

REGENT OF GRESIK

EAST JAVA PROVINCE

REGULATION OF THE REGENT OF GRESIK

NUMBER 71 OF 2022

ON

PROCEDURE FOR THE SETTLEMENT OF REGIONAL LOSS CLAIMS

BY THE BLESSINGS OF ALMIGHTY GOD

THE REGENT OF GRESIK,

Considering: that in order to implement the provisions in Article 56 of the Regulation of the Minister of Home Affairs Number 133 of 2018 on the Settlement of Regional Loss Claims against Non-Treasurer Civil Servants or Other Officials, it is necessary to issue a Regent Regulation on the Procedure for the Implementation of the Settlement of Regional Loss Claims;

Considering: 1. Law Number 12 of 1950 on the Establishment of Regency Areas within the East Java Province (State Gazette of the Republic of Indonesia of 1950 Number 41) as amended by Law Number 2 of 1965 on the Change of the Boundary Area of Surabaya Municipality and the Type II Regional Government of Surabaya by Amending Law Number 12 of 1950 on the Establishment of Regency Areas and Large Cities within the East Java Province, Central Java Province, West Java Province and the Special Region of Yogyakarta (State Gazette of the Republic of Indonesia of 1965 Number 19, Supplement to the State Gazette of the Republic of Indonesia Number 2730);

2. Law Number 28 of 1999 on Clean and Corruption-Free State Administration (State Gazette of the Republic of Indonesia of 1999 Number 75, Supplement to the State Gazette of the Republic of Indonesia Number 3851);

3. Law Number 17 of 2003 on State Finance (State Gazette of the Republic of Indonesia of 2003 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4286);

4. Law Number 1 of 2004 on State Treasury (State Gazette of the Republic of Indonesia of 2004 Number 5, Supplement to the State Gazette of the Republic of Indonesia Number 4355);

5. Law Number 15 of 2004 on the Examination of State Financial Management and Accountability

(State Gazette of the Republic of Indonesia of 2004 Number 66, Supplement to the State Gazette of the Republic of Indonesia Number 4400);

6. Law Number 5 of 2014 on State Civil Apparatus (State Gazette of the Republic of Indonesia of 2014 Number 6, Supplement to the State Gazette of the Republic of Indonesia Number 5494);

7. Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times lastly by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);

8. Government Regulation Number 14 of 2005 on the Procedure for the Elimination of State/Regional Receivables (State Gazette of the Republic of Indonesia of 2005 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 4488);

9. Government Regulation Number 27 of 2014 on the Management of State/Regional Assets (State Gazette of the Republic of Indonesia of 2014 Number 92, Supplement to the State Gazette of the Republic of Indonesia Number 5533) as amended by Government Regulation Number 28 of 2020 on Amendment to Government Regulation Number 27 of 2014 on the Management of State/Regional Assets (State Gazette of the Republic of Indonesia of 2020 Number 142, Supplement to the State Gazette of the Republic of Indonesia Number 6523);

10. Government Regulation Number 38 of 2016 on the Procedure for Regional Loss Claims against Non-Treasurer Civil Servants or Other Officials (State Gazette of the Republic of Indonesia of 2016 Number 196, Supplement to the State Gazette of the Republic of Indonesia Number 5934);

11. Government Regulation Number 12 of 2017 on Guidelines for Guidance and Supervision of Regional Government Administration (State Gazette of the Republic of Indonesia of 2017 Number 73, Supplement to the State Gazette of the Republic of Indonesia Number 6041);

12. Government Regulation Number 12 of 2019 on Regional Financial Management (State Gazette of the Republic of Indonesia of 2019 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 6322);

13. Regulation of the Minister of Home Affairs Number 80 of 2015 on the Formation of Regional Legal Products (State Gazette of the Republic of Indonesia of 2015 Number 2036) as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on Amendment to Regulation of the

Minister of Home Affairs Number 80 of 2015 on the Formation of Regional Legal Products (State Gazette of the Republic of Indonesia of 2018 Number 157);

