

REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA  
NUMBER 27 OF 2019  
ON  
TERMS AND PROCEDURES FOR PROCUREMENT OF DEFENCE AND  
SECURITY EQUIPMENT FOR DEFENCE INDUSTRY PRODUCTS UNDER  
LONG-TERM CONTRACTS

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that to implement the provisions of Article 44 section (4) of Law Number 16 of 2012 on Defence Industry, it is necessary to issue a Presidential Regulation on Terms and Procedures for Procurement of Defence and Security Equipment for Defence Industry Products under Long-Term Contracts;

Observing : 1. Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia;  
2. Law Number 16 of 2012 on Defence Industry (State Gazette of the Republic of Indonesia of 2012 Number 183, Supplement to the State Gazette of the Republic of Indonesia Number 5343);

HAS DECIDED:

To issue : PRESIDENTIAL REGULATION ON TERMS AND PROCEDURES FOR PROCUREMENT OF DEFENCE AND SECURITY EQUIPMENT FOR DEFENCE INDUSTRY PRODUCTS UNDER LONG-TERM CONTRACTS.

## CHAPTER I GENERAL PROVISIONS

### Article 1

In this Presidential Regulation:

1. Defence and Security Equipment (Alat Peralatan Pertahanan dan Keamanan ), hereinafter referred to as Alpalhankam means all equipment to support national defence and security as well as public order.
2. Defence Industry means a national industry consisting of state-owned enterprises and private-owned enterprises either individually or in groups determined by the government to partly or wholly produce Alpalhankam, maintenance services to meet strategic interests in the field of defence and security located in the territory of the Unitary State of the Republic of Indonesia.
3. Procurement of Alpalhankam means an activity to obtain Alpalhankam by the Minister, ministers, Chief of the Indonesian National Police, or heads of the institutions whose process begins with the planning of needs until the receipt of Alpalhankam that functions in accordance with its designation.
4. Long-Term Contract means a multi-year contract for the Procurement of Alpalhankam which is carried out over a period of 5 (five) years or more.
5. Defence Industrial Policy Committee (Komite Kebijakan Industri Pertahanan), hereinafter abbreviated to KKIP means a committee representing the Government to coordinate national policies in planning, formulating, implementing, controlling, synchronising and evaluating the Defence Industry.
6. Minister means the minister administering government affairs in the field of defence.

## CHAPTER II TERMS AND PROCEDURES FOR PROCUREMENT OF ALPALHANKAM

## Part One

### General

#### Article 2

- (1) The Defence Industry produces Alpalhankam products consisting of:
  - a. primary weaponry system;
  - b. supporting equipment; and
  - c. equipment.
- (2) Procurement of Alpalhankam as referred to in section (1) point a is carried out under Long-Term Contracts.
- (3) Procurement of Alpalhankam as referred to in section (1) point b and point c is carried out under Long-Term Contracts if it meets the criteria:
  - a. used as a special equipment for the Indonesian National Police; or
  - b. used as the main equipment in order to carry out the main duties of ministries and/or institutions.
- (4) The types of Alpalhankam products carried out under Long-Term Contracts as referred to in section (2) and section (3) are determined by the daily chairperson of KKIP by considering user proposals through the KKIP decision-making mechanism.

#### Article 3

- (1) In addition to the Alpalhankam as referred to in Article 2 section (3), Procurement of other Alpalhankam can be carried out under Long-Term Contracts.
- (2) Other Alpalhankam as referred to in section (1) must fulfil the criteria:
  - a. production process of more than 1 (one) year;
  - b. operational requirements;
  - c. having the same technical specifications for a period of 5 (five) years or more; and/or
  - d. having strategic value according to user needs.
- (3) Other types of Alpalhankam products that can be carried

out under Long-Term Contracts as referred to in section (1) are determined by the daily chairperson of KKIP by considering user proposals through the KKIP decision-making mechanism.

