

LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 22 YEAR 1999  
CONCERNING  
REGIONAL GOVERNANCE

BY THE GRACE OF THE ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

- Considering :
- a. whereas the governance system of the Unitary State of the Republic of Indonesia by virtue of the 1945 Constitution provides freedom to Regions to organize Regional Autonomy;
  - b. whereas in the organization of Regional Autonomy, it is deemed necessary to emphasize more on the principles of democracy, community participation, equitable distribution and justice, as well as to take into account the Regions' potentials and diversity;
  - c. whereas in dealing with the development of situation, both domestic and international, as well as global competition challenge, it is deemed necessary to organize the Regional Autonomy by granting broad, real and accountable authorities to regional governments proportionately, which is realized by arrangement, division, and utilization of national resources and balanced finance of the Central and Regional Government in accordance with the principles of democracy, community participation, equitable distribution and justice, as well as Regions' potentials and diversity, which are implemented in the context of the Unitary State of the Republic of Indonesia;
  - d. whereas Law Number 5 Year 1974 concerning Principles of Regional Governance (State Gazette Year 1974 Number 38; Additional State Gazette Number 3037) is no longer suitable with the principles of the Regional Autonomy organization and the situation development, so that it must be amended;
  - e. whereas Law Number 5 Year 1979 concerning Rural Governance Principles (State Gazette Year 1979 Number 56; Additional State Gazette Number 3153), which makes uniform the name, the form, the structure and the position of Rural governance, is no longer suitable with the spirit of the 1945 Constitution and the significance to acknowledge and to respect the privileges of Regions, so that it must be amended;

- f. whereas accordingly, it is necessary to set forth the Law concerning Regional Governance to amend Law Number 5 Year 1974 concerning Principles of Regional Governance and Law Number 5 Year 1974 concerning Rural Governance.

- In view of :
1. Article 1 paragraph (1), Article 5 paragraph (1), Article 18, and Article 20 paragraph (1) of the 1945 Constitution;
  2. Stipulation of the People's Consultative Assembly of the Republic of Indonesia Number X/MPR/1998 concerning Principles of Development Reformation in the Context of Recovering and Normalizing the National Life as the Nation's Direction;
  3. Stipulation of the People's Consultative Assembly of the Republic of Indonesia Number XI/MPR/1998 concerning State Administration that Free from Corruption, Collusion and Nepotism;
  4. Stipulation of the People's Consultative Assembly of the Republic of Indonesia Number: XV/MPR/1998 concerning the Organization of Regional Autonomy, the Equitable Arrangement, Division and Utilization of National Resources, and Balanced Finance of the Central and Regional Government in the Context of the Unitary State of the Republic of Indonesia;
  5. Law Number 4 Year 1999 concerning the Structures and Positions of the People's Consultative Assembly, the People's Representative Assembly and the Regional People's Representative Assembly (State Gazette of the Republic of Indonesia Year 1999 Number 24, Additional State Gazette of the Republic of Indonesia Number 3811).

With the approval of

THE HOUSE OF REPRESENTATIVES  
OF THE REPUBLIC OF INDONESIA

H A S D E C I D E D :

To stipulate : LAW CONCERNING REGIONAL GOVERNANCE

CHAPTER I  
GENERAL PROVISIONS

Article 1

In this Law, referred to as:

- a. Central Government, hereinafter referred to as Government, shall be the apparatus of the Unitary State of the Republic of Indonesia consisting of a President and Ministers;
- b. Regional Government shall be the Head of Regions along with other Autonomous Regions' apparatus as the Regional Executive Institution;
- c. Regional People's Representative Assembly, hereinafter referred to as DPRD, shall be the Regional Legislative Institution;
- d. Regional Governance shall be the organization of regional autonomy based on decentralization principle.
- e. Decentralization shall be the delegation of the governance authorities by Government to Autonomous Regions in the context of the Unitary State of the Republic of Indonesia;
- f. Deconcentration shall be the delegation of authorities by Government to Governors as Government's representatives and/or central apparatus in Regions;
- g. Assisting Duty shall be the assignment by the Government to Regions and Villages and by Regions to Villages to perform certain duties accompanied with financial, facilities and infrastructures as well as human resources supports with the obligation to report the implementation thereof and to take responsibility to the assigning parties;
- h. Regional Autonomy shall be the authority of Autonomous Region to govern and administer the interests of the local people according to its own initiatives based on the people's aspirations in accordance with the prevailing laws and regulations;
- i. Autonomous Regions, hereinafter referred to as Regions, shall be the legal community units having certain boundaries, authorized to govern and administer the interests of the local people according their own initiatives based on the people's aspirations within the boundaries of the Unitary State of the Republic of Indonesia;
- j. Administrative Regions shall be the Governors' working areas as the Government's representatives;
- k. Vertical Institutions shall be the Ministries' and/or Non-Ministry Government Institutions' instruments in Regions;

- l. Authorized officer shall be Government's officer at the Central level and/or Government's officer in Provincial Regions authorized to guide and supervise the organization of Regional Governance;
- m. Districts shall be the working areas of the Heads of District as the apparatus of Regency and Municipality Regions;
- n. Sub-districts shall be the working areas of the Heads of Sub-district as the apparatus of Municipality Regions under Sub-districts;
- o. Villages or mentioned with other names, hereinafter referred to as Village, shall be the legal community units having the authority to govern and administer the local community based on origins and local customs and traditions acknowledged in the National Governance system and positioned under Regency Regions;
- p. Suburban Areas shall be areas having agriculture as the main activity, including natural resources management, with area function structure as centers of suburban housing, government services, social services and economic activities;
- q. Urban Areas shall be areas having main activities other than agriculture, with areal function structure as urban housing areas, center and distribution points of government services, social services and economic activities.

## CHAPTER II AREAL DIVISION

### Article 2

- (1) The territory of the Unitary State of the Republic of Indonesia shall be divided into autonomous Provincial Regions, Regency Regions and Municipal Regions.
- (2) Provincial Regions shall also be positioned as Administrative Regions.

### Article 3

The area of Provincial Regions, as intended in Article 2 paragraph (1), shall consist of inland area and marine area of twelve marine miles measured from the coast line toward the open sea and or island waters.

## CHAPTER III THE FORMATION AND STRUCTURE OF REGIONS

### Article 4

- (1) In the context of the implementation of the decentralization principle, Provincial Regions, Regency Regions and Municipal Regions shall be formed

authorized to govern and administer the interests of the local people according to their own initiatives based on the people's aspirations.

- (2) Regions as intended in paragraph (1) shall respectively be independent and shall not have hierarchical relationship to each other.

#### Article 5

- (1) Regions shall be formed based on the considerations of the economic capacity, regional potentials, social-politics, the size of population, the area of the region concerned and other considerations which enable the organization of Regional Autonomy.
- (2) The formation, names, boundaries and capital cities of the regions as mentioned in paragraph (1) shall be stipulated with Law.
- (3) The amendment of boundaries which does not cause any elimination of a region, the change of a region's name, the change of names of and the relocation of regional capital cities shall be stipulated with Government Regulations.
- (4) Requirements for the formation of Regions as intended in paragraph (1) shall be stipulated with Government Regulation.

