PRESIDEN
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GOVERNMENT ACCOUNTING STANDARDS STATEMENT NO.09

ACCOUNTING FOR LIABILITIES

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GOVERNMENT ACCOUNTING STANDARDS

STATEMENT NO.09

ACCOUNTING FOR LIABILITIES

The standards, which have been set in bold italic type, should be read in the context of the commentary paragraphs in this Standard, which are in plain type, and in the context of the Conceptual Framework of the Government Accounting.

PREFACE

Objective

1. The objective of this Standard is to prescribe accounting treatment for liabilities, which comprises the time of recognition, determination of the carrying amount, amortization, and the borrowing cost that is charged to the liabilities.

Scope

2. This Standard applies to all government units that present general purpose financial statements and prescribe the accounting treatment, including recognition, measurement, presentation, and the required disclosure.

3. This Standard prescribes the following:

(a) Accounting for Government Liabilities, including short-term and long-term liabilities, which are caused by domestic and foreign debt;

(b) Accounting treatment for borrowing transactions in foreign currency;

(c) Accounting treatment for transactions as a result of debt restructuring;

(d) Accounting treatment for expenses as a result of government debts.

Letter (b), (c), and (d) above apply as long as there is no specific Standard that prescribes such issues.

4. This Standard does not prescribe:

(a) Accounting for estimated liabilities and contingent liabilities;

(b) Accounting for derivative instruments and hedging activities;

(c) Transactions in foreign currency as a result of transactions other than borrowing transactions denominated in foreign currencies such as referred in paragraph 3(b).

Letter (a) and (b) are prescribed in a separate standard.

DEFINITIONS

5. The following terms are used in this Standard with the meanings specified:

***Amortization** is a systematic allocation of premiums or discounts during the duration of the government debt.*

***Borrowing Cost** is the interest and other costs which have to be accounted for by the government in relation to the process of obtaining debts.*

***Carrying Amount of Liability** is the book value of the liability calculated from the nominal value after being deducted or added by unamortized discounts or premiums.*

***Contingent Liabilities** are:*

***(a)** potential liabilities that arise from past events and their existence is made certain by either or not occurrence of an event or more in the future, which are not entirely under the control of an entity ;or*

***(b)** present liabilities that arise as a result of past event, but are not recognized since:*

- ***(1)** there is no probability that the entity will disburse resources that provide economic benefits to settle its liabilities; or*
- ***(2)** the amount of the liabilities cannot be reliably measured.*

***Creditors** are parties providing loans to debtors.*

***Debtors** are parties receiving debts from the creditors.*

***Debt Restructuring** is the agreement between the creditor(s) and the debtor(s) to modify the covenant of the loan agreement with or without the deduction of the amount of the debt, in the forms of:*

***(a)** Refinancing, which replaces the existing debt, including the outstanding debt, with a new debt; or*

***(b)** Rescheduling or modifying the loan covenant, by changing the requirements and conditions of the existing agreement contract. Debt Rescheduling may be in the forms of:*

- ***(1)** The change in payment schedule;*
- ***(2)** The extension of the grace period;*
- ***(3)** The rescheduling of the payment plan of the principaland interest that are matured and/or in arrears.*

***Discounts** are the amount of negative differences between the present value of liabilities and the maturity value of the liabilities due to the nominal interest rate that is lower than the effective interest rate.*

Estimated Liabilities are liabilities whose period and the amount of which are still uncertain.

Exchange Rate is the exchange ratio of two currencies.

Treasury Bill is a government note with a term of equal or less than 12 months, the interest of which is paid in discount.

Government Bond (SUN) is government debt securities either in Rupiah or foreign currency, whereby the payment of principal and interest are guaranteed by the Republic of Indonesia, according to their duration.

Government Debt Securities are securities in the form of tradable government debt acceptance and have maturity values or settlement values at the issuance date, such as Government Bond (SUN).

Liabilities are present obligations that arise from past events, the settlement of which is expected to result in an outflow of government economic resources.

Nominal Value is the value of government debts at the initial transaction, which is the same as that of the government note. The subsequent economic flow, such as payment transactions, value change due to changes in the exchange rate, and other change other than the market value, are accounted for by adjusting the recorded amount of the liability.

Liability in Arrears is the amount of overdue liability because of the inability of the entity to pay the principal and/or interest on the scheduled time.