## Part Two

### Terms of Procurement of Alpalhankam

#### Article 4

- (1) Procurement of Alpalhankam under Long-Term Contracts must fulfil the requirements:
  - a. listed in the Master Plan for Fulfilling Alpalhankam Needs determined by the Chairperson of KKIP;
  - b. proposed by the Minister, ministers, or heads of institutions; and
  - c. can be produced by the Defence Industry.
- (2) In the event that the Master Plan for Fulfilling the Needs of Alpalhankam as referred to in section (1) point a is not yet available, the Procurement of Alpalhankam under Long-Term Contracts is carried out with reference to the Strategic Plan of the Ministries/Institutions.

## Part Three

### Procedures for Procurement of Alpalhankam

#### Article 5

- (1) Procurement of Alpalhankam for national defence is carried out by the Minister.
- (2) The procurement of Alpalhankam for public security and order is carried out by the ministers, the Chief of the Indonesian National Police, or the heads of the institutions in accordance with the provisions of legislation.

#### Article 6

- (1) The Minister, ministers, or heads of institutions propose the Procurement of Alpalhankam under Long-Term Contracts to the daily chairperson of KKIP.

- (2) In proposing the Procurement of Alpalhankam as referred to in section (1), the Minister, ministers, or heads of institutions must calculate the product price, quality, and delivery time.
- (3) The calculated product price as referred to in section (2) is based on the purchase price, operational costs, and maintenance costs.

#### Article 7

- (1) The daily chairperson of KKIP through the KKIP decision-making mechanism evaluates and synchronises the proposed Procurement of Alpalhankam as referred to in Article 6 section (1).
- (2) Evaluation and synchronisation as referred to in section (1) are in the form of evaluation of Defence Industry capability, user needs, and state financial capability.
- (3) The results of the evaluation and synchronisation as referred to in section (2) are submitted to the Minister, ministers, or heads of institutions.
- (4) In the event that the proposed Procurement of Alpalhankam is approved, the Minister, ministers, or heads of institutions submits a programme and budgeting for the Procurement of Alpalhankam under Long-Term Contracts in accordance with the provisions of legislation.

#### Part Four

#### Forms of Procurement

#### Article 8

- (1) Procurement of Alpalhankam under Long-Term Contracts is carried out in the forms of:
  - a. procurement of government goods; or
  - b. government assignments.
- (2) Procurement of government goods as referred to in section (1) point a is carried out in accordance with the provisions of legislation.
- (3) Government assignment as referred to in section (1) point

b may be used for:

- a. Alpalhankam with a high level of confidentiality;
- b. research and development for prototypes of Alpalhankam; and/or
- c. an advanced stage of prototyping to produce a product ready for mass production (first article) Alpalhankam.

## Part Five

### Evaluation of Procurement of Alpalhankam

#### Article 9

- (1) The Minister, ministers, or heads of institutions evaluate the Procurement of Alpalhankam under Long-Term Contracts at least 1 (one) time in 1 (one) year.
- (2) The evaluation as referred to in section (1) includes:
  - a. the ability of the goods provider; and
  - b. significant changes to the operational and/or technical requirements in the contract.
- (3) The results of the evaluation of the Procurement of Alpalhankam as referred to in section (1) are reported to KKIP.

## Part Six

### Control and Supervision

#### Article 10

- (1) Control and supervision of the Procurement of Alpalhankam under Long-Term Contracts are carried out by the daily chairperson of KKIP.
- (2) Provisions regarding the control and supervision of the Procurement of Alpalhankam as referred to in section (1) are regulated by a Ministerial Regulation.

CHAPTER III  
TRANSITIONAL PROVISION

Article 11

At the time this Presidential Regulation comes into force, the Procurement of Alpalhankam under Long-Term Contracts conducted before this Presidential Regulation comes into force remains to be conducted until the Long-Term Contracts expire.

CHAPTER IV  
CLOSING PROVISION

Article 12

This Presidential Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Presidential Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta  
on 29 April 2019

PRESIDENT OF THE REPUBLIC  
OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta  
on 2 May 2019

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 84 OF 2019

Jakarta, 9 December 2024

Has been translated as an Official Translation

on behalf of Minister of Law of the Republic of Indonesia

DIRECTOR GENERAL FOR LEGISLATION,



DHAHANA PUTRA