

REGENT OF SERANG
BANTEN PROVINCE
REGIONAL REGULATION OF SERANG REGENCY
NUMBER 4 OF 2024

ON

THE DISSOLUTION OF THE LIMITED LIABILITY COMPANY OF CIOMAS
MICROFINANCE INSTITUTION OF SERANG REGENCY

BY THE GRACE OF THE ALMIGHTY GOD

THE REGENT OF SERANG,

- Considering :
- a. that the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency, has encountered challenges in recent years due to governance issues and corruption cases;
 - b. that the Financial Services Authority's Letter No. S-3/NB.123/2020, dated January 23, 2020, concerning the Notification of Conditional Business License Revocation, has prohibited the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency, from conducting business activities as a microfinance institution and collecting funds from the public;
 - c. that under the provisions of Article 23 paragraphs (1) and (2) of Law Number 1 of 2013 on Microfinance Institutions, if efforts to rehabilitate the Microfinance Institution fail to resolve liquidity problems, the directors of the Microfinance Institution are required to convene a General Meeting of Shareholders to dissolve the Microfinance Institution as a legal entity and establish a liquidation team;
 - d. that based on the Serang District Court's Decision No. 100/Pdt.P/2021/PN.Srg, dated May 25, 2021 and by the Minutes of the Extraordinary General Meeting of Shareholders Decision No. 584.31066/IV-21/PT.LKM.CMS dated April 12, 2021, the liquidation team has been granted the authority to fulfill its responsibilities;
 - e. that under legal and regulatory provisions governing Limited Liability Companies, the Limited Liability Company of Ciomas Microfinance Institution, Serang Regency, has been officially closed. However, considering that the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency is a Regional-Owned Enterprise, the provisions subject to laws and regulations in the field of governing Regional-Owned Enterprises shall also be applied to it;
 - f. that under Article 124 paragraph (1) of Government Regulation No. 54 of 2017 on Regional-Owned Enterprises, the dissolution of a Regional-Owned Enterprise must be specifically stipulated through a Regional Regulation;

- g. that based on considerations from points A to F, it is necessary to enact a Regional Regulation on the Dissolution of the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency.

- Referring to :
1. Article 18 paragraph (6) of the 1945 Constitution of the Republic of Indonesia;
 2. Law Number 14 of 1950 on the Governance of Regency Areas within the Province of West Java (Official Gazette of 1950), as amended by Law Number 4 of 1968 on the Establishment of Purwakarta and Subang Regencies by Amending Law Number 14 of 1950 on the Governance of Regency Areas within the Province of West Java (State Gazette of the Republic of Indonesia of 1968 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 2851);
 3. Law Number 23 of 2000 on the Establishment of Banten Province (State Gazette of the Republic of Indonesia of 2000 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 4010);
 4. Law Number 40 of 2007 on Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756), as amended several times, most recently by Law Number 6 of 2023 on the Stipulation of Government Regulation instead of Law Number 2 of 2022 on Job Creation as Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 5. Law Number 1 of 2013 on Microfinance Institutions (State Gazette of the Republic of Indonesia of 2013 Number 12, Supplement to the State Gazette of the Republic of Indonesia Number 5394), as amended several times, most recently by Law Number 4 of 2023 on Financial Sector Development and Strengthening (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
 6. Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as amended several times, most recently by Law Number 6 of 2023 on the Stipulation of Government Regulation instead of Law Number 2 of 2022 on Job Creation as Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856);
 7. Government Regulation Number 54 of 2017 on Regional-Owned Enterprises (State Gazette of the Republic of Indonesia of 2017 Number 305, Supplement to the State Gazette of the Republic of Indonesia Number 6173).

With the Joint Approval of
REGIONAL LEGISLATIVE COUNCIL
OF SERANG REGENCY
AND
THE REGENT OF SERANG

HAS DECIDED TO:

To Enact : THE REGIONAL REGULATION ON THE DISSOLUTION OF THE
LIMITED LIABILITY COMPANY OF CIOMAS MICROFINANCE
INSTITUTION OF SERANG REGENCY.

CHAPTER I
GENERAL PROVISIONS

Article 1

For this Regional Regulation, the following terms shall be defined as:

1. Region means Serang Regency.
2. Regional Government means the Regent as the executive element of the Regional Government responsible for leading the implementation of governmental affairs under the authority of the autonomous region.
3. Regent means the Regent of Serang.
4. Microfinance Institution, hereinafter abbreviated as MFI, means a financial institution that specifically established to provide business development and community empowerment services, either through loans or financing for micro-scale businesses to its members and the community, manage business, collect savings, and offer business development consultancy services, which are not solely profit-oriented.
5. Limited Liability Company of Ciomas Microfinance Institution of Serang Regency, hereinafter referred to as PT LKM Ciomas of Serang Regency, means a subdistrict credit company owned by the Regional Government, with its headquarters situated in Ciomas Subdistrict.
6. General Meeting of Shareholders, hereinafter abbreviated as GMS, means a corporate body that holds authority that is not granted to the Board of Directors or the Board of Commissioners within the limits set forth by the Law regarding limited liability companies and/or the company's articles of association.

CHAPTER II
DISSOLUTION

Article 2

By this Regional Regulation, PT LKM Ciomas of Serang Regency which was established under the Regional Regulation of Serang Regency Number 2 of 2015 on the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency, is hereby dissolved.

