

The Financial of Subsidiaries of State-owned Enterprises in Corruption in Indonesia

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The Asian Conference on the Social Sciences 2017
Official Conference Proceedings

Abstract

Indonesia restructures State-Owned Enterprises (SOEs) in the form of a holding company through Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 on the Procedures of Participation and Administration of state capital in State-Owned Enterprises and Limited Liability Companies. This caused controversy. It is stipulated that the Subsidiaries of State-Owned Enterprises shall be treated in the same way as State-Owned Enterprises in performing public services or obtaining specific policies from the state, including natural resource management with certain treatment as applied to SOEs. This equality of treatment opens the possibility of equal treatment in terms of accountability between SOEs finances and Subsidiaries of State-Owned Enterprises finances. The problem is, whether the act against the law by the Board of Directors of a Subsidiaries of State-Owned Enterprises that causes losses to a Subsidiaries of State-Owned Enterprises is a criminal act of corruption. The method of writing is normative. State finances in the explanation of Law Number 31 of 1999 in conjunction with Law Number 20 of 2001 on Corruption Eradication constitute all state assets arising from being in the control, management, and accountability of SOEs. Whereas the juridical between SOEs and Subsidiaries of State-Owned Enterprises is 2 (two) independent limited liability companies which have their own corporate organs as regulated in Law Number 40 of 2007 on Limited Liability Company so that the unlawful acts committed by the Board of Directors of Subsidiaries of State-Owned Enterprises Causing corporate losses is not a criminal act of corruption.

Keywords: Subsidiaries, State-Owned Enterprises, Corruption, Indonesia.

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I. Introduction

In order to optimize the performance and make the structure of State-Owned Enterprises (SOEs) better, the government of Indonesia held a program to improve the system of SOEs. It aims to make improvements with the reform of SOEs. Indonesia restructured SOEs through Government Regulation Number. 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 concerning Procedures for the Participation and Administration of state capital in State-Owned Enterprises and Limited Liability Companies. Under this provision, the restructuring of SOEs is done by strengthening the institutions and working mechanisms of SOEs as well as improving the administrative order through the improvement of the administration process. Strengthening the institutional and working mechanisms of SOEs is done, among others, through the establishment of a holding company of SOEs.¹

In the restructuring program, one of the main focus of the Ministry of SOEs in the framework of SOEs development is through the rightsizing program. SOEs rightsizing program is the main program of SOEs restructuring / restructuring program with more sharp mapping, and regrouping / consolidation, to reach the ideal amount and scale of SOEs business.² The guidelines of rightsizing are fixed on Article 33 of the Indonesia Constitution 1945 as the basis for policy making in the economic field. SOEs business or product / service is included in the category "concerning the livelihood of the people" as referred to in Article 33 of the Indonesia Constitution 1945. This implies that the state must retain majority ownership of the SOEs.³ On the other hand, SOEs that do not belong to the category "concern the livelihood of the public" in the business or product / service sectors, the ownership of the state may be considered not majority or even divested. This is particularly the case for the state-owned sector which assumes that the state no longer needs to participate in the business sector.⁴ In this case the holding form is one form of rightsizing interesting to discuss further. Holding is a form of business in which there is a holding company which controls or has subsidiaries of the same type of business. This company owner which is called holding and the subsidiary of holding company is an extension of the company owner.

If it has reviewed at the terms of economic unity, then the company to be held is not a problem of the relationship between the subsidiary of holding company and the holding company. However, juridically, Law Number 40 of 2007 on Limited Liability Company does not recognize the term so that it can be said that the holding company and subsidiary of holding company are independent legal subjects.⁵ Therefore, according to the provisions of the Law Number 40 of 2007 on Limited Liability Company, the position of the state is not changed, the state is the majority

¹ Further see Explanation umum Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 on Procedures for Investments and Administration of the state capital in SOEs and Company Limited.

² Kementerian BUMN. *Master Plan* Kementerian BUMN 2004-2014, page. 80

³ *Ibid*

⁴ *Ibid*

⁵ Sulistiowati, *Aspek hukum dan Realitas Bisnis Perusahaan Grup di Indonesia* (Jakarta: Erlangga, 2010) page. 19

shareholder of SOEs⁶ and SOEs is the majority shareholder of the SOEs Subsidiaries⁷. This means that the state is not acting as a shareholder of SOEs Subsidiaries.

Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 on the Procedures of Participation and Administration of state capital in SOEs and Limited Liability Companies resulted a legal debate. The Government through the Government Regulation equates the treatment between the SOEs and the subsidiary of the SOEs in certain respects.

Article 2A paragraph (7) states:

"Subsidiaries of SOEs shall be treated in the same way as SOES for the purpose of obtaining Government assignments or performing public services and / or obtaining specific policies of the State and / or Government, including in the management of natural resources with certain treatment as applied to SOEs".

Based on these provisions, it is stated that the Subsidiaries of SOEs are treated the same as the SOEs. This equality of treatment opens the possibility of equal treatment in terms of financial accountability of SOEs and Subsidiaries of SOEs. In the explanation of Article 2A paragraph (7) it is also stated that which is included in the same treatment in the specific policies of the state and / or Government, among others:

1. Related to the process and form of permit;
2. Right to acquire management rights;
3. Land expansion activities; And / or
4. Participation in activities of statehood or government involvement involving SOEs.

The phrase "among others" is contained in the general explanation of Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 concerning Procedure of Inclusion and Administration of State Capital in SOEs and Limited Liability Companies. Opening up opportunities for equal treatment in other matters for subsidiaries of SOEs such as the financial accountability of subsidiaries of SOEs in the context of corruption.

State finance in general explanation of Law Number 31 of 1999 in conjunction with 20 of 2001 on on Corruption Eradication representing all of state asset that

⁶ Indonesia, Law - State Owned Enterprises Act, Act No. 19 of 2003, article 1 point 2 states that "Limited Liability Company, hereinafter referred Limited, is a state-owned limited liability company whose capital is divided into shares of all or at least 51% (fifty one percent) of its shares owned by the Republic of Indonesia with the main objective of profit".

⁷ Indonesia, Regulation of the Minister of State Enterprises Number. PER-03 / MBU / 2012 of 2012 on Guidelines for Appointment of Members of the Board of Directors and Board of Commissioners Subsidiary State-Owned Enterprises, Article 1 paragraph 2, states that "the Son of state-owned company is a limited liability company that is mostly owned by the state or a limited liability company controlled by the state".

arise because is in controlling, handling, and accountability of SOEs.⁸ With the provision of Government Regulation of Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 concerning Procedure of Inclusion and Administration of State Capital in SOEs and Limited Liability Companies, the finance of Subsidiaries of SOEs can also be equalized with the finance of SOEs based on Law Number 31 of 1999 in conjunction with 20 of 2001 on on Corruption Eradication so that the financial loss of Subsidiaries of SOEs can also be categorized as state financial losses as stated in Article 2 paragraph (1) and Article 3 in Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication.

In practice, if a subsidiary company in the conduct of such business commits an act against the law causing a loss of the company, it resulted the question of whether the act is a criminal act of corruption or not. The focus of the problem in this paper is to see whether the unlawful acts committed by the Board of Directors of Subsidiaries of SOEs that cause losses of the company is a criminal act of corruption. The method in this writing is the normative juridical by reviewing the legislation related to the topic of discussion.

II. Soes and Its Arrangements in Indonesia

The concept of a welfare state is a country whose government guarantees the implementation of people's welfare. This is in accordance with the basic idea of the purpose of the state in the Preamble of the Indonesian Constitution 1945, which states that the purpose of the state is to promote the general welfare or in other formulation to bring about social justice for all Indonesian people.⁹ Related to efforts in achieving the state's goal for the welfare of the people, according to W. Friedman, the state should normally act in 3 (three) general dimensions:¹⁰

1. The State acts as a regulator (*de stuurende*) that controls or drives an economy in which the state acts as a Jury;
2. The State acts as a provider (*de presterende*) moreover in a country which philosophizes as a welfare state;
3. The State acts as an entrepreneur.