#### Article 6

- (1) Regions incapable to organize regional autonomy may be eliminated and/or merged with other regions.
- (2) Regions can be divided into more than one region.
- (3) Criteria for the elimination, merger and division of Region as intended in paragraph (1) and paragraph (2) shall be stipulated with Government Regulations.
- (4) Elimination, merger and division of regions as intended in paragraphs (1) and (2) shall be stipulated with Laws.

### CHAPTER IV REGIONAL AUTHORITIES

#### Article 7

- (1) Regional Authorities shall cover the authorities in all fields of governance, except authorities in the fields of international policies, defense and security, judicature, monetary and fiscal, religion and authorities in other fields.

- (2) Authorities in other fields as intended in paragraph (1) shall cover the policies on national planning and macro national development control, financial balance fund, state administration and state economic institutional systems, human resources development, natural resources utilization as well as strategic high technology, conservation and national standardization.

## Article 8

- (1) Governance authorities delegated to Regions in the context of decentralization must be accompanied with the delivery and transfer of financial support, facilities and infrastructures as well as human resources in accordance with the delegated authorities.
- (2) Governance authorities delegated to Governors in the context of deconcentration must be accompanied with financial support in accordance with the delegated authorities.

## Article 9

- (1) The authorities of Provinces as Autonomous Regions shall include the authorities in the field of inter-Regency and Municipality governance, as well as the authorities in other certain fields of governance.
- (2) The authorities of Provinces as Autonomous Regions shall also include the authorities that are not or not yet able to be conducted by Regency Regions and Municipal Regions.
- (3) The authorities of Provinces as Administrative Regions shall cover the authorities in the field of governance delegated to Governors as Government representatives.

## Article 10

- (1) Regions shall have the authority to manage national resources located in their area and shall be responsible to maintain the environment conservation in accordance with laws and regulations.
- (2) Regional authority in marine area as intended in Article 3 shall cover the following matters:
  - a. exploration, exploitation and management of marine wealth to the extent of the aforementioned marine area boundaries;
  - b. administrative interests administration;
  - c. spatial administration;

- d. law enforcement of regulations issued by Regions or the authority of which delegated by Government; and
  - e. assistance for the enforcement of state security and sovereignty.
- (3) The authority of Regency Regions and Municipal Regions in marine area as intended in paragraph (2) shall be at the extent of one-third of marine area of Provincial Regions.
- (4) Further regulation on the provision as intended in paragraph (2) shall be stipulated with Government Regulation.

#### Article 11

- (1) The authorities of Regency Regions and Municipal Regions shall cover all governance authorities other than authorities excluded in Article 7 and set forth in Article 9.
- (2) Governance field that must be performed by Regency Regions and Municipal Regions shall include public works, health, education and culture, agriculture, communication, industry and trade, capital investment, environment, land, co-operative and manpower affairs.

#### Article 12

Further regulation on the provisions as intended in Article 7 and Article 9 shall be stipulated with Government Regulation.

#### Article 13

- (1) Government may assign Regions with certain duties in the context of assisting duties accompanied with financial support, facilities and infrastructure, as well as human resources with the obligation to report and account for the implementation thereof to the Government.
- (2) Every assignment as intended in paragraph (1) shall be stipulated with laws.

CHAPTER V  
THE FORM AND STRUCTURE OF REGIONAL GOVERNANCE

Section One  
General

Article 14

- (1) Regional People's Representative Assembly as the regional legislative institution and the Regional Government as the Regional Executive Institution shall be established in Regions.
- (2) Regional Government shall consist of the Head of Region and other regional apparatus.

Section Two  
Regional People's Representative Assembly

Article 15

The position, structure, duties, authorities, rights membership chairs and instruments of DPRD shall be regulated with a law.

Article 16

- (1) DPRD as the people's representative institution in Regions shall serve as a vehicle for implementing democracy based on *Pancasila*.
- (2) DPRD as Regional Legislative Board shall have equal position and shall become a partner of Regional Government.

Article 17

- (1) DPRD membership and the amount of DPRD members shall be stipulated in accordance with laws and regulations.
- (2) DPRD instruments shall consist of the chairs, commissions and committees.
- (3) DPRD shall form factions which are not the instruments of DPRD.
- (4) The implementation of the provisions as intended in paragraph (3) and paragraph (4) shall be regulated with the Code of Conduct of DPRD.

Article 18

- (1) DPRD shall have the following duties and authorities:



- a. to elect Governor/Deputy Governor, Regent/Deputy Regent and Mayor/Deputy Mayor;
  - b. to elect members of the People's Representative Assembly for Region Representatives;
  - c. to propose for the appointment and dismissal of Governor/Deputy Governor, Regent/Deputy Regent, Mayor/Deputy Mayor;
  - d. together with Governor, Regent or Mayor establish Regional Regulations;
  - e. together with Governor, Regent or Mayor stipulate the Regional Revenues and Expenditures Budget;
  - f. to conduct supervision over the following matters:
    - 1) the implementation of Regional Regulations and other laws and regulations;
    - 2) the implementation of the Decisions of the Governor, Regent, and Mayor;
    - 3) the implementation of the Regional Revenue and Expenditure Budget;
    - 4) Regional Government policies; and
    - 5) the implementation of international co-operation in Region concerned.
  - g. to give opinions and considerations to Government on international agreement plans related to the interests of the Regions concerned; and
  - h. to facilitate and follow up the aspirations of Regions and community.
- (2) The implementation of duties and authorities as intended in paragraph (1) shall be regulated in the Code of Conducts of DPRD.

## Article 19

- (1) DPRD shall be entitled:
  - a. to ask for the accountability of the Governor, Regent, and Mayor;
  - b. to ask for information to the Regional Government;
  - c. to conduct investigation;
  - d. to make amendments on Regional Regulation Drafts;
  - e. to express opinion;

- f. to submit Regional Regulation Drafts;
  - g. to stipulate Expenditure Budget of DPRD; and
  - h. to stipulate the code of Conduct of DPRD.
- (2) The implementation of the rights as intended in paragraph (1) shall be regulated in the Code of Conduct of DPRD.

#### Article 20

- (1) In exercising its rights, DPRD shall be entitled to ask for state officers, government officers, or members of community to give information on a matter that must be handled for the interests of the state, nation, government and development.
- (2) State officers, government officers or members of community refusing the request as intended in paragraph (1) shall be charged with imprisonment for the maximum period of one year for conducting contempt of DPRD.
- (3) The implementation of the rights as intended in paragraph (1) and paragraph (2) shall be regulated in the Code of Conduct of DPRD.

#### Article 21

- (1) Members of DPRD shall have the following rights:
- a. to ask questions;
  - b. protocol affairs; and
  - c. finance/administration.
- (2) The implementation of the right as intended in paragraph (1) shall be regulated in the Code of Conduct of DPRD.

#### Article 22

DPRD shall be obligated to:

- a. to defend and maintain the unity of the Unitary State of the Republic of Indonesia;
- b. to apply the Tenets of *Pancasila* and the 1945 Constitution as well as to comply with all laws and regulations;
- c. to develop democracy in the organization of Regional Governance;

- d. to improve the people's welfare in Regions based on economic democracy; and
- e. to take into account and to channel aspirations, to receive people's complains and reports, as well as to facilitate the follow up thereof.

