



**Asia-Pacific  
Economic Cooperation**

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## **Gratuities and Facilitation Payments - Challenges and Best Practices**

Submitted by: Indonesia



**Workshop on Strengthening Integrity Through  
Public-Private Partnership: Preventing  
Facilitation Payment and Managing Gift Rules  
Medan, Indonesia  
24 June 2013**



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Economic Cooperation



**Gratuities and Facilitation Payments**  
Challenges and Best Practices

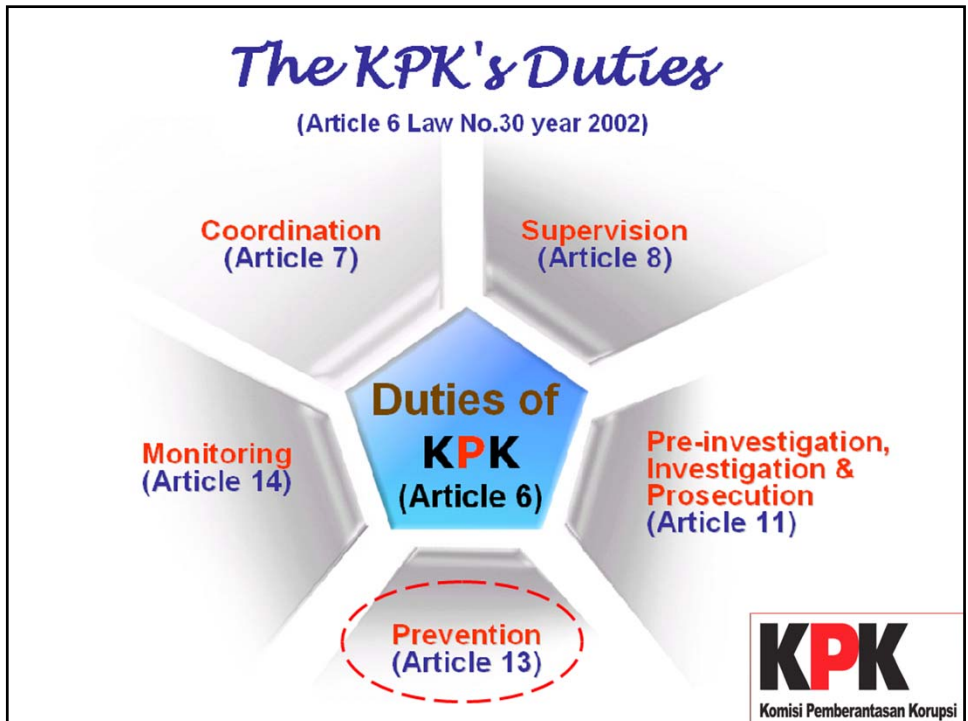
**Adnan Pandu Praja**

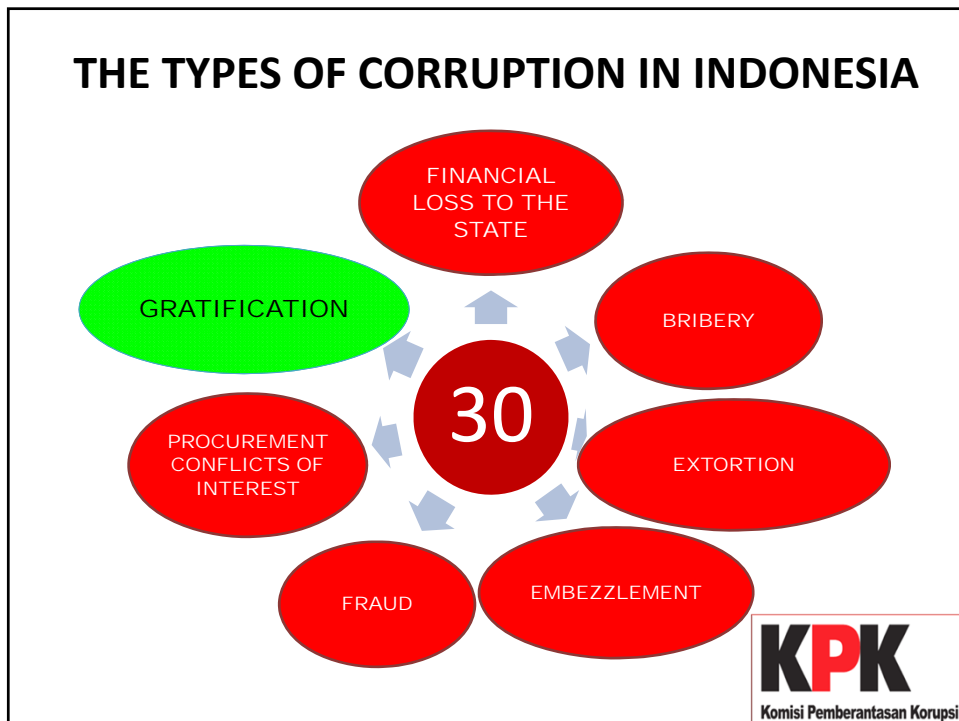
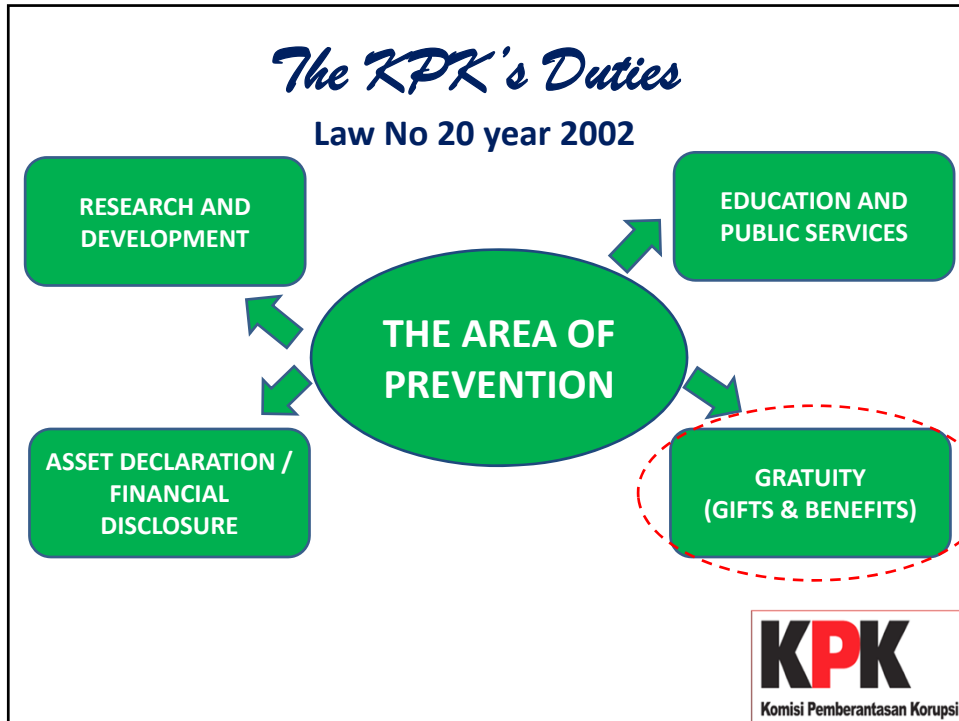


**KPK**  
Komisi Pemberantasan Korupsi

Corruption Eradication Commission  
Republic of Indonesia

*Workshop on Strengthening Integrity through Public-Private Partnership:  
Preventing Facilitation Payments and Managing Gratuities  
Medan, 24 June 2013*





# GRATIFICATION

Law No. 20/2001

Amandment to Law No. 31/1999 on Corruption Eradication

Definition:

**Reward in broad sense**, including money, goods, discount, recompense, interest-free loan, travel ticket, lodging, tour, free medicine, and other facilities.

The gratification includes the gratification received at home or from abroad and the gratification done using electronic device or not using electronic device.



## Types of Gratification



## GRATIFICATION

Law No. 20/2001

**Amandment to Law No. 31/1999 on Corruption Eradication**

**Article 12B:**

- 1) **Any gratification for a civil servant or state apparatus shall be considered as a bribe** when it has something to do with his/her position and is against his/ her obligation or task, with the provision that:
  - a. when the gratification amounts to Rp10,000,000 (ten million rupiahs) or more, it is the recipient of the gratification who shall prove that the gratification is not a bribe;
  - b. when the gratification amounts to less than Rp10,000,000 (ten million rupiahs), it is the public prosecutor who shall prove that the gratification is a bribe.



## GRATIFICATION

Law No. 20/2001

**Amandment to Law No. 31/1999 on Corruption Eradication**

**Article 12B:**

- 2) A civil servant or state apparatus who is found guilty of the criminal offense as referred to in paragraph (1) shall be sentenced to life imprisonment or a minimum of 4 (four) year's imprisonment and a maximum of 20 (twenty) year's imprisonment and be fined a minimum of Rp200,000,000 (two hundred million rupiahs) and a maximum of Rp1,000,000,000 (one billion rupiahs).



