

Table Of Contents

<i>Trade</i>	1
<i>Energy and Natural Resources</i>	5
<i>Manufacturing and Industry</i>	13
<i>Financial Service</i>	14
<i>General Corporate</i>	16
<i>Tax</i>	17
<i>Miscellaneous</i>	21

Trade

1. Ministry of Trade Regulation [No. 32/M-DAG/PER/5/2017](#) on Export Provisions for Metal Residues and Scrap

Enforcement date: 30 June 2017

Summary:

- Sets export limitations for 14 types of metal residues and scrap, as specified under the Appendix to the regulation, including: hard zinc spelter, scrap derived from cast iron, stainless steel, chopper, silver, nickel and aluminum.
- Residues or scrap which may only be exported from the island of Batam encompass residues and scrap deriving from: 1) Cast iron, non-stainless alloy steel and tin-coated iron or steel; and 2) Materials other than the materials described in point (1) in form of grams, shavings, chips, mill leftovers, sawdust and chopped pieces; and 3) Materials other than the materials described in point (1) above in forms other than the forms described in point (2) above.
- Exporters are first required to secure Export Approval from the Ministry by submitting their applications to the Director of Industrial and Mining Product Exports via <http://inatrade.kemendag.go.id>. All such applications should enclose: business licenses, company registration certificates, taxpayer identification numbers, annual export plans and recommendations from the Directorate of Metal Industry.
- The Ministry will issue export approval within five days of receiving any completed application and this approval will remain valid for maximum period of six months from the date of issue.

2. Ministry of Trade Regulation [No. 31/M-DAG/PER/5/2017](#) on General Guidelines for the Distribution of Government Assistance by the Ministry of Trade

Enforcement date: 18 May 2017

Summary:

- Sets out guidelines for the distribution of assistance by the Ministry of Trade to any individuals, social groups, government institutions or non-governmental organizations (“Recipients”) which satisfy the various requirements which are set out under Article 6 of the Regulation (e.g. individuals must commit to implementing the development of trade and must have previously undertaken activity within the trade sector).
- The various types of assistance which can be granted to Recipients encompass: awards, scholarships, operational assistance, facilities, infrastructure and building improvements, as well as various other types of assistance. These various types of assistance may be granted in the form of cash, goods or services.
- Detailed provisions on the granting of any assistance will be regulated by Echelon I officers at the Ministry.

3. Ministry of Trade Regulation [No. 29/M-DAG/PER/5/2017](#) on Inter-Island Trade

Enforcement date: 18 November 2017

Summary:

- Businesses which engage in the inter-island trade of basic goods, essential goods and other goods are required to: 1) Submit Intern-Island Domestic Manifests to the head of a seaport authority or harbormaster, the head of a trading agency, as well as to the Directorate General of Domestic Trade (via the INATRADE web portal); and 2) Distribute goods from areas of surplus to areas in which they are needed under certain conditions which affect national trade stability (i.e. disasters, supply disturbances and/or price hikes to levels above the prevailing benchmark prices).
- Inter-Island Domestic Manifests should contain information on: 1) The identities of any trading parties; 2) The type and amount of any goods; 3) The place of origin and destination; 4) The transportation mode; and 5) The post tariff or HS code of the goods concerned.
- In order to submit an Inter-Island Domestic Manifest via the INATRADE portal, a business must secure access to the integrated licensing information system (SIPT) by uploading the following documents: 1) Company registration certificate; 2) NPWP; 3) Identity card or passport of the company’s person-in-charge. SIPT access will then be granted within two days of any completed application being received.

4. Presidential Regulation [No. 52 of 2017](#) on the Ratification of the Protocol on the Legal Implementation Framework for the ASEAN Single Window

Enforcement Date: 23 May 2017

Summary:

- The Protocol sets out a legal framework for operations, interactions and electronic processing involving transactions between National Single Window systems within the ASEAN Single Window environment.

The Protocol is being aimed at accelerating trade and business processing within ASEAN, at minimizing expenditure as regards support for ASEAN free trade, and at improving the ASEAN economy as a whole.

- Sets out detailed guidelines for the implementation of the ASEAN Single Window system, comprising of: 1) Transmissions and exchanges of data and information; 2) Service level requirements; 3) Information security and confidentiality; 4) The protection of intellectual property rights and data ownership; 5) Dispute settlements; and so forth.

5. Ministry of Finance Regulation [No. 59/PMK.04/2017](#) on Non-Excisable Goods

Enforcement Date: 8 August 2017

Summary:

- Adds one type of non-accessible goods, namely goods which are destroyed due to force majeure, in addition to the other seven types of goods: 1) Cut tobacco and alcoholic beverages which are produced through simple, traditional processes; 2) Excisable goods intended for export purposes; 3) Excisable goods which are stored in warehouses; 4) Excisable goods which are used as raw materials in the production of new excisable goods; 5) Excisable goods which are damaged or destroyed before being extracted from factories, storage facilities (*tempat penyimpanan*), or temporary storage areas (*tempat penimbunan sementara*); and so forth.
- Sets out various requirements and criteria which must be satisfied by goods in order for them to be exempt from excise. By way of example, non-excise cut tobacco should be produced from Indonesian tobacco plantations and should either be: 1) Unpackaged for retail sales; or 2) Packaged for retail sales using commonly used traditional packaging.