Article 23

- (1) DPRD shall hold meetings periodically not less than six times a year.
- (2) In addition to the meetings as intended in paragraph (1), upon the request of not less than one-fifth of the members or upon the request of the Head of Region, the Chairperson of DPRD may summons for the members to hold a meeting by no later than one month following the receipt of such request.
- (3) DPRD shall hold meetings upon the invitation of the Chairperson of DPRD.
- (4) The implementation of the provisions as intended in paragraph (1), paragraph (2), and paragraph (3) shall be regulated in the Codes of Conduct of DPRD.

Article 24

The Codes of Conduct of DPRD shall be stipulated with a Decision of DPRD.

Article 25

The meetings of DPRD shall be open for public, except those stated as closed based on the Codes of Conduct of DPRD or upon the agreement among the chairs of DPRD.

Article 26

Closed meetings may adopt resolutions, except those regarding the following matters:

- a. the election of the Chairperson/Deputy Chairpersons of the Assembly;
- b. the election of the Head of Region/Deputy Head of Region;
- c. the election of the members of the Peoples Representative Assembly for Region Representatives;
- d. Regional Revenues and Expenditures Budget;
- e. the stipulation of taxes and retributions amendment and elimination;
- f. debts, loans and charges upon the Region;

- g. Regional Government-owned enterprises;
- h. eradication of a portion of or the entire receivable;
- i. the approval of peaceful settlement of civil cases; and
- j. spatial policies;

Article 27

A member of DPRD cannot be prosecuted before the Court of Law because of his opinions stated in the meetings of DPRD, both open and closed, conveyed orally or in writing, unless the person concerned conveys what has been agreed to be kept secret in close meetings or violate the provisions concerning the conveyance of state secrets set forth in the second book Chapter I of the Criminal Code.

Article 28

- (1) Investigations upon the members of DPRD may be conducted upon the written approval of the Minister of Home Affairs for the members of Provincial DPRD, and Governor for Regency and Municipal DPRD, unless the person concerned is caught red handed conducting a criminal act.
- (2) In the event that a member of DPRD is caught red handed conducting a criminal act, as intended in paragraph (1), it shall be informed in writing to the Minister of Home Affairs and/or Governor by no later than 2 (two) time 24 (twenty-four) hours.

Section Three

Secretariat of the Regional People's Representative Assembly

Article 29

- (1) In performing its duties and authorities, DPRD shall be assisted by Secretariat of DPRD.
- (2) The secretariat of DPRD shall be lead by a Secretary of DPRD appointed by the Head of Region from qualified Civil Servants upon the approval of the Chairs of DPRD.
- (3) In performing his duties, the Secretary of DPRD shall be a subordinate of and be responsible to the Chairs of DPRD.
- (4) The Secretary of DPRD may provide experts assigned to assist members of DPRD in performing their function.

- (5) Financial Budget of the Secretariat of DPRD shall be stipulated with a Decision of DPRD and included in the Regional Revenues and Expenditures Budget.

Section Four  
Head of Region

Article 30

Every regions shall be lead by a Head of Region as the head of the regional executive institution assisted by a Deputy Head of Region.

Article 31

- (1) The Head of Provincial Region shall be called Governor, who due to his position shall also served as the Government representative.
- (2) In performing his duties and authorities as the Head of Region, Governor shall be responsible to the Provincial DPRD.
- (3) The procedure for the implementation of the responsibility as intended in paragraph (2) shall be stipulated the Code of Conduct of DPRD in accordance with the guidelines stipulated by Government.
- (4) In his position as the Government representative, Governor be under subordination of and responsible to the President.
- (5) The procedure for the implementation of the responsibility as intended in paragraph (4) shall be stipulated by Government.

Article 32

- (1) The Head of Regency Region shall be called as Regent.
- (2) The Head of Municipal Region shall be called as Mayor.
- (3) In performing his duties and authorities as the Head of Region, Governor shall be responsible to the Regency/Municipal DPRD.
- (4) The procedure for the implementation of the responsibility as intended in paragraph (3) shall be stipulated the Code of Conduct of DPRD in accordance with the guidelines stipulated by Government.

Article 33

Candidates for the Head of Region shall be Indonesian citizens meeting the following requirements:

- a. devout to the One Almighty God;
- b. loyal and obedient to the Unitary State of the Republic of Indonesia and legal Government;
- c. have never been involved in committing treason to the Unitary State of the Republic of Indonesia, which based on *Pancasila* and the 1945 Constitution, which stipulated with a court stipulation;
- d. having not lower than senior high school educational background and/or equal;
- e. not less than thirty years of age;
- f. physically and mentally healthy;
- g. not mentally disturbed;
- h. have never been imprisoned due to his criminal acts;
- i. whose franchise is not being revoked by virtue of a court decision;
- j. know the region and known by people in the region concerned;
- k. submit list of their personal wealth; and
- l. willing to be nominated as Head of Region.

Article 34

- (1) The appointment of the Head of Region and Deputy Head of Region shall be conducted by DPRD through election concurrently.
- (2) Candidates for the Head of Region and Deputy Head of Region shall be stipulated by DPRD through nomination and election stages.
- (3) Election Committee shall be formed for the nomination and election of the Head of Region and Deputy Head of Region.
- (4) The Chairperson and Vice Chairpersons of DPRD due to their position shall also be the Chairperson and Vice Chairpersons of the Election Committee and concurrently serve as the members thereof.
- (5) The Secretary of DPRD due to his position shall be the Secretary of the Election Committee, but shall not be a member thereof.

Article 35

- 1) The Election Committee as intended in Article 34 paragraph (3) shall have the following duties:
  - a. to examine the identity documents of the candidates based on the requirements stipulated in Article 33;
  - b. to conduct the technical activities for electing the candidates; and
  - c. to be the party responsible for the election.
- 2) Qualified candidate nominees for the Head of Region and Deputy Head of Region in accordance with the results of the examination conducted by the Election Committee as intended in paragraph (1) shall be proposed to DPRD to be stipulated as the candidates for the Head of Region and Deputy Head of Region.

Article 36

- (1) Each faction shall conduct activities to select candidate nominees in accordance with the requirements set forth in Article 33.
- (2) Each faction shall stipulate candidate nominees for the Head of region and Deputy Head of Region and submit the same to the chairs of DPRD in a Plenary Session.
- (3) Two or more factions may jointly propose candidate nominees for the Head of Region and Deputy Head of Region as intended in paragraph (1).

Article 37

- (1) In the Plenary session of DPRD, each faction or several factions shall give explanations on the candidate nominees.
- (2) The chairs of DPRD shall invite the candidate nominees to present their vision, mission, and policy plans if they are elected as the Head of Region.
- (3) The members of DPRD may ask questions to the candidate nominees.
- (4) The chairs of DPRD and the chairs of the factions shall judge the capacity and personality of the candidate nominees and through deliberation or voting shall stipulate not less than 2 (two) candidates for the Head of Region and two couples of candidates for Deputy Head of Region, one couple of which shall be elected by DPRD in the election.

Article 38

- (1) The names of the candidates for Governor and Deputy Governor stipulated by the Chairs of DPRD shall be consulted to the President.
- (2) The names of candidates for Regents and Deputy Regents as well as candidates for Mayors and Deputy Mayors to be elected by DPRD shall be stipulated with a decision of DPRD.