SOEs are formed as a manifestation of efforts to achieve the government's goal to prosper the people.¹¹ The existence of SOEs as one of the pillars of the Indonesian economy, in addition to the existence of private business entities and cooperatives is based on the Indonesian Constitution 1945. State involvement in such activities is basically a reflection of the substance of Article 33 of the Indonesian Constitution 1945, which among others states that:

⁸ Further see General Explanation of Act No. 31 of 1999 in conjunction with Law Number 20 of 2001 on Corruption Eradication.

⁹ Ridwan HR, *Hukum Administrasi Negara* (Jakarta: RajaGrafindo Persada, 2006) page. 15-16.

¹⁰ Gunarto Suhardi, *Revitalisasi BUMN* (Yogyakarta: penerbit Universitas Atma Jaya Yogyakarta, 2007) page. 1.

¹¹ *Ibid*

"The branches of production that are important to the state and which affect the livelihood of the people are controlled by the state and used for the greatest prosperity of the people".

Based on that, the existence of the SOEs is a mandate and consequence of the constitution, which is important things or branches of production that are important and controlling the livelihood of the people controlled by the state.¹²

Definition of SOEs according to Article 1 number (1) of Law Number 19 of 2003 on State Owned Enterprises, namely:

"Business entities wholly or substantially all of whose capital is owned by the state through direct participation derived from separated state assets".

SOEs here include *Persero* and Public Corporation (*Perum*) as well as other Limited Liability Company.¹³

Capital owned by the government is then realized in the form of shares of the company, where the SOEs government owns 51% of shares of SOEs so that makes the government as the controlling shareholder.¹⁴ In his book 'The Company Law', Stephen W. Mayson, Derek French, and Christopher Ryan declare that a company is said to be a controlling shareholder of another company if it owns more than half of the total nominal value of shares issued by another company, Or if the company has the authority to determine the composition of the Board of Directors of another company.¹⁵

SOEs activities must be in accordance with the purpose and purpose and not contrary to the laws and regulations, public order, and / or morality. In Law Number 19 of 2003 on State-Owned Enterprises, the forms of SOEs are divided into:

1. *Persero*

Article 1 number 2 states:

Persero, is a state-owned enterprise in the form of a limited liability company whose capital is divided into shares wholly or at least 51% (fifty one percent) of whose shares are owned by the Republic of Indonesia whose main purpose is to pursue profits. The organs of the *Persero* are GMS, Board of Directors and Commissioners.

2. *Perum*

Perum, is a SOEs wholly owned by the state and is not divided into shares, the purpose for public benefit in the form of providing goods / or services of high quality and simultaneously to pursue profits based on the principles of

¹² Munir Fuady, *Pengantar Hukum Bisnis Menata Bisnis Modern di Era global*, (Bandung: PT Citra Aditya Bakti,2005), page. 45.

Further see Article 33 paragraph (3) of Indonesian Constitution 1945.

¹³ Mulhadi, *Hukum Perusahaan Bentuk-Bentuk Badan Usaha di Indonesia*,(Bogor : Ghalia Indonesia, 2010), page. 151.

¹⁴ Indonesia, Law - Law On State-Owned Enterprises, Law No. 19 of 2003, Article. 1 point 2 states that "Limited Liability Company, hereinafter referred Limited, is a state-owned limited liability company whose capital is divided into shares of all or at least 51% (fifty one percent) of its shares owned by the Republic of Indonesia with the main objective of profit".

¹⁵ Stephen W. Mayson, Derek French dan Christoper Ryan, *Company Law*, sixth edition (London: Blackstone Press Limited, 1989) page. 28.

corporate management. Basically the process of establishing *Perum* is the same as *Persero*. The organs of a *Perum* are Ministers, Directors, and Board of Trustees.