# GRATIFICATION

Law No. 20/2001

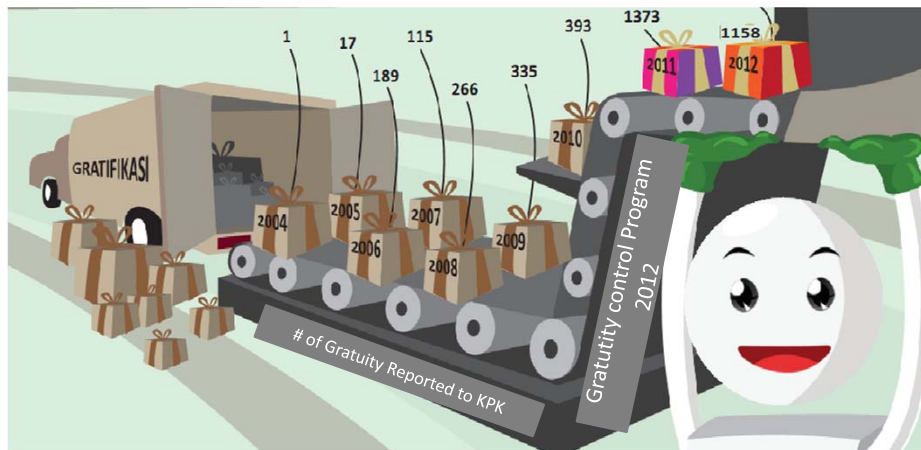
Amandment to Law No. 31/1999 on Corruption Eradication

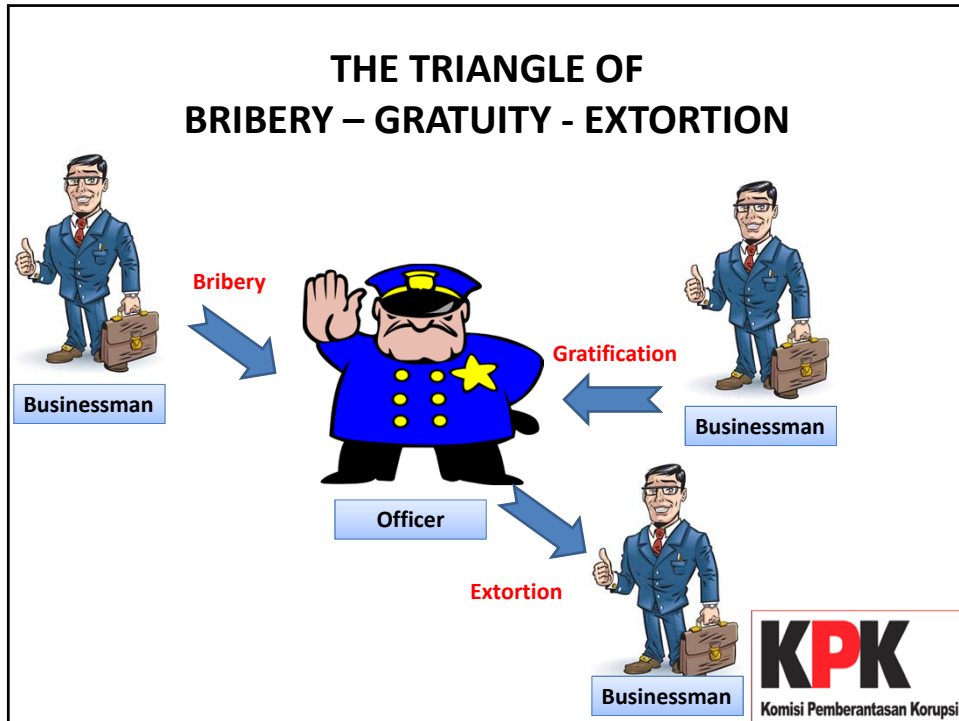
## Article 12C:

- 1) The provisions as referred to in Article 12B paragraph (1) shall not be valid if the recipient report the gratification to the Commission for Corruption Eradication.
- 2) The recipient of gratification shall convey the report as referred to in paragraph (1) no later than 30 working days after the gratification has been received.
- 3) The Commission for Corruption Eradication within a period of 30 (thirty) working days at the latest after the receipt date of the report shall decide whether the gratification belongs to the recipient or the state.