Article 39

- (1) The election of the Head of Region candidates and Deputy Head of Region candidates shall be conducted in a Plenary Session of DPRD attended by not less than two-thirds of the total members of DPRD.
- (2) In the event that the number of the members of DPRD has not reach the quorum as intended in paragraph (1), the Chairs of Session shall postpone the meeting not more than one hour.
- (3) In the event that the provision as intended in paragraph (2) has reached, the plenary session shall be postponed for another 1 (one) hour and then the election of the Head of Region candidates and Deputy Head of Region Candidates shall still be conducted.

Article 40

- (1) The election of the Head of Region and Deputy Head of Region shall be conducted directly, freely, privately, honestly and fairly.
- (2) Every members of DPRD shall vote for one couple of Head of Region and Deputy Head of Region candidates from the couples of candidates stipulated by the chairs of DPRD, as intended in Article 37 paragraph (4).
- (3) The candidate for the Head of region and the candidate for the Deputy Head of Region obtaining the majority votes in the election as intended in paragraph (2) shall be stipulated as the Head of Region and the Deputy Head of Region by DPRD and legalized by the President.

Article 41

Service period of the Head of region and the Deputy Head of Region shall be 5 (five) years and may be re-elected for one more service period.



Article 42

- (1) The Head of Region shall be installed by the President or other government officers appointed to act on behalf of the President.
- (2) Before holding his position, the Head of Region shall pronounce oath/pledge.
- (3) The wording of the oath/pledge as intended in paragraph (2) shall be as follows:  
"In the name of Allah (God), I swear/promise; that I will perform my duties as the Governor/Regent/Mayor as good, honest and fair as possible; that I will always be loyal in practicing and defending *Pancasila* as the State foundation; and that I will uphold democracy and the 1945 Constitution as the state constitution as well as all laws and regulations applicable for Regions and the Unitary State of the Republic of Indonesia".
- (4) The procedures for the pronouncement of oath/Pledge and the installment of the Head of Region shall be stipulated by Government.

Section Five  
Obligations of the Head of Region

Article 43

The Head of Region shall have the following obligations:

- a. to preserve and maintain the integrity of the Unitary State of the Republic of Indonesia as the objective of the Independence Proclamation on August 17, 1945;
- b. to hold tight on *Pancasila* and the 1945 Constitution;
- c. to respect the people's sovereignty;
- d. to uphold all prevailing laws and regulations;
- e. to improve the people's prosperity level;
- f. to preserve and maintain order among the community;
- g. to submit Regional Regulation drafts and to stipulate them as Regional Regulation jointly with the Regional People's Representative Assembly.

Article 44

- (1) The Head of region shall lead the organization of Regional Governance based on the policies stipulated jointly with DPRD.

- (2) In performing his duties and authorities, the Head of Region shall be accountable to DPRD.
- (3) The Head of Region shall be obligated to submit reports on the organization of Regional Governance to the President through the Minister of Home Affairs with carbon copy forwarded to the Governor for the Head of Regency and Municipal Regions, not less than once a year or if deemed necessary by the Head of Region or if requested by the President.

Article 45

- (1) The Head of Region must present reports of accountability to DPRD at the end of his service period.
- (2) The Head of Region must present reports of accountability to DPRD for certain matters upon the request of DPRD as intended in Article 44 paragraph (2).

Article 46

- (1) The Head of Region whose reports of accountability as intended in Article 45, both accountability upon governance policies and financial accountability, are rejected, must complete and finish the aforementioned reports within 14 (fourteen) days as from the rejection.
- (2) The Head of Region, upon having completed and finished his reports, shall re-submit the same to DPRD as intended in paragraph (1).
- (3) DPRD may propose for the dismissal of the Head of Region whose reports of accountability are rejected by DPRD for the second time to the President.
- (4) Procedures as intended in paragraph (3) shall be stipulated by Government.

Article 47

The Head of Region shall represent his Region inside and outside the Court of Justice, and may appoint legal proxies to represent him.

Section Six  
Prohibitions for the Head of Region

Article 48

The Head of Region shall be prohibited:

- a. to participate in a company both belonging to a private party and State/Regional Government-owned, or in foundations in any form whatsoever;

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- b. to make decisions which specifically giving advantages for him, the members of his family, his crony, certain groups, or his political companion which obviously jeopardizing the public interests or discriminating other citizens and community group;
- c. to conduct other works giving advantages for him, both directly of indirectly, which related to the Region concerned;
- d. to receive money and/or goods or services from other parties which may be suspected to influence the decision or action to be taken by him; and
- e. to become an advocate or a legal proxy in a case before a court of law, except to act as intended in Article 46.

## Section Seven Dismissal of the Head of Region

### Article 49

The Head of Region shall dismiss or be dismissed due to the following reasons:

- a. demise;
- b. resignation upon his own will;
- c. his service period has ended and a new officer has been installed;
- d. no longer meeting the requirements as intended in Article 33;
- e. breaking the oath/pledge as intended in Article 42 paragraph (3);
- f. violating the provisions as intended in article 48; and
- g. his reports are rejected as intended in Article 46 paragraph (3); or
- h. experiencing vast crisis of public trust due to a case involving his responsibility and his explanation regarding the case is rejected by DPRD.

### Article 50

- (1) The dismissal of the Head of Region because of the reasons as intended in Article 49 shall be stipulated with a decision of DPRD and legalized by the President.
- (2) The Decision of DPRD as intended in paragraph (1) must be supported and approved by not less than two-third of the total members of DPRD and the decision shall be made based on the approval of not less than two-third of the total members attending.

Article 51

The Head of Region shall be dismissed by the President without going through DPRD decision, if he is proven to have conducted a criminal act which will be sanctioned with five years imprisonment or more, or will be sanctioned with death penalty as regulated in the Criminal Code.

Article 52

- (1) The Head of Region suspected to conduct *coup d'etat* and/or actions that can divide the Unitary State of the Republic of Indonesia shall be temporarily dismissed from his position by the President without requiring DPRD Decision.
- (2) The Head of Region proven to have conducted *coup d'etat* and actions that can divide the Unitary State of the Republic of Indonesia stated with a court decision which has obtained legal effect shall be permanently dismissed from his position by the President, without any approval of DPRD.
- (3) The Head of Region who after going through legal process is not proven to have conducted *coup d'etat* and actions that can divide the Unitary State of the Republic of Indonesia as intended in paragraph (1) shall be reinstated and rehabilitated as the Head of Region.

Article 53

- (1) DPRD shall notify the Head of Region in writing regarding the end of the service period of the person concerned six months before.
- (2) Based on the notification as intended in paragraph (1), the Head of Region shall prepare his final report to DPRD and submit it by no later than four months after the notification.
- (3) By no later than one month prior to the end of the service period of the Head of Region, DPRD shall start the process for electing the new Head of Region.

Article 54

Head of Region whose accountability rejected by DPRD as intended in Article 53 cannot be re-nominated as the Head of Region for the subsequent service period.