Premium is the positive difference between the present value of liability and the maturity value of liability, due to the higher nominal interest rate than the effective interest rate.

Qualifying Assets, also called Certain Assets, are assets which require a significant long period to be ready for use or sold in accordance with their purposes.

Reporting Entity is a government unit consisting of one or more accounting entities which according to the statutory regulations is obliged to prepare and submit accountability reports in the form of financial statements.

Straight-Line Method is the allocation method of premium or discount with the same amount during the period of government debt securities.

Third Party Withheld (PFK) is a government debt to other parties as a result of the government position as the withholder of taxes or other collections, such as Income Tax (PPh), Value Added Tax (PPN), and Health Insurance (Askes), Pension Fund (Taspen), and Housing Fund (Taperum).

Treasury Bonds are government notes with a term of more than 12 (twelve) months with coupon and/or with discounted interest payment.

GENERAL

6. The main characteristic of liabilities is that the government has an obligation up to the present time that for its settlement will result in a sacrifice of economic resources in the future.

7. In general, liabilities arise due to the consequences of executing duty or responsibility in the past. In the context of the government, the liabilities arise due to the use of financing sources from the public, financial institutions, other government entities, or the international institutions. The government obligation also arise from the commitment with the employees that work for the government, obligation to the public in general, such as allowance, compensation, indemnification, overpaid tax from tax payers, allocation/reallocation of revenues to other entities, or liabilities to other services providers.

8. Every liability can be legally enforced as a consequence of a binding contract or prevailing statutory regulations.

CLASSIFICATION OF LIABILITIES

9. Every reporting entity discloses every liability account that includes amounts, which are expected to be settled in less than 12 (twelve) months and more than 12 (twelve) months after the reporting date.

10. Information regarding due dates of financial liabilities is useful to assess the liquidity and solvency of a reporting entity. Information regarding the settlement date of liabilities, such as payables to third parties and interest payables, is also useful to classify whether a liability is a short-term or a long-term liability.

11. A liability is classified as a short-term liability if it is expected to be settled within 12 (twelve) months after the reporting date. All other liabilities are classified as long-term liabilities.

12. Short-term liabilities can be categorized in the similar manner as current assets. Some short-term liabilities, such as government transfer payables or payables to employees are elements of short-term liabilities that will absorb current assets in the following reporting year.

13. Other short-term liabilities are liabilities that are due within 12 (twelve) months after the reporting date. For examples, debt interest, short-term liabilities from third parties, Third Parties Withheld (PFK) liability, and current portion of long-term liabilities.

14. A reporting entity should classify its liabilities as long-term liabilities, even though those liabilities are due and will be settled within 12 (twelve) months after the reporting date, if:

(a) the original period is for a period of more than 12 (twelve) months; and

(b) the entity intends to refinance the liabilities on a long-term basis; and

(c) the intention is supported by a refinancing agreement, or a rescheduling of payment, which will be settled before the financial statements are approved.

15. The amount of each liability that are not presented as short-term liabilities, as stated in the paragraph above, together with the information supporting this presentation, should be disclosed in the Notes to the Financial Statements.

16. Some liabilities that are due at the following year may be expected to be refinanced or rolled over based on the policy of the reporting entity and are expected not to immediately absorb the fund of the entity. Such liabilities are considered as a part of long-term financing and are classified as long-term liabilities. However, in a circumstance when the refinancing policy is not within the entity (for example, there is no approval on refinancing), this refinancing cannot be automatically considered and these liability are classified as a short-term account, unless the settlement of such refinancing agreement before the financial statements proves that the substance of the liabilities on the reporting date is long-term.

17. Some loan agreements include covenants, which cause long-term liabilities to become short-term liabilities (payable on demand) if certain requirements regarding the financial position of the borrower are violated. In such situation, liabilities can be classified as long-term liabilities, only if:

(a) the creditor has agreed not to ask for settlement as a consequence of the violation, and

(b) there is a guarantee that there will be no further violation within 12 (twelve) months after the reporting date.

RECOGNITION OF LIABILITIES

18. In the general purpose financial reporting, liabilities are recognized when there is a high degree of possibility that the expending of economic resources will be carried out or has been carried out to settle the current obligation, and changes on such obligation have a settlement value that can be reliably measured.

