removed temporarily from his duties by the Government. Suspension shall notify in writing to the person concerned with the reasons which led to such action.

-3 Governor and directors are subject to the suspension given the opportunity to defend themselves in writing to the President within two (2) weeks after the relevant notified about the decision.

-4 If, within 1 (one) month from the date of dismissal while no endorsement or decision of the President about this matter, then the temporary dismissal is void according to the law.

-5 If the offense referred to in paragraph

(1) b, is a violation of criminal law, the dismissal would be a dishonorable discharge.

Article 18.

(1) Among the members of the Board of Directors of each other there should be no family relationship up to third degree vertically or laterally lines including law and brother in law. If the appointment after they enter the forbidden family relationships, then one of them, it should not resume his post without permission of the President.

(2) The Governor and directors may not trade or have interests in any one company too, either directly or indirectly.

(3) The Governor and directors can not assume a concurrent position, except with the consent of the Government.

Article 19.

Salary and other income for the Governor and the Director-director designated by the President. Article 20.

Existing regulations on compensation claims against the servants not the Treasurer shall also apply to the Board of Directors Members and Employees of the Bank.

Article 21.

- (1) The Board of Directors represents the Bank in and outside the court.
- (2) The Board of Directors may delegate the power to represent the in paragraph (1) to one or more of the Directors specifically appointed to it or to a few people Employees Bank, either alone or jointly or to any person / other entity.

CHAPTER VIII.
GOVERNMENT COMMISSIONER.

Article 22.

- (1) The Government Commissioners oversee the management of the Bank as the Company.
- (2) The Government Commissioner is appointed and dismissed by the President upon the recommendation of the Minister of Finance.
- (3) To be appointed as a Commissioner of the Government, that question must Citizen-State Indonesia, which has the expertise and character and good morals.
- (4) Appointment of Commissioner of Government valid for 3 (three) years. After that time expires, he may be reappointed.
- (5) Between the Government Commissioner and Member of the Board of Directors there should be no family relationship up to third degree vertically or laterally lines including law and brother in law. If the appointment of Commissioners after the government banned entry of family relationships that, then he should not continue his post without permission of the President.

Article 23.

- (1) The Commissioner of the Government are entitled to request all information and examine all books and letters of the Bank and he can enlist the help of the Directorate of State Accountant to check the books and the letters if he considers necessary to carry out its obligations.
- (2) The Board of Directors is obliged to provide all necessary explanations by the Commissioner of the Government to carry out their duties as well as possible.
- (3) The Government Commissioner has the right to attend meetings of Directors

Article 24.

- (1) In performing its duties the Government Commissioner is assisted by a Secretariat which financing charged to the Bank.
- (2) The Government Commissioner receives fees as determined by the Minister of Finance, and charged to the Bank.

CHAPTER IX.
CALCULATE UNIT MONEY.

Article 25.

- (1) Units count money Indonesia is Rupiah. As an acronym used the "USD".
- (2) Indonesian Rupiah divided into 100 (one hundred) cents.
- (3) Every action that the payment of money or has the purpose or purposes obligation that must be fulfilled by money, if done in Indonesia, made in Indonesian Rupiah, unless other provisions are held firmly by the legislation.

CHAPTER X.
TASK BANK DETAILS.
Currency circulation.

Article 26.

- (1) The Bank has the sole right to issue banknotes and coins.
- (2) Money referred to in subsection (1) of this article is the legal tender in Indonesia.
- (3) Prior to the beginning of the budget year the Government determines the maximum amount of money that pursuant to paragraph (1) will be circulated during the year and include them in the Financial Memorandum.
- (4) Type, value and characteristics of money to be spent is determined by the Bank, and notified to the public by way of publication in the News-State.
- (5) Money issued by the Bank are exempt from stamp duty.
- (6) The money that flows back into the Bank treasury and therefore deemed no longer fit for circulation back, marked by the Bank and the mode of administration was announced to mark the placement of the News-State.
- (7) The money that has been marked so, worthless and not exchanged by the Bank, if the money was due to theft or other causes circulating again.

Article 27.

- (1) Money can be exchanged at the Bank's head office and its branches' offices on each working day during the hours set by the Bank's cash.
- (2) The Bank does not provide indemnity if the money is lost or destroyed, the Bank does not provide indemnity for portions money money unless there is a guarantee that it deems necessary to prevent loss of the Bank.
- (3) If there is a suspicion of crime or upon written request by an interested party, the Bank may request a letter of submission and affixing signatures on cash or cash package to the parties to exchange money or handing it to be recorded in an account in the Bank.
- (4) The provisions referred to in Articles 229 i, 229 j and 229 k in the Code of Commercial Law does not apply to the banknotes issued by the Bank.