14. Regulation of the Minister of Home Affairs Number 19 of 2016 on Guidelines for the Management of Regional Assets (State Gazette of the Republic of Indonesia of 2016 Number 547);

15. Regulation of the Minister of Home Affairs Number 133 of 2018 on the Settlement of Regional Loss Claims against Non-Treasurer Civil Servants or Other Officials (State Gazette of the Republic of Indonesia of 2019 Number 161);

16. Regulation of the Supreme Audit Institution Number 3 of 2007 on the Procedure for Settling Regional Loss Claims against Treasurers (State Gazette of the Republic of Indonesia of 2007 Number 147);

17. Regional Regulation of the Regency of Gresik Number 2 of 2019 on Guidelines for the Management of Regional Assets of the Gresik Regency Government (Regional Gazette of the Regency of Gresik of 2019 Number 2);

18. Regional Regulation of the Regency of Gresik Number 12 of 2016 on the Formation of Regional Apparatus of Gresik Regency (Regional Gazette of the Regency of Gresik of 2016 Number 18) as amended several times lastly by Regional Regulation Number 8 of 2021 on the Second Amendment to Regional Regulation Number 12 of 2016 on the Formation of Regional Apparatus of Gresik Regency (Regional Gazette of the Regency of Gresik of 2021 Number 13);

19. Regulation of the Regent of Gresik Number 66 of 2021 on the Position, Organizational Structure, Duties, Functions and Work Procedures of the Regional Revenue, Financial Management and Asset Agency of the Regency of Gresik (Regional Gazette of the Regency of Gresik of 2021 Number 66);

DECIDES:

To Enact: THE REGENT REGULATION ON THE PROCEDURE FOR THE IMPLEMENTATION OF THE SETTLEMENT OF REGIONAL LOSS CLAIMS.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regent Regulation:

1. Region means the Regency of Gresik.
2. Regional Government means the Gresik Regency Government.
3. Regent means the Regent of Gresik.
4. Regional House of Representatives, hereinafter referred to as DPRD, means THE REGIONAL HOUSE OF REPRESENTATIVES OF REGENCY OF GRESIK.
5. Inspectorate means the Gresik Regency Inspectorate as the Internal Government Supervisory Apparatus.
6. Inspector means the Head of the Gresik Regency Inspectorate.
7. Supreme Audit Institution of the Republic of Indonesia, hereinafter referred to as BPK, means the State Institution tasked with examining the management and accountability of State finances.
8. State Assets and Auction Service Office, hereinafter referred to as KPKNL, means the vertical agency of the Directorate General of State Assets located in the Region and directly responsible to the Regional Office which has duties in the field of state assets, valuation, state receivables, and auctions in accordance with the provisions of legislation.
9. Regional Revenue, Financial Management and Asset Agency, hereinafter referred to as BPPKAD, means the Regional Revenue, Financial Management and Asset Agency of the Regency of Gresik.
10. Head of the Regional Revenue, Financial Management and Asset Agency, hereinafter referred to as Head of BPPKAD, means the Head of the Regional Revenue, Financial Management and Asset Agency of the Regency of Gresik.
11. Personnel Development and Human Resources Agency, hereinafter referred to as BKPSDM, means the Personnel Development and Human Resources Agency of the Regency of Gresik.
12. Head of the Personnel Development and Human Resources Agency, hereinafter referred to as Head of BKPSDM, means the Head of the Personnel Development and Human Resources Agency of the Regency of Gresik.
13. Regional Loss means the shortage of money, securities, and goods, which is real and certain in

amount as a result of unlawful acts, both intentional and negligent.

14. Treasury Claim, hereinafter referred to as TP, means a process carried out to claim compensation for state losses as a result of unlawful acts, both intentional and negligent, committed by the Treasurer.

15. Compensation Claim, hereinafter referred to as TGR, means a claim process against employees in their capacity other than as treasurer/asset manager, with the aim of claiming compensation for losses caused by their unlawful actions and/or negligence of their duties as they should be, so that directly or indirectly cause regional losses.

