

ABSTRACT

Article 18A (2) of the amended 1945 Constitution prescribes: Relationship concerning finance, public service, the use of natural and other resources between central government and regional government shall be made justly and equitably based on law. From the provisions, it can be inferred that article as the philosophical and constitutional basic act No. 33 of 2004 about finance relationship between central government and regional government, include finance relationship in oil and gas sector. The problem statement in this research are: (1). The principle of law oil and gas management in Indonesia;(2). The principle of law distribution finance relationship between central government and regional government in sharing oil and gas finance. This research is a type of normative legal research feature preskriptif and implementation by using historical approach, statute approach and the conceptual approach. Sovereignty as the supreme power in the hands of the people include the economic field. Social functioning system of ownership is a fundamental principle in the management of oil and gas as outlined in the basic orientation of national development. Then controlled by the state under Article 33 of the amended 1945 Constitution has a higher understanding or wider than ownership in civil law conception. As the nation of Indonesia (as set forth in Article 1 (2) UUPA, as the right of the people). The concept of control by the state is a concept of public law relating to the principle of popular sovereignty adopted of the amended 1945 Constitution, both in politics (political democracy) and economic (economic democracy). In the sovereignty of the people, it is the people who are recognized as the source, the owner and holder of the highest authority in the life of the state. Legal principle of equalization funds for oil and gas is a system of revenue sharing funds for oil and gas produced from the area of the region is done proportionally, democratic, fair and transparent with regard to the potential state, and local requirements. The prosentase must proportionally, democratic, fair and transparent. Oil and gas sector as a strategic non renewable natural resources shall be under the powers of the State and shall be used to the greatest benefit of the people. It should be seen as a manifestation of social justice for the whole Indonesian people.

Keywords : Principles of law, Equity, Production Sharing, Oil and Gas.