## Gratuity Report Received by CEC

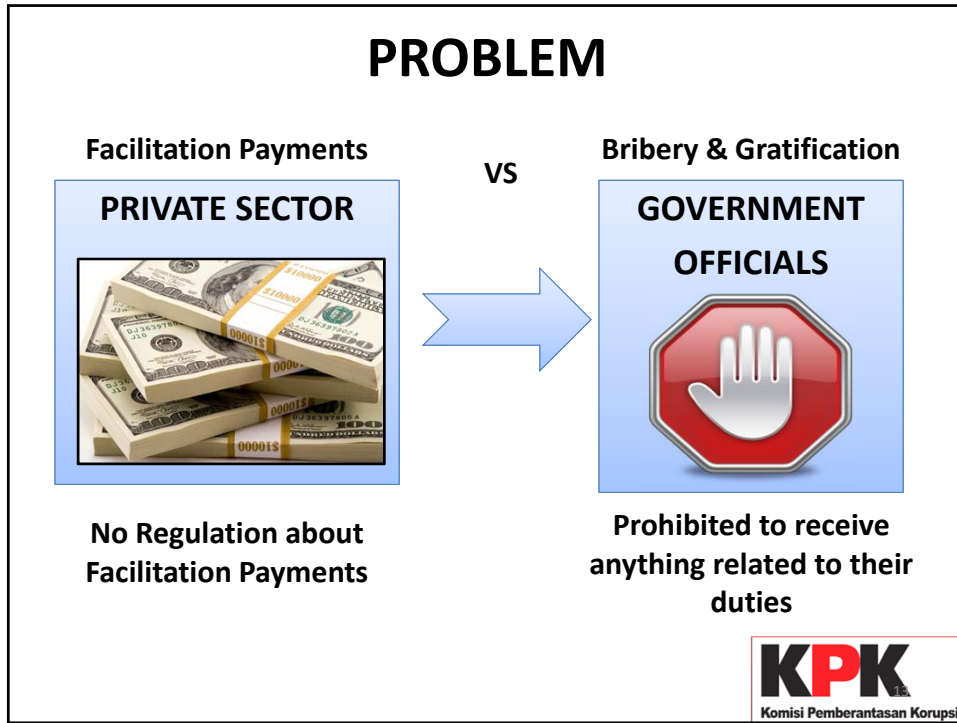




## Facilitation Payments

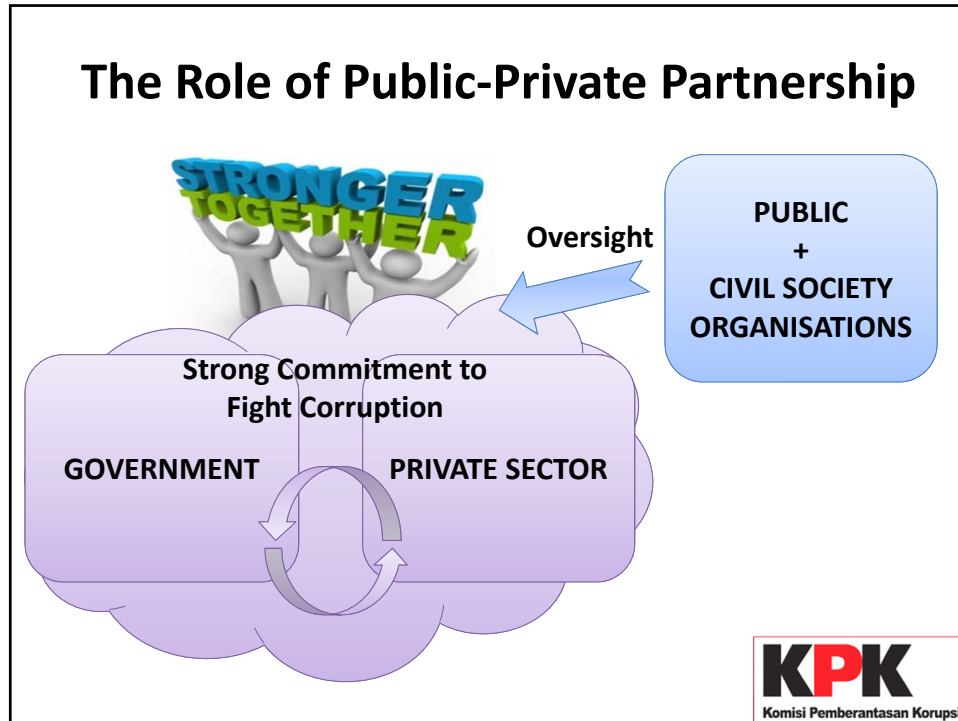
*“Payments made to a public or government official that acts as incentive for the official to complete some action or process expeditiously, to the benefit of the party making the payment.”  
(Investopedia).*

*It can be constitute as **a bribe** for public officials.*



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- ## RECOMMENDATIONS
1. Public-Private Partnership to create a clean government and business climate
  2. Commitment from Private Sector not to offer or give any Facilitation (“grease”) Payments to public officials
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- ## The Role of Government
1. Establishing National Integrity System (SIN) to achieve National Anti-Corruption Strategy
  2. Comply with the Law by rejecting any gifts or gratifications related to their duties
  3. Creating a code of ethics about Conflict of Interest
  4. Creating fairness dan transparency
  5. Promoting good governance administration
  6. Give a better remuneration for public officials
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## **The Role of Private Sectors**

1. Not to Give Bribery and Facilitation Payment to Public Officials
2. Creating Code of Ethics (related to Facilitation Payment)
3. Allocate their CSR on Governance and Integrity Value



## **The Role of Public and CSO**

1. Watchdog and Oversight
2. Empowering Community in Control



