

**OPEN-ENDED INTERGOVERNMENTAL WORKING GROUP ON THE  
PREVENTION OF CORRUPTION  
THEMATIC COMPILATION OF RELEVANT INFORMATION SUBMITTED  
BY Indonesia  
Article 8, Paragraph 5  
Asset and Interest Disclosure Systems  
Indonesia (ninth session)**

areas (conflict of interest, gratification, public complaints, whistleblower system, the capacity of internal government auditor/APIP, the capacity of the Government Internal Control System/SPIP) are still not optimal.

2. The follow-up actions and commitment to the Ministerial Regulation of the Minister of Administrative Reform and Bureaucratic Reform (AR & BR) no. 37 of 2012 on the General Guidelines for Handling Conflict of Interest, to become a regulation in the respective ministry/agency and its full implementation has become a challenge, especially at the provincial, city and district levels.

These followings are the evaluation result of the Ministry of AR&BR:

No	Follow up Actions	Central Government	Provincial Government	City/District Government
1	Percentage of Ministries / Agencies that already have conflict of interest policies	97% out of 90 ministries/agencies	32,4% out of 34 provinces	33,3% out of 514 city/districts
2	Percentage of Ministries / Agencies that has implemented a conflict of interest policy	81% out of 90 ministries/agencies	17,6% out of 34 provinces	12,1% out of 514 city/districts
3	Percentage of Ministries / Agencies that has evaluated the handling of conflict of interest	31% out of 90 ministries/agencies	1,5% out of 34 provinces	1,5% out of 514 city/districts

**Technical Assistance required:**

- Capacity and institution-building in conflicts of interest management.

**II. INFORMATION REQUESTED FROM STATES PARTIES IN RELATION TO ASSET & INTEREST DISCLOSURE**

There are two objectives in the implementation of asset declaration system which are prevent public officials using their authority to obtain personal gain and detect illicit enrichment. The combination of two objectives can assist a country to prevent and enforce the corruption by identifying the extravagant lifestyle and potential conflict of interests. The main purpose in these two objectives is to build the atmosphere of accountability, integrity, and transparency in order to decrease corruption. Therefore, a clear definition and guidance in conflict of interest system can facilitate the public officials to avoid the conflict of interest and assist law enforcement to identify the conflicts when they have occurred

**Asset Declaration (LHKPN)**

According to the Law No. 28 of 1999 on State Administrators Clean and Free from Corruption, Collusion and Nepotism, Indonesia has been set a regulation that relates to Asset and Interest Disclosure by obligate all public officials to report, to be examined and to announce their wealth through Asset

Declaration. Hence, public officials or state administrators are defined as state officials who perform legislative, executive and judiciary functions. This would include state Officials at the State Highest-level Institution, State Officials at State High-level Institutions, Ministers, Governors, Judges, other State Officials defined in accordance with applicable laws and regulations, and other officials who hold strategic functions in state administration in accordance with the applicable legislation (including Deputy Governors, Regent/Deputy Regent, member of local/district/regent parliament). They are required to report their asset declaration to KPK (Law No. 30 of 2002 in article 13 (letter a)).

KPK Regulation no. 07/2005 as amended by KPK Regulation no. 07/2016, stipulated the rule on how to report, to announce and to examine the Wealth Report.

The new decree set the order:

- Form to report → from paper-based system into paperless or application system
- How to report → online assessment and submission
- Submission report → periodic (every year, between Jan 01 – March 31); special purposes (max. 3 month after occupied/when leaving current position)

Since 2017, KPK has launched and implementing a web-based Wealth Report management application known as e-LHKPN ([www.elhkpn.kpk.go.id](http://www.elhkpn.kpk.go.id)) which are consist of:

- E-Registration → For Asset Declaration Unit in each institution to register and manage independently the Wealth Report of their officials (to update the list of public officials that have obligation in submitting Wealth Report, to monitor the submission compliance, to proposed administrative sanction, etc.)
- E-Filling → To ease the Asset Declaration reporting process by public officials from paper-based system into paperless or web-based application system
- E-Announcement → Providing public access to give opportunity to the civil society in monitoring the compliance of submission and the assets fairness of the public officials

To facilitate the Public Officials in reporting their assets through E-Filling, the KPK provide video tutorial on the website to give guidance in filling the application. Moreover, the Public Officials can contact KPK's helpdesk via email for further queries. Recently, KPK is developing a web chat application in facilitating public officials to get in touch with KPK's customer service. Even though there are more than 300.000 of public officials required to submit their wealth report, in 2017 the submission compliance rate was 78%.

