

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 21 OF 2023
ON
AMENDMENT TO LAW NUMBER 3 OF 2022
ON NATIONAL CAPITAL

BY THE BLESSINGS OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering:
- a. that in order to accelerate the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital within the territorial scope of the new Nusantara Capital, it is necessary to strengthen the administration of the Governance of the Special Region of the Nusantara Capital, to improve the investment ecosystem to maximize investor contributions, and to strengthen guarantees for the sustainability of the development stages of the Nusantara Capital;
 - b. that in order to establish the Nusantara Capital that is safe, modern, sustainable, and resilient, as well as being a reference for the development and structuring of other regions in Indonesia, it is necessary to improve the management and public services in the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital;
 - c. that in order to provide legal certainty to accelerate the process of preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital, it is necessary to amend Law Number 3 of 2022 on National Capital;
 - d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to enact a Law on Amendment to Law Number 3 of 2022 on National Capital.

Observing : 1. Article 4 section (1), Article 5 section (1), Article 18 section (1), Article 18B section (1), Article 20, and Article 22D section (2) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 3 of 2022 on National Capital (State Gazette of the Republic of Indonesia of 2022 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6766).

With the Joint Approval of

THE HOUSE OF REPRESENTATIVES
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To enact : LAW ON AMENDMENT TO LAW NUMBER 3 OF 2022 ON NATIONAL CAPITAL.

Article I

Several provisions in Law Number 3 of 2022 on National Capital (State Gazette of the Republic of Indonesia of 2022 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6766) are amended as follows:

1. Elucidation of point a of Article 2 is amended as stated in the elucidation.
2. Elucidation of point j section (1) and point b section (2) of Article 3 is amended as stated in the elucidation.
3. The provisions of section (1), section (2), and section (3) of Article 6 are amended and 1 (one) section is added, namely section (6), and so that Article 6 reads as follows:

Article 6

- (1) The Nusantara Capital is geographically located on:
 - a. the North, at 117° 0' 20.102" East Longitude and 0° 38' 20.578" South Latitude;
 - b. the South, at 117° 11' 51.546" East Longitude and 1° 15' 31.780" South Latitude;
 - c. the West, at 116° 31' 31.180" East Longitude and 1° 0' 14.822" South Latitude;
 - d. the East, at 117° 18' 25.590" East Longitude and 1° 6' 32.773" South Latitude;
- (2) The Nusantara Capital covers a land area of approximately 252.660 ha (two hundred fifty-two thousand six hundred and sixty hectares) and a sea water area of approximately 69,769 ha (sixty-nine thousand seven hundred and sixty-nine hectares), sharing borders with:
 - a. the south bordering Penajam Sub-District of North Penajam Paser Regency, Balikpapan Bay, West Balikpapan Sub-District, North Balikpapan Sub-District, and East Balikpapan Sub-District of Balikpapan City;
 - b. the west bordering Loa Kulu Sub-District of Kutai Kartanegara Regency and Sepaku Sub-District of North Penajam Paser Regency;

- c. the north bordering Loa Kulu Sub-District, Loa Janan Sub-District, and Sanga-Sanga Sub-District of Kutai Kartanegara Regency; and
 - d. the east bordering the Makassar Strait.
- (3) The land area of the Nusantara Capital as referred to in section (2) covers the following areas:
- a. the Nusantara Capital area of approximately 56.159 ha (fifty-six thousand one hundred and fifty-nine hectares); and
 - b. the development area of the Nusantara Capital of approximately 196.501 ha (one hundred ninety-six thousand five hundred and one hectares).
- (4) The Nusantara Capital area as referred to in section (3) point a includes the governmental core area with an area size referring to the Master Plan of the Nusantara Capital and the Spatial Plan for the National Strategic Area (*KSN/Kawasan Strategis Nasional*) of the Nusantara Capital.
- (5) The scope and area borders as referred to in section (2) are listed in Annex I to Map of Delineation and Coordinates of the Nusantara Capital as an integral part of this Law and determined as the KSN of the Nusantara Capital.
- (6) The Nusantara Capital Authority carries out central government affairs and special regional government affairs within the scope and territorial boundaries as referred to in section (5) based on the special authority of the Nusantara Capital Authority as regulated in this Law.
4. The provisions of section (1), section (2), and section (3) of Article 12 are amended and 2 (two) sections are added, namely section (4) and section (5) so that Article 12 reads as follows:

Article 12

- (1) The Nusantara Capital Authority is given special authority over central government affairs and local government affairs in the context of the preparation, development, and relocation of the National Capital, and the administration of the Governance of the Special Region of the Nusantara Capital, except for those determined by the legislation as absolute government affairs.
- (2) The special authority as referred to in section (1) includes among others the authority to grant an investment permit, to provide ease of doing business, and to grant a special facility to a party that supports financing for the preparation, development, and relocation of the National Capital, as well as the further development of the Nusantara Capital and partner regions of the Nusantara Capital.
- (3) Further provisions regarding the special authority as referred to in section (1) are regulated in a Government Regulation.

- (4) In carrying out the special authority as referred to in section (1), the Nusantara Capital Authority establishes norms, standards, procedures, and criteria for the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital.
 - (5) Norms, standards, procedures, and criteria as referred to in section (4) are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority.
5. The provisions of Article 15 are added with 7 (seven) sections, namely section (5), section (6), section (7), section (8), section (9), section (10), and section (11) so that Article 15 reads as follows:

Article 15

- (1) The spatial planning of the Nusantara Capital refers to:
 - a. the National Spatial Plan;
 - b. the Interregional Territory Zoning Plan of the Makassar Strait;
 - c. the Kalimantan Island Spatial Plan;
 - d. the Spatial Plan for KSN of the Nusantara Capital; and
 - e. the Detailed Spatial Plan of the Nusantara Capital.
- (2) The provisions regarding the Spatial Plan for the KSN of the Nusantara Capital as referred to in section (1) point d are regulated in a Presidential Regulation.
- (3) The Spatial Plan for the KSN of the Nusantara Capital as referred to in section (1) point d is developed in accordance with the depth of content of the City-Level Spatial Plan with a scale of 1:25.000.
- (4) Provisions regarding the Detailed Spatial Plan of the Nusantara Capital as referred to in section (1) point e are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority.
- (5) The utilization of space on every parcel of Land within the scope of the Nusantara Capital area as referred to in Article 6 is required to be in accordance with the spatial planning provisions of the Nusantara Capital as referred to in section (1).
- (6) The Nusantara Capital Authority has the authority to reorganize Land within the Nusantara Capital area through the following mechanisms:
 - a. Land acquisition for development in the public interest, direct Land acquisition, and/or relocation in the event that the Land is not in use; and
 - b. Land consolidation in the event that the Land is used in accordance with the spatial planning provisions as referred to in section (1).
- (7) The funding required for the Land reorganization as referred to in section (6) is proposed to the President and can be allocated in the State Budget in accordance with the provisions of the legislation.

- (8) The Spatial Plan of the KSN of the Nusantara Capital and/or the Detailed Spatial Plan of the Nusantara Capital as referred to in section (1) point d and point e can be reviewed in accordance with the needs of the Nusantara Capital.
 - (9) In the event that the review as referred to in section (8) results in changes to the Spatial Plan for KSN of the Nusantara Capital and/or the Detailed Spatial Plan for the Nusantara Capital, space utilization that is not in accordance with the Spatial Plan for the KSN of the Nusantara Capital and/or the Detailed Spatial Plan of the Nusantara Capital as a result of the review that has been stipulated, adjustments are made to the space utilization in accordance with the provisions of the legislation.
 - (10) Further provisions regarding the Land reorganization as referred to in section (6) are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority.
 - (11) Further provisions regarding funding in the context of Land reorganization as referred to in section (7) are regulated in a Government Regulation.
6. Between Article 15 and Article 16, 1 (one) article is inserted, namely Article 15A so that it reads as follows:

Article 15A

- (1) Land in the Nusantara Capital consists of:
 - a. State-Owned Assets;
 - b. the Nusantara-Capital-Authority-owned assets;
 - c. community-owned Land; and
 - d. state Land.
- (2) Land designated as State-Owned Assets as referred to in section (1) point a is the Land related to the administration of Central Government affairs and is granted rights to use.
- (3) Land designated as the Nusantara-Capital-Authority-owned assets as referred to in section (1) point b is the Land that is not related to the administration of Central Government affairs and is granted rights to manage to the Nusantara Capital Authority.
- (4) Land Right (*Hak Atas Tanah*/HAT) can be granted on land with the rights to manage of the Nusantara Capital Authority as referred to in section (3) in accordance with the provisions of the legislation.
- (5) Community-owned Land as referred to in section (1) point c is land with HAT in the form of rights of ownership, rights to cultivate, rights to build, rights to use, and Land possessed by the entitled party, in accordance with the legislation in the land sector.
- (6) HAT as referred to in section (5) in the form of rights to cultivate, rights to build, and rights to use can be granted on state Land, Land with right of ownership, or Land with rights to manage , in accordance with the legislation in the land sector.