Section Eight  
Investigation upon the Head of Region

Article 55

- (1) Investigation upon the Head of Region may be conducted upon the written approval of the President.
- (2) The following matters shall be excluded from the provision as intended in paragraph (1):
  - a. caught red handed conducting criminal act which will be sanctioned with imprisonment of five years or more;
  - b. accused to have conducted criminal act which will be sanctioned with death penalty.
- (3) The investigation as intended in paragraph (1) and paragraph (2) shall be reported to the President by no later than 2 (two) times 24 hours after being conducted.

Section Nine  
Deputy Head of Region

Article 56

- (1) Every Regions shall have one Deputy Head of Region.
- (2) Deputy Head of Region shall be installed by the President or other officer appointed, at the same time of the installment of the Head of Region.
- (3) Before holding his position, the Deputy Head of Region shall pronounce oath/pledge.
- (4) The wording of the oath/pledge intended shall be as follows:  
"In the name of Allah (God), I swear/promise; that I will perform my duties as the Deputy Governor/Deputy Regent/Deputy Mayor as good, honest and fair as possible; that I will always be loyal in practicing and defending *Pancasila* as the State foundation; and that I will uphold democracy and the 1945 Constitution as the state constitution as well as all laws and regulations applicable for Regions and the Unitary State of the Republic of Indonesia".
- (5) The provisions as intended in Article 33, Article 41, Article 43 except point g, Article 47 up to Article 54 shall also applicable for the Deputy Head of Region.

Article 57

- (1) Deputy Head of Region shall have the following duties:

- a. to assist the Head of Region in performing his duties;
  - b. to co-ordinate the activities of Governance institutions in Region; and
  - c. to conduct other duties given by the Head of Region.
- (2) The Deputy Head of Region shall be accountable to the Head of Region;
  - (3) The Deputy Head of Region shall perform the duties and authorities of the Head of Region, in the event that the Head of Region is unable to attend.

#### Article 58

- (1) In the event that the Head of Region is permanently unable to attend, the Deputy Head of Region shall take the position of the Head of Region until the end of his term of service.
- (2) In the event that the Deputy Head of Region is permanently unable to attend, his position shall be left vacant.
- (3) In the event that the Head of Region and the Deputy Head of region are permanently unable to attend, the Secretary of Region shall perform the duties of the Head of Region temporarily.
- (4) In the event that the Head of Region and the Deputy Head of region are permanently unable to attend, DPRD shall organize election for the Head of Region and/or the Deputy Head of Region by no later than three months.

#### Section Ten Financial Position of the Head of Region and the Deputy Head of Region

#### Article 59

Financial position of the Head of Region and the Deputy Head of Region shall be stipulated with Government Regulation.

#### Section Eleven Regional Apparatus

#### Article 60

Regional Apparatus shall comprise of the Regional Secretariat, Regional Service Office, and other technical regional institutions, in accordance with the Regional requirement.

Article 61

- (1) The Regional Secretariat shall be lead by Secretary of Region.
- (2) The Secretary of Provincial Region shall be appointed by Governor upon the approval of the chairs of DPRD from qualified Civil Servants.
- (3) The Secretary of Provincial Region, due to his position, shall be the Secretary of Administrative Region.
- (4) The Secretary of Regency Region or Secretary of Municipal Region shall be appointed by the Regent or Mayor upon the approval of the chairs of DPRD from qualified Civil servants.
- (5) The Secretary of Region shall be obligated to assist the Head of Region in preparing policies and in developing working relationship with service offices, technical institutions and other executive units.
- (6) The Secretary of Region shall be accountable to the Head of Region.
- (7) In the event that the Secretary of Region is unable to perform his duties, the duties of the Secretary of Region shall be performed by the officer appointed by the Head of Region.

Article 62

- (1) Regional Service Office shall be the Regional Governance executing element.
- (2) Regional Service Office shall be lead by a Service Office Head appointed by the Secretary of Region from qualified Civil Servants.
- (3) The Head of Regional Service Office shall be accountable to the Head of region through the Secretary of Region.

Article 63

The organization of authorities delegated by Government to Governor as Government's Representative in the region in the context of deconcentration as intended in Article paragraph (3) shall be conducted by Provincial Service Offices.

Article 64

- (1) The organization of the fields of Governance which are under the Government's authorities as intended in Article 7 shall be conducted by vertical institutions.

- (2) The form, organization structure, formation and administration of the organization of the governance fields as intended in paragraph (1) shall be further regulated with Presidential Decree.

Article 65

Technical institutions may be established in Region in accordance with the Region requirements.

Article 66

- (1) Districts shall be the instruments of Regency/Municipal Regions lead by Heads of District.
- (2) The Head of a District shall be called *Camat*.
- (3) *Camat* shall be appointed by Regent/Mayor upon the suggestion of the Secretary of Regency/Municipal Region from qualified Civil Servants.
- (4) *Camat* shall receive delegation of portion governance authorities from Regent/Mayor.
- (5) *Camat* shall be accountable to the Regent or Mayor.
- (6) The formation of a district shall be stipulated with a Regional Regulation.

Article 67

- (1) Sub-districts shall be the instrument of Districts lead by Heads of Sub-district.
- (2) The Head of a Sub-district shall be called *Lurah*.
- (3) *Lurah* shall be appointed from qualified Civil servants by Mayor/Regent upon the suggestion of *Camat*.
- (4) *Lurah* shall be responsible to *Camat*.
- (5) The formation of a Sub-district shall be stipulated with a Regional Regulation.

Article 68

- (1) The organizational structure of Regional apparatus shall be stipulated with Regional Regulations in accordance with the guidelines stipulated by the Government.



- (2) Formation and requirements for Regional apparatus positions shall be stipulated with Decision of the Head of Region in accordance with the guidelines stipulated by Government.

CHAPTER VI  
REGIONAL REGULATION AND DECISION OF THE HEAD OF REGION

Article 69

The Head of Region shall stipulate Regional Regulations upon the approval of DPRD in the context of the organization of Regional Autonomy and further elucidation of higher laws and regulations.

Article 70

Regional Regulation shall not be allowed to contain regulations which contradictory to the public interest, other Regional Regulations and higher regulations.

Article 71

- (1) Regional Regulations may contain provisions concerning charging law enforcing fines, both in full and a portion thereof to violators.
- (2) Regional Regulations may contain criminal imprisonment threat for not more than six months or fines for not more than Rp. 5,000,000.00 (five million rupiah), with or without confiscating certain goods for the Regions, insofar as not regulated in the prevailing laws and regulations.

Article 72

- (1) The Head of Region may stipulate decisions of the Head of Region in order to implement Regional Regulations or other laws and regulations.
- (2) The decisions as intended in paragraph (1) shall not be contradictory to the public interest, Regional Regulations and higher regulations.

Article 73

- (1) Regional Regulations and Decisions of the Head of Region concerning general regulations shall be announced in the Regional Gazette.
- (2) Provisions concerning the announcement in the Regional Gazette as intended in paragraph (1) shall have binding legal effect after being announced.

Article 74

- (1) Investigations and prosecutions upon violations of the provisions of Regional Regulations shall be conducted by investigation officers and prosecutors in accordance with laws and regulations.
- (2) With Regional Regulation, other officers assigned to conduct investigation upon the violations of Regional Regulations may be appointed.