## SUMMARY of PUBLIC OFFICIAL COMPLIANCE

As of: 30 December 2017

NO	INSTANSI	Number Of Public Officials	Number - Already Submitted	Number - Have Not Submitted Yet
1	EXECUTIVE	252.446	198.639	78,69%
2	LEGISLATIF	14.144	4.379	30,96%
	NATIONAL PARLIANMENT	556	536	96,40%
	DISTRICT/REGENT PARLIANMENT	13.588	3.843	28,28%
3	JUDICIALS	19.721	18.670	94,67%
4	STATE / LOCAL GOVERNMENT OWN COMPANY	29.250	24.127	82,49%
	<b>TOTAL</b>	<b>315.561</b>	<b>245.815</b>	<b>77,90%</b>

The information included in the wealth report should be systematic and cover wide and comprehensive information regarding the public official's assets. Therefore, the KPK considers the types of information that should be included in wealth report as follows:

- Submission date
- Personal Data (including all family member)
- Assets (consist of Fixed Assets, Current Assets, Cash and Cash Equivalent, Commercial Papers and Account Receivable, etc.)
- Liability
- Expenditure
- Income
- Other benefit received
- Statement Agreement for KPK to Announce WR/AD to Public
- Letter/Power of Attorney

KPK also review the completeness and data validation of the information provided by public officials in their wealth report. Furthermore, KPK conducts examination procedures which are a series of activities including the analysis of changes in assets and finding the source of fund in buying the assets. KPK performs examination based on two types of criteria:

- Reactive Examination → The examination performed based on the request from the internal of KPK or external government institution (Law Enforcer)
- Proactive → The examination based on the anomalies or red flag by capturing information provided in the wealth report such as :
  - a) The amount of net income is lower than the increase of assets in certain period,
  - b) The acquisition and sale of assets significantly obtain from grant/gift/inheritance,
  - c) The amount of debt higher than the amount of assets, or
  - d) Other analysis related to asset, income and profile

The examination objective is to identify the public officials who have a high standard of lifestyle and have a control of financial resources or asset beyond their official salary which can be categorized as unexplained wealth that could lead to illicit enrichment.

1. The purposes of conducting Wealth Report Examination are:
  - Assuring the compliance of public officials in submitting their Wealth Report
  - Identifying assets, income, gifts intentionally or unintentionally unreported in Wealth Report
  - Ensuring the appropriateness and the fairness of the assets owned by the Public Officials
  - Identifying the source of funds in obtaining the assets and financing the lifestyle of Public Officials and their families
  - Early detection of illicit enrichment as red flag of corruption
  
2. The benefit in conducting wealth report examination are:
  - Public officials feel monitored, in order to prevent them in commit corruption
  - Data support for other law enforcement agencies (General Attorney and Police)
  - Tools to assess transparency and accountability in the recruitment process
  - To encourage other government institutions to promote transparency through Wealth Reporting
  - Additional information for asset tracing and forfeiture

#### **Asset Declaration of Civil Servants (LHKASN)**

LHKASN is a report that declare the ownership of assets by civil servants in order to implement public transparency. All Civil Servants excluded from LHKPN. Ministry of AR&BR Letter No 1 of 2015 on Obligation of Civil Servants to Report Asset Declaration. The civil servants report their wealth to their respective Head of Organization through Internal Audit and its copy has to be sent to the Minister of AR & BR. The report time are: 3 (three) months after the policy is determined; 1 (one) month after appointment in office; and 1 (one) month after termination from office. LHKASN shall be used as a requirement for promotion and as one element of Bureaucratic Reform Assessment.

#### **Technical Assistant Required**

Capacity building on innovative approaches and the use of new technologies to prevent and combat corruption, including development of gratification and asset declaration reporting systems.