- (7) Determination of Land in the Nusantara Capital as referred to in section (1) point a and point b is carried out with:
 - a. the legislation on State-Owned Assets for the provisions as referred to in section (1) point a; or
 - b. the Regulation of the Nusantara Capital Authority for the provisions as referred to in section (1) point b.
 - (8) The Nusantara Capital Authority can waive rights to manage as referred to in section (3).
 - (9) Rights to manage as referred to in section (8) can be waived in the event that rights of ownership are granted, for the sake of public interest, or pursuant to the provisions regulated in a Presidential Regulation.
7. Between Article 16 and Article 17, 1 (one) article is inserted, namely Article 16A so that it reads as follows:

Article 16A

- (1) In the event of the HAT agreed as referred to in Article 16 section (7) in the form of right to cultivate, it is granted 1 (one) first cycle for a maximum period of 95 (ninety-five) years and can be re-granted 1 (one) second cycle with a maximum period of 95 (ninety-five) years in accordance with the criteria and evaluation stages.
- (2) In the event that the HAT agreed as referred to in Article 16 section (7) in the form of right to build, it is granted 1 (one) first cycle for a maximum period of 80 (eighty) years and can be re-granted 1 (one) second cycle with a maximum period of 80 (eighty) years in accordance with the criteria and evaluation stages.
- (3) In the event of the HAT agreed as referred to in Article 16 section (7) in the form of right to use, it is granted 1 (one) first cycle for a maximum period of 80 (eighty) years and can be re-granted 1 (one) second cycle with a maximum period of 80 (eighty) years in accordance with the criteria and evaluation stages.
- (4) In the event that the Nusantara Capital Authority waives right to manage as referred to in Article 15A section (8), the HAT period as referred to in section (1) to section (3) remains in effect in accordance with the provisions of this Law.
- (5) The evaluation as referred to in section (1), section (2), and section (3) is carried out 2 (two) years before the end of each stage with the following criteria:
 - a. the Land is still being cultivated and utilized properly in accordance with the conditions, nature, and purpose of the rights granted;
 - b. the right holder still meets the requirements as a rights holder;
 - c. the requirements for granting rights are properly fulfilled by the right holder;
 - d. the utilization of the Land is still in accordance with the spatial plan; and
 - e. the Land is not indicated as abandoned.

- (6) Further provisions regarding evaluation criteria and stages, rights, obligations, prohibitions, and transfer of HAT in the Nusantara Capital are regulated in a Government Regulation.
8. The provisions of Article 23 are amended to read as follows:

Article 23

- (1) In the context of preparation, development, and relocation of the National Capital, the President as the Head of Government who holds the power to manage state finance as part of government power gives authority to the Chairperson of the Nusantara Capital Authority as the budget user/asset user for the Nusantara Capital.
 - (2) After carrying out the transfer and administration of the Governance of the Special Region of Nusantara Capital, in the context of preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital, the President as the Head of Government who holds the power to manage state finance as part of government power, hands over the financial management of the special region of Nusantara Capital to the Chairperson of the Nusantara Capital Authority as the head of Government of the Special Region of Nusantara Capital, including to represent the Nusantara Capital Authority in the ownership of the separated assets of the Nusantara Capital.
9. The provisions of Article 24 are amended to read as follows:

Article 24

- (1) Funding for the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital is derived from:
 - a. the State Budget;
 - b. the Budget of the Nusantara Capital; and/or
 - c. other legitimate sources in accordance with the provisions of legislation.
- (2) The funding allocation as referred to in section (1) refers to:
 - a. the Master Plan of the Nusantara Capital and the National Medium-Term Development Plan;
 - b. the provisions of the legislation on the State Budget for funding deriving from the State Budget;
 - c. the provisions of the legislation on the National Capital for funding deriving from the Budget of the Nusantara Capital; and
 - d. other provisions of the legislation for funding deriving from other legitimate sources.

- (3) The preparation, development, and relocation of the National Capital as referred to in section (1) are determined as a national priority program for a minimum period of 10 (ten) years as of the entry into force of this Law by taking into account the implementation and/or completion of the development of the Nusantara Capital in accordance with the objectives as referred to in Article 2.
 - (4) In the context of funding for the administration of the Governance of the Special Region of the Nusantara Capital as referred to in section (1), the Nusantara Capital Authority may impose special local taxes and/or special local levies of the Nusantara Capital.
 - (5) Provisions regarding the local taxes and local levies as regulated in the legislation apply *mutatis mutandis* to special local taxes of the Nusantara Capital and special local levies of the Nusantara Capital as referred to in section (4).
 - (6) Provisions regarding the basis for the imposition of special local taxes of the Nusantara Capital and special local levies of the Nusantara Capital as referred to in section (5) are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority after an approval from the House of Representatives (DPR) has been obtained.
 - (7) Funding for the preparation, development, and relocation of the National Capital sourced from the State Budget as referred to in section (1) point a, which can be in the form of additional state capital participation to business entities of the Nusantara Capital Authority, is carried out through the State Budget mechanism.
 - (8) Further provisions regarding funding for the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital as referred to in section (1) to section (7) are regulated in a Government Regulation.
10. Between Article 24 and Article 25, 2 (two) articles are inserted, namely Article 24A and Article 24B so that they read as follows:

Article 24A

- (1) The Budget of the Nusantara Capital as referred to in Article 24 section (1) point b consists of a revenue budget, expenditure budget, and financing.
- (2) The revenues of the Nusantara Capital as referred to in section (1) consists of:
 - a. the original revenues of the Nusantara Capital that includes:
 1. special local taxes of the Nusantara Capital;
 2. special local levies of the Nusantara Capital;
 - and

3. other original revenues of the Nusantara Capital that is legitimate in accordance with the provisions of the legislation;
 - b. transfer revenues to the Nusantara Capital; and
 - c. other legitimate revenues of the Nusantara Capital.
- (3) The original revenues of the Nusantara Capital as referred to in section (2) point a and other legitimate revenue of the Nusantara Capital as referred to in section (2) point c is used for expenditure and financing related to public services in the context of administration of the Governance of the Special Region of Nusantara Capital.
 - (4) Transfer revenue to the Nusantara Capital as referred to in section (2) point b is used for the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital.
 - (5) The transfer from the State Budget to the Budget of the Nusantara Capital can be special in nature.
 - (6) The transfer proposal as referred to in section (5) is submitted by the Chairperson of the Nusantara Capital Authority to the President and the President assigns the minister administering government affairs in the field of state finance to follow up.
 - (7) Further provisions regarding the Budget of the Nusantara Capital as referred to in section (1) to section (6) are regulated in a Government Regulation.

Article 24B

- (1) Debt financing for the Nusantara Capital consists of:
 - a. loan of the Nusantara Capital Authority;
 - b. bonds issued by the Nusantara Capital Authority; and
 - c. *sukuk* (sharia-compliant bonds) issued by the Nusantara Capital Authority.
- (2) Debt financing of the Nusantara Capital as referred to in section (1) is used to finance the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital.
- (3) The Central Government may provide guarantees for the debt financing of the Nusantara Capital Authority in accordance with the State Budget mechanism.
- (4) The loan of the Nusantara Capital Authority as referred to in section (1) point a is derived from:
 - a. the Central Government;
 - b. other local governments;
 - c. banking financial institutions; and/or
 - d. non-bank financial institutions.
- (5) The loan of the Nusantara Capital Authority deriving from the Central Government as referred to in section (4) point a is provided through the minister administering government affairs in the field of state finance after receiving consideration from the minister

administering government affairs in the field of national development planning.