III. The Position and Settlement of Subsidiaries of Soes on Soes

SOEs management is still reaping losses in some areas so that social welfare that became the goal of SOEs can not be met optimally. Limitations of resources, SOEs functions either as a pioneer or as a balancing of large private power are also not fully implemented.¹⁶ When the structurally private sector is no longer an extras of welfare, the nation began to be heavily influenced by private production activities.¹⁷ Several factors causing the management of most SOEs are inefficient, so that they suffer losses and become the financial burden of the state, among others, is the legal status and the structure of the SOEs organization. In such case, it is not clear whether SOEs is an economic actor which has full autonomy or only as executor or part of the organizational structure of a department.¹⁸

SOEs rightsizing program is the main program of SOEs restructuring with more sharp mapping, and regrouping / consolidation, to reach the ideal amount and scale of SOEs business.¹⁹

In his book ‘Mergers, Acquistitions, and Corporate Restructurings’, Patrick A Gaughan states:²⁰

"Rather than a merger or an acquisition, the acquirings company may choose to purchase a portion of the target's stock and act like a holding company, which is a company that owns sufficient stock to have to have controlling interest in the target".

The definition of a subsidiary of a SOEs Company is contained in the Regulation of the Minister of State-Owned Enterprises Number PER-03 / MBU / 2012 of 2012 on Guidelines for Appointment of Members of the Board of Directors and Members of the Board of Commissioners of Subsidiaries of State-Owned Enterprises. In Article 1 number (2) states that:

"Subsidiary of SOEs is a limited liability company mostly owned by SOEs or limited liability company controlled by SOEs".

The existence of Holding Company refers to the business reality of the incorporation of companies that are under the control of the holding company. The corporate parent acts as the central leader, directing the subsidiary's business

¹⁶ Effendi Choiri, *Privatisasi versus Neo Sosialisme* (Jakarta; LPES, 2003), page. 27-28.

¹⁷ Pandji Anoraga, *BUMN Swasta dan Koperasi Tiga Pelaku Ekonomi*, (Jakarta: PT Dunia Pustaka Jaya, 1995) page. 114.

¹⁸ Marwah M. Diah, *Restrukturisasi BUMN di Indonesia*, (Jakarta: Literata Lintas Media, 2003), page. 11.

¹⁹ Kementerian BUMN. *Op.Cit*, page. 80.

²⁰ Patrick A. Gaughan, *Megers, Acquistitions, and Corporate Restructurings*, (Canada: Jhon Willey & Sons, Inc, 2002), page. 18.

activities to support the economic interests of the Holding Company as an economic unity.²¹

The legal relationship arising between the holding company and subsidiary is the relationship between shareholders.²² In Law Number 40 of 2007 on Limited Liability Company is not mentioned in detail about understanding and arrangement about holding company. As a result of the absence of any arrangements specifically addressing the holding arrangements will have an impact on the rights and obligations between subsidiaries and the holding company. The implication is that a company can be controlled by another company, although it has status as an independent legal subject.²³

IV. Loss of Country Damages in Corruption of Criminal Act

Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication, one of the elements to be categorized as an act of corruption is the element of "harm the State's finances". This is as stated in Article 2 paragraph (1) and Article 3 of the Anti-Corruption Eradication Act.

Article 2 paragraph (1) states:

"Every person unlawfully commits an act of enrichment of himself or another person or a corporation that may harm the state's finances or the economy of the state, is liable to a life imprisonment or imprisonment of a minimum of 4 (four) years and a maximum of 20 (twenty) Years and a fine of at least Rp 200,000,000 (two hundred million rupiahs) and a maximum of Rp 1,000,000,000 (one billion rupiah) ".

Article 3 states:

"Any person who, in the interests of himself or another person or a corporation, misuses the authority, opportunity or means available to him because of a position or position which could harm the State's finances or the economy of the state, is liable to a life imprisonment or imprisonment of at least 1 (One) year and a maximum of 20 (twenty) years and or a fine of at least Rp 50,000,000, - (fifty million rupiah) and at the most Rp 1,000,000,000.00 (one billion rupiah) ".

Understanding "harm the state finances" has developed in its application. This is inseparable from the rules relating to the understanding of state finances.

General Elucidation of Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication states that what is meant by state finance are:

- a. "All state assets in any form, separated or undivided, including all parts of the property of the state and all rights and obligations arising out of:

²¹ Sulistiowati, *Op.Cit*, page. 19.

²² *Ibid*, page. 96.

²³ *Ibid*, page. 32.