6. Ministry of Finance Regulation [No. 58/PMK.04/2017](#) on Regular Excise Payments for Manufacturers Undertaking Repayments

Enforcement Date: 18 August 2017

Summary:

- Businesses may apply for regular excise payment facilities (*kemudahan pembayaran cukai*). Through this facility, businesses may be entitled to enjoy postponements regarding their excise payments without being subject to any interest. However, the total amount of payable excise will amount to 1.5 times that of any goods' average monthly excise value.
- In order to qualify for the regular excise payment scheme, manufacturers should: 1) Secure approval from the relevant customs and excise officials; 2) Deposit guarantees (bank or insurance guarantees); and 3) Satisfy the various criteria set out under Article 10 of the regulation (i.e. must not have had administrative sanctions imposed upon them for violating certain excise provisions, must not have any outstanding excise, must have installed CCTV systems in their production areas, etc.).
- Sets out procedures for: 1) Filing applications with the relevant customs and excise officials and depositing the required guarantees; 2) The issuance of approval by the relevant customs and excise officials; 3) The suspension and revocation of approvals; and so forth.

7. Ministry of Finance Regulation [No. 57/PMK.04/2017](#) on the Postponement of Excise Payments for Factory Businesses and Importers of Excisable Goods Undertaking Repayments Through the Affixing of Official Excise Labeling

Enforcement Date: 8 July 2017

Summary:

- Businesses may apply for regular excise payment facilities (*kemudahan pembayaran cukai*). Through this facility, a business may be entitled to enjoy a postponement of their excise payments without being subject to any interest. The payment of excise will then be undertaken through the ordering of excise labels, which are to be affixed to the excisable goods.
- The amount of excise payable through this facility will be equivalent to twice the goods' highest average monthly excise value (for factories) or to the goods' highest average monthly excise value (for importers).
- In order to qualify for the regular excise payment scheme, manufacturers should: 1) Secure approval from the relevant customs and excise officials; 2) Deposit guarantees (bank or insurance guarantees); and 3) Satisfy the criteria set out under Article 10 of the regulation (i.e. must not have had administrative sanctions imposed upon them for violating certain excise provisions, must not have any outstanding excise, must have installed CCTV systems within their production areas, etc.).
- Sets out procedures for: 1) Filing applications with the relevant customs and excise officials and depositing the required guarantees at the relevant customs and excise office; 2) The issuance of approval by the relevant customs and excise officials; 3) The suspension and revocation of approval; and so forth.

8. Ministry of Finance Regulation [No. 64/PMK.010/2017](#) on the Amendment to Ministry of Finance Regulation [No. 255/PMK.010/2016](#) on Government-Paid Import Duty for Several Industrial Sectors in 2017

Enforcement date: 17 May 2017

Summary:

- Appoints the Main Secretary at the National Agency of Drug and Food Control (BPOM) as the Proxy Budget User responsible for the arrangement of any government-paid import duty for the import of any pharmaceutical substances (previously, the authority responsible for this was the Deputy for Therapeutic, Narcotic, Psychotropic and Addictive Substance Supervision at the BPOM).
- Any existing Industry Verification certificates (*Surat Keterangan Verifikasi Industri*), Goods Import Plans (*Rencana Impor Barang*) and decisions made by the Ministry of Finance which relate to government-paid import duty and which were issued based on the previous regulation will remain valid until 17 August 2017.

9. Ministry of Finance Regulation [No. 63/PMK.010/2017](#) on the Amendment to Ministry of Finance Regulation [No. 30/PMK.010/2017](#) on the Determination of Import-Duty Tariffs under the Japan-Indonesia Economic-Partnership Agreement

Enforcement date: 22 May 2017

Summary:

- Changes the import-duty tariffs applicable under the Japan-Indonesia Economic Partnership Agreement (JIEPA) for flat-rolled iron or non-alloy steel products which satisfy certain criteria, as elaborated upon below.
- For flat-rolled iron or non-alloy steel products containing less than 0.6% carbon and of a thickness of 0.17 mm or less, import-duty tariffs for the period 2017 until 2022 have been set at 1.88%, 1.56%, 1.25%, 0.94%, 0.62% and 0.31% for each year chronologically, while the tariff from 2023 onwards has been set at 0%.
- If the thickness level of said products is less than 1.5 mm and the products contain levels of 0.6% or more of carbon, then the import-duty tariffs must refer to the provisions on Most Favorable Nation;
- For flat-rolled iron or non-alloy steel products of thickness levels of more than 0.17 mm but less than 1.5 mm and which contain levels of 0.6% or less of carbon, import duty tariffs for the period 2017 until 2022 have been set at 1.88%, 1.56%, 1.25%, 0.94%, 0.62%, 0.31% for each year chronologically, while the tariff from 2023 onwards has been set at 0%.

Energy and Natural Resources

1. Ministry of Energy and Mineral Resources Regulation [No. 38 of 2017](#) on the Examination of Safety Installations and Equipment for Oil-and-Gas Business Activity

Enforcement date: 26 May 2017

Summary:

- Oil-and-gas businesses (“Business”) are required to undertake: 1) Design examinations aimed at ensuring that any installations used as a part of their oil-and-gas activities comply with prevailing provisions on safety and standards, as determined by the Ministry, implement best engineering practices and utilize domestic goods and services, technologies, engineering techniques and designs; 2) Safety examinations, which should be undertaken during or after any installation has been in operation for a given period of time, or at any time deemed necessary; and 3) Inspections of any installations and/or equipment which are currently operational.
- Business’s heads of engineering are required to have all design examinations assessed by the Director General of Oil and Gas (“Director General”) prior to undertaking any new developments, or making any changes or additions to existing installations. The Director General must present the design examination results to the relevant head of engineering within 30 days of receiving any completed application requesting an assessment.
- Businesses are required to undertake risk analysis as the basis of any safety examinations. The results of said analysis must first be approved by the Head of Inspections at the Directorate General of Oil and Gas.