Article 28.

- (1) The Bank may revoke the issuance of money and withdraw it and call the holders of money was to be given in order to be exchanged.
- (2) Bank set a time period for submission referred to in paragraph (1).
- (3) The revocation and the call was announced in the States.
- (4) After the period referred to in paragraph (2) referred to in the call money it can only be exchanged at the Bank's head office, after examination by turns, that the redemption request should be done.
- (5) Ten years after the time specified in paragraph (2) ending the amount of money mentioned in the call are not delivered, added to the profit of the fiscal year running. Money is still left after transfer-the books of and have been examined as referred to in paragraph (4) exchanged at the expense of the income calculation.
- (6) After thirty years since the end of the time period referred to in paragraph (2), the right to claim the exchange of money mentioned in the call is no longer valid.

BANKING AND RURAL.

Article 29.

- (1) Bank to promote the healthy development of credit business and banking matters.
- (2) Bank conduct supervision of credit affairs.

Article 30.

Bank fostering banking by way of:

- a. expand, facilitate and regulate payment traffic demand deposits and inter-bank clearing organized;
- b. establishes general provisions concerning the solvency and liquidity of banks;
- c. provide guidance to banks for carrying on the Bank's stewardship healthy.

Article 31.

Bank asks for a report that is considered necessary and conducted an examination of all the activities of banks in order to oversee the implementation of the provisions that have been issued in the banking sector as stated in Article 29 and Article 30.

Article 32.

-1 In carrying out these basic tasks in Article 7, the Bank:

- a. Credit plan for a certain period of time to be submitted to the Government through the Monetary Board;
- b. sets the level and structure of interest;
- c. establish qualitative and quantitative restrictions on lending by banks.

-2 Bank can provide liquidity loans to banks by means of:

- a. receive mortgage reset;
- b. accept as collateral securities;
- c. receive Acceptance;

with the requirements set by the Bank.

-3 Bank may also provide liquidity loans to banks to overcome the difficulties of liquidity in an emergency.

Bank Lending -4 limited by the credit plan in question.

-5 Banks are not allowed to conduct equity participation in the companies except the inclusion of financial institutions which can only be done from a backup.

Article 33.

(1) The Bank may hold provisions relating to the use of funds by financial institutions except insurance agencies.

(2) The institutions referred to in paragraph (1) required to follow the directions and conditions set by the banks.

FINANCIAL RELATIONS WITH THE GOVERNMENT.

Article 34.

(1) Bank acted as Government Cash Holder.

(2) The Bank organizes the transfer of money to the Government between its offices in the entire territory of the Republic of Indonesia.

(3) the Bank helps governments in the placement of debentures State, stylist-company as well as coupon payments and repayment.

(4) In implementing the provisions of this article the Bank does not take into account costs.

Article 35.

- (1) The bank provides credit to the Government in the current account for cash memperkuas State according to the purposes as set out in the State Budget.
- (2) Loans are granted at the expense of considerable in the State treasury paper and the expenditure as well as penggadaianya permitted by or under the Act.
- (3) For the use of credit mentioned above, the Government pays interest at 3% (three percent) a year and the interest rate referred to can be changed by the Monetary Board in view of the development of the state.
- (4) The results of the interest payments referred to in paragraph (3) after deducting the costs of the Bank set aside and resolved according to the provisions of paragraph (5).
- (5) Not later than within 3 (three) months after the relevant budget year ends, the government is obliged to report to Parliament on the number of credits under paragraphs (1) and on the results of interest payments set aside in accordance with paragraph (4) in accompanied by proposals on the explanation. The House of Representatives further define how the settlement.

Article 36.

- (1) Bank to help the placement of debentures to finance the State Budget expenditure State governed by or under the Act.
 - (2) The Bank may purchase its own debentures that State in paragraph (1).
- Fund Mobilization-FUND

Article 37.

Bank to encourage the deployment of public funds by banks for the purpose of business development and planning productive.

INTERNATIONAL RELATIONS.

Article 38.