Is in the control, administration, and accountability of State officials, both at the central and regional levels

- b. In the possession, control and accountability of State-Owned Enterprises / Regional Owned Enterprises, foundations, legal entities, and companies that include state capital, or companies that include third party capital under an agreement with the State. "

If it refers to the definition of the above provisions, SOEs will suffer losses and comply with the elements contained in Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication. Directors of SOEs may be held accountable in the realm of corruption.

The term "state finance" does not only exist in corruption only. The term of state finance is also found in many legislation - the legislation, among others, as follows:

1. Law Number 17 of 2003 on State Finance.
Under this provision, as contained in Article 1 Paragraph (1) is meant by state finances namely:
"All rights and obligations of the state which can be judged by money, as well as everything in the form of money or in the form of goods which may be the property of the state in connection with the exercise of such rights and obligations."
2. Law Number 15 Year 2006 concerning State Audit Board.
Under this provision, as provided for in Article 1 Paragraph (7) referred to as state finances, namely:
"All rights and obligations of the state which can be judged by money, as well as everything in the form of money or in the form of goods which may be the property of the state due to the exercise of such rights and obligations."

In addition, there is also a Constitutional Court Decision Number 62 / PUU-XI / 2013 concerning the judicial review of Law Number 17 of 2003 on State Finance in which the applicant states Article 2 letter (g) and (i) the law is contrary to Article 23 paragraph (1), Article 28C paragraph (2) and Article 28D paragraph (1) of the 1945 Constitution and have no binding legal force along the phrase "including wealth separated from state / regional companies" and the phrase "the wealth of other parties obtained by Using the facilities provided by the government. "Upon the request, the Constitutional Court rejected all the tests being examined.

V. Dynamics of Financial Loss of Subsidiaries of Soes in Corruption of Criminal in Indonesia

The development of law in Indonesia shows interesting phenomenon related to the handling of corruption bodies of SOEs. Firstly many directors of SOEs are brought to court with charges of committing a criminal act, due to the loss of SOEs. Losses are matched as "state losses".

The second phenomenon, against the indictment and prosecution of the Public Prosecutor (Prosecutor) to them in court, arises a different verdict from a number of Panel of Judges. The verdict differs because of differences in views

among judges in interpreting the article "harming state finance". The judges differed on whether the defendant's actions were harmful to the financial condition of SOEs or not and whether the finance of SOEs belonged to the state finance or not.

For example, the emergence of two contradictory decisions from the panel of judges at the South Jakarta District Court, between the verdict of Ahmad Djunadi (former President Director of Jamsostek Ltd) and Andy Rachman Alamsyah (Investment Director of Jamsostek Ltd) with Omay Komar Wiraatmadja (President Director of Pupuk Kaltim Ltd). Ahmad Djunadi and Andy Rachman Alamsyah were found guilty of 8 (eight) years imprisonment²⁴, while Omay Komar Wiraatmadja was acquitted.²⁵

The above example shows a sharp interpretation of the differences between judges on the meaning of "state losses" and "whether the financial management of SOEs is included in the financial sphere of the country or not.

Amid the debates mentioned above, in its development, law enforcement officers use the article in the Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication to investigate and investigate the losses suffered by the SOEs Subsidiaries. This has occurred prior to the issuance of Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 on the Procedures of Participation and Administration of state capital in State-Owned Enterprises and Limited Liability Companies concerning Procedure of Inclusion and Administration of State Capital in State-Owned Enterprises and Limited Liability Company. In this paper, will be raised allegations of corruption committed by a subsidiary of State-Owned Enterprise namely Corruption Crimes by PT Patra Niaga (a subsidiary of SOEs (Pertamina Ltd)).

This case originated from the cooperation contract of transportation services and handling of fuel oil for Kalimantan region. Patra Niaga Ltd cooperates with HL Ltd and REI Ltd for Tepi Ltd. Furthermore, Patra Ltd filed a budget of Rp 72.15 billion to Pertamina Ltd for payment to REI Ltd. The funds were eventually disbursed, except that the Rp 72.15 billion fund was not paid by Patra Niaga Ltd. Patra Niaga Ltd is suspected of making fictitious payments for the transportation and handling fuel oil to REI Ltd. As a result of these fictitious payments, the state is allegedly harmed billions of rupiah. Until now the case is still under investigation by the Attorney General of the Republic of Indonesia.