16. Regional Loss Claim means a process carried out to claim compensation for treasury and compensation as a result of unlawful acts, both intentional and due to negligence, committed by the Treasurer, and/or ASN employees who are not treasurers and/or other parties.

17. Goods means all assets of the Regional Government, both owned and controlled, which are tangible, both movable and immovable, together with their parts or which are units that can be assessed, counted, measured or weighed, including animals and plants, except for money and other securities.

18. Treasurer means a Civil Servant or Non-Civil Servant who works or is assigned as a treasurer.

19. Non-Treasurer Civil Servant means a Civil Servant who works/is assigned duties other than treasurer duties.

20. Other Officials means the Leaders and Members of the Regional House of Representatives and the leaders and members of non-structural institutions funded by the Regional Revenue and Expenditure Budget.

21. The Party Causing Loss means the Treasurer, Non-Treasurer Civil Servant or Other Official who, based on the examination results, caused Regional Loss.

22. Guardian means a person or body that has legal responsibility to represent someone because their personal nature is considered incapable or not fully capable of acting in law.

23. The Party Receiving Entitlement means a person or body who, due to an act or legal event, has received a release of ownership rights to money, securities, and/or goods from the Party Causing Loss.

24. Heir means a surviving family member who replaces the position of the heir in the field of wealth law due to the death of the heir.

25. Regional Loss Settlement Official, hereinafter referred to as PPKD, means the official authorized to settle Regional Loss.
26. Regional Loss Settlement Team, hereinafter referred to as TPKD, means the team tasked with processing the settlement of Regional Loss.
27. Regional Loss Settlement Deliberation Council, hereinafter referred to as the Council, means the officials/employees appointed and designated by the Regent to provide considerations and opinions on the settlement of Regional Loss.
28. Absolute Responsibility Statement Letter, hereinafter referred to as SKTJM, means a statement letter from the Treasurer, Non-Treasurer Civil Servant or Other Official, stating the willingness and/or acknowledgment that the Regional Loss is their responsibility and is willing to compensate for the Regional Loss in question.
29. Decision Letter on Temporary Compensation Burden, hereinafter referred to as SKP2KS, means a letter made by the Regent/Head of the Regional Financial Management Working Unit if SKTJM cannot be obtained.
30. Decision Letter on Compensation Burden, hereinafter referred to as SKP2K, means a decision letter issued by the Regent which has permanent legal force regarding the imposition of compensation for Regional Loss on the Treasurer, Non-Treasurer Civil Servant or Other Official.
31. Decision Letter on Time Limit, hereinafter referred to as SK-PBW, means a decision letter issued by the BPK to the Treasurer and a decision issued by the Regent to Non-Treasurer Civil Servants regarding giving the Treasurer/Non-Treasurer Civil Servant an opportunity to submit objections or self-defense regarding the claim for compensation for Regional Loss.
32. Day means working day.
33. District Court means the Gresik District Court.

CHAPTER II

SCOPE

Article 2

The scope of this Regent Regulation includes:

- a. Information, Reporting and Examination;
- b. Regional Loss Settlement Deliberation Council;
- c. Regional Loss Settlement Team;
- d. Procedure for Settling Treasury Claims and Compensation Claims;
- e. Collection and Deposit;
- f. Expiry;
- g. Elimination of Regional Receivables;
- h. Reporting on the Settlement of Loss Claims and Accounting and Financial Reporting;
- i. Relationship of Loss Claim Sanctions with Other Sanctions;
- j. Sanctions; and
- k. Rehabilitation.

CHAPTER III

INFORMATION, REPORTING AND EXAMINATION

Section One

General

Article 3

(1) The implementation of the settlement of loss claims is applied to TP/TGR perpetrators whose actions, whether intentional or negligent, result in Regional Loss.