CHAPTER VII  
REGIONAL CIVIL SERVICE

Article 75

Norms, standard and procedures concerning appointment, transfer, dismissal, stipulation of pension, salary, allowance, welfare, rights and obligations, as well as legal position of Civil Servants in Region and Regional Civil Servants shall be stipulated with laws.

Article 76

Regions shall have the authority to conduct appointment, transfer, dismissal, stipulation of pension, salary, allowance and employee welfare as well as education and training in accordance with the Regions' requirements and capacity stipulated with Regional Regulation based on laws and regulations.

Article 77

Government of Provincial Region shall supervise the implementation of employment administration and employee career in its region in accordance with laws and regulations.

CHAPTER VIII  
REGIONAL FINANCE

Article 78

- (1) The organization of the duties of the Regional Government and DPRD shall be financed from and upon the expense of the Regional Revenues and Expenditure Budget.
- (2) The organization of the duties of the Government in Regions shall be financed from and upon the expense of the State Revenues and Expenditures Budget.

Article 79

The sources of the Regions' revenues shall consist of the following:

- a. Original Regional Revenues, namely:
  - 1) Regional taxes income;
  - 2) Regional retributions income;
  - 3) Regional government-owned enterprises' income; and retained income from Regional wealth management;
  - 4) other legal original regional revenues.
- b. Balancing Funds;
- c. Regional Loans; and
- d. Other legal regional revenues.

Article 80

- (1) Balancing Funds as intended in Article 79 shall comprise from the following:
  - a. Regional income share taken from Land and Building Tax, Land and Building Title Acquisition Levy, and incomes from natural resources;
  - b. general allocation fund; and
  - c. special allocation fund.
- (2) Regional income share from Land and Building Taxes for rural, urban and plantation sectors as well as Land and Building Title Acquisition Levy, as intended in paragraph (1) point a, shall be directly received by the earning Regions.
- (3) Regional income share from Land and Building Taxes for mining and forestry sectors and incomes from natural resources, as intended in paragraph (1) point a, shall be received by the earning Regions and other Regions for equitable distribution in accordance with laws and regulations.
- (4) Further provisions as intended in paragraph (1), paragraph (2) and paragraph (3) shall be stipulated in the Laws.

Article 81

- (1) Regional Governments may obtain domestic and/or international loan for funding their Governance activities with the approval of DPRD.
- (2) Domestic loans shall be notified to Government and shall be conducted in accordance with the guidelines stipulated by Government.
- (3) International loans as intended in paragraph (1) must be approved by Government, in accordance with the prevailing laws and regulations.

Article 82

- (1) Regional taxes and retributions shall be regulated with Laws.
- (2) The stipulation of tariff and the procedures for Regional taxes and retributions collection shall be stipulated with Regional Regulation in accordance with laws and regulations.

Article 83

- (1) In order to promote the Regional empowerment, the Government shall provide certain fiscal and non-fiscal incentives.
- (2) The provisions as intended in paragraph (1) shall be stipulated with Government Regulation.

Article 84

Regions may own Regional government-owned enterprises in accordance with the prevailing laws and regulations, the establishment of which shall be regulated with Regional Regulation.

Article 85

- (1) Assets belonging to the Regions used for serving public interests cannot be encumbered, charged with lien and/or assigned.
- (2) The Head of Region with the approval of DPRD may stipulate Decisions regarding the following matters:
  - a. eradication of a portion or the entire Regional charges;
  - b. approval for peaceful settlement of civil disputes;
  - c. other legal actions regarding the Region's assets and properties.

Article 86

- (1) The Regional Revenues and Expenditures Budget shall be stipulated with Regional Regulation by no later than one month after the stipulation of the State Revenues and Expenditures Budget.
- (2) Amendment of Regional Revenues and Expenditures Budget shall be stipulated with Regional Regulation by no later than three months prior to the end of the fiscal year.
- (3) The calculation of the Regional Revenues and Expenditures Budget shall be stipulated with Regional Regulation by no later than three months after the end the fiscal year concerned.
- (4) Guidelines for the preparation, amendment and calculation of the Regional Revenues and Expenditures Budget shall be stipulated with Government Regulation.
- (5) Regional Revenues and Expenditures Budget stipulated with Regional Regulation shall be submitted to Governor for Regency/Municipal Government and to the President through the Minister of Home Affairs for Provincial Government for acknowledgement.
- (6) Guidelines for the administration, accountability and supervision over Regional finance as well as procedures for the preparation of Regional Revenues and Expenditures Budget, the implementation of Regional financial administration and the preparation of Regional Revenues and Expenditures Budget calculation shall be stipulated with laws and regulations.

CHAPTER IX  
CO-OPERATION AND SETTLEMENT OF DISPUTES

Article 87

- (1) Several Regions may conduct inter-Region co-operation regulated with a joint decision of the Heads of Region.
- (2) Regions may establish Inter-Region co-operation agency.
- (3) Regions may conduct co-operation with other agencies which regulated with a joint decision.
- (4) The joint decision or the co-operation agency as intended in paragraph (1), paragraph (2) and paragraph (3) of this article burdening the people and Regions must obtain prior approval from the respective DPRD.

Article 88

- (1) Regions may conduct mutual cooperations with international institutions/agencies which regulated with joint decision, except for those related to the Government's authorities as intended in Article 7.
- (2) Procedures for the cooperations as intended in paragraph (1) shall be stipulated by Government.

Article 89

- (1) Disputes between Regions shall be settled by the Government through deliberation.
- (2) In the event that the settlement of Inter-Region disputes as intended in paragraph (1) cannot be accepted by one of the parties, the party concerned may seek settlement to the Supreme Court.

CHAPTER X  
URBAN AREAS

Article 90

In addition to Urban Areas having the status of Municipal Regions, it is necessary to stipulate Urban Areas which consists of the following:

- a. Urban Areas which are parts of Regency Region;
- b. New Urban Areas which resulting from development changing Rural Areas into Urban Areas; and
- c. Urban Areas which are parts of two or more neighboring Regions as one social, economic and urban physical unit.

Article 91

- (1) Municipal Regional Government and/or Regency Regional Government which regions directly bordered may establish a joint agency for managing urban areas.
- (2) Development Management Agency may be established in a rural area which is planned and developed into an urban area in Regency Regions.
- (3) Provisions as intended in paragraph (1) and paragraph (2) and other matters concerning the management of urban areas shall be stipulated with Regional Regulations in accordance with the guidelines stipulated in the Government Regulation.

Article 92

- (1) Regional Government must involve community and private parties in the organization of Urban Area development.
- (2) The involvement of community as intended in paragraph (1) shall be a community empowerment effort in developing urban areas.
- (3) Provisions concerning Urban Areas shall be stipulated with laws and regulations.

CHAPTER XI  
VILLAGE

Section One  
Formation, Eradication and/or Amalgamation of Villages

Article 93

- (1) Villages may be formed, eradicated and amalgamated by taking into account the initiative of the people with the approval of Regency Government and DPRD.
- (2) The formation, eradication and amalgamation of villages as intended in paragraph (1) shall be stipulated with Regional Regulation.

Article 94

Rural Government and Rural Representative Board shall be established in Villages which shall serve as the Rural Governance.

Section Two  
Rural Government

Article 95

- (1) Rural Government shall consist of the Head of Village or may be called with other names and village apparatus.
- (2) The Head of Village shall be directly elected by the citizens of the Village concerned from qualified candidates.
- (3) The Head of Village candidate elected by obtaining majority vote support as intended in paragraph (2) shall be stipulated by the Rural Representative Assembly and legalized by the Regent.

Article 96

Term of service of the Head of Village shall not more than ten years or two terms of service as from the date of stipulation.

Article 97

Persons that can be appointed as the Head of Village shall be Indonesian citizens living in the Village concerned with the following requirements:

- a. devout to the One Almighty God;
- b. loyal and obedient to *Pancasila* and the 1945 Constitution;
- c. have not directly or indirectly involved in conducting treason to *Pancasila* and the 1945 Constitution, G30S/PKI and/or other banned organizations;
- d. having not less than Junior High School educational background and/or having equal knowledge;
- e. not less than 25 years of age;
- f. physically and mentally healthy;
- g. are not mentally disturbed;
- h. having proper conduct, honest and fair;
- i. have never been imprisoned due to his criminal act;
- j. whose franchise is not revoked by virtue of a court decision having permanent legal effect;
- k. have good knowledge of his region and known by people in local Village;
- l. willing to be nominated as the Head of Village; and
- m. meeting other requirements in accordance with the local custom set forth in Regional Regulation.

Article 98

- (1) The Head of Village shall be installed by the Regent or other officer appointed.
- (2) Before holding his position, the Head of Village shall pronounce oath/pledge.
- (3) The wording of the oath/pledge intended shall be as follows:



“In the name of Allah (God), I swear/promise; that I will perform my duties as the Head of Village as good, honest and fair as possible; that I will always be loyal in practicing and defending *Pancasila* as the State foundation; and that I will uphold democracy and the 1945 Constitution as the state constitution as well as all laws and regulations applicable for Villages, Regions and the Unitary State of the Republic of Indonesia”.

## Article 99

Village authorities shall include the following matters:

- a. authorities already exist based on the Village original privilege;
- b. authorities have not yet implemented by Region and Government based on the prevailing laws and regulations; and
- c. Assigning Duties assigned by Government, Provincial Government and/or Regency Government.

## Article 100

Assisting Duties assigned by Government, Provincial Government and/or Regency Region to Village shall be accompanied with financial support, facilities and infrastructures as well as human resources.

## Article 101

The duties and obligations of the Head of Village shall be as follows:

- a. to lead the organization of Rural Governance;
- b. to develop the Village community's life;
- c. to develop Village economy;
- d. to maintain peace and order among the Village people;
- e. to resolve disputes peacefully among people in Village; and
- f. to represent his village inside and outside the court of law and may appoint his legal proxy.

## Article 102

In performing the duties and obligations as intended in Article 101, the Head of Village shall be:

- a. responsible to the people through the Rural Representative Board; and
- b. to present reports concerning the implementation of his duties to the Regent.

Article 103

- (1) The Head of Village shall terminate due to the following reasons:
  - a. demise;
  - b. resignation upon his own will;
  - c. no longer meeting the requirements and/or violate his oath/pledge;
  - d. the end of his service period and a new Head of Village has been appointed;
  - e. conducting actions contradictory to the provisions of the prevailing laws and regulations and/or norms living and growing among the Village community.
- (2) The dismissal of the Head of Village as intended in paragraph (1) shall be conducted by the Regent upon the suggestion of the Rural Representative Board.

Section Three  
Rural Representative Board

Article 104

Rural Representative Board or may be called with other names shall have the function to protect the customs and traditions, to make Village Regulations, to receive and channel community aspirations, as well as to conduct supervision over the organization of Village Governance.

Article 105

- (1) Members of the Rural Representative Board shall be elected from and by qualified citizens of the Village.
- (2) The chairs of the Rural Representative Board shall be elected from and by the members.
- (3) The Rural Representative Board together with the Head of Village shall stipulate Village Regulations.
- (4) The implementation of Village Regulations shall be stipulated with Decision of the Head of Village.

Section Four  
Other Institutions

Article 106

Other institutions may be established in Village in accordance with Village requirement and shall be stipulated with Village Regulations.

Section Five  
Rural Finance

Article 107

- (1) Village Revenues shall consist of the following:
  - a. Original Village Revenues, including:
    - 1) Village business profits;
    - 2) Village Assets;
    - 3) people's donation and participation;
    - 4) mutual co-operation; and
    - 5) other legal Village original revenues.
  - b. assistance from Regency Government, including:
    - 1) a portion from Regional taxes and retribution; and
    - 2) a portion from the funds of financial balance of the Central and the Regions received by Regency Regional Government.
  - c. assistance from Government and Provincial Government;
  - d. donations from third parties; and
  - e. Village loans.
- (2) The sources of village revenues as intended in paragraph (1) shall be managed through the Village Revenues and Expenditures Budget.
- (3) The Head of Village jointly with the Rural Representative Board shall stipulate the Village Revenues and Expenditures Budget annually with Village Regulation.
- (4) Guidelines for the preparation of Village Revenues and Expenditures Budget shall be stipulated by the Regent.

- (5) Procedures and collection of Village revenues and expenditures objects shall be stipulated jointly by the Head of Village and the Rural Representative Board.

Article 108

Villages may establish their own business entities in accordance with the prevailing laws and regulations.

Section Six  
Inter-Villages Co-operation

Article 109

- (1) Several villages may conduct co-operation for the interest of the villages which regulated with Joint Decision and shall be notified to the Head of District.
- (2) Villages may establish co-operation agencies for the implementation of the co-operation as intended in paragraph (1).

Article 110

Regency Government and/or third parties planning the development of Village area into housing, industrial and service areas must involve Rural Government and Rural Representative Board in the planning, implementation and supervision thereof.

Article 111

- (1) Further provisions concerning Village shall be stipulated in Regency Regional Regulation in accordance with general guidelines stipulated by Government by virtue of this law.
- (2) Regional Regulation as intended in paragraph (1) must acknowledge and respect the Village rights, origin as well as customs and traditions.

CHAPTER XII  
GUIDANCE AND SUPERVISION

Article 112

- (1) In the context of guidance, Government shall facilitate the organization of Regional Autonomy.
- (2) Guidelines concerning guidance and supervision over the organization of Regional Autonomy shall be stipulated with Government Regulation.

Article 113

In the context of supervision, Regional Regulations and Decisions of the Head of Region shall be submitted to Government by no later than fifteen days after the stipulation thereof.

Article 114

- (1) Government may cancel Regional Regulations and Decisions of the Head of Region contradictory to public interests or higher regulations and/or other regulations.
- (2) Decision concerning the cancellation of Regional Regulation and Decision of the Head of Region as intended in paragraph (1) shall be notified to the Region concerned by stating the reasons thereof.
- (3) By no later than one week as from the decision of the cancellation of Regional Regulation and Decision of the Head of Region as intended in paragraph (2), the implementation of the aforementioned Regional Regulation and Decision of the Head of Region shall be cancelled.
- (4) Region that cannot accept the decision concerning the cancellation of Regional Regulation and Decision of the Head of Region as intended in paragraph (2) may submit objection to the Supreme Court after submitting the same to Government.