- Inspections of any installations and/or equipment are to be undertaken by a Business's head of engineering, who may be assisted in their work by an inspection company which has been officially acknowledged by the Director General.

2. Ministry of Energy and Mineral Resources Regulation [No. 36 of 2017](#) on Procedures for the Assignment of Preliminary Surveys and Preliminary and Exploratory Surveys for Geothermal Activity

Enforcement date: 18 May 2017

Summary:

- Preliminary Surveys ("PS") for geothermal activity (which encompass geological, geochemical and geophysical surveys, as well as integrated evaluations) may be undertaken by Indonesian higher-education institutions or research institutions, while Preliminary and Exploratory Surveys ("PES") (which encompass geological, geochemical and geophysical surveys, as well as integrated evaluations, exploratory well drilling and calculations of geothermal reserves) may be undertaken by business entities.
- Any parties which are interested in undertaking PS or PES must be established in the form of legal entities and should submit their applications to the Minister of Energy and Mineral Resources, along with various supporting documents which outline their compliance with various administrative, technical and financial requirements.
- The requirements which have to be met by any higher-education institutions and research institutions which are looking to undertake PS encompass the following areas: 1) Identity, profile and organizational structure (administrative requirements); 2) Working program and expert staff (technical requirements); and 3) Proof of availability of funds (financial requirement).
- The requirements which have to be met by any business entities which are looking to undertake PES encompass the following areas: 1) Deed of establishment, taxpayer identification number, company profile (administrative requirements); 2) Working plans, technical ability, expert staff (technical requirements); and 3) Annual financial statements covering the previous three years, as well as an affidavit stating an entity's ability to utilize at least USD 10 million in order to perform the relevant PES (financial requirement).

3. Ministry of Energy and Mineral Resources Decree [No. 2183 K/30/MEM/2017](#) on the Determination of Demand and Minimum Percentages for Coal in Order to Meet Domestic Demand in 2017

Enforcement date: 1 January 2017

Summary:

- The approximate level of domestic coal consumption for 2017 has been set at 107,919,939 tons, as detailed under Appendix I to this decree.
- The minimum percentage threshold for the sale of coal in order to fulfill the domestic market obligation (DMO) has been set at 26.13% of any annual coal production plan, as set by the relevant laws and regulations.
- The minimum coal sales needed in order to meet the DMO target is to be fulfilled by several coal-mining companies, specifically 46 coal-mining companies which are parties to Coal-Mining Business

Working Agreements (PKP2B), one state-owned enterprise, 11 foreign companies which currently hold mining-business licenses and 11 companies which currently hold mining-business licenses issued by regional governments, as further detailed under Appendix I to this decree.

4. Ministry of Energy and Mineral Resources Regulation [No. 39 of 2017](#) on the Implementation of Physical Activity for the Utilization of New and Renewable Energy and for Energy Conversation Purposes

Enforcement Date: 26 May 2017

Summary:

- Sets out various details relating to the utilization of new and renewable energy (“EBTKE Utilization Measures”), so as to improve national energy security through the construction, procurement, use and/or installation of: 1) New-and-renewable-energy-based power plants; 2) Non-bio-energy fuels; 3) Energy-efficient equipment; 4) The revitalization/rehabilitation of EBTKE-utilization facilities; and 5) Other measures.
- Sets out further provisions relating to the implementation of EBTKE Utilization Measures which address the following matters: 1) The stages for EBTKE Utilization Activity (submission of proposal, evaluation, determination, procurement and handover); 2) The appointment of EBTKE Utilization Measure organizers, dependent on the type of proposing party (i.e. EBTKE Utilization Measures proposed by provincial governments may be organized by regionally owned enterprises, cooperatives and/or members of the general public/communities/public organizations and so forth); 3) The purchase of electricity produced through EBTKE Utilization Measures; 4) Reporting obligations; and so forth.

5. Ministry of Environmental Affairs and Forestry Regulation No. [P.32/MENLHK/SETJEN/KUM.1/5/2017](#) on the Amendment to Ministry of Environmental Affairs and Forestry Regulation [No. P.9/MENLHK/II/2015](#) on Procedures for the Granting and Expansion of Working Areas and the Extension of Timber-Forest Product Utilization Licenses for Natural Forests, Timber-Forest Product Utilization Licenses for Restored Ecosystems and Timber-Forest Product Utilization Licenses for Industrial Planning in Forest-Production Areas

Enforcement Date: 24 May 2017

Summary:

- Requests to acquire forestry areas to be designated as areas for holders of Timber-Forest Product Utilization Licenses for Natural Forests (“IUPHHK-HA”) or Timber-Forest Product Utilization Licenses for Restored Ecosystems (“IUPHHK-RE”) may only be submitted by one applicant. Any subsequent request for conversion of the same forestry areas will be refused.
- Applications to acquire forestry areas are no longer required to be forwarded to a regent/mayor.
- Requires applicants to settle the relevant mandatory fees within 30 days of the issuance of Principal Approval (RATTUSIP), otherwise a written warning will be sent to the applicant. Three written warnings will be issued in all and if the violation still persists, then the RATTUSIP will be revoked.
- Applications for IUPHHK-HA extensions may be submitted between four years (at the earliest) and two years (at the latest) before an IUPHHK-HA expires.
- For more information, see ILB [No. 3144](#).

6. Ministry of Environmental Affairs and Forestry Regulation No. [P.26/MENLHK/SETJEN/KUM.1/4/2017](#) on the Handling of Evidence Involving Environmental and Forestry Crimes

Enforcement Date: 8 May 2017

Summary:

- Sets out a comprehensive set of guidelines for the handling of evidence involving environmental and forestry crimes, comprising of: 1) Classification of evidence (movable assets or immovable assets); 2) Procedures for the handling of evidence (i.e. identification, safekeeping, transportation, storage, etc.); 3) Parties which are responsible for the management of said evidence; and 4) Financing.