(2) The perpetrators referred to in section (1) consist of:

a. Treasurers who harm the Region because:

- 1) they misuse authority/position resulting in Regional Loss;
- 2) they do not keep records and deposit money/goods belonging to the Region under their management;
- 3) they pay/give/disburse money/goods belonging to the Region under their management to

unauthorized parties and/or illegally;

- 4) they do not make financial accountability reports or management of regional assets that are their responsibility;
- 5) they are deceived, stolen from, threatened, or robbed of money/goods belonging to the Region under their management;
- 6) they make accountability reports or reports that are inconsistent with the facts;
- 7) they commit negligence that results in damage to regional assets;
- 8) they manipulate prices, change quality in procurement of goods/services;
- 9) they leave study leave before the determined deadline;
- 10) they are unable to complete study leave within the determined deadline;
- 11) specifically for treasurers, if they receive and keep counterfeit money;
- 12) they damage or destroy regional assets that are their responsibility; and
- 13) they commit other acts that harm the region.

b. Non-treasurer/asset manager employees and other officials who harm the Region due to:

- 1) embezzlement and misappropriation;
- 2) misuse of authority and position;
- 3) theft and fraud;
- 4) damage to regional assets;
- 5) being deceived, threatened, robbed, or having money and goods belonging to the region under their responsibility stolen;
- 6) leaving study leave before the specified deadline, not completing study leave, and not carrying out official duties after completing study leave; and
- 7) other acts that harm the Region.

Section Two

Information and Reporting

Article 4

(1) Information on Regional Loss can be obtained from: Information on the occurrence of Regional Loss originates from:

- a. the results of supervision carried out by the immediate superior;
- b. the Internal Government Supervisory Apparatus;
- c. the BPK examination;
- d. the written report of the person concerned;
- e. written information from the public responsibly;
- f. ex officio calculation; and/or
- g. written reporter.

(2) The PPKD must follow up on any information on the occurrence of Regional Loss, preceded by verification of the information.

Article 5

(1) Every State Civil Apparatus who knows about the occurrence of Regional Loss must report it to the Head of the Reporting Regional Apparatus or authorized official.

(2) The Reporting Head of the Regional Apparatus who knows about the occurrence of Regional Loss in their work environment as referred to in section (1) and in Article 4 section (1) letters c and d, at the latest within 7 (seven) days of knowing the incident, must report the Regional Loss to the Regent.

(3) If the Head of the Regional Apparatus does not report within the time limit as referred to in section (2), the Reporting Head of the Regional Apparatus is considered negligent in carrying out their duties and obligations.

(4) The form of the Regional Loss report referred to in section (2) is as stated in Appendix I, which is an inseparable part of this Regent Regulation.

Article 6

After receiving the report as referred to in Article 5 section (2), the Regent instructs the Inspectorate to conduct an examination of the accuracy of the report and take action to secure and make efforts to return the Regional Loss.

Section Three

Implementation of Examination

Article 7

(1) The Inspectorate, in conducting an examination of alleged or suspected Regional Loss, must be based on the actual facts and the certain amount of Regional Loss, taking into account the provisions of legislation.

(2) The examination results as referred to in section (1) are stated in the Examination Results Report and other documents.

(3) The Examination Results Report and other documents as referred to in section (2) are submitted to the Regent and the Reporting Head of the Regional Apparatus.

(4) Other documents as referred to in section (2) include:

- a. Power of Attorney for Salary/Allowance Deduction and/or other income;
- b. Collateral and/or Securities with a minimum value equal to the value of the Regional Loss; and
- c. Power of Attorney to sell/release Collateral, if the person concerned breaches their promise.

(5) The format of the Power of Attorney for Salary/Allowance Deduction and/or other income as referred to in section (4) letter a is as stated in Appendix III, which is an inseparable part of this Regent Regulation.

(6) The format of the Power of Attorney to sell/release Collateral, if the person concerned breaches their promise, as referred to in section (4) letter c, is as stated in Appendix VI, which is an inseparable part of this Regent Regulation.

(7) A Minutes of Handover is made for the collateral submitted as referred to in section (4) letter b.