- (1) In the framework of the implementation of the main tasks in Article 7, the Bank's foreign exchange plan that reflects the maintenance of the National Economic and expedite development efforts by observing the position of international liquidity and solvency to be submitted to the Government through the Monetary Board.
- (2) In order to preserve and maintain the liquidity and solvency position internationally referred to in paragraph (1) above:
 - a. Bank control, manage and organize the administration of the gold and foreign exchange reserves belonging to the State;
 - b. The government set the terms of payment with regard to loan agreements that resulted in payment obligations at the expense of gold and foreign exchange reserves of the State, albeit within the limits specified in the plan by taking into consideration the Bank's foreign exchange;
 - c. Try arranging bank-bills and liability cash or futures eterhadap abroad;
 - d. Bank undertake the maintenance of the minimum amount of gold and foreign exchange reserves belonging to the State's international obligations in the comparison to be regulated by Law.

Article 39.

- (1) If the development of the balance of payments showed symptoms resulting decline in reserves of gold and foreign exchange reserves belonging to the State under the minimum laid down in Article 38 paragraph (2) letter d, the Bank reported the development to the Government through the Monetary Board and take security measures considers necessary to restore equilibrium in the balance of payments.

(2) The Government in no later than 1 (one) month set further action to address the above circumstances.

Article 40.

Bank can perform tasks in the field of payment with Foreign Affairs.

CHAPTER XI.

BUSINESS-BUSINESS BANK.

Article 41.

In the framework of his duties as the Central Bank:

-1 Bank to move money, either by notification telegram or by letter, or by providing a note-point between his office; drawdown on existing credit balances on correspondent done telegram or with a money order-point.

-2 Bank accept and pay back the money in a checking account, run a command to the transfer money, receive payment of bills on precious paper and perform calculations with or between third parties.

-3 Bank discounting:

a. letters and mail-order draft with two or more person in charge of solidarity and with a validity period not longer than in the habit of trading;

b. letters-notes and other commercial paper that is not longer the period of validity of the habit in the trade either drawn with guarantee letters of credit, as well as to guarantee the transport documents;

c. paper-treasury at the expense of the State;

d. debt securities with repayment within six months and during diskontonya also responsible solidarity;

e. mandate and / or warrant paying over to the State treasury yield-auction.

-4 Banks buy and sell:

a. notes that diakseptasi by a bank with a validity period not longer than in the habit of trading;

b. paper-treasury at the expense of the State;

c. State debt securities or other debt securities are listed on an official stock exchange that interest and repayment is guaranteed by the State.

-5 Bank buying and selling checks, drafts letters, paper-other trading, payment by letter or telegram with a validity period not longer than in the habit of trading and guarantees are commonly applicable to it.

-6 Bank gives collateral-bank (bank-guarantee) with dependents sufficient.

-7 Bank provides storage of valuables.

Article 42.

In the seizure of goods-fixed or crops, goods or other dependents effect, which is bound to the Bank, as collateral for the obligations of the Bank, the Bank may buy all or part of the goods or agricultural products, goods or other dependents effect, to used the money back with secepatcepatnya.

CHAPTER XII.

REGULATION OF PENSIONS AND ANNUITIES

BANK EMPLOYEES ON.

Article 43.

-1 Bank hold pension funds and annuities Bank employees who are separated wealth.

(2) The Bank shall see to it that these funds reach the amount of the cash price obligations that must be met for the Bank and the Employees shall maintain also that the amount of the cash price was not reduced.

(3) Bank to contribute to the fund referred to in paragraph (1).

(4) pension and annuity Bank employees referred to in paragraph (1) and the contribution of the Bank to the funds referred to in paragraph (3) are not taken into account with funds in Article 47 paragraph (6) c and d.

(5) further provisions on the funds referred to in paragraph (1) as well as the contribution to in paragraph (3) shall be determined by the Board of Directors.

Chapter XIII.

BUDGET, SHEETS AND STATEMENTS.

Article 44.

(1) Prior to the new fiscal year starts, the Board of Directors of the Bank submit the annual budget to the Government for approval.

(2) Approval of the annual budget of the Government on the Bank should have been given at the latest two (2) months after receipt of the Bank's Annual Budget in paragraph (1).

If within the specified time, the government does not raise objections to the Bank's Annual Budget, the Budget applies solely to be implemented by the Board of Directors.

(3) Any amendment to the annual budget of the Bank that occurred during the fiscal year in question must obtain prior approval from the Government before they can be implemented.

Article 45.