7. Ministry of Environmental Affairs and Forestry Regulation [No. P.22/MENLHK/SETJEN/SET.1/3/2017](#) on Procedures for the Management of Complaints Involving Alleged Environmental or Forestry Pollution or Damage

Enforcement Date: 8 May 2017

Summary:

- Sets out guidelines for the management of complaints involving alleged environmental or forestry pollution or damage, comprising of: 1) Objects of complaint (planning, implementation and/or post-implementation of any business activities which may harm forests or the environment); 2) Institutions in charge (the Ministry, environmental and/or forestry institutions at the provincial and regency/city levels, Forest Management Units); 3) Complaint filing procedures (application filing, required documents); 4) Complaint management procedures (complaint reception, review, verification, report formulation, follow-up); and 5) Information transparency and public participation.
- Matters which can be reported to the relevant institutions in charge include: activities without appropriate licenses, environmental damage, illegal logging, inappropriate waste management, forest fires, ownership conflicts in relation to forest areas, exploitation of genetic resources, etc.
- Follow-up reports of any complaints must be ready within 30 days of a complete complaint being received. A complainant has the right to obtain information pertaining to the progress of their complaint, as well as the relevant complaint report and follow-up report.

8. Ministry of Public Work and Public Housing Regulation [No. 09/PRT/M/2017](#) on Procedures for the Appointment of Business Entities as Partners for the Utilization of State-Owned Assets for the Purpose of Procuring Infrastructure for Hydroelectric Power Plants/Mini-Hydroelectric Power Plants/Micro-Hydroelectric Power Plants/Solar Power Plants Through the Lease Mechanism

Enforcement Date: 8 May 2017

Summary:

- Sets out comprehensive guidelines for the appointment of business entities, comprising of: 1) Lease objects (water-resource infrastructure and state-owned water-resource assets under the authority of the Ministry); 2) The establishment of an Appointment Committee by the Director General for Water Resources; 3) Procedures for the appointment of business entities (pre-qualification and selection); 4)

The cancellation of selection, re-selection, evaluation and clarification processes; 5) Oversight; and 6) Financing.

- The pre-qualification stages comprise of the following phases: 1) Announcement of selection; 2) Collection and submission of pre-qualification documents; 3) Evaluation of documents; 4) Announcement of evaluation results; 5) Announcements of minutes of evaluation and the validation of the relevant evaluation results; 6) Announcement of pre-qualification results; 7) Submission of objections to any pre-qualification results; and 8) Validation of pre-qualification results.
- The selection stages comprise of the following phases: 1) Invitation for selection; 2) General explanation of the selection; 3) Submission of bids and examination of bidding documents; 4) Evaluation of bidding; 5) Announcement of selection results; 6) Submission of objections relating to any results; and 7) Validation of selection results.

9. Ministry of Trade Regulation [No. 30/M-DAG/PER/5/2017](#) on Import Provisions for Horticultural Products

Enforcement Date: 19 May 2017

Summary:

- Sets out a list of horticultural products in the Appendix to the Regulation which are subject to import limitations, comprising of 54 commodities which are classified into two categories, specifically: 1) Fresh horticultural products (potatoes, onions, carrots, dates, etc.); and 2) Processed horticultural products (jams, fruit jellies, fruit and vegetable juices, sauces, etc.).
- The various horticultural products listed under the Appendix can only be imported by holders of Importer Identification Numbers (*Angka Pengenal Importir* – “API”) and by State-Owned Enterprises (under an assignment from the Ministry of State-Owned Enterprises), provided that they have first secured Import Approval from the Ministry.
- Applications for import approvals are to be submitted to the Ministry via the Coordinator of Integrated Service Units, enclosing: 1) Copy of an API-U; 2) Proof of the ownership/possession of warehouses and transportation facilities; 3) Existing contracts held with distributors relating to the sale of horticultural products; etc.
- Approval will be granted within two working days of a coordinator receiving a completed application, and will remain valid in accordance with the import recommendation issued by the Ministry of Agriculture.
- For more information, see ILB [No. 3142](#).

10. Ministry of Agriculture Regulation [No. 16/PERMENTAN/HR.060/5/2017](#) on Recommendations for the Import of Horticultural Products

Enforcement Date: 18 May 2017

Summary:

- Recommendations for the Import of Horticultural Products (“Recommendation”) are issued by the Directorate General of Horticulture (“Directorate General”), and will declare that the horticultural product in question has satisfied all of the applicable administrative and technical requirements.
- This Recommendation is mandatory for all businesses wishing to import horticultural products into Indonesia.

- Applications for Recommendations are to be submitted to the Directorate General enclosing the relevant materials set out under Articles 16 - 20 of the Regulation (i.e. deed of establishment, identity card, copy of API-U/API-P, proof of ownership/possession for a warehouse; etc).

11. Ministry of Agriculture Regulation [No. 15/PERMENTAN/HR.060/5/2017](#) on the Import and Export of Horticultural Seeds

Enforcement Date: 18 May 2017

Summary:

- Set out details of the various eligible parties allowed to import horticultural seeds, dependent on the purposes underlying any such imports, specifically: businesses, research institutions, government institutions and individuals. The purposes underlying imports differ dependent on the importer type (i.e. businesses may import seeds for the registration of the commercial distribution of seeds, research institutions may import seeds for research purposes, etc.).
- Parties wishing to import horticultural seeds must first secure licenses from the Ministry by enclosing the various documents listed under Article 10 of the Regulation, dependent on the importer type (i.e. business entities are required to submit deeds of establishment, company profiles, API-P/API-Us, etc.)