- (6) The Nusantara Capital Authority can receive loans from abroad through the minister administering government affairs in the field of state finance.
 - (7) The issuance of bonds and *sukuk* as referred to in section (1) point b and point c is carried out by taking into account fiscal capacity with the approval of the minister administering government affairs in the field of state finance.
 - (8) Provisions regarding the management of central and regional financial relations apply *mutatis mutandis* to the funding and financing of the Nusantara Capital.
 - (9) Further provisions regarding issuance of bonds and *sukuk* as referred to in section (1) point b and point c are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority.
 - (10) Further provisions regarding the financing as referred to in section (1) to section (9) are regulated in a Government Regulation.
11. The provisions of Article 25 are amended to read as follows:

Article 25

- (1) The Chairperson of the Nusantara Capital Authority in his/her capacity as the budget user/asset user as referred to in Article 23 section (1) prepares a work and budget plan of the Nusantara Capital.
- (2) In the event that the Nusantara Capital Authority earns revenues from other legitimate sources as referred to in Article 24 section (1) point c, the Chairperson of the Nusantara Capital Authority prepares a revenue plan of the Nusantara Capital.
- (3) The Chairperson of the Nusantara Capital Authority as the financial manager of the special region of the Nusantara Capital as referred to in Article 23 section (2) prepares the Budget of the Nusantara Capital.
- (4) The Budget of the Nusantara Capital as referred to in section (3) is set every year by a Regulation of the Chairperson of the Nusantara Capital Authority after obtaining an approval from the President and after discussions with the DPR.
- (5) The approval as referred to in section (4) is given after the Chairperson of the Nusantara Capital Authority submits the Draft Budget of the Nusantara Capital, accompanied by explanations and supporting documents to the President.
- (6) The Draft Budget of the Nusantara Capital as referred to in section (5) also includes revenues deriving from transfers as referred to in Article 24A section (2) point b.
- (7) The transfer allocation as referred to in section (6) is set in accordance with the State Budget mechanism.
- (8) Provisions regarding the preparation of regional budgets apply *mutatis mutandis* to the preparation of the draft Budget of the Nusantara Capital.

- (9) Further provisions regarding the preparation of the work and budget plan of the Nusantara Capital as referred to in section (1) and the preparation of the Budget of the Nusantara Capital as referred to in section (3) are regulated in a Government Regulation.

12. The provisions of Article 26 are amended to read as follows:

Article 26

- (1) The implementation and accountability of the budget of the Nusantara Capital as referred to in Article 25 section (1) and section (2) are carried out in accordance with the budget management of the Nusantara Capital.
- (2) The implementation implementation and accountability of the budget of the Nusantara Capital as referred to in Article 25 section (3) are submitted to the President and carried out in accordance with the budget management of the Nusantara Capital.
- (3) Provisions regarding the implementation and accountability of regional budgets apply *mutatis mutandis* to the implementation and accountability of the Budget of the Nusantara Capital.
- (4) Further provisions on the procedure for the implementation and accountability of the budget as referred to in section (1) and section (2) are regulated in a Government Regulation.

13. The provisions of Article 32 are amended to read as follows:

Article 32

- (1) Local-Owned Assets located within the Nusantara Capital are transferred to the Central Government and determined as:
 - a. State-Owned Assets; and/or
 - b. assets in the possession of the Nusantara Capital Authority.
- (2) After the transfer of the position of the Nusantara Capital Authority as the financial manager of the special region as referred to in Article 23 section (2), Local-Owned Assets located within the Nusantara Capital are transferred to become:
 - a. State-Owned Assets; and/or
 - b. the-Nusantara-Capital-Authority-owned assets .
- (3) The transfer as referred to in section (2) is determined in accordance with the provisions regulated in:
 - a. the legislation on State-Owned Assets for the provisions as referred to in section (2) point a; or
 - b. a Regulation of the Chairperson of the Nusantara Capital Authority for the provisions as referred to in section (2) point b.

14. The provisions of Article 36 are amended to read as follows:

Article 36

- (1) The preparation, development, and/or relocation of the National Capital are under the coordination of and carried out by the Nusantara Capital Authority by referring to the Master Plan of the Nusantara Capital.
- (2) Ministries/state institutions can carry out activities for the preparation, development, and/or relocation of the National Capital as referred to in section (1) pursuant to their respective duties and functions.
- (3) The preparation, development, and/or relocation of the National Capital that have previously been carried out by the ministries/institutions may be transferred to the Nusantara Capital Authority or continued by the ministries/state institutions concerned.
- (4) State-Owned Assets produced by ministries/state institutions in the context of development activities in the Nusantara Capital as referred to in section (2) and section (3) may be transferred to the Nusantara Capital Authority, unless otherwise determined by the minister administering government affairs in the field of state finance.
- (5) The management of the State-Owned Assets transferred to the Nusantara Capital Authority as referred to in section (4) becomes the responsibility of the Nusantara Capital Authority.
- (6) Further provisions regarding the preparation, development, and/or relocation of the National Capital and the transfer of State-Owned Assets as referred to in section (1) to section (5) are regulated in a Government Regulation.

15. Between Part Three of CHAPTER VII and CHAPTER VIII, 1 (one) part is inserted, namely Part Four so that it reads as follows:

Part Four
Management of Authority-Owned Assets and Housing
Administration

16. Between Article 36 and Article 37, 2 (two) articles are inserted, namely Article 36A and Article 36B so that they read as follows:

Article 36A

- (1) The Chairperson of the Nusantara Capital Authority is the manager of assets owned by the Nusantara Capital Authority.
- (2) As the manager of assets owned by the Nusantara Capital Authority, the Chairperson of the Nusantara Capital Authority has the authority to:
 - a. determine the policy for managing assets owned by the Nusantara Capital Authority; and
 - b. carry out management and administration of assets owned by the Nusantara Capital Authority.

- (3) The management of assets owned by the Nusantara Capital Authority as referred to in section (2) point b is carried out through:
 - a. transfer; and/or
 - b. utilization.
- (4) Assets owned by the Nusantara Capital Authority which are required by the Nusantara Capital Authority to support the administration of the Governance of the Special Region of the Nusantara Capital are obtained from:
 - a. the Budget of the Nusantara Capital; and/or
 - b. other legitimate sources in accordance with the provisions of the legislation.
- (5) Assets owned by the Nusantara Capital Authority can be transferred by selling, exchanging, granting, and/or being included in the capital participation of the Nusantara Capital Authority.
- (6) The transfer of assets owned by the Nusantara Capital Authority as referred to in section (5) is carried out as long as it does not interfere with the smooth implementation of the duties of the Government of the Special Region of Nusantara Capital.
- (7) The accountability for the transfer of assets owned by the Nusantara Capital Authority as referred to in section (5) is submitted by the Chairperson of the Nusantara Capital Authority to the President.
- (8) Further provisions regarding assets owned by the Nusantara Capital Authority are regulated in a Government Regulation.

Article 36B

- (1) The Nusantara Capital Authority is responsible for the housing administration in the Nusantara Capital.
- (2) Responsibilities as referred to in section (1) include planning, regulation, control, and supervision as regulated in the provisions of the legislation regarding the National Capital.
- (3) The housing administration in the Nusantara Capital as referred to in section (1) takes into account the regional characteristics, environment, and population of the Nusantara Capital.
- (4) Provisions regarding the housing administration of the Nusantara Capital as referred to in section (1) are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority on the Detailed Spatial Plan of the Nusantara Capital.
- (5) Land acquired by the community and utilized as residence is given a Land Right (HAT) in the form of rights of ownership in accordance with the provisions of the legislation.
- (6) In the event that rights to build as referred to in Article 16A section (2) are utilized for the construction and development of housing, the rights to build are rights to build over the rights to manage of the Nusantara Capital Authority or rights to build over state Land.