(8) The format of the Minutes of Handover of Collateral Return is as stated in Appendix V, which is an inseparable part of this Regent Regulation.

Article 8

(1) If the Inspectorates examination results prove that Regional Loss has occurred, it is followed up by the Reporting Head of the Regional Apparatus.

(2) The value of the Regional Loss as referred to in section (1) is the basic value for the Reporting Head of the Regional Apparatus in determining the value that is the responsibility of the TP/TGR perpetrator.

(3) In the event of losses involving regional assets, the value of the Regional Loss is based on:

a. book value; or

b. fair market value of similar goods.

(4) If the book value or fair market value can be determined, the value of the goods used is the highest value of the two.

(5) The Inspectorate may request consideration from parties who have the competence to calculate the fair market value of regional assets.

(6) The parties who have competence as referred to in section (5) come from government or non-government institutions that have competence in accordance with the provisions of legislation.

(7) In the event that regional assets have been insured, the value of the Regional Loss is calculated based on the difference between the fair market value or book value and the value borne by the insurance company.

Article 9

(1) Regional Loss that is the responsibility of the TP/TGR perpetrator is a Regional Receivable, included in the SKTJM.

(2) The format of the SKTJM as referred to in section (1) is as stated in Appendix II, which is an inseparable part of this Regent Regulation.

CHAPTER IV

REGIONAL LOSS SETTLEMENT DELIBERATION COUNCIL

Article 10

(1) The Regent is authorized to implement TP/TGR.

(2) For the implementation of TP/TGR as referred to in section (1), the Regent forms a Regional Loss Settlement Deliberation Council, consisting of:

- a. The Regional Secretary as Chairperson and member;
- b. The Inspector as Deputy Chairperson and member;
- c. The Head of BPPKAD as Secretary and member;
- d. The Head of BKPSDM as member; and
- e. The Head of the Legal Division of the Regional Secretariat as member.

(3) The settlement of Regional Loss as referred to in section (2) includes:

- a. not caused by unlawful acts or negligence of the Treasurer, Non-Treasurer Civil Servant or Other Official;
- b. the Party Causing Loss/Guardian/Party Receiving Entitlement/Heir is declared in breach of contract regarding the settlement of Regional Loss for which the SKTJM has been issued; or
- c. receipt or objection of the Party Causing Loss/Guardian/Party Receiving Entitlement/Heir to the issuance of SKP2KS.

(4) The Council as referred to in section (2) has the task of examining and providing consideration to the PPKD, which is carried out through a session.

(5) The Council in a session for the settlement of Regional Loss as referred to in section (3) letter a has the duties and authority to:

- a. examine and interview the Party Causing Loss/Guardian/Party Receiving Entitlement/Heir and/or parties who know about the occurrence of Regional Loss;
- b. request information/opinions from resource persons who have certain expertise;
- c. examine the evidence submitted;
- d. through the PPKD, request the TPKD to conduct a re-examination;
- e. approve or disapprove the re-examination report by the TPKD;
- f. provide consideration for the elimination of money, securities, and/or regional assets;
- g. report the results of the session to the PPKD; and
- h. carry out other necessary matters in the settlement of Regional Loss.

(6) The Council in a session for the settlement of Regional Loss as referred to in section (3) letter b has the duties and authority to:

- a. examine the completeness of the statement of submission of collateral;
- b. decide on the submission of efforts to collect Regional Loss to the institution that handles the management of state/regional receivables;
- c. decide on the consideration for the issuance of SKP2K; and
- d. carry out other necessary matters in the settlement of Regional Loss.