12. Head of the Nuclear Power Regulatory Agency Regulation [No. 2 of 2017](#) on Prohibitions and Limitations on the Import and Export of Consumer Goods, Sources of Radiation and Radioactive Substances

Enforcement date: 8 May 2017

Summary:

- Sets out various types of consumer goods, sources of radiation and radioactive substances that may not be imported and/or exported, which are specified under: 1) Appendix I to the regulation - for consumer goods in forms of toys, jewelry, lightning rods and cosmetics; 2) Appendix II to the regulation – for other consumer goods, sources of radiation and radioactive substances.
- The abovementioned prohibitions and limitations apply to importers and exporters, as well as to passengers and crews of transportation vehicles, any parties who are crossing borders and providers of courier services.
- Any parties who are aiming to import and/or export the abovementioned commodities must submit applications to secure official import or export approval by no later than two business days before the import or export activities are due to take place. The approval must be granted a day before the import or export activities are due to take place, or the parties will be subject to sanctions as set out under various customs laws and regulations.

13. Head of the Nuclear Power Regulatory Agency Regulation [No. 1 of 2017](#) on Inspection and Supervision for the Utilization of Nuclear Power

Enforcement date: 8 May 2017

Summary:

- The supervision of nuclear-power utilization will encompass radiation and radioactive-substance facilities, as well as nuclear installations and materials. This supervision process will be further

categorized into high-risk, middle-risk and low-risk objects, based on a risk analysis of the safety and security of any nuclear facilities and levels of radiation.

- Inspections of the supervision process described above are to be undertaken by official inspectors appointed by the Nuclear Power Regulatory Agency (“BAPETAN”), either on a periodic basis or at any time deemed necessary.
- The inspection procedure comprises of the following stages: 1) Planning by the head of the inspection working unit at BAPETAN; 2) Preparation of the relevant inspection documents and equipment; 3) Execution of the inspection (initial meeting, audit of relevant recordings and documents, site visit and final meeting); 4) Announcements and reporting of any inspection results.
- BAPETEN will then implement any law-enforcement measures deemed necessary based on the findings of the inspection or based on any report which addresses violations of nuclear laws and regulations, as follows: 1) Prohibition of utilization; 2) Report of said findings or violations being sent to the police; 3) Temporary suspension; 4) License suspension; and 5) Written warnings.

14. Ministry of Energy and Mineral Resources Regulation [No. 37 of 2017](#) on Geothermal Working Areas for Indirect Utilization

Enforcement date: 18 May 2017

Summary:

- Sets out detailed provisions on the arrangement of geothermal working areas which will be auctioned to holders of Geothermal Utilization Permits (*Izin Panas Bumi*–“IPB”), covering: working-area designation planning, preparation of working areas, preliminary and exploration surveys, working-area maps, determination of working areas, changes which are made to any working areas, termination of working areas, return of working areas to government by holders of IPB.
- Geothermal working areas are prepared and determined by the Ministry of Energy and Mineral Resources after the following activities have first been undertaken: 1) Preliminary and exploration survey (undertaken by the Ministry, governor or regent/mayor, or by a third party, as appointed by the Ministry; and 2) Review and evaluation of geothermal data and information by the Working Area Preparation Team established by the Ministry.
- IPB holders are required to return any granted working area to the government if: 1) The IPB holder fails to locate any geothermal reserves during the relevant IPB validity period; 2) The working area has been deemed not feasible according to the results of a feasibility study; or 3) The IPB validity period has matured.
- IPB holders who return any working areas to the government are required to implement reclamation and preservation measures in terms of the areas’ environmental functions.

15. Ministry of Energy and Mineral Resources Regulation [No. 35 of 2017](#) on the Amendment to Ministry of Energy and Mineral Resources Regulation [No. 6 of 2017](#) on Procedures and Requirements for the Granting of Recommendations for the Sale of Processed and Purified Minerals Overseas

Enforcement date: 15 May 2017

Summary:

- Holders of Mining Business Permits (IUP) and Special Mining Business Permits (IUPK) for Operation Production of Bauxite are now required to also secure recommendations from the Director General of Minerals and Coal (“Director General”) prior to engaging in any exports of the following types of bauxite: 1) Bauxite which has been washed; and 2) Bauxite which has a minimum substance level of Al_2O_3 of > 42%.
- Any postponement to the construction of smelters by mining companies owing to force-majeure events which result in the construction delays amounting to longer than 90% must first be validated by the Director General as a requirement for securing an extension recommendation for the export of minerals.
- Smelter development progress must be verified by an independent verifier on a regular basis (i.e. every six months) or on an ad-hoc basis, while any parties who are interested in being appointed as verifiers of smelter development plans and progress are required to submit applications to the Ministry of Energy and Mineral Resources (via the Director General).
- Mining companies may obtain deposited performance bonds if the smelter construction progress has reached a level of 35% by 12 January 2022, otherwise the performance bonds will be disbursed to the government.
- For more information, see ILB [No. 3148](#).