- (7) Rights to build as referred to in section (6) can be upgraded to rights of ownership when each housing unit is transferred to individual community ownership in accordance with the provisions of the legislation.
- (8) Exemption from the provisions of the legislation on housing and residential area sector, the provisions regarding occupancy obligations for business actors in the housing sector who conduct housing construction:
 - a. outside the Nusantara Capital area and have not implemented balanced occupancy can carry out balanced occupancy development in the Nusantara Capital within a certain period and in a form determined by the Nusantara Capital Authority by taking into account the Detailed Spatial Plan for the Nusantara Capital; and
 - b. within the Nusantara Capital implement balanced occupancy provisions in accordance with the Detailed Spatial Plan for the Nusantara Capital.
- (9) Business actors in the housing sector who meet the balanced occupancy obligations in the Nusantara Capital as referred to in section (8) are given incentives.
- (10) In order to accelerate the provision of balanced occupancy in the Nusantara Capital, the Chairperson of the Nusantara Capital Authority can propose the use of balanced occupancy conversion funds to the minister administering government affairs in the field of public housing.
- (11) Further provisions regarding the responsibilities of the Nusantara Capital Authority as referred to in section (2) and the implementation of balanced occupancy as referred to in section (8) to section (10) are regulated in a Regulation of the Chairperson of the Nusantara Capital Authority.

17. The provisions of Article 42 are amended to read as follows:

Article 42

- (1) At the time this Law comes into force, in the event of the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital:
 - a. all provisions of the legislation that conflict with the policies for the preparation, development, and relocation of the National Capital as well as the administration of the Governance of the Special Region of Nusantara Capital; and
 - b. the legislation governing provisions on regional governanceare declared ineffective.
- (2) At the time this Law comes into force, the implementing regulations of Law Number 3 of 2022 on National Capital (State Gazette of the Republic of Indonesia of 2022 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6766) are

declared to remain effective to the extent not contrary to this Law and are required to be adjusted not later than 2 (two) months from the promulgation of this Law.

- (3) Further provisions regarding policies for the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital as referred to in section (1) point a are regulated in the implementing regulations of this Law.
 - (4) Exemption from the provisions of the legislation regarding civil servants, the Chairperson of the Nusantara Capital Authority can appoint echelon II officials from non-civil servant personnel to sit in the organizational structure and to fill positions within the Nusantara Capital in accordance with the provisions of the legislation.
 - (5) From the time the Chairperson of the Nusantara Capital Authority commences regional financial management of the special region of the Nusantara Capital as referred to in Article 23 section (2):
 - a. the provisions of Article 23 section (1), Article 25 section (1) and section (2), and Article 26 section (1), Article 30, Article 32 section (1), and Article 33, are repealed and declared ineffective; and
 - b. the provisions of Article 15A section (1) point b, section (3), and section (7) point b, Article 24A, Article 24B, Article 25 section (3) to section (8), Article 26 section (2) and section (3), Article 32 section (2) and section (3), and Article 36A are declared to come into force.
 - (6) From the time the Nusantara Capital Authority commences the administration of the Governance of the Special Region of Nusantara Capital, every agreement made by the Nusantara Capital Authority whose funding source comes from the State Budget continues to receive funding from the State Budget until the expiration of the agreement.
 - (7) At the time this Law comes into force, DPR through its organs in charge of government will carry out supervision, monitoring, and review of the administration of the Governance of the Special Region of Nusantara Capital.
18. The provisions regarding area and territorial boundaries as stated in Annex I to Law Number 3 of 2022 on State Capital are amended to read as stated in Annex I which is an integral part of this Law.

Article II

1. At the time this Law comes into force:
 - a. As of the transfer of the position of the Nusantara Capital Authority from a budget user/assets user as referred to in Article 23 section (1) to the financial manager of the Nusantara Capital Authority as referred to in Article 23 section (2) and Article 42 section (5):

- 1) the position/status of the Nusantara Capital Authority has changed from a budget user/assets user to the financial manager of the Nusantara Capital Authority as of its issuance by a Government Regulation;
- 2) the following provisions apply to the budget of the Nusantara Capital Authority:
 - a) the current year budget allocations that have not been realized can be channeled through a transfer mechanism;
 - b) assets that have been obtained from the budget allocation of the Nusantara Capital Authority as a budget user/assets user can be transferred to become the Nusantara-Capital-Authority-owned assets;
 - c) the Nusantara Capital Authority carries out accountability for the use of the budget that has been realized as a budget user/assets user; and
 - d) the Nusantara Capital Authority carries out accountability for budget implementation as the financial manager of the Nusantara Capital Authority;
- 3) for activities that have been and are being carried out in the context of managing State-Owned Assets and assets in the possession before the change in the seat of the Nusantara Capital Authority as referred to in number 1), the following provisions apply:
 - a) the determination of State-Owned Assets and assets in the possession that has been carried out is declared to remain valid;
 - b) State-Owned Assets that have been determined as referred to in point a) can be transferred to become the Nusantara-Capital-Authority-owned assets; and
 - c) assets in the possession that have been determined as referred to in point a) can be transferred to become the Nusantara-Capital-Authority-owned assets or State-Owned Assets;
- 4) in the event that there is a transfer of rights and obligations of the Nusantara Capital Authority in relation with the change of seat as referred to in number 1), such transfer takes into account the rights and obligations of the Nusantara Capital Authority that have previously existed, including in the event of the Nusantara Capital Authority binding itself as a party to an agreement or a contract;
- 5) the Nusantara Capital Authority as a ministerial-level institution administering the Governance of the Special Region of Nusantara Capital as referred to in Article 4 section (1) point b, in its capacity as budget manager/assets manager is

- meant as a special regional government entity as the Government of the Special Region of Nusantara Capital.
- 6) The State Budget as stated in Annex II of Chapter IV point B of this Law is meant as a transfer from the State Budget into the Budget of the Nusantara Capital, as well as ministry/state institution expenditure budgets and/or financing from the State Budget;
 - b. further provisions regarding the transfer of the Nusantara Capital Authority from being a budget user/assets user to being designated as the financial manager of the Nusantara Capital Authority as referred to in point a are regulated in a Government Regulation.
2. This law comes into force on the date of its promulgation.

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

Enacted in Jakarta
on 31 October 2023

PRESIDENT OF THE REPUBLIC
OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 31 October 2023

MINISTER OF STATE SECRETARIAT OF THE REPUBLIC OF INDONESIA,

signed

PRATIKNO

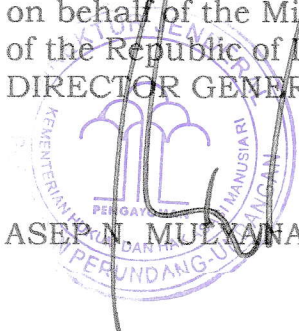
STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2023 NUMBER 142

Jakarta, 19 March 2024

Has been translated as an Official Translation
on behalf of the Minister of Law and Human Rights
of the Republic of Indonesia