(7) The Council in a session for the settlement of Regional Loss as referred to in section (3) letter c has the duties and authority to:

- a. examine the TPKD examination report;
- b. examine the report on the reasons why SKTJM could not be obtained;
- c. reject in whole, accept in whole, accept/reject in part the objection from the Party Causing Loss/Guardian/Party Receiving Entitlement/Heir;
- d. examine evidence;
- e. examine and request information from the Party Causing Loss/Guardian/Party Receiving Entitlement/Heir and/or parties who know about the occurrence of Regional Loss;
- f. request information/opinions from resource persons who have certain expertise;
- g. through the PPKD, request the TPKD to conduct a re-examination;
- h. provide consideration for exemption from Regional Loss compensation;
- i. provide consideration for the elimination of money, securities, and/or regional assets;
- j. decide on the consideration for the issuance of SKP2K; and
- k. carry out other necessary matters for the settlement of Regional Loss.

(8) The Deliberation Council as referred to in section (2) is accountable to the Regent.

(9) The Deliberation Council as referred to in section (2) is appointed by Decision of the Regent every year.

Article 11

(1) To assist the duties of the Council as referred to in Article 10 section (2), a Council secretariat is formed.

(2) The Council Secretariat as referred to in section (1) is carried out by the working unit at

CHAPTER V

REGIONAL LOSS SETTLEMENT TEAM

Article 12

(1) In settling Regional Loss, the Regent forms a TPKD by Decision of the Regent.

(2) The TPKD as referred to in section (1) has the duties and authority to:

- a. compile a chronology of the occurrence of Regional Loss;
- b. collect data, information, and verify TP/TGR losses through information as referred to in Article 4 section (1) letters c and d based on assignment from the Regent;
- c. collect supporting evidence of the alleged Regional Loss;
- d. calculate the amount of Regional Loss;
- e. process the SKTJM of the TP/TGR perpetrator;
- f. inventory the assets of the TP/TGR perpetrator that can be used as collateral for the settlement of Regional Loss;
- g. inventory TP/TGR losses;
- h. collect TP/TGR losses;
- i. manage the settlement of Regional Loss; and
- j. report the results of the task implementation to the Regent.

(3) The TPKD as referred to in section (1) consists of officials from the Inspectorate as the Chairperson of the TPKD, officials from BPPKAD as members, and other relevant officials as needed.

Article 13

(1) The TPKD forms a TPKD secretariat to assist in carrying out the duties and authority as referred to in Article 12 section (2).

(2) The TPKD Secretariat as referred to in section (1) is carried out by the Inspectorate.

Article 14

(1) The Regent, as the official authorized to settle Regional Loss, assigns the Inspectorate to carry out the duties and authority of the TPKD.

(2) The duties and authority of the Inspectorate in carrying out the authority of the TPKD as referred to in section (1) are limited to the settlement of Regional Loss for:

- a. follow-up on the findings of the Inspectorates examination as the internal functional supervisor of the Regional Government; or
- b. the audit report by the BPK, based on assignment from the Regent; and
- c. the report from the Reporting Head of the Regional Apparatus, based on assignment from the Regent.

(3) The implementation of the duties and authority of the Inspectorate as referred to in section (2) is guided by the duties and authority of the TPKD as regulated in this Regent Regulation.

CHAPTER VI

PROCEDURE FOR SETTTLING TREASURY CLAIMS AND COMPENSATION CLAIMS

Section One

Settlement of Treasury Claims

Article 15

(1) In the event of Regional Loss as referred to in Article 8, the Reporting Head of the Regional Apparatus makes efforts for the TP perpetrator to make and sign the SKTJM.

(2) The signing of the SKTJM as referred to in section (1) is at the latest 3 (three) days after receiving the Examination Results Report from the BPK or APIP.

(3) The Reporting Head of the Regional Apparatus as referred to in section (1), in settling Regional Loss, is assisted by the TPKD.

Article 16

(1) If the TP perpetrator signs the SKTJM as referred to in Article 15 section (1), the TP perpetrator must submit collateral to the Reporting Head of the Regional Apparatus, among others, in the form of the following documents:

- a. list of goods that serve as collateral;
- b. proof of ownership of goods and/or other assets in the name of the TP perpetrator; and
- c. power of attorney to sell and/or liquidate goods and/or other assets from the TP perpetrator.

(2) The SKTJM that has been signed by the TP perpetrator as referred to in section (1) cannot be withdrawn.