²⁴ Further see the decision No. 2434 / Pid.B / 2005 / PN.Jaksel April 19, 2006, the South Jakarta District Court judges consisting of Sutjaho Padmo W., SH (Chief Judge), H. Wahyono, SH., M. Hum, H. Soedarmadji, SH., M. Hum. issued a ruling include Andy Rachman Alam declare the defendant has been proven legally and convincingly guilty of committing a crime to participate in ongoing corruption and committing corruption.

²⁵ Further see the decision No. 2123 / Pid.B / 2006 / PN.Jaksel dated 23 February 2007, the South Jakarta District Court judges consisting of Sri Mulyani YUSTINA, SH (Chief Justice), Yohanes Suhadi, SH and Sulthoni, SH., MH issued a ruling, among others Omay defendant stated Drs. K. Wiraatmaja, Ak, not proven legally and convincingly guilty according to law committing corruption collectively - together and continue as charged by the public prosecutor on the primary charge or subsidiary.

Based on the case of Patra Niaga Ltd of corruption above, if it is related to the definition of state finance in Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication, it can be described the elements of state finances in the criminal act of corruption, as follows :

1. all state assets of any kind,
2. separated or undivided,
3. including all parts of the nation's wealth and
4. all rights and obligations arising from being in the control, administration, and accountability of State-Owned Enterprises.

The phrase "in the possession, control, and accountability" is described in Law Number 40 of 2007 on Limited Liability Company. In exercising the control, management and accountability of a limited liability company, conducted by the Board of Directors. The Board of Directors is the organ representing the company to represent third parties. This means that legal acts of control, management, and accountability of a subsidiary of SOEs are carried out by the SOEs Subsidiary itself and not by a state-owned enterprise which is a shareholder of a SOEs Subsidiary.

VI. Conclusion

Based on the provisions of the state finances in the explanation of Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication, unlawful acts committed by the Board of Directors of SOE Subsidiaries that inflict losses are not a criminal act of corruption. However, since the enactment of Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 on the Procedures of Participation and Administration of state capital in State-Owned Enterprises and Limited Liability Companies concerning Procedure of Inclusion and Administration of State Capital in State-Owned Enterprises and Limited Liability Company, which equates the treatment between SOEs and SOEs Subsidiaries is not likely to cause confusion for Law enforcement apparatus in viewing the status of SOEs subsidiaries against corruption cases being handled. It also affects the management of SOEs Subsidiaries that are vulnerable to criminalization and are overwhelmed with concerns about making business decisions or corporate actions. As a result, administrators often do not take business decisions quickly, sometimes do not dare to take any decision on business opportunities that exist. This impact is contrary to the purpose of the spirit of holding SOEs, as a driver of the national economy.

The issuance of Government Regulation Number 44 of 2005 in conjunction with Government Regulation Number 72 of 2016 on the Procedures of Participation and Administration of state capital in State-Owned Enterprises and Limited Liability Companies concerning Procedure of Inclusion and Administration of State Capital in State-Owned Enterprises and Limited Liability Company. This resulted in the obscurity of the SOEs Subsidiary as a stand-alone legal entity even though it was within a holding of a SOEs. The enactment of Single Entity Economic Entity in holding state-owned enterprises has only implication on economic aspect not on legal aspect. Holding of SOEs still has its own management and mechanism based on Law Number 40 Year 2007 About Limited Liability Company. This provision seems to provide legitimacy to law enforcement actions that use Law Number 31 of

1999 in conjunction with 20 of 2001 on Corruption Eradication Correct to ensnare Board of Directors of state-owned companies.

To achieve the goal of increasing the value and optimizing the role of SOEs as national development agents in supporting and accelerating government programs, the government should conduct merger or consolidation between SOEs and the existing state-owned companies. The merger or consolidation of companies, especially those with the same core business, makes SOEs and SOEs subsidiaries one subject of the law. Therefore, SOEs may be held accountable under Law Number 31 of 1999 in conjunction with 20 of 2001 on Corruption Eradication.

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