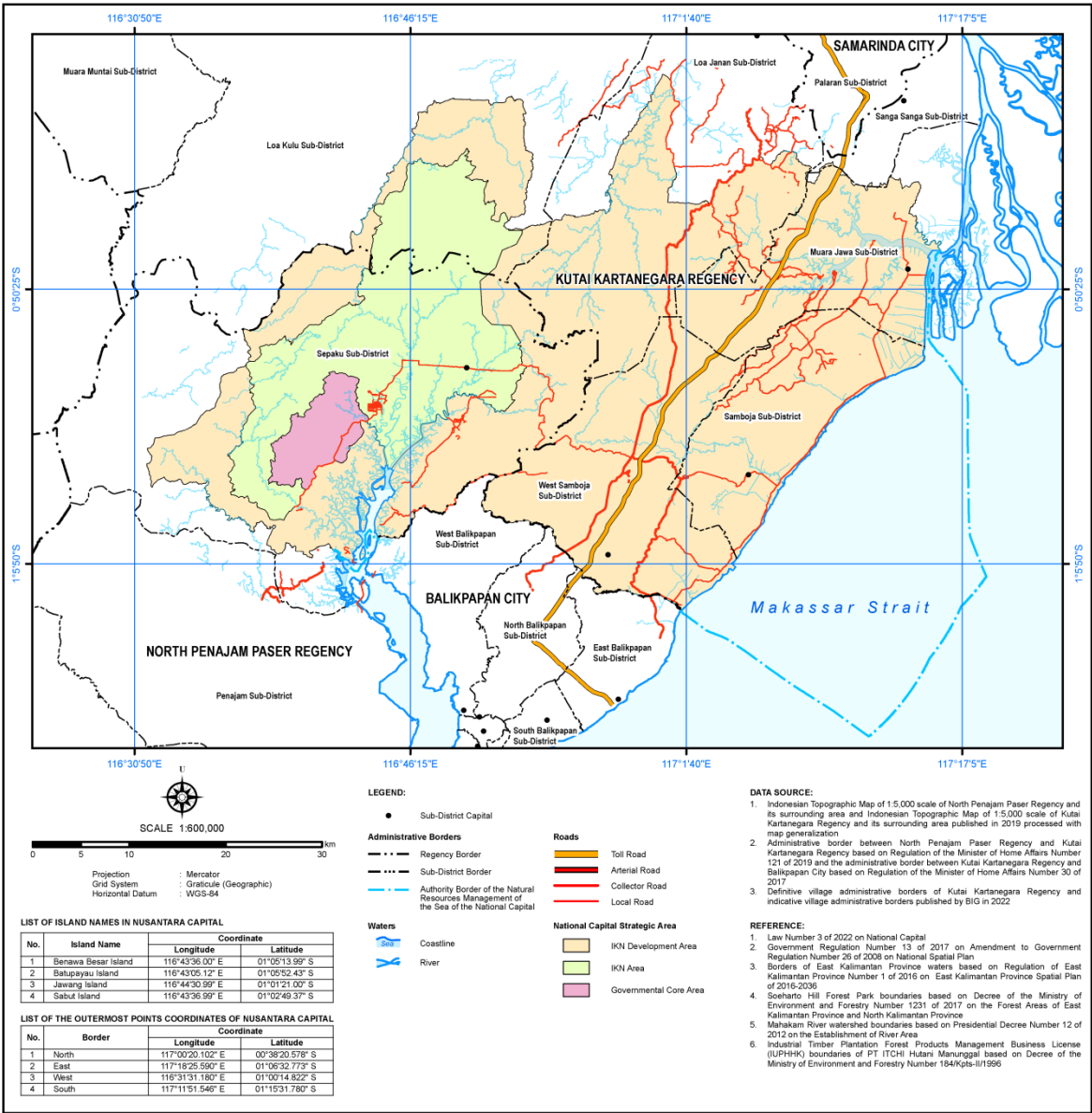
DIRECTOR GENERAL OF LEGISLATION,

ASEP N. MULYANA



ANNEX I TO
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 21 OF 2023
ON
AMENDMENT TO LAW NUMBER 3 OF 2022
ON NATIONAL CAPITAL

NATIONAL STRATEGIC AREA DELINEATION MAP OF NATIONAL CAPITAL



PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

JOKO WIDODO

ELUCIDATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 21 OF 2023
ON
AMENDMENT TO LAW NUMBER 3 OF 2022
ON NATIONAL CAPITAL

I. GENERAL

The amendment to Law Number 3 of 2022 on National Capital is motivated by the idea that the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital must be carried out optimally and in accordance with the plans that have been determined. Optimizing this implementation is only possible when all components of the nation, both state administrators and society, including business actors who are expected to make a contribution, synergize, collaborate, and have the same vision and goals in the efforts to realize the Nusantara Capital. The synergy and collaboration of all elements of the nation are strategic and vital element, considering that in the end, the Nusantara Capital will be a joint masterpiece of the Indonesian nation that becomes one of the means for achieving the national objectives as stated in the Preamble to the 1945 Constitution of the Republic of Indonesia.

In this Law, the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital are described as follows:

1. preparation is a staged process that starts from considerations based on study, planning, budget or funding allocation, and all government activities, as well as technical policies in the framework of the development and relocation stages in the Nusantara Capital area in order to achieve the objectives as determined in the development and relocation stages of the National Capital in the Master Plan for the Nusantara Capital, which include, among others, the establishment and enforcement of institutions and human resources in the organizational structure of the Nusantara Capital Authority, the preparation of implementing regulations for this Law as the legal basis for implementing development stages, the relocation of the National Capital, and the administration of the Governance of the Special Region of Nusantara Capital, coordination with ministries/state institutions and local governments, as well as conceptual or strategic planning for each stage of the Nusantara Capital;

2. development is an effort to implement policies in the Nusantara Capital area to achieve the objectives of the Nusantara Capital. The implementation of development is carried out not only in the form of providing physical infrastructure but also non-physical infrastructure such as facilities and infrastructure in the initial stages and up to the administration of the Governance of the Special Region of Nusantara Capital, which includes, among others, physical development by prioritizing nature, technology, and environmental sustainability, providing housing, construction of public and social facilities, social development or capacity building for local communities, completion of land acquisition, environmental protection and management, development of defense and security systems, as well as development of integrated public transportation, as outlined in the Master Plan for the Nusantara Capital and its complete and comprehensive details;
3. relocation of the National Capital is a process of transferring both the status of the National Capital and the function of administration of the government of the National Capital to the Nusantara Capital, either transferring part or all of the human resources of civil servants as well as the facilities and infrastructure needed to ensure the smooth running of government administration, which includes, among others, the transfer of the functions and roles of the National Capital from the Special Capital Region of Jakarta to the Nusantara Capital, the relocation of ministries/state institutions, civil servants, the Indonesian National Army, and the National Police of the Republic of Indonesia, as well as the transfer of representatives of foreign countries/ international organizations; and
4. the administration of the Governance of the Special Region of Nusantara Capital is a further process in the stages of the development of the Nusantara Capital, in which the implementation of service processes, as well as bureaucratic main duties and functions in the Nusantara Capital area, is in accordance with the special authority given to the Nusantara Capital Authority which includes the administration of government affairs in the Special Region of Nusantara Capital, which among others is related to public services in the Nusantara Capital, as well as the formulation of policies related to the administration of the Governance of the Special Region of the Nusantara Capital.

Amendment to a number of materials contained in Law Number 3 of 2022 on National Capital is intended and aimed at strengthening 2 (two) regulatory aspects. The first regulatory aspect related to efforts to strengthen the governance of the Special Region of the Nusantara Capital which are administered by the Nusantara Capital Authority. Strengthening governance is very important to emphasize the basic characters of the Nusantara Capital Authority as the administrator of the special regional government as regulated under Article 18B section (1) of the 1945 Constitution of the Republic of Indonesia. To strengthen the special regional governance, a number of changes are made as follows:

1. strengthening regulations regarding regional boundaries. These regulations are fundamental as they relate to the spatial scope of public services provided by the Nusantara Capital Authority. This strengthening will further optimize public services in the Nusantara Capital by the Nusantara Capital Authority;
2. strengthening the special authority regulations of the Nusantara Capital Authority. This strengthening is a logical consequence of the institutional genus of the Nusantara Capital Authority which is the administrator of a special regional government. To create legal

- certainty and flexibility in the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital, including public services in the Nusantara Capital, a clear and strong regulations that provide a legal basis for the implementation of the authority of the Nusantara Capital Authority are needed, where the authority covers the non-absolute authority of the Central Government including the authority of local government in general within the scope and territorial boundaries of the Nusantara Capital;
3. strengthening regulations regarding budget and funding management for the Nusantara Capital, deriving from the State Budget is carried out through the mechanism of expenditure to the Nusantara Capital Authority, expenditure to related ministries/state institutions, and/or financing. The portion of funding for the preparation, development, and relocation of the National Capital that comes from other legitimate sources, including those from creative financing and the original revenue of the Nusantara Capital, is much greater than the portion of funding that comes from the State Budget;
 4. with the enactment of this Law, there has been a change in the mechanism of expenditure for the Nusantara Capital Authority to be through a transfer mechanism in line with the position of the Nusantara Capital Authority as the Government of the Special Region of Nusantara Capital that has a mandate from the President as the holder of the state financial management power through a handed-over scheme. The change in the scheme also affects the treatment of assets in the form of Land which are not directly related to the administration of Central Government affairs in the Nusantara Capital, which were previously designated as assets in the possession of the Nusantara Capital Authority to become assets owned by the Nusantara Capital Authority;
 5. funding from the State Budget, which is carried out through ministry/state institution's expenditure and transfers to the Nusantara Capital Authority, is more directed to support the needs of basic infrastructure development for the public and vital facilities for government administration as well as providing services in accordance with the standards of public utility services. Development of basic infrastructure for the public, among others, is used for the construction of work roads, toll roads, bridges, dams, drainage, sanitation, wastewater management installations, and housing/residence for civil servants;
 6. the portion of funding which comes from other legitimate sources, among others from creative financing and the original revenue of the Nusantara Capital, is much greater than the portion of funding that comes from the State Budget; Funding originating from creative financing is aimed to carry out the development of the Nusantara Capital and funding originating from the original revenue of the Nusantara Capital is prioritized to carry out the development and administration of the Special Region of Nusantara Capital. The combination of a proportional portion of funding, which is complemented by various business facilities, is expected to attract investment in order to make the Nusantara Capital as a sustainable city in the world, a driver of the Indonesian economy in the future, and a symbol of national identity;
 7. strengthening regulations regarding the allocation of human resources. These regulations opens wider opportunities for the best talents of Indonesia to devote themselves in the Nusantara Capital

Authority, not limited to civil servants. These regulations will increase the effectiveness of the Nusantara Capital Authority in achieving the key performance indicators set out in the Master Plan for the Nusantara Capital; and

8. regulations on balanced occupancy. As an effort to achieve the vision of the Nusantara Capital to become a sustainable city in the world, the responsibility for implementing balanced occupancy in the Nusantara Capital by the Nusantara Capital Authority is carried out to fulfill housing needs as one of the basic human needs in the Nusantara Capital to improve and equalize the welfare of the people of the Nusantara Capital. In order to ensure fulfillment of housing needs in the Nusantara Capital, opportunities are given to business actors who have balanced occupancy obligations in other regions in Indonesia to carry out balanced occupancy obligations that have not been fulfilled in other areas of the Nusantara Capital. These regulations have impacts as described below:
 - a. one of the dimensions in the implementation of balanced occupancy in the Nusantara Capital is by providing flexibility and solutions to sectoral provisions which have not been able to be implemented up to now, by providing opportunities to business actors who have balanced occupancy obligations in other regions in Indonesia to carry out balanced occupancy obligations that have not been fulfilled in the areas of the Nusantara Capital. This is implemented by providing special regulations in the form of exceptions to the implementation of balanced occupancy obligations as regulated under the legislation in the field of housing and residential areas by considering aspects of fulfilling balanced occupancy obligations in the past by business actors in the housing sector. However, this opportunity to fulfill the balanced occupancy obligation is temporary and only valid for a certain period. The Nusantara Capital Authority has the authority to decide how long the fulfillment of balanced occupancy obligations by business actors in other regions can be implemented in the Nusantara Capital, by taking into account housing needs and capacity in the Nusantara Capital;
 - b. The Nusantara Capital Authority can determine specifically and differently the balanced occupancy composition in the Nusantara Capital from the provisions of the legislation in the field of housing and residential areas. This is due to the uniqueness and characteristics of the development of the Nusantara Capital that are different from those in other regions in Indonesia; and
 - c. strengthening the public service function of the Nusantara Capital Authority, especially in terms of housing management, which is one of the authority of the Nusantara Capital Authority.

The second regulatory aspect relates to the efforts to optimize investment in the Nusantara Capital by strengthening guarantees of business certainty for investors and business actors. Optimal investment in the Nusantara Capital is important to ensure private contribution in funding the development of the Nusantara Capital in order to be able to ease the burden of funding deriving from the State Budget.

To optimize investment in the Nusantara Capital, a number of changes are made in the form of new content materials and strengthening regulations that provide certainty for the implementation of investment in the Nusantara Capital, including for partner regions of the Nusantara Capital in the context of building and developing the economic superhub

of the Nusantara Capital. This strengthening will create legal certainty for business actors and investors, as described below:

1. regulations on competitive HAT period. This is a special regulation (*lex specialis*) regarding the HAT period that is limited to the Nusantara Capital. The provisions regarding the HAT period are an effort to increase the attractiveness for investors in order that they are interested in investing in the Nusantara Capital. This is predominantly not an exaggeration, considering that similar provisions in a number of countries in the region also regulate a time period that is more or less the same as the time period regulated in this Law. The longer HAT period in the Nusantara Capital Authority does not reduce the state power over land, since the evaluation and monitoring mechanism in land ownership is still actively carried out by the state; and
2. regulations regarding HAT on state Land. These regulations are reaffirmation that is in line with the legislation in the land sector. The Nusantara Capital Authority as the holder of rights to manage can waive the rights to be state Land. With the waiver of these rights, HAT that includes business rights to cultivate, rights to build, and rights to cultivate can be granted on state Land. The provisions regarding HAT on state Land are one of the efforts to attract investment in the Nusantara Capital and can support the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of the Nusantara Capital.

In order to maintain the continuity of funding to carry out the preparation, development, and relocation of the National Capital deriving from the State Budget to achieve predetermined targets and to provide certainty of investment in the Nusantara Capital, the government has determined the preparation, development, and relocation of the National Capital as a national priority program for a certain period as needed to provide certainty of funding deriving from the State Budget.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 2

Point a

The term "sustainable city in the world" means a city that manages resources effectively and provides services effectively in the use of water and efficient energy resources, sustainable management of waste, integrated transportation modes, livable and healthy environment, and synergistic natural and built environment which also establishes the Nusantara Capital as a forest city to ensure environmental sustainability with a minimum of 75% (seventy-five percent) green areas, and the plan for the Nusantara Capital is developed based on the concept of a sustainable master plan to balance natural ecology, built areas, and existing social systems in harmony.

Point b

The term "a driver of the Indonesian economy in the future" means a city that is progressive, innovative, and competitive in terms of technology, architecture,

governance, and social aspects. The Nusantara Capital establishes a superhub economic strategy related to the spatial plan strategy to exceed current potentials, ensures productive synergies among workforce, infrastructure, resources, and networks, as well as maximizes job opportunities for all city residents.

Point c

The term "symbol of national identity" means a city that embodies the identity, social character, unity, and greatness of the nation that reflects the uniqueness of Indonesia.

Point 2

Article 3

Section (1)

Point a

The term "principle of faith in God" means that every material contained in this Law serves to provide protection and respect for freedom of religion and to practice worship for the community, especially in the Nusantara Capital and its surrounding areas. The Nusantara Capital is designed as a place that promotes religious tolerance and ensures harmony in practicing the values of the faith in God.

Point b

The term "principle of protection" means that every material contained in this Law serves to provide protection to create public order in particular in the Nusantara Capital and its surrounding areas and in general throughout the territory of the Unitary State of the Republic of Indonesia. The Nusantara Capital is designed as a place that prioritizes safe and affordable worthy living, which focuses on the community with the concept of development and housing that ensures an environment that is safe, healthy, and equitable for current and future residents.

Point c

The term "principle of humanity" means that every material contained in this Law reflects the protection of and respect for human rights as well as the dignity and honor of every citizen and resident of Indonesia proportionally in the administration of the Governance of the Special Region of Nusantara Capital as well as in the preparation, development, and relocation of the National Capital.

Point d

The term "principle of nationalism" means that every material contained in this Law reflects the nature and character of the pluralistic Indonesian nation while maintaining the principles of the Unitary State of the Republic of Indonesia.

Point e

The term "principle of archipelagic state" means that every material contained in this Law always pays attention to the interests of the entire territory of Indonesia under Pancasila and the 1945 Constitution of the Republic of Indonesia.

Point f

The term "principle of unity in diversity" means that every material contained in this Law and the administration of the Governance of the Special Region of Nusantara Capital as well as the preparation, development, and relocation of the National Capital, takes into account the diversity of the population, religion, group ethnicity and groups, special conditions of the region, and the culture in the life of the society, nation and state, both in the Nusantara Capital and other regions in Indonesia. Every material in this Law also represents the Nusantara Capital that maintains cultural riches, strengthens social inclusion, and provides a sense of cooperation in the midst of a diverse society.

Point g

The term "principle of justice" means that every material contained in this Law reflects proportional justice for every citizen, both in relation to the administration of the Governance of the Special Region of Nusantara Capital and in the activities of preparation, development, and relocation of the National Capital. The principle of justice is the foundation of equality that will be realized in the Nusantara Capital with a future-oriented economic strategy and equitable access to education, health services, and job opportunities.