19. The existence of past events (in this case including transactions) is highly important in recognition of liabilities. An event is an occurrence of financial consequence over an entity. An event may be an internal occurrence within an entity, such as the transformation from raw material into a product, or it may be an external occurrence that involves interaction between an entity and its environment, such as a transaction with other entities, natural disasters, thefts, destructions, accidental damages.

20. A transaction involves a transfer of an object with value. Transactions may be transactions with or without exchange. Distinction between transactions with exchange and transaction without exchange is highly significant to determine the recognition of liability.

21. Liabilities are recognized when the debt funds are received and/or when the liabilities occur.

22. Liabilities may occur from:

(a) exchange transactions;

(b) non-exchange transactions, in accordance with the prevailing statutory regulation -- such as the accruing liabilities -- have not yet been fully paid until the date of reporting;

(c) government-related events;

(d) government-acknowledged events.

23. An exchange transaction occurs when each party in a transaction sacrifices and receives a value as an exchange. There are two reciprocal flows of resources or promises to provide resources. In an exchange transaction, a liability is recognized when a party receives goods or services as an exchange of a promise to give cash or other resources in the future.

24. One example of exchange transaction is when government employees provide services as an exchange/replacement of the compensations they receive, such as salary and other employee benefits. An exchange transaction occurs because two parties (employer and employee) receive and sacrifice values. Compensation liabilities comprise unpaid salaries, service provided, and other employee benefit expenses which are related to the services in the current period.

25. A non-exchange transaction occurs when a party in such transaction receives value without directly providing or promising value as the exchange. There is only one direction of flow of resources or promises. For a non-exchange transaction, a liability must be recognized on the payable amount that has not been paid on the reporting date.

26. Several types of grants and general/special aid programs for other reporting entities are considered as non-exchange transactions. When the central government creates program of ownership transfer or provides grants or allocates its funds to local governments, the payment requirements are determined by the prevailing statutory regulations and are not determined by exchange transactions.

27. Government related events are events that are not based on transactions but based on interactions between the government and its environment. Such events may not be under the control of the government. Generally, a liability is recognized as a result of the government related events, with the similar basis as those that arise from the exchange transactions.

28. When the government accidentally causes damages to private properties then such case creates a liability at the time the damage happens as long as the prevailing provisions and the existing policies make it possible for the government to pay for the damage and as long as the amount of payment can be estimated reliably. An example of this case is accidental damages of private properties caused by activities conducted by the government.

29. Events recognized by the government are events that are not based on transactions but such events have financial consequences to the government since the government decides to respond those events. The government has vast responsibility to provide for public welfare. Therefore, it is frequently assumed that the government is responsible for an event that is not prescribed in the formal existing regulations. Consequently, at last the government is responsible for the expense of various events caused by non-governmental entities and natural disasters. However, such expenses have not yet met the definition of liabilities until the government formally recognizes them as the government financial responsibility in relation to the expenses arise from those events and the occurrence of the exchange transaction or the non-exchange transaction.

30. In other words, the government should recognize liabilities and expenses for the conditions in paragraph 29 when both fulfill the following two criteria: (1) The House of Representative has approved or authorized the resources to be utilized, (2) exchange transactions arise (for example, when the contractor conducts renovation) or the amount of non-exchange transaction has not been paid at the reporting date (for example, direct payment to victims of disaster).

31. The following examples illustrate the recognition of liabilities of an event recognized by the government. There are damages caused by natural disaster in the cities in Indonesia, and the House of Representative (DPR) authorizes expenses to cover such disaster. Such event is a financial consequence of the government as a result of deciding to provide aid for the disaster in those cities. Transactions related to that matter, including government donation to each individual and contractual works paid by the government, are recognized as exchange transactions or non-exchange transactions. In an exchange transaction, the owed amount for goods and services are recognized by the government at the time the goods are delivered or the contract is finalized. In a non-exchange transaction, a liability must be recognized in the owed amount that has not been paid on the reporting date. The liabilities include the amount of bills to the government to pay the benefits and goods or services that have been provided in accordance with the existing program on the reporting date of the government.

MEASUREMENT OF LIABILITIES

32. Liabilities are recorded at their nominal value. Liabilities in foreign currency are translated and stated in Rupiah. The translation of foreign currency should apply the central bank's mid-rate at the date of the Statement of Financial Position.