16. Ministry of Energy and Mineral Resource Regulation [No. 34 of 2017](#) on the Licensing of Mineral and Coal-Mining Business Activities

Enforcement date: 9 May 2017

Summary:

- The Ministry may now issue Mining Business Permits (IUP) for Exploration and IUP for Production Operations to public companies (*badan usaha terbuka*) which satisfy the following criteria: 1) Must be in possession of more than one IUP for metal minerals and coal; and 2) Must be in possession of WIUPs covering more than one province.
- Specifies the various issuing authorities and validity periods for six types of mining permits, specifically: IUP for Exploration, Special Mining Business Permit (IUPK) for Exploration, IUP for Production Operations, IUPK for Production Operations, IUP for Production Operations specifically for processing and purification and Mining Service Business Licenses.
- Parties to mining Working Contracts (*Kontrak Karya*) and coal-mining business working agreements (PKP2B) must adjust their businesses to the provisions which are set under this regulation and which address the following matters: 1) Working plans, budget plans, amendments to shareholder/boards of directors/commissioners structures, as set out under the regulation; and 2) Activity undertaken

during the exploration and production stages. These adjustments must be made by no later than 9 November 2017.

- For more information, see ILB [No. 3138](#) and ILD [No. 509](#)

17. Ministry of Energy and Mineral Resource Regulation [No. 33 of 2017](#) on Procedures for the Procurement of Energy-Saving Solar-Powered Lighting for Non-Electrified Communities

Enforcement date: 8 May 2017

Summary:

- Regional government may propose plans for the distribution of Energy-Saving Solar Power Lighting (*Lampu Tenaga Surya Hemat Energi* - "LTSHE") to the Ministry of Energy and Mineral Resources, enclosing details of the distribution location, the volume of the LTSHE in question and the name of the LTSHE recipients.
- The Ministry (via the Director General of New and Renewable Energy) will verify the proposal and determine the area for the distribution of the LTSHE based on the verification results.
- A business entity may be appointed as the producer of LTSHE, provided that they meet the following criteria: 1) Must be in possession of facilities and infrastructure in Indonesia capable of producing LTSHE; 2) Must produce LTSHE which are being used both within Indonesia and overseas; 3) Must provide after-sales service for a period of at least three years; and 4) Must provide LTSHE spare parts.
- Sets out various technical requirements for LTSHE, including: 1) Must have a usable life of at least three years; 2) Must comply with the Indonesia National Standard (SNI); 3) Must contain certain components and meet various specifications, as set out under Art. 12 (2) of the regulation.

Manufacturing and Industry

1. Ministry of Industry Regulation [No. 22/M-IND/PER/5/2017](#) on the Amendment to Ministry Regulation [No. 74/M-IND/PER/10/2016](#) on the Appointment of Compliance Rating Agencies for the Implementation and Supervision of the Mandatory Indonesian National Standard (SNI) for Wheat Flour

Enforcement Date: 2 June 2017

Summary:

- Adds two agencies as accredited testing laboratories which will be responsible for verifying the compliance of wheat flour with the Mandatory SNI, specifically: 1) The PT. Qualis Indonesia Testing Laboratory in Tangerang, West Java; and 2) Baristand Industri Medan – the official Ministry of Industry Testing Laboratory in Medan, North Sumatra.

2. Ministry of Industry Regulation [No. 21/M-IND/PER/5/2017](#) on the Amendment to Ministry Regulation [No. 05/M-IND/PER/1/2016](#) on the Appointment of Compliance Rating Agencies for the Implementation and Supervision of the Mandatory Indonesia National Standard (SNI) for Cement

Enforcement Date: 2 June 2017

Summary:

- Updates the accreditation of types of cement and SNIs which can be undertaken by various official Product Certification Institutions ("LSPros") and Testing Laboratories, as listed under the Appendix to this regulation.

- Expands the list of accredited LSPros and Testing Laboratories which will be responsible for verifying the compliance of cement with the Mandatory SNI, specifically: 1) The Goods Quality Control and Oversight Agency for the South Sulawesi Trade and Industry Office LSPro (*LSPro Balai Pengawasan dan Pengendalian Mutu Barang Dinas Perindustrian dan Perdagangan Provinsi Sulawesi Selatan*) in Makassar, South Sulawesi; and 2) The Regional Technical Implementing Unit for the Goods Quality Control and Oversight Agency of the South Sulawesi Trade and Industry Office Testing Laboratory in Makassar, South Sulawesi.

3. Ministry of Industry Regulation [No. 20/M-IND/PER/5/2017](#) on the Fourth Amendment to Ministry Regulation [No. 11/M-IND/PER/2/2013](#) on the Appointment of Compliance Rating Agencies for the Implementation and Supervision of the Mandatory Indonesia National Standard (SNI) for Cocoa Powder

Enforcement Date: 2 June 2017

Summary:

- Adds two agencies as accredited testing laboratories which will from now on be responsible for verifying the compliance of cocoa powder with the Mandatory SNI, specifically: 1) The PT. Qualis Indonesia Testing Laboratory in Tangerang, West Java; and 2) Baristand Industri Padang – The official Ministry of Industry Testing Laboratory in Padang, West Sumatra.

Financial Service

1. Financial Services Authority Circular Letter [No. 21/SEOJK.03/2017](#) on the Implementation of Risk Management for the Utilization of Information Technology by Commercial Banks

Enforcement date: 6 June 2017

Summary:

- Commercial banks must be in possession of policies, standards and procedures which address the utilization of information technology (“IT”) and which, at the least, address the various aspects which are specified under Section II (3) of the circular, including: management, development and procurement, IT operations, telecommunications networks, information security, disaster recovery planning, electronic banking services and third-party assignments.
- Any commercial banks which plan to act as IT service providers and/or launch electronic banking services are first required to secure approval from the OJK two months prior to the plan being implemented or the service being launched.
- Sets out five types of report which address IT risk management and which must be sent to the OJK by commercial banks, as well as their submission due dates, as follows: 1) Report on utilization updates (one report to be sent before and one after the end of any reporting period); 2) Annual development plan report (to be sent on 31 October of the year prior to the realization of the relevant development); 3) Realization report which addresses certain types of activity (to be sent three months after the implementation of said activities); 4) Incidental report in the event of any critical situation arising, or in the event of any misuse and/or illegal offence relating to the IT utilization occurring (to be sent within

seven days of the incidental situation occurring); and 5) Technology audit report (to be sent two months after the completion of any audit).

