Comments on Amendments to Minister of Finance Regulation No. 240/PMK/06/2016 on State Receivables Management through Minister of Finance Regulation No. 23 of 2026

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Introduction

On 24 April 2026, the Minister of Finance enacted Minister of Finance Regulation No. 23 of 2026 on Amendments to Minister of Finance Regulation No. 240/PMK/06/2016 on State Receivables Management ("**PMK 23/2026**"). PMK 23/2026 amends Minister of Finance Regulation No. 240/PMK/06/2016 on State Receivables Management ("**PMK 240/2016**") by revoking, amending, and introducing several provisions in PMK 240/2016 in order to align it with Government Regulation No. 4 of 2026 on Amendments to Government Regulation No. 28 of 2022 on State Receivables Management by the State Receivables Affairs Committee ("**GR 4/2026**").

In general, the amendments consist of the following:

1. The revocation of Articles 62 and 63 of PMK 240/2016 on the Decree on the Determination of the Amount of State Receivables (*Surat Keputusan Penetapan Jumlah Piutang Negara*);
2. The introduction of provisions concerning measures that may be taken after seizure, namely: (i) physical control and use by the state prior to sale or transfer of title; and (ii) utilization without the consent of the Debtor (*Penanggung Utang*)/Guarantor (*Penjamin Utang*);
3. Amendments to the provisions concerning the purpose of valuation of Collateral and/or Other Assets (*Barang Jaminan dan/atau Harta Kekayaan Lain*) in order to accommodate the newly introduced mechanisms as well as debt settlement mechanisms.

Revocation of Articles 62 and 63 of PMK 240/2016

Articles 62 and 63 of PMK 240/2016 essentially governed the mechanism for determining the amount of State Receivables by the State Receivables Affairs Committee (*Panitia Urusan Piutang Negara* or "**PUPN**") in circumstances where no Joint Statement (*Pernyataan Bersama*) could be drawn up. Article 62 authorized PUPN to issue a Decree on the Determination of the Amount of State Receivables where the Debtor did not acknowledge the debt, refused to sign the Joint Statement, or failed to comply with summonses issued by PUPN. Meanwhile, Article 63 governed the possibility of amendments or corrections to such decree where errors or new information were subsequently discovered.

The revocation of these two Articles under PMK 23/2026 carries significant implications for the fundamental structure of debt collection within the PUPN regime. Article 142(c) of PMK 240/2016—which refers to the existence of a Decree on the Determination of the Amount of State Receivables—has become practically inoperable.

Under these circumstances, the issuance of an Enforcement Letter (*Surat Paksa*) effectively shifts to rely upon Article 142(b) of PMK 240/2016, which merely requires the absence of a signed Joint Statement by the Debtor. As a result, where a Debtor refuses to sign a Joint Statement for any reason whatsoever, an Enforcement Letter may now be issued more directly without first undergoing a formal determination phase.

The reduction of procedural requirements for the issuance of an Enforcement Letter against Debtors unwilling to sign a Joint Statement may potentially broaden the scope for PUPN to implement coercive debt collection measures.

Measures that May Be Taken by PUPN Against Collateral and/or Other Assets Following Seizure

Under the PMK 240/2016 regime, the measures that could be taken by PUPN against seized Collateral and/or Other Assets were, in principle, limited to sale through auction (see Article 238 of PMK 240/2016). Accordingly, seizure functioned primarily as a stage leading toward execution through an auction mechanism.

With the enactment of PMK 23/2026, the range of measures that may be taken against seized Collateral and/or Other Assets has been expanded. In addition to sale through auction, PUPN now has two additional options, namely: (i) physical control and use by the state prior to sale or transfer of title; and (ii) utilization by the regional branch of PUPN without the consent of the Debtor/Guarantor.

Furthermore, considering Article 186A(2) of PMK 23/2026, which provides that physical control and use by the state is not a prerequisite for sale or transfer of title, it may be understood that following seizure, sale or transfer of title may also be carried out directly without first undergoing the stage of physical control and use by the state.

Nevertheless, it should be noted that sale without auction and transfer of title constitute debt settlement mechanisms whose initiation does not lie with PUPN. Transfer of title is initiated by the Referring Creditor (*Penyerah Piutang*) (see Article 297C of PMK 23/2026), whereas sale without auction is initiated by the Debtor or Guarantor (see Article 258 of PMK 240/2016). Accordingly, this subsection focuses only on measures that fall directly within the authority of PUPN, namely: (i) physical control and use by the state; and (ii) utilization by the regional branch of PUPN without the consent of the Debtor/Guarantor.

Physical Control and Use by the State

Physical control and use by the state may only be implemented after the fulfillment of 3 requirements, namely: (i) seizure has been carried out, as evidenced by a Seizure Order (*Surat Perintah Penyitaan* or "**SPP**") and minutes of seizure; (ii) approval has been obtained from the Referring Creditor following a request submitted by a Ministry/Government Institution; and (iii) a decision has been issued by the chairperson of the regional branch of PUPN.

The mechanism for physical control and use by the state begins with a written request from a Ministry/Government Institution to the Referring Creditor. Such request must at least contain: (i) an analysis demonstrating that the use of the asset is intended for governmental administration and/or development implementation for public interest purposes; and (ii) a statement confirming willingness to accept the asset in its existing physical and/or documentary condition (as is) and to bear all outstanding costs. Where the Referring Creditor approves the request, the Referring Creditor will submit an application to the chairperson of the regional branch of PUPN through the head of the relevant State Assets and Auction Services Office (*Kantor Pelayanan Kekayaan Negara dan Lelang or* "**KPKNL**").

Once the requirements have been fulfilled, the KPKNL will notify the Debtor/Guarantor/Party Acquiring Rights (*Pihak yang Memperoleh Hak*) regarding the proposed physical control and use by the state over the relevant Collateral and/or Other Assets. Thereafter, the chairperson of the regional branch of PUPN will issue a decision on physical control and use by the state.

Pursuant to such decision, the relevant Ministry/Government Institution is granted the right to exercise physical control and use over the asset for a maximum period of 2 years. Importantly, such measure does not reduce the amount of debt owed by the Debtor/Guarantor.

Utilization by the Regional Branch of PUPN

The utilization of Collateral and/or Other Assets may only be carried out after the fulfillment of 3 requirements, namely: (i) seizure has been carried out, as evidenced by an SPP and minutes of seizure; (ii) a request has been submitted by a third party and approved by the Referring Creditor; and (iii) a decision has been issued by the chairperson of the regional branch of PUPN.

Third parties eligible to submit such request include: (i) state-owned/regional-owned/village-owned enterprises; (ii) individuals; (iii) supporting units for governmental/state administration activities; (iv) other business entities in the form of

limited liability companies, cooperatives, civil partnerships, general partnerships, or limited partnerships; and (v) other entities, including foundations and associations.

The utilization mechanism begins with a written request from a third party to the Referring Creditor. Such request must at least contain details regarding the Collateral and/or Other Assets to be utilized, the form of utilization, the proposed value, and the proposed utilization period. Where the Referring Creditor approves the request, the Referring Creditor will submit an application to the chairperson of the regional branch of PUPN through the head of KPKNL.

After receiving the application, the KPKNL will conduct a valuation through a Government Appraiser or a public appraiser appointed by the Directorate General of State Assets (*Direktorat Jenderal Kekayaan Negara* or "**DJKN**") in order to obtain the market value of the relevant Collateral and/or Other Assets to be utilized. The resulting market value will be compared against the value proposed by the third-party applicant, and the higher of the two values will become the utilization value. Thereafter, the Service Office will notify the Debtor/Guarantor/Party Acquiring Rights regarding the proposed utilization.

Subsequently, the chairperson of the regional branch of PUPN will issue a decision on the utilization of the relevant Collateral and/or Other Assets. Based on such decision, the chairperson of the regional branch of PUPN will enter into a utilization agreement with the third party receiving the utilization rights.

PMK 23/2026 provides that utilization may take the form of: (i) lease arrangements; (ii) contracts; (iii) utilization cooperation arrangements; (iv) operational cooperation arrangements; and/or (v) other forms consistent with prevailing business practices. Utilization may be carried out for a maximum period of 5 years, and the proceeds thereof shall be used to reduce the amount of debt owed by the Debtor/Guarantor.

<u>Comparison Between Use and Utilization</u>

Referring to the discussion above, the following table summarizes the differences between use by the state and utilization:

Distinguishing Aspect	Use by the State	Utilization
Initiation	Request submitted by a Ministry/Government Institution	Request submitted by a third party
Purpose	Governmental administration and/or development implementation for public interest purposes	Commercial utilization

Valuation	No. valuation required	Conducted by a Government Appraiser or a public appraiser appointed by DJKN
Impact	Does not reduce the amount of debt	Reduces the amount of debt
Duration	Maximum of 2 years	Maximum of 5 years

Comments on the Mechanism for Physical Control and Use by the State and the Mechanism for Utilization by the Regional Branch of PUPN

In general, there are 2 issues arising from these mechanisms that merit particular attention, namely: the involvement of the asset owner and the reduced role of PUPN.

First, in both the mechanism for physical control and use by the state and the utilization mechanism, the involvement of the Debtor/Guarantor/Party Acquiring Rights is essentially limited to receiving notification regarding the measures to be taken against the relevant assets. PMK 23/2026 does not provide any avenue for objection, review, or challenge against such measures, despite the fact that the relevant assets have already been seized and will be used or utilized for a certain period of time.

Second, upon closer examination, the scope for substantive assessment by PUPN within both mechanisms also appears relatively limited. The substance of the relevant measures is fundamentally determined through requests submitted by other parties and approvals granted by the Referring Creditor, while PUPN's involvement appears to focus primarily on the fulfillment of administrative requirements and the issuance of formal decisions. In this context, substantive parameters concerning the urgency, proportionality, relevance, or form of use and utilization of the assets are not regulated under PMK 23/2026.

Furthermore, both mechanisms demonstrate the continuing strength of the Referring Creditor's role within the State Receivables management process. Requests for physical control and use by the state as well as utilization must first be submitted to the Referring Creditor for approval before being forwarded to PUPN. This arrangement is noteworthy because, although the management of State Receivables has formally been transferred to PUPN, PMK 23/2026 continues to position the Referring Creditor as a key party in determining whether a particular mechanism may proceed. Accordingly, the authority of PUPN in managing State Receivables appears to be significantly reduced.

Specifically with respect to the mechanism for physical control and use by the state, a fundamental question arises regarding the very existence of the mechanism itself. Such measure explicitly does not reduce the amount of debt owed by the Debtor/Guarantor. Within the context of State Receivables management, this raises questions regarding the primary purpose of the mechanism, since the state's use of the asset is not directly

aimed at facilitating debt settlement, notwithstanding that the assets being used constitute Collateral and/or Other Assets that have been seized in connection with the management of State Receivables.

Moreover, while the assets remain under the state's physical control and use, the asset owner effectively loses the ability to use or benefit from such assets, while at the same time receiving neither debt reduction nor any economic benefit that could assist in satisfying its outstanding obligations.

Specifically with respect to the utilization mechanism by the regional branch of PUPN, the principal issue concerns the determination of the utilization value. PMK 23/2026 does not clearly regulate whether the selection between a Government Appraiser and a public appraiser lies entirely within the authority of the Service Office, or whether it involves the participation of the third-party applicant and/or the Debtor/Guarantor/Party Acquiring Rights.

This lack of clarity becomes particularly relevant because the utilization value is determined based on the higher value between the amount proposed by the third-party applicant and the market value resulting from the valuation process. In this context, the utilization value will directly affect the amount of debt reduction applicable to the Debtor/Guarantor, yet PMK 23/2026 does not indicate any involvement of the asset owner in the determination of such value.

Debt Settlement Mechanisms

The debt settlement mechanisms under PMK 23/2026 constitute a further elaboration of Article 66 of GR 4/2026, which provides that settlement of debt by a Debtor/Guarantor may be carried out through cash payment (*setoran tunai*), asset surrender (*penyerahan aset*), and/or asset takeover (*pengambilalihan aset*) by the state.

<u>Asset Surrender</u>

This mechanism begins with a written application submitted by the Debtor/Guarantor/Party Acquiring Rights to the Referring Creditor. It should be noted that only land and/or buildings, together with anything attached thereto, constituting Collateral and/or Other Assets may be surrendered, provided that such assets either possess high economic value or will be used for governmental administration and/or development implementation for public interest purposes. In addition, the surrendered assets must be certified assets, free from legal disputes, not unlawfully controlled by third parties, and not encumbered as collateral in favor of other creditors.

Where the Referring Creditor approves the application, the Referring Creditor will submit an application to the chairperson of the regional branch of PUPN through the head of the

relevant KPKNL. Based on such application, the KPKNL will request a valuation from a Government Appraiser or a public appraiser appointed by DJKN in order to obtain the market value of the Collateral and/or Other Assets to be surrendered. The valuation result will subsequently be submitted for approval to the Referring Creditor, upon which basis the chairperson of the regional branch of PUPN will issue an approval letter for debt settlement through asset surrender.

Based on the approval issued by the chairperson of the regional branch of PUPN, the Referring Creditor must complete the debt settlement process within a maximum period of 3 (three) months by executing minutes of asset handover and a deed of release of rights before a Land Deed Official (*Pejabat Pembuat Akta Tanah*). All costs arising from the process, including tax obligations and administrative fees related to State Receivables management, shall be borne by the Debtor/Guarantor/Party Acquiring Rights.

Asset Takeover

Debt settlement through the asset takeover mechanism may only be carried out after several requirements have been fulfilled, namely: (i) the issuance of an Enforcement Letter and minutes evidencing notification thereof; (ii) seizure has been carried out, as evidenced by a SPP and minutes of seizure; (iii) a written application has been submitted by a Ministry/Government Institution to the Referring Creditor; and (iv) a decision has been issued by the chairperson of the regional branch of PUPN.

This mechanism begins with a written application from a Ministry/Government Institution to the Referring Creditor. Such application must be accompanied by a statement or declaration confirming that the relevant Collateral and/or Other Assets to be taken over will be used by the state for governmental administration and/or development implementation for public interest purposes. Where the Referring Creditor approves the application, the Referring Creditor will submit an application to the chairperson of the regional branch of PUPN through the head of the KPKNL.

The KPKNL will subsequently request a valuation from a Government Appraiser or a public appraiser appointed by DJKN in order to obtain the Market Value of the relevant Collateral and/or Other Assets to be taken over. Where the valuation is conducted by a Government Appraiser, the valuation result must first be reviewed by the Financial and Development Supervisory Agency (*Badan Pengawasan Keuangan dan Pembangunan*).

After the valuation result has been obtained, the KPKNL will seek approval from the Referring Creditor. Thereafter, the KPKNL will notify the Debtor/Guarantor/Party Acquiring Rights regarding the proposed asset takeover. Following such notification, the chairperson of the regional branch of PUPN will issue a decision on asset takeover,

which includes the value to be applied for debt settlement purposes. Although such value reduces the amount of debt, it does not reduce the administrative fees related to State Receivables management.

Importantly, the decision on asset takeover simultaneously serves as the legal basis for the transfer and release of rights over the relevant land and/or buildings for registration under the name of the state. Accordingly, this mechanism enables the transfer of ownership rights to the state without requiring the consent of the Debtor/Guarantor/Party Acquiring Rights.

Comments on the Asset Surrender and Asset Takeover Mechanisms

These 2 mechanisms reinforce the observation that there has been a reduction in PUPN's authority in the management of State Receivables, accompanied by an expansion of the authority of the Referring Creditor. Indeed, in the context of debt settlement, the role of the Referring Creditor becomes even more central because the value of the relevant assets must ultimately be approved by the Referring Creditor.

On the other hand, the lack of clarity regarding the involvement of the asset owner in the appraiser selection process also remains present in both mechanisms. PMK 23/2026 does not clearly regulate whether the Debtor/Guarantor/Party Acquiring Rights has any opportunity to participate in the selection between a Government Appraiser and a public appraiser, or to raise objections against the valuation results used as the basis for debt settlement.

In the context of debt settlement, such lack of clarity becomes even more significant because the legal consequence of both mechanisms is the transfer of ownership rights over assets belonging to the Debtor/Guarantor/Party Acquiring Rights. Accordingly, the absence of any mechanism expressly allowing such parties to influence the valuation process or challenge the valuation result may affect their willingness to utilize the mechanisms provided under PMK 23/2026.

Conclusion

The amendments introduced through PMK 23/2026 reflect a shift in the approach to the management of State Receivables. Whereas the previous regime was primarily oriented toward debt collection and execution through auction, PMK 23/2026 expands the range of instruments that may be applied to Collateral and/or Other Assets, including physical control and use by the state, utilization, asset surrender, and asset takeover by the state.

On the one hand, these amendments provide greater flexibility in the management and settlement of State Receivables, particularly by allowing seized assets to be used or utilized prior to execution through auction. On the other hand, the expansion of these

mechanisms is accompanied by changes in the allocation of authority within the State Receivables management framework, including the strengthening of the Referring Creditor's position and the reduction of PUPN's substantive assessment role under several of the newly introduced mechanisms.

In addition, PMK 23/2026 also reflects a tendency toward reduced involvement of the Debtor/Guarantor/Party Acquiring Rights in decision-making processes relating to the use, utilization, and valuation of assets. Under several mechanisms, the involvement of such parties is essentially limited to receiving notification, without any clear framework providing avenues for objection, review, or challenge against the relevant measures or valuation results.

In this context, the future implementation of PMK 23/2026 will be important to observe, particularly with respect to how these expanded authorities are exercised in practice, how valuation standards and asset utilization mechanisms are applied, and the extent to which the rights and interests of the Debtor/Guarantor/Party Acquiring Rights remain protected within the State Receivables management process.

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