(3) The power of attorney to sell and/or liquidate the collateralized goods and/or assets as referred to in section (1) letter b is valid after the BPK issues a Burden Decision.

Article 17

(1) If the SKTJM has been signed by the TP perpetrator as referred to in Article 15 section (2), the TP perpetrator must compensate for the Regional Loss.

(2) Compensation for Regional Loss as referred to in section (1) is made in cash at the latest 40 (forty) days after the SKTJM is signed.

(3) If the TP perpetrator has compensated for the Regional Loss as referred to in section (1), the Reporting Head of the Regional Apparatus returns proof of ownership of goods and the power of attorney to sell.

Article 18

In the context of the implementation of the SKTJM, the TP perpetrator may sell and/or liquidate the collateralized assets as referred to in Article 16 section (1), after obtaining approval and under the supervision of the Reporting Head of the Regional Apparatus.

Article 19

(1) The Reporting Head of the Regional Apparatus reports the results of the settlement of Regional Loss through the SKTJM to the Regent with a copy to the Deliberation Council and the Inspectorate.

(2) The Regent notifies the results of the settlement of Regional Loss through the SKTJM as referred to in section (1) to the BPK at the latest 7 (seven) days after receiving the report from the Reporting Head of the Regional Apparatus.

Article 20

(1) If the SKTJM cannot be obtained through the Reporting Head of the Regional Apparatus as referred to in Article 15 section (1), the Regent assigns the Deliberation Council to obtain the SKTJM.

(2) The Deliberation Council makes efforts for the TP perpetrator to sign the SKTJM as referred to in section (1) at the latest 4 (four) days after receiving the assignment.

Article 21

If the TP perpetrator has compensated for the Regional Loss as referred to in Article 17, the BPK issues a recommendation letter to the Regent so that the Regional Loss case is removed from the list of Regional Losses.

Article 22

(1) If the SKTJM cannot be obtained through the Reporting Head of the Regional Apparatus as referred to in Article 15 section (1) or the Deliberation Council as referred to in Article 20, the Regent or Head of BPPKAD issues a Temporary Burden Decision.

(2) The Temporary Burden Decision as referred to in section (1) is issued within a maximum period of 7 (seven) days since the TP perpetrator is unwilling to sign the SKTJM.

(3) The Regent notifies the Temporary Burden Decision as referred to in section (1) to the BPK.

(4) The form and content of the temporary burden decision as referred to in section (1) are guided by the provisions of legislation regarding regional legal products.

Article 23

(1) After receiving the SKTJM and/or Temporary Burden Decision as referred to in Article 19 section (2) and Article 22 section (3), the BPK issues the SK-PBW.

(2) The SK-PBW as referred to in section (1) is issued if, based on the Regents report, it turns out

that the TP perpetrator did not implement the SKTJM or the Temporary Burden Decision.

(3) The SK-PBW as referred to in section (1) is submitted to the TP perpetrator through the Reporting Head of the Regional Apparatus with a copy to the Regent.

Article 24

(1) The TP perpetrator may file an objection to the SK-PBW as referred to in Article 23 to the BPK within 14 (fourteen) days after the date of receipt.

(2) The BPK accepts or rejects the objection of the TP perpetrator as referred to in section (1) within a maximum period of 6 (six) months since the letter of objection from the TP perpetrator is received by the BPK.

(3) If within the 6 (six) month period as referred to in section (2), the BPK does not issue a decision on the objection filed by the TP perpetrator, the objection is deemed accepted.

Article 25

(1) The BPK may issue a Burden Decision.

(2) The Burden Decision may be issued as referred to in section (1) if:

- a. the time limit for filing an objection has expired and the TP perpetrator does not file an objection;
- b. the TP perpetrator files an objection but it is rejected; and/or
- c. the 40 (forty) day period since the SKTJM or Temporary Burden Decision was signed has expired but the Regional Loss has not been fully compensated.