33. The nominal value of the liabilities reflects the value of the liability of the government at the initial transaction, such as the stated value on the government bonds (SUN). The economic flow thereafter, such as payment transaction, change of value due to the change of foreign exchange

currency, and other changes other than the change of market value, are accounted for by adjusting the carrying amount of the liability.

34. The use of nominal value in measuring the liabilities follows the characteristics of each account. The following paragraphs explain the application of nominal value for each liability account in the financial statements.

Accounts Payable

35. When the government receives rights of goods, including the goods in transit the title of which has been transferred to the government, the government must recognize liabilities for the unpaid amount of those goods.

36. If a contractor builds facilities or equipments as specified in the agreement contract with the government, the recorded amount must be based on the physical realization of the construction progress as stated in the project progress report.

37. ***The amount of liabilities that occurs due to the transaction from inter government unit must be separated from the liabilities from the non-government unit*.**

Accrued Interest Payable

38. Interest payable on government debts must be recorded in the amount of the interest accrued and have not been paid. The interest can be originated from local or foreign government debts. Unpaid accrued interest on government debts must be recognized at every end of reporting period as a part of the related liabilities.

39. Measurement and presentation of accrued interest above also apply to government securities issued by the central government in the form of government bond (SUN), and those issued by the local government (province, district, and city) with the similar form and substance to the Government Bond (SUN).

Due to Third Party Withheld (PFK)

40. At the end of the reporting period, collections of Due to The Third Party Withheld (PFK) that has not been transferred to other parties must be recorded in the financial statements in the amount due.

41. The amount of collection PFK collected by the government must be handed over to the corresponding third parties in the same amount of the collection. At the end of the reporting period, there is usually still collection that is not yet paid to the third party. The amount of collection must be recorded in the financial statements in the same amount of the collection due.

Current Portion of Long Term Liabilities

42. The amount stated in the financial statements for the current portion of long term liabilities is the amount that is due within 12 (twelve) months after the reporting date.

43. The portion of Long-Term Liabilities that are due and must be paid within 12 (twelve) months after the reporting date is categorized as current portion of Long-Term Liabilities.

Other Current Liabilities

44. Other Current Liabilities are current liabilities that are not covered in the existing category. Included in Other Current Liabilities are expenses that must still be paid at the time the financial statements are prepared. The measurement of each item is adjusted to the characteristics of each account, for example, salary payable to employees is valued based on the amount of salary that still has to be paid for the services rendered by the employees. Another example is the disbursement of down-payment by the government to other parties for procuring goods and services.

Non-Traded Debts and Traded Debts

45. The measurement of government debts is adjusted to the characteristics of the debt, which may be in the form of:

(a) Non-traded Debts

(b) Traded Debts

Non-traded Debts

46. The nominal value of the non-traded debts is the liability of the entity to the creditor in the amount of the principal and the interest as stated in the agreement contract and has not been paid at the reporting date.

47. Example of government debts that is not traded are bilateral loans, multilateral loans, and loans from international financial institutions such as the IMF, the World Bank, the ADB, and so forth. The legal form of this loan is usually a loan agreement.

48. For government debts with fixed interest rates, the measurement may use payment schedule with fixed interest rates. For government debts with variable interest rates, for example interest rate connected with a financial instrument or with another index, the measurement of government debt uses the similar principle with the fixed interest rate, unless the interest rate is fairly estimated based on prior data and observation on the existing financial instrument.

Traded Debts

49. Accounting for government debts in the form of traded debts is supposedly able to identify the amount of the remaining debts of the

government during a certain period of time, including the interest for every accounting period. This requires initial valuation of securities at selling price or the result of sales, and the valuation when the amounts are due for payment to the securities holders, and during the 'in between' period to fairly illustrate the government debts.

50. Traded debts are usually in the form of government debt securities which stipulate the provision on the value of the debts at maturity time.

51. The government debt securities must be valued at par (original face value) by considering the unamortized discount and premium. The government debt securities that are sold at par (face value) without discount or premium must be valued at par (face value). The book value of government debt securities that are sold at discounted price will increase from the period of sale until the maturity; whereas the book value of the government debt securities sold at premium will decrease.

52. Government debt securities, such as Government Bond (SUN) or Treasury Bill, must be valued based on the value that must be paid at maturity (face value), if they are sold at par. If the government debt securities are sold above or below par, then the subsequent valuation should consider the amortization of the discount or the premium.