Bank made a brief weekly balance sheet which must be announced every 7 (seven) days and published in the News of the States.

Article 46.

At the end of each financial year, the Bank prepare an annual report that describes the financial and economic development broadly.

Chapter XIV.

ANNUAL CALCULATION.

Article 47.

(1) The fiscal year is the Year of the Department of Budget Bank.

(2) Not later than six (6) months after the end of the fiscal year, the Board of Directors submit annual accounts which mainly consists of the balance sheet and income to the Government for approval.

(3) If, within three (3) months after the Government receives annual calculation was not objected by it, then it means that the annual accounts have been approved by the Government.

(4) The Directorate of State Accountant examine the annual accounts.

(5) Balance sheet and profit-and-loss calculations validated thus giving exemption solely the responsibility to the Board.

-6 Profit Bank is authorized and after taxes divided as follows:

a. twenty percent for the general reserve, until the reserve reaches the amount equal to the Bank's capital;

b. twenty percent for backup purposes;

- c. seven and a half percent for Bank Employees welfare funds whose use is implemented with due regard to the instructions of the Government;
- d. seven and a half percent for production services for Bank employees, with a limit of a maximum of three (3) times the salary of a month;
- e. the use of the remaining profit is set by the Government.

CHAPTER XV. SPECIAL PROVISIONS.

Article 48.

Banks may require agencies and / or economic union to give him particulars and materials required by the Bank in performing its duties and its business.

CHAPTER XVI PENALTY PROVISIONS

Article 49

(1) Governors, Directors and Employees of the Bank, as well as the Government Commissioner Secretariat Employees and Employees Monetary Board Secretariat Government Commissioner did not give captions information obtained because of their position except when necessary for the execution of their duties or to fulfill obligations under this Act.

(2) Governors, Directors and Employees of the Bank, as well as the Government Commissioner Secretariat Employees and Employees Monetary Board Secretariat Government Commissioner contrary to the provisions in paragraph (1) provide information that is acquired because of his position, be punished with imprisonment for ever 1 (one) years and / or fine of maximum Rp. 10.000, - (ten thousand dollars).

(3) The offenses mentioned in paragraph (2) of this article is considered as a crime.

Article 50

If the obligations mentioned in Article 48 of this Act are not fulfilled by the bodies or entities economy, then the question may be punished with fines sebanyakbanyaknya Rp. 10.000, - (ten thousand dollars).

CHAPTER XVII TRANSITIONAL PROVISIONS

Article 51

(1) All rights and obligations as well as the wealth of the country and supplies Bank Indonesia Unit I referred to in Presidential Decree No. 17 of 1965, turned into the rights and obligations as well as the richness and the fixtures of the Bank.

(2) All rights and obligations as well as the richness and the fixtures of Bank Negara Indonesia Unit II, III, IV and V as stipulated in Presidential Decree No. 17 of 1965, turned into the rights, obligations and richness and equipment from state banks that each each will be established by a separate law.

(3) At the time this Act comes into force the governor and directors and other employees of the Bank Negara Indonesia Unit I continued his work until further provisions.

Article 52

To ensure konstinuitas in the leadership of the Bank, then at the first appointment of a director may be held deviation from the provisions of the term of office pursuant to Article 15 paragraph (3) letter a.

Article 53

For the first time the Bank financial year starting on a date to be determined by the Minister of Finance and ending on March 31, 1969.

Article 54

(1) At the time this Act comes into force, then banknotes Bank Indonesia and the Government of metal paper money issued prior to the enactment of this Act, remain in character as legal tender.

(2) The expenses of this Act, the Act on Currencies of 1951 with additions and amendments declared invalid.

(3) Any regulations on the implementation of the Basic Law on Bank Indonesia in 1953 and Presidential Decree No. 17 of 1965 is not contrary to the provisions of this Act remains valid.

SECTION XVIII

CLOSING

Article 55

Things were insufficiently regulated in this Act shall be stipulated by government regulation.

Article 56.

This Act is called "Bank Indonesia Act 1968", currently the entry into force of this Act stipulated by the Ministry of Finance.

So that everyone can be aware of, this Act shall be promulgated in the State Gazette-Republic of Indonesia.

Ratified in Jakarta

on 7 December 1968. The President of the Republic of Indonesia,

SOEHARTO. General T.N.I.

Promulgated in Jakarta

on December 7, 1968. Secretary of State RI

Alamsjah.

Major General T.N.I.