Point h

The term "principle of equality before the law and in governance" means that every material contained in this Law guarantees legal certainty to establish public order, especially in the Nusantara Capital and the surrounding areas.

Point i

The term "principle of order and legal certainty" means that every material contained in this Law is aimed at establishing order in Society through guaranteeing legal certainty both in relation to the administration of the Governance of the Special Region of Nusantara Capital and in the activities of preparation, development, and relocation of the National Capital.

Point j

The term "principle of balance, harmony, and concordance" means that every material contained in this Law reflects balance, harmony, and concordance between the interests of individuals and society, and the interests of the nation and

state, including ecological balance that respects and embraces nature through the integration and preservation of existing landscapes, and creates designs according to natural conditions including prioritizing protected areas, green spaces, and blue spaces. The harmony and concordance in the Nusantara Capital are also manifested through the connectedness, activeness, and ease of access of the people in the Nusantara Capital, with an integrated mobility strategy that places residents at the forefront by emphasizing the ease of walking and public transportation.

Point k

The term "principle of effectiveness and efficiency in governance" means that every material contained in this Law is aimed at making the Nusantara Capital a comfortable and efficient city for governance, business and residents through information, communication, and technology, through smart city application.

Section (2)

Point a

The term "equality" means the principle aimed at creating a city with economic opportunities for all in order to realize high per capita income, low economic discrepancy, and creating harmony and uniqueness within the framework of Bhinneka Tunggal Ika.

Point b

The term "ecological balance" means the principle of designing a city according to natural conditions, including prioritizing protected areas, green spaces, and blue spaces.

Point c

The term "resilience" means the principle aimed at realizing urban infrastructure with a circular and resilient system.

Point d

The term "sustainable development" means the principle aimed at realizing a city that is energy-efficient, utilizes renewable energy, and emits low carbon levels.

Point e

The term "livability" means the principle aimed at creating a safe, comfortable, and affordable city.

Point f

The term "connectivity" means the principle aimed at realizing easy and quick access and prioritizing active mobility of the residents.

Point g

The term "smart city" means the principle aimed at creating a comfortable and efficient city for governance, business, and residents through information, communication, and technology.

Point 3

Article 6

Sufficiently clear.

Point 4

Article 12

Section (1)

Sufficiently clear.

Section (2)

Those included in this provision are providing fiscal and/or nonfiscal incentives that may be proposed by the Nusantara Capital Authority to the Central Government.

The term "partner regions of the Nusantara Capital" means certain areas formed in the context of building and developing the economic superhub of the Nusantara Capital, in collaboration with the Nusantara Capital Authority, and determined through a Decision of the Chairperson of the Nusantara Capital Authority.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

The term "Regulation of the Chairperson of the Nusantara Capital Authority" means a regulation issued by the Chairperson of the Nusantara Capital Authority to implement higher legislation or based on authority that is generally regulatory and binding.

Point 5

Article 15

Section (1)

Sufficiently clear.

Section (2)

The Master Plan of the Nusantara Capital is the reference for the preparation spatial planning arrangements of the Spatial Plan for the KSN of the Nusantara Capital.

Section (3)

Sufficiently clear.

Section (4)

See Elucidation of Article 12 section (5).

Section (5)

Sufficiently clear.

Section (6)

Point a

Sufficiently clear.

Point b

The term "Land consolidation" means the policy of restructuring control, ownership, use, and utilization of Land and space in accordance with spatial plans as well as efforts to provide Land for public interest in order to improve the quality of the environment and maintain natural resources by involving the active public participation.

Section (7)

The term “legislation” includes legislation in the field of finance.

Section (8)

Sufficiently clear.

Section (9)

Sufficiently clear.

Section (10)

Sufficiently clear.

Section (11)

As long as the Nusantara Capital Authority still becomes the budget user/assets user, funding is carried out using a budget division mechanism. Meanwhile, after the Nusantara Capital Authority takes over as a financial manager of a special region, funding for Land reorganization is carried out using a transfer mechanism to the Nusantara Capital.

Point 6

Article 15A

Section (1)

Point a

State-Owned Assets are used by the Nusantara Capital Authority or ministries/state institutions.

Point b

The term "the Nusantara-Capital-Authority-owned assets " means all assets purchased or obtained using the Budget of the Nusantara Capital, deriving from other legitimate acquisitions, or assets designated the Nusantara-Capital-Authority-owned assets based on the provisions of the legislation governing the National Capital.

The Nusantara-Capital-Authority-owned assets are used by the Nusantara Capital Authority and/or other parties based on an agreement with the Nusantara Capital Authority.

In the event that Land acquisition in the Nusantara Capital is carried out through a Land acquisition mechanism that uses the State Budget, the Land acquired will become a State-Owned Asset, which can then be designated as the Nusantara-Capital-Authority-owned assets.

Point c

Community-owned Land is determined in accordance with the provisions of the legislation in the land sector.

Point d

The term "state Land" means land that is not attached with a HAT, not waqf (donated) land, not *ulayat* Land, and/or not a State-Owned Asset/a Local-Owned Asset/ the Nusantara-Capital-Authority-owned assets.

Section (2)

Those included in the State-Owned Assets are lands previously designated as the Nusantara-Capital-Authority-owned assets which are later transferred

become a State-Owned Asset for the sake of government administration.

Section (3)

The granting of rights to manage to the Nusantara Capital Authority is carried out by taking into account the ownership rights and the HAT of the community as well as the HAT of the adat community.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Point a

Sufficiently clear.

Point b

See Elucidation of Article 12 section (5).

Section (8)

Sufficiently clear.

Section (9)

Sufficiently clear.

Point 7

Article 16A

Section (1)

The period of rights to cultivate in this section is given in stages as follows:

- a. grant of rights, a maximum of 35 (thirty-five) years;
- b. extension of rights, a maximum of 25 (twenty-five) years; and
- c. renewal of rights, a maximum of 35 (thirty-five) years.

Section (2)

The period of rights to build in this section is given in stages as follows:

- a. grant of rights, a maximum of 30 (thirty) years;
- b. extension of rights, a maximum of 20 (twenty) years; and
- c. renewal of rights, a maximum of 30 (thirty) years;

Section (3)

The period of rights to use in this section is given in stages as follows:

- a. grant of rights, a maximum of 30 (thirty) years;
- b. extension of rights, a maximum of 20 (twenty) years; and
- c. renewal of rights, a maximum of 30 (thirty) years;

Section (4)

Sufficiently clear.

Section (5)

Evaluation is carried out jointly by the Nusantara Capital Authority and the ministry administering government affairs in the agrarian, land, and spatial planning sectors.

Section (6)

Evaluation criteria and stages, rights, obligations, prohibitions, and transfer of HAT include the area of land control provided to business actors.

Point 8

Article 23

Sufficiently clear.

Point 9

Article 24

Section (1)

Point a

Funding deriving from the State Budget is used by the Nusantara Capital Authority and ministries/state institutions in the context of preparation, development, and relocation of the National Capital.

Point b

The term "Budget of the Nusantara Capital" means the annual financial plan of the Government of the Special Region of Nusantara Capital determined by the Chairperson of the Nusantara Capital Authority.

In the Budget of the Nusantara Capital, there are components originating from transfers from the State Budget which are prioritized to support the provision of public services according to minimum service standards.

Point c

In order to maintain fiscal sustainability, efforts are made to obtain other legitimate sources of revenue in accordance with the provisions of the legislation, among others from:

- a. the utilization of assets owned by the Nusantara Capital Authority;
- b. the use of public-private partnership schemes; and
- c. participation of other parties, including:
 1. assignment of state-owned enterprises;
 2. strengthening the role of state-owned legal entities; and
 3. contribution of private sectors.

Section (2)

Sufficiently clear.

Section (3)

Determination of the period for the allocation of funding for national priority programs is carried out in order to maintain fiscal sustainability and the development of the Nusantara Capital.

Section (4)

The term "special local taxes of the Nusantara Capital" means taxes that apply specifically to the Nusantara Capital.

The term "special local levies of the Nusantara Capital" means levies that apply specifically to the Nusantara

Capital, including levies for services provided by the Nusantara Capital Authority.

Section (5)

Local taxes and local levies that apply to regions with special autonomy as regulated in the legislation for regions with special autonomy apply *mutatis mutandis* to special local taxes of the Nusantara Capital and special local levies of the Nusantara Capital, including but not limited to provisions regarding objects, subjects, taxpayers and levy payers, basis of imposition, as well as local tax and local levy rates.

Section (6)

See Elucidation of Article 12 section (5).

Section (7)

Funding deriving from the State Budget may not be duplicated between ministry/state institution expenditure and transfers.

Business entities of the Nusantara Capital Authority include state-owned enterprises whose power holder is the Nusantara Capital Authority and/or business entities owned by the Nusantara Capital Authority.

Section (8)

Sufficiently clear.

Point 10

Article 24A

Section (1)

See Elucidation of Article 24 section (1) point b.

Section (2)

The term “Revenues of the Nusantara Capital” means all rights of the Nusantara Capital Authority which are recognized as adding to the value of net assets in the relevant fiscal year period.

Point a

The term "original revenues of the Nusantara Capital" means the revenues of the Nusantara Capital obtained from local taxes of the Nusantara Capital, local levies of the Nusantara Capital, results from the management of the separated assets of the Nusantara Capital, and so forth as regulated under this Law.

The original revenue of the Nusantara Capital is locally-generated revenue as regulated under the legislation.

Point b

The term “transfer revenue to the Nusantara Capital” means funds deriving from the State Budget and are part of state expenditure allocated for the preparation, development, and relocation of the National Capital, as well as the administration of the Governance of the Special Region of Nusantara Capital as regulated under the legislation concerning National Capital.

Transfer to the Nusantara Capital is allocated for, among others:

- a. provision of basic infrastructures;
 - b. provision of public facilities;
 - c. provision of social facilities;
 - d. provision of utilities;
 - e. provision of lands;
 - f. expenditure on salaries for the employees of the Nusantara Capital Authority;
 - g. implementation of the Nusantara Capital Authority's long-term agreement; and/or
 - h. expenditure for community service,
- until the Nusantara Capital Authority is able to provide funding independently.

Point c

The term "other legitimate revenues of the Nusantara Capital" means all revenues of the Nusantara Capital other than the original revenues of the Nusantara Capital and transfer revenue to the Nusantara Capital, such as grants and other revenue in accordance with the provisions of the legislation.

Section (3)

See Elucidation of section (2) point a.

Section (4)

Sufficiently clear.

Section (5)

Transfer arrangements which can be made specifically in accordance with the provisions of the legislation in the field of state finance are aimed at supporting the implementation of duties and functions of the Nusantara Capital Authority as a Budget Manager/Assets Manager in the preparation, development, and relocation of the National Capital and the administration of the Governance of the Special Region of the Nusantara Capital.

Section (6)

Sufficiently clear.

Section (7)

See Elucidation of Article 24 section (1) point b.

Article 24B

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Section (9)

See Elucidation of Article 12 section (5).

Section (10)

Sufficiently clear.

Point 11

Article 25

Section (1)

The Chairperson of the Nusantara Capital Authority as the budget user/assets user prepares the work and budget plan for the Nusantara Capital by taking into account, among others, the Master Plan for the Nusantara Capital, the National Medium-Term Development Plan, and/or the annual budget plan, and in line with the State Budget mechanism.

In the event that there are changes to the Master Plan for the Nusantara Capital which have an impact on budget/funding adjustments, the budget/funding adjustments are carried out using a budgeting mechanism in accordance with the provisions of the legislation, including the legislation regarding the preparation of work and budget plans in ministries/state institutions.

The work and budget plan of the Nusantara Capital includes the revenue and expenditure plan of the Nusantara Capital.

Section (2)

See Elucidation of Article 24A section (21).

Section (3)

See Elucidation of Article 24 section (1) point b.

Section (4)

The term “DPR” means the DPR's organs in charge of government affairs.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

In relation with the implementation of the duties and functions of the Nusantara Capital Authority as a budget manager/assets manager as referred to in Article 23 section (2), the Nusantara Capital Authority must prepare a draft Budget of the Nusantara Capital every year.

The preparation of the Budget of the Nusantara Capital is carried out by following the principles of preparing local budgets in accordance with the mechanism for harmonization of national fiscal policy and good governance, without reducing the special nature of the National Capital Authority.

Section (9)

The provisions regarding the preparation of the Budget of the Nusantara Capital include the provisions regarding accounting standards for the Nusantara Capital.

Point 12

Article 26

Section (1)

Sufficiently clear.

Section (2)

See Elucidation of Article 24 section (1) point b.

Section (3)

See Elucidation of Article 24 section (1) point b.

Section (4)

Sufficiently clear.

Point 13

Article 32

Section (1)

Point a

State-Owned Assets are used by the Nusantara Capital Authority or ministries/state institutions in accordance with the provisions of legislation.

Point b

Assets under the possession of the Nusantara Capital Authority are land that is not related to government administration in accordance with the provisions of legislation.

Section (2)

Point a

State-Owned Assets are used by the Nusantara Capital Authority or ministries/state institutions in accordance with the provisions of legislation.

Point b

Local-Owned Assets transferred from the Nusantara Capital Authority are determined as the-Nusantara-Capital-Authority-owned assets in accordance with provisions of the legislation.

Section (3)

See Elucidation of Article 12 section (5).

Point 14

Article 36

Section (1)

Sufficiently clear.

Section (2)

To support the smooth implementation of the preparation, development, and relocation of the National Capital in accordance with the stages and targets set out in the Master Plan for the Nusantara Capital, the participation of ministries/state institutions is required pursuant to their duties and functions.

The funding required for the preparation, development, and/or relocation of the National Capital is deriving

from the State Budget including through ministry/state institution expenditure schemes.

Section (3)

The participation of ministries/state institutions in the preparation, development, and/or relocation of the National Capital does not reduce the duties and functions of the Nusantara Capital Authority as coordinator and executor of the preparation, development, and/or relocation of the National Capital. Therefore, the preparation, development, and/or relocation of the National Capital that have been carried out by ministries/state institutions may be transferred to the Nusantara Capital Authority.

Section (4)

The transfer of State-Owned Assets to the Nusantara Capital Authority is carried out in accordance with the provisions of legislation in the field of State-Owned Assets.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Point 15

Part Four

Sufficiently clear.

Point 16

Article 36A

Sufficiently clear.

Article 36B

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The Nusantara Capital Authority that is responsible for housing administration through balanced occupancy development in the Nusantara Capital area integrates housing administration with the Detailed Spatial Plan. The housing administration mechanism is implemented by business actors who have balanced occupancy obligations and will carry out this obligation in the Nusantara Capital area according to their specialization and field of expertise.

Section (5)

The granting of HAT in the form of rights of ownership is carried out as long as the Land acquired by the community is utilized in accordance with the spatial planning of the Nusantara Capital.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

The term “legislation in the field of housing and residential area sector” means legislation in the field of housing and residential areas, including legislation in the field of apartments.

Point a

The obligation to develop balanced occupancy outside the Nusantara Capital area arose in the past or before the enactment of this Law, and has not been implemented due to insufficient business support capacity in sectoral policies.

The term “a certain period” means the period for implementing balanced occupancy obligations in the Nusantara Capital Authority determined by the Nusantara Capital Authority and stated in the Regulation of the Chairperson of the Nusantara Capital Authority.

The term "form" means single houses and row houses between simple houses, medium houses and luxury houses, or in the form of apartments between public apartments and commercial apartments, rental houses, or other forms.

Point b

Sufficiently clear.

Section (9)

Sufficiently clear.

Section (10)

Sufficiently clear.

Section (11)

Sufficiently clear.

Point 17

Article 42

Sufficiently clear.

Point 18

Sufficiently clear.

Article II

Point 1

Point a

This provision is necessary in order that the preparation, development, and relocation processes currently being carried out will not interfere with the transfer of the seat of the Nusantara Capital Authority as the financial manager of the Nusantara Capital Authority.

Point b

Material contents/ content materials of the Government Regulation include, among other things, the time for determining the transfer of the seat of the Nusantara Capital Authority to become the financial manager of the Nusantara Capital Authority.

Point 2

Sufficiently clear.