53. Amortization of discount or premium may use the straight line method.

Change of Foreign Currency

54. Government debts in foreign currency are recorded by using the mid-rate of the central bank when the transaction occurs.

55. The exchange rate applicable at the transaction date is frequently called spot-rate. For practical reasons, an exchange rate approaching the exchange rate on the transaction date is frequently applied. For instance, the average of mid-rate of the central bank during one week or one month is applied to all transactions in that period. However, if the exchange rate fluctuates significantly, the application of a mid-rate within a period of time is not reliable.

56. On each reporting date, the account of monetary liabilities in foreign currency is reported in Rupiah using the mid-rate of the central bank at the reporting date.

57. The difference of foreign currency translation of the account of monetary liabilities at the transaction date and at the reporting date is recorded as an increase or decrease of equity for the current period.

58. The consequence of recording and reporting liabilities in foreign currency will affect liabilities and equity accounts in the Statement of Financial Position of the reporting entity.

59. If a transaction in foreign currency occurs and is settled within the same period, then the entire difference of the exchange rate is recognized in that period. However, if the occurance and the settlement of transactions take place in different accounting periods, then the exchange rate difference must be recognized for each accounting period by considering the change of exchange rate for each period.

SETTLEMENT OF LIABILITIES PRIOR TO THEIR DUE DATE

60. For government debt securities that are settled before the maturity date due to the availability of features that enables the issuer to call back those securities or due to the fulfillment of the settlement provision at the request of the creditors, then the difference between the call price and the recorded net carrying amount must be disclosed in the Notes to the Financial Statements as a part of the related liability account.

61. If the call price is the same with the carrying amount, then the settlement of liabilities before the maturity date is considered as a normal settlement of debt, which is by adjusting the value of the related liability and the equity.

62. If the call price is different from the carrying amount, then, besides the adjustments of the amount of liabilities and the related equity, the amount of the difference must also be disclosed in the Notes to the Financial Statements.

ARREARS

63. The amount of arrears on government debts must be presented in the form of an aging schedule for each creditor in the Notes to the Financial Statements as a part of disclosure of liabilities.

64. Arrears are defined as the amount of the liabilities that are overdue but the government is not able to pay the amount of the principal and/or the interest as of the schedule. Some types of government debts may have maturity date according to the schedule at a certain date or a series of dates when the debtors are obliged to make payments to the creditors.

65. Accounting practices usually do not separate the amount of arrears from the amount of the related debt in the face of the financial statements. However, the information of the government arrears has become one of the information that attracts the readers of the financial statements as a subject of policy and solvency analysis of an entity.

66. For that reason, the information of the arrears must be disclosed in the form of an aging schedule in the Notes to the Financial Statements.

DEBT RESTRUCTURING

67. In a debt restructuring through modification of debt covenant, the debtors must record the impact of the restructuring prospectively from the time the restructuring is occured and are not allowed to change the recorded values of debts at the time of restructuring, unless the recorded amount exceeds the amount of future cash payment of the cash, which is determined by the new covenant. This restructuring information must be disclosed in the Notes to the Financial Statements as part of the disclosure of the related liabilities account.

68. The amount of interest must be calculated by using the constant effective interest rate multiplied by the carrying amount of debts at the beginning of every period between the time of restructuring and the due date. The new effective interest rate is equal to the amount of the discount rate that can equalize the cash value of future cash payments, as determined in the new covenant (excluding contingent liabilities), with the carrying amount. Based on the new effective interest rate, a new payment schedule could be established starting from the time of restructuring until the time of due date.

69. Information on the old and new effective interest rates should be presented in the Notes to the Financial Statements.

70. If the amount of future cash payments as determined in the new debt covenant, including payment of interest and principal, is below the carrying amount, then the debtors must decrease the carrying debt amount to the same amount as the amount of future payments as determined in the new covenant. This must be disclosed in the Notes to the Financial Statements as part of the disclosure of the related liabilities account.

71. An entity must not change the carrying debt amount as an impact of debt restructuring, which involves future cash payments that cannot be determined as long as the maximum future cash payment does not exceed the carrying debt amount.

72. The amount of interest or principal of debts according to the new covenant may be contingent, depending upon certain events or conditions. For example, debtors may be required to pay a certain amount if the financial condition is improving to a certain level during a certain period. To determine the amount then it must comply with the principles on contingency accounting which is not prescribed in this Standard. The same principles apply to future cash payments that must be frequently estimated.