CHAPTER XIII  
REGIONAL AUTONOMY ADVISORY BOARD

Article 115

- (1) The Regional Autonomy Advisory Board shall have the duty to provide considerations to the President regarding the following matters:
  - a. the formation, eradication, amalgamation and extension of Regions;
  - b. financial balance of the central and Regional government; and
  - c. the capacity of a Regency Region and Municipal Region to perform certain authorities as intended in Article 11.
- (2) The Regional Autonomy Advisory Board shall consist of the Minister of Home Affairs, Minister of State Secretary, other ministers in accordance with requirements, representatives of the Regional Government Association, and Region representatives appointed by DPRD.

- (3) The Minister of Home Affairs and the Minister of Finance, due to their positions, shall be the Chairperson and the Vice Chairperson of the Regional Autonomy Advisory Board.
- (4) The Regional Autonomy Advisory Board shall hold meetings not less than once every six months.
- (5) The Regional Autonomy Advisory Board shall be responsible to the President.
- (6) The Regional Autonomy Advisory Board shall be stipulated with Presidential Decree.

Article 116

In performing its duties, the Regional Autonomy Advisory Board shall be assisted by the Head of Secretariat supervising the Regional Autonomy Section and Central and the Regional Financial Balance Section.

CHAPTER XIV  
OTHER PROVISIONS

Article 117

The Capital City of the Republic of Indonesia, Jakarta, due to its position, shall be regulated with separated Law.

Article 118

- (1) East Timor Level I Region Province may be granted with special autonomy in the context of the Unitary State of the Republic of Indonesia, unless stipulated otherwise by laws and regulations.
- (2) Provisions concerning the organization of the special autonomy as intended in paragraph (1) shall be stipulated with a Law.

Article 119

- (1) The authorities of Regency Region and Municipal Region, as intended in Article 11, shall also be applicable in authority regions located within Autonomous Region, covering authority agency, harbor area, airfield area, housing area, industrial area, plantation area, mining area, forestry area, tourist area, highway area, and other similar areas.
- (2) Further provisions as intended in paragraph (1) shall be stipulated with Government Regulation.

Article 120

- (1) In order to organize public peace and order as well as to uphold Regional Regulations, Civil Service Police Units shall be formed as Regional Government apparatus.
- (2) The organizational structure, formation, position, authorities, rights, duties and obligations of Civil Service Police shall be stipulated with Regional Regulation, in accordance with the provisions stipulated by Government.

Article 121

The names Level I Region Province, Level II Region Regency and Level II Region Municipality, as intended in Law Number 5 Year 1974, shall be changed to Province, Regency and Municipality.

Article 122

The specialty of Aceh Special Region Province and Yogyakarta Special Region Province as intended in Law Number 5 Year 1974 shall remain the same with the provision that the governance organization of the Special Province of Aceh and the Special Province of Yogyakarta shall be based on this law.

Article 123

The organization of Regional authorities, both initial authorities based on the formation of the Region and additional authorities by virtue of Government Regulations and/or by virtue of other laws and regulations, shall be adjusted to Article 9, Article 10, and Article 11 hereof.

CHAPTER XV  
TRANSITIONAL PROVISIONS

Article 124

At the time this law becomes effective, the names, the boundaries and capital cities of Level I Region Provinces, Special Regions, and Level II Region Regencies, Level II Region Municipalities, as intended in the laws and regulations, shall remain the same.

Article 125

- (1) Batam Municipality, Paniai Regency, Puncak Jaya Regency, Mimika Regency, Simeulue Regency and all Administrative Cities may be upgraded into Autonomous Regions with due observance of Article 5 hereof.

- (2) By no later than two years after the stipulation of this law, the status of the Municipalities, Regencies and Administrative Cities as intended in paragraph (1) must have been changed into Regencies/Municipalities if they meet the provisions stipulated in Article 5 hereof.
- (3) The Municipalities, Regencies and Administrative Cities as intended in paragraph (1) may be eradicated if they do not meet the provisions for upgrading their status into Autonomous Regions.

## Article 126

- (1) Districts, Sub-districts and Villages existing at the time of the validation of this law shall remain as Districts, Sub-districts and Villages or may be called with other names, as intended in Article 1 point m, point n, and point o hereof, unless stipulated otherwise by laws and regulations.
- (2) Villages existing in Municipalities, Administrative Municipalities and Administrative Cities by virtue of Law Number 5 Year 1974 at the time this law becomes effective, shall be stipulated as Sub-districts, as intended in Article 1 point n hereof.

## Article 127

Insofar as the implementing regulations of this law have not been stipulated, all instructions, directions or guidelines existing or made by Government and Regional Government if not contradictory hereto shall remain applicable.

## Article 128

The Governor Head of Level I Region, the Deputy Governor Head of Level I Region, the Regent/Mayor Head of Level II Region, the Deputy Regent/Mayor Head of Level II Region, the Administrative Regent/Mayor, Mayor, *Camat*, *Lurah* and the Head of Village along with the apparatus thereof, as intended in Law Number 5 Year 1974 and Law Number 5 Year 1979 existing at the time this Law becomes effective, shall remain conducting their duties and authorities based on this Law.

## Article 129

- (1) As this Law becomes effective, the Institution of Governor Assistant, Regent Assistant, Mayor Assistant and the Regional Advisory Agency as intended in Law Number 5 Year 1974, shall be eliminated.
- (2) Vertical institutions in Region other than those handling the field of international, defense and security, judicature, monetary and fiscal, as well as religious affairs as intended in Article 7 shall become Regional apparatus.



- (3) The assets of all vertical institutions becoming Regional apparatus as intended in paragraph (2) shall be transferred to Region.

Article 130

- (1) In the event that the term of office of Deputy Head of Region is ended sooner than the term of office of the Head of Region, the position of the Deputy Head of Region shall not be filled in.
- (2) In the event that the term of office of the Deputy Head of Region is ended later than the term of office of the Head of Region, the term of office of the Deputy Head of Region shall be adjusted to the term of office of the Head of Region.

CHAPTER XVI  
CLOSING PROVISIONS

Article 131

At the time this Law becomes effective, the following Laws shall be declared no longer applicable:

- a. Law Number 5 Year 1974 concerning Principles of Regional Governance (State Gazette of the Republic of Indonesia Number 38 Year 1974; Additional State Gazette of the Republic of Indonesia Number 3037);
- b. Law Number 5 Year 1979 concerning Rural Governance (State Gazette of the Republic of Indonesia Number 56 Year 1979; Additional State Gazette of the republic of Indonesia Number 3153).

Article 132

- (1) Implementing provisions as the follow up of this law shall have been completed by no later than one year as from the stipulation hereof.
- (2) This law shall be implemented effectively by no later than two years as from the stipulation hereof.

Article 133

Provisions of laws and regulations contradictory and/or not suitable hereto shall be adjusted.

Article 134

This law shall come into effect as from the date of its stipulation.

For public cognizance, this Law shall be promulgated in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On May 7, 1999

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

BACHARUDDIN JUSUF HABIBIE

Promulgated in Jakarta

On May 7, 1999

THE MINISTER/STATE SECRETARY

Signed

AKBAR TANJUNG

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 1999 NUMBER 60