Article 26

(1) The Burden Decision as referred to in Article 25 is submitted to the TP perpetrator through the Reporting Head of the Regional Apparatus with a copy to the Regent.

(2) The Burden Decision as referred to in section (1) has final and binding legal force.

Article 27

If the objection filed by the TP perpetrator/guardian/party receiving entitlement/heir as referred to in Article 24 is accepted, the BPK issues a Release Decision.

Article 28

- (1) Based on the Burden Decision as referred to in Article 25, the TP perpetrator must compensate for the Regional Loss.
- (2) Compensation for Regional Loss by the TP perpetrator as referred to in section (1) is made by depositing cash into the Regional Treasury within a maximum period of 14 (fourteen) days after receiving the Burden Decision.
- (3) If within the 14 (fourteen) day period, the TP perpetrator does not compensate for the Regional Loss in cash as referred to in section (2), the Reporting Head of the Regional Apparatus must report in writing to the Regent with a copy to the Deliberation Council.
- (4) If the TP perpetrator has compensated for the Regional Loss as referred to in section (2) in cash, the collateralized assets are returned to the person concerned.

Article 29

The Burden Decision as referred to in Article 26 has priority rights and has legal force for the implementation of seizure and execution.

Article 30

- (1) Based on the report from the Reporting Head of the Regional Apparatus as referred to in Article 28 section (3), the Regent instructs the Deliberation Council to conduct seizure and auction of the TP perpetrators assets after coordinating with the KPKNL.
- (2) During the auction process as referred to in section (1), a deduction is made from the income received by the TP perpetrator of 50% (fifty percent) each month until the installment of the Regional Loss liability is paid in full.

Article 31

- (1) If the TP perpetrator does not have assets to be sold or the proceeds of the sale are insufficient to compensate for the Regional Loss, the Regent makes efforts to return the Regional Loss through a deduction of at least 50% (fifty percent) of their income each month until the installment of the Regional Loss liability is paid in full.
- (2) If the TP perpetrator enters retirement, then in the Termination Decision, it is stated that the

person concerned still has a debt to the Region and the Savings and Pension Insurance that is the right of the TP perpetrator can be considered to compensate for the Regional Loss.

(3) In accordance with the value of the debt stated in the Employee Termination Decision, PT. Taspen is obliged to deposit the results of deductions from the savings and pension insurance provider, the pension funds of the TP perpetrator, to the Regional Treasury until the installments of the Regional Loss liability are paid in full.

Article 32

The Regent submits a report to the BPK on the implementation of the Burden Decision.

Section Two

Compensation Claims

Article 33

(1) In settling Regional Loss as referred to in Article 8 section (1), the Reporting Head of the Regional Apparatus makes efforts for the TGR perpetrator to make and sign the SKTJM at the latest 7 (seven) days after receiving the Examination Results Report from the BPK or APIP.

(2) The Reporting Head of the Regional Apparatus as referred to in section (1), in settling Regional Loss, is assisted by the TPKD.

(3) If the SKTJM cannot be obtained through the Reporting Head of the Regional Apparatus as referred to in section (1), the Regent assigns the Deliberation Council to obtain the SKTJM.

Article 34

(1) If the TGR perpetrator signs the SKTJM as referred to in Article 33 section (2), the perpetrator must submit collateral to the Reporting Head of the Regional Apparatus.

(2) The collateral as referred to in section (1) is in the form of the following documents:

- a. list of goods that serve as collateral;
- b. proof of ownership of goods and/or other assets in the name of the TGR perpetrator; and
- c. power of attorney to sell and/or liquidate goods and/or other assets from the TGR perpetrator.

(3) The SKTJM that has been signed by the TGR perpetrator as referred to in section (1) cannot be withdrawn.

(4) The power of attorney to sell and/or liquidate the collateralized goods and/or assets as referred to in section (2) letter b is valid after the Regent issues the Burden Decision.

Article 35

(1) Compensation for Regional Loss is immediately paid in cash or installments.

(2) In the event of Regional Loss as a result of unlawful acts, the Party Causing Loss/Guardian