Debt Write-Off

73. Debt write-off is a voluntary cancellation of debt from the creditors to the debtors, either a part or the whole amount of the debt, in the form of a formal agreement between both parties.

74. The debt write-off may be settled by the debtors to the creditors through transfers of cash or non-cash assets at a value below the carrying debt amount.

75. If the settlement of one particular debt which is below the carrying amount is finalized by cash assets, then the stipulation in paragraph 70 applies.

76. If the settlement of one particular debt which is below the carrying amount is finalized by non-cash assets, the entity as the debtor must at first revaluate the non-cash assets to get the fair value, and then apply the paragraph 70; the related liabilities and non-cash assets accounts should also be disclosed in the Notes to the Financial Statements.

77. Information in the Notes to the Financial Statements must disclose the amount of difference that arises from the debt restructuring, which is the positive difference between:

(a) The carrying amount of debt that is settled (the nominal amount deducted or added by unamortized payable interests and premiums, discounts, financial expenses or issuing expenses), and

(b) The fair value of assets that are handed over to the creditors.

78. Revaluation of assets in paragraph 76 will generate a difference between the fair value and the value of assets that are handed over to the creditors as debt settlement. The said difference must be disclosed in the Notes to the Financial Statements.

EXPENSES RELATED TO GOVERNMENT DEBTS

79. Expenses related to government debts are interest expenses and other expenses that arise in relation with the borrowing of funds. The expenses consist of:

(a) Interest on the borrowing funds, either short term or long term debts;

(b) Amortization of discount or premium in relation to the debts;

(c) Amortization of expenses in relation to the debt ***acquisition***, such as consultant fee, legal advisor fee, commitment fee, and so on.

(d) The difference of the exchange rate of debts in foreign currency, as long as such difference is treated as adjustment on interest expenses.

80. Borrowing expenses that are directly attributable to the acquisition or production of a certain asset (qualifying asset) must be capitalized as part of the acquisition cost of that asset.

81. If the interest on debt is directly attributable to the asset, then the interest expenses must be capitalized to the qualifying asset. If the interest expenses are not directly attributable to the asset, then the capitalization of the interest expenses is determined based on paragraph 82.

82. In certain circumstances, it is difficult to identify the existence of direct relationship between a certain debt with the acquisition of the assets and to determine whether a certain debt is not necessary if the acquisition of the asset does not occur. For example, more than one government activity/project are financed centrally. Some difficulties may also happen when an entity uses several types of financing resources with different interest rates. In this situation, it is so difficult to determine the amount of interest expenses to be directly attributed, that a professional judgment is necessary.

83. If the borrowed funds are not specifically used for the acquisition of assets, then the interest expenses that should be capitalized to certain assets must be calculated based on the weighted average of the total accumulated costs of all related assets during the reporting period.

PRESENTATION AND DISCLOSURE

84. Government debts must be disclosed in detail in the form of schedule of debts to provide better information to the users.

85. To improve the analytical purpose, the information that must be presented in the Notes to the Financial Statements are:

(a) The amount of short-term and long-term liabilities balances which are classified based on the creditors;

(b) The balance of liabilities of government debts based on the types of government debt securities and their due dates;

(c) Interest payable of the debts in the current period and the applicable interest rate;

(d) The consequences of settling the debts before the maturity date;

(e) A debt restructuring agreement, includes:

- ***(1) Deduction of debt;***
- ***(2) Modification of debt covenant;***
- ***(3) Reduction of borrowing interest rate;***
- ***(4) Extension of maturity date;***
- ***(5) Reduction of the amount due at maturity; and***
- ***(6) Reduction of the amount of interest payable until the reporting period;***

(f) The amount of debt in arrears that is presented in the aging schedule based on the creditor;

(g) Debt expenses:

- ***(1) Treatment of debt expenses;***
- ***(2) The amount of debt expenses that is capitalized in the current period; and***

(3) Level of capitalization.

EFFECTIVE DATE

86. This Government Accounting Standard becomes effective for the financial statements covering periods beginning with budget year of 2005.

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

(Signed)

Dr. H. SUSILO BAMBANG YUDHOYONO

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THE STATE SECRETARIAT OF THE RI

Head of Administration Bureau,

(Signed)

Sugiri, S.H.