Article 3

In the process of dissolving PT LKM Ciomas of Serang Regency, the Regional Government, as the majority shareholder, together with the company, shall settle all

liabilities of the PT LKM Ciomas of Serang Regency, by the provisions of applicable laws and regulations.

Article 4

The implementation of liquidation in the context of the dissolution of PT LKM Ciomas of Serang Regency as referred to in Article 1 shall be carried out by the following provisions:

- a. Laws and regulations concerning Regional-Owned Enterprises;
- b. Laws and regulations concerning Limited Liability Companies;
- c. Laws and regulations concerning Microfinance Institutions;
- d. Laws and regulations concerning financial services; and
- e. Other applicable laws and regulations.

Article 5

- (1) The dissolution of PT LKM Ciomas of Serang Regency, as referred to in Article 2, shall be followed by liquidation conducted by a liquidator in accordance with applicable laws and regulations.
- (2) The dissolution of PT LKM Ciomas as referred to in paragraph (1), only results in the company losing its legal entity status once the liquidation process is completed and the liquidator's accountability accepted by the Regent.
- (3) After the completion of liquidation, as referred to in paragraph (2), the Regent may determine the dissolution of the liquidator.
- (4) The liquidator, as referred to in paragraph (2), shall be obliged to:
 - a. announce in print or electronic media regarding the plan for the distribution of assets resulting from the liquidation of PT LKM Ciomas of Serang Regency;
 - b. record and collect the assets and liabilities of PT LKM Ciomas of Serang Regency;
 - c. record and collect data on the ongoing cooperation agreements of PT LKM Ciomas of Serang Regency;
 - d. make payments to the creditors of PT LKM Ciomas of Serang Regency;
 - e. make payments of the remaining assets resulting from the liquidation to the shareholders; and
 - f. take other necessary actions that need to be taken in accordance with the applicable laws and regulations.

Article 6

All remaining assets resulting from the liquidation of PT LKM Ciomas of Serang Regency shall be returned to the Region.

Article 7

At the time when this Regional Regulation comes into force, the Regional Regulation of Serang Regency No. 2 of 2015 concerning the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency, (Regional Gazette of Serang Regency Year 2015 No. 02, Supplement to the Regional Gazette of Serang Regency No. 26) is repealed and declared ineffective.

Article 8

This Regional Regulation shall come into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Regional Gazette of Serang Regency.

Issued in Serang
On October 7, 2024
THE REGENT OF SERANG,

RATU TATU CHASANAH

Promulgated in Serang
On October 7, 2024
Acting Secretary of the Regional Government of Serang Regency,

RUDY SUHARTANTO
REGIONAL GAZETTE OF SERANG REGENCY YEAR 2024 NUMBER 4
REGULATION REGISTRATION NUMBER (4, 36/2024)

ELUCIDATION
OF
THE REGIONAL REGULATION OF SERANG REGENCY
NUMBER 4 OF 2024
ON
THE DISSOLUTION OF THE LIMITED LIABILITY COMPANY OF CIOMAS
MICROFINANCE INSTITUTION OF SERANG REGENCY

I. GENERAL

PT LKM Ciomas is a Regional-Owned Enterprise (BUMD) of the Serang Regency Government engaged in financial services and savings and loans. It was established under the Regional Regulation of Serang Regency No. 2 of 2015 concerning the Limited Liability Company of Ciomas Microfinance Institution of Serang Regency. In recent years, PT LKM Ciomas has encountered various issues, including governance failures and corruption cases, resulting in financial difficulties. Consequently, the shareholders of PT LKM Ciomas, through an Extraordinary General Meeting of Shareholders (EGMS), decided to liquidate the company, as documented in the Minutes of the Extraordinary General Meeting of Shareholders Decision No. 584.3/066/IV-21/PT.LKM.CMS, dated April 12, 2021. This decision was followed by submitting a liquidation request to the Serang District Court. The court subsequently issued a Stipulation of the Serang District Court Number 100/Pdt.P/2021/PN.Srg, dated May 25, 2021, granting permission for liquidation.

According to the provisions of the Limited Liability Company Law, PT LKM Ciomas of Serang Regency has been officially closed. However, considering that LKM Ciomas is a Regional-Owned Enterprise (BUMD), the provisions used are not merely limited liability company regulations, but also need to fulfill the provisions governing local government in general related to the establishment and dissolution of a regional company where it is stated that for the dissolution of BUMD, it needs to be regulated in a Regional Regulation. To fulfill these provisions, the dissolution of PT LKM Ciomas of Serang Regency need to be retrieved in the Regional Regulation.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

The term "settling all liabilities of PT LKM Ciomas of Serang Regency" refers to the obligations stipulated in the Serang District Court Decision No. 100/Pdt.P/2021/PN.Srg, dated May 25, 2021, and other obligations as provided in the applicable laws and regulations.

Article 4

Self-explanatory.

Article 5

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

"assets" refers to tangible and intangible assets of value that PT LKM Ciomas legally own.

The term "liabilities" refers to obligations that PT LKM Ciomas must fulfill.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

The term "shareholders" refers to the shareholders of PT LKM Ciomas, consisting of the Regional Government of Serang Regency and the Regional Government of West Java Province.

Article 6

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Self-explanatory.

SUPPLEMENT TO THE REGIONAL GAZETTE OF SERANG REGENCY NUMBER
119

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