2. Financial Services Authority Circular Letter [No. 20/SEOJK.04/2017](#) on the Organization of Further Education Programs for Members of Boards of Director and Boards of Commissioners of Securities Companies Acting as Underwriters and/or Brokerages

Enforcement date: 23 May 2017

Summary:

- Further education programs for members of boards of director and boards of commissioners of securities companies which are acting as underwriters and/or brokerages (“PPL Dirkom”) are organized by associations of securities companies which have secured acknowledgement from the Financial Services Authority (“OJK”).
 - PPL Dirkom may be organized through the use of two methods: 1) The face-to-face method, including training sessions, workshops and/seminars; 2) The online method (e.g. web-based seminars), provided that the organizer organizes examinations for the participants as an evaluation tool and provided that the OJK is authorized to request the results of said examinations.
 - Members of boards of directors and boards of commissioners of securities companies which are acting as underwriters and/or brokerages must: 1) Attend at least one PPL Dirkom within the span of two years, provided that the minimum participation duration is 180 minutes; 2) Submit a report regarding their attendance at PPL Dirkom by no later than 30 days after the attendance certificate date.
3. OJK Circular Letter [No. 19/SEOJK.04/2017](#) on Acknowledgements for Association of Securities Companies Acting as Underwriters and/or Brokerages

Enforcement date: 23 May 2017

Summary:

- In order to be acknowledged by an association of underwriters and/or brokerages, an organization must first satisfy the following conditions: 1) Must be in the form of a legal entity; 2) Must be in possession of a membership (comprising of at least half of the total number of underwriters and/or brokerage companies which have secured licenses), as well as membership regulations and an official database; 3) Must have drafted an official code of ethics, have an organizational structure and implement standard operating procedures, working plans and internal control systems; 3) Must have established an official working committee; and 4) Must be supported by proper facilities and infrastructure needed to run their activities.
- Applications to obtain acknowledgments must be submitted to the OJK along with copies of various documents evidencing compliance with the abovementioned requirements. The OJK will then evaluate the applications before issuing an official acknowledgement within 20 days (maximum) of said applications being received and being deemed to meet the abovementioned requirements.
- Any acknowledged association is required to submit reports relating to the following matters: 1) Annual working plan – by 12 January at the latest; 2) Acceptance/termination of members and any change of office address (if relevant) – by no later than seven days after said events occur; 3) Mid-year working programs realization – by 12 January or by 12 July at the latest; and 4) Changes which are made to any

articles of association, organizational structures and/or working committees – by no later than 30 days after said events occur.

General Corporate

1. Ministry of Manpower Circular Letter [No. 3 of 2017](#) on the Payment of the 2017 Religious Allowance Bonus

Enforcement date: 31 May 2017

Summary:

- The religious allowance bonus is to be granted to any workers who have been working for a negative period of at least one month as well as to any workers who are employed on either a permanent or contract basis.
- The bonus amount which should be paid to any worker who has worked for a period of at least 12 months should be equal to his/her monthly salary, while the bonus will be calculated proportionally according to the employment period for any worker who has been working for longer than a month but for less than 12 months.
- The bonus amount which should be paid to any freelance worker should be equal to the worker's average monthly salary over the previous 12 months or during the period of their employment (if the worker has been working for less than 12 months).
- The bonus must be paid to workers at least seven days prior to any religious celebration/holiday.

2. Draft Bill on State-Owned Enterprises

Enforcement Date: Currently under discussion at the House of Representatives

Summary:

- Will update the framework for the organization of State-Owned Enterprises (“BUMNs”) which is currently addressed under Law [No. 19 of 2003](#) on State-Owned Enterprises (“BUMN Law”), specifically: 1) The master plan and roadmap for the organization of BUMNs; 2) BUMN capital; 3) BUMN subsidiaries; 4) Synergy among BUMNs; 5) The role of the House; and so forth.
- The Ministry of BUMN (“Ministry”) is mandated to draw up and determine a master plan and roadmap for the organization of BUMN and both of these documents will be included as integral elements within the national development plan. The Ministry will also engage in a process of consultation with the House of Representatives (“House”) regarding said master plan and roadmap.
- Sets out various sources of state-capital participation in BUMNs as follows: 1) The State Revenue and Expenditures Budget (*Anggaran Pendapatan Belanja Negara – “APBN”*) in the form of cash, state-owned properties and so forth; 2) Non-APBN participation in the form of the capitalization of reserve funds, asset-revaluation profits and so forth.
- For further information, see ILB [No. 3141](#).

3. [Draft Bill](#) on the Restriction of Hard-Cash Transactions

Enforcement date: Currently under deliberation

Summary:

- All individuals or corporations are required to: 1) Refuse to undertake any hard-cash transactions amounting to over IDR 100 million or its equivalent; and 2) Submit reports to the Indonesian Financial Transaction and Analysis Centre (*Pusat Pelaporan dan Analisis Transaksi Keuangan*) if they have any knowledge which relates to the existence of such prohibited hard-cash transactions.
- All public officials must refuse to draw up any deeds which accommodate hard-cash transactions amounting to over IDR 100 million or its equivalent.
- Any agreements which involve hard-cash transactions amounting to sums in excess of IDR 100 million or its equivalent will be automatically considered null and void (*batal demi hukum*)
- Sets exemptions to the abovementioned restrictions, as specified under Article 9 (1) of the draft bill (e.g. the transaction is being undertaken for tax payment or medical purposes, the transaction involves the withdrawal of cash from banks for the purpose of the payment of salaries, allowances or wages).
- For more information, see ILB [No. 3130](#).

4. [Draft Presidential Regulation](#) on the Implementation of the Know-Your-Beneficial-Owner Principle by Corporations for the Prevention and Eradication of the Criminal Acts of Money Laundering and Terrorism Financing

Enforcement date: Under deliberation process

Summary:

- Any form of cooperation must implement the know-your-beneficial-owner principle (“Principle”) by identifying a person or persons that: 1) May appoint or terminate any of the corporation’s directors or administrators; 2) Possesses the authority to take control of the corporation; 3) Is entitled to and/or receives benefits from the Corporation; 4) Is the real owner of the corporation’s funds or shares; and/or 5) Meets the beneficial-owner criteria, according to the draft regulation.
- All corporations are required to appoint a person-in-charge who will be responsible for the implementation of the Principle, as well as for providing information which relates to the relevant corporation and beneficial owners upon a request being filed by either the relevant authorized officials (at the central or regional level) and/or by law-enforcement agencies.
- For more information, see ILB [No. 3133](#).

Tax

1. Ministry of Industry Regulation [No. 19/M-IND/PER/5/2017](#) on the Confirmation of Taxpayer Status for Certain Public Services at the Ministry of Industry

Enforcement Date: 2 June 2017

Summary:

- Taxpayers who are intending to access certain public services at the Ministry of Industry (i.e. licenses, technical reviews, recommendations, etc.) must undergo a Confirmation of Taxpayer Status process in order to secure a Valid Status, otherwise they will be denied access to such services.

- The application process for the Confirmation of Taxpayer Status is to be organized by appointed BKPM officials or employees (for licenses), as well as by the employees of the Public Service Units at the Ministry of Industry which are stationed at BKPM (for technical reviews, recommendations, affidavits and proofs of registration).
 - Taxpayers who currently have an Invalid Status may file an application to secure an Affidavit Confirming the Taxpayer's Status at the relevant Tax Service Office, enclosing the Invalid Status notification which was received at the BKPM.
2. Ministry of Finance Regulation [No. 70/PMK.03/2017](#) on Technical Guidelines for the Accessing of Financial Information for Tax Purposes

Enforcement Date: 2 June 2017

Summary:

- Sets out a number of further provisions which relate to access to financial information based on the following regulatory frameworks: 1) International treaties (for the purpose of implementing AEOI commitments); and 2) Domestic frameworks. Said provisions are then elaborated upon within the context of the following areas: 1) Access to financial information; 2) Provisions which relate to confidentiality and consequences; 3) Reporting and submission procedures; and 4) Sanctions.
 - Parties which supply the necessary financial information (collectively referred to as "Reporters") comprise of: 1) Financial-service institutions working in the banking, capital-market and insurance sectors (collectively referred to as "FSI"); 2) Other FSI, as listed under Law [No. 21 of 2011](#) on the Financial Services Authority ("Other FSI"); and/or 3) Other entities which are not engaged in any activities which relate to banking, the capital market or the insurance sector but which still qualify as financial institutions ("Other Entities").
 - For further information, see ILB [No. 3139](#).
3. Governor of the Special Capital City Region of Jakarta Regulation [No. 59 of 2017](#) on the Amendment to Governor's Regulation [No. 185 of 2016](#) on Guidelines for the Collection of Motor-Vehicle Tax

Enforcement date: 18 May 2017

Summary:

- Adds a new provision which clarifies that the identification of official Indonesian citizenship numbers (as stated on identity cards and family cards) for the purpose of implementing progressive tariffs for motor vehicle-tax has been in force since 1 October 2016.
4. Governor of the Special Capital City Region of Jakarta Regulation [No. 58 of 2017](#) on Financial Relief for the Motor-Vehicle Tax Base

Enforcement date: 18 May 2017

Summary:

- The Governor may reduce the motor-vehicle tax base which has been applicable from 2008 until 2017.
- This tax base comprises of two elements: 1) Sales price of vehicles; and 2) Weights of vehicles, which will have a bearing on levels of road damage and/or pollution caused by the use of said vehicles.

- The reduction may be set at up to 50% (maximum), so that the final amount of any payable motor-vehicle tax is equivalent to the amount of payable motor-vehicle tax for the period from 1 January 2008 until 29 March 2017.
 - Any overpayments which are incurred as a result of this relief will be processed in accordance with the applicable taxation laws and regulations.
5. Governor of the Special Capital City Region of Jakarta Regulation [No. 57 of 2017](#) on Regional-Tax Collection Incentives

Enforcement date: 1 January 2017

Summary:

- Incentives may be granted to: 1) Executives, officials and civil-servant candidates who are working at the Regional Tax and Levies Agency of Jakarta; 2) Governors and vice governors of Jakarta; 3) Regional secretaries of Jakarta; 4) Collectors of land-and-building tax in villages and cities ("PBB-P2") at the sub-district and district levels, district and sub-district heads, as well as other officials appointed by the Regional Tax and Levies Agency; and 5) Other parties which are supporting regional tax collection (e.g. the police force).
 - The relevant parties may only receive incentives upon meeting their quarterly targets, as follows: 1) For PBB-P2: 2.5%, 15%, 70% and 100% (for each quarter, respectively); 2) For other taxes: 12.5%, 40%, 70% and 100% (for each quarter, respectively).
 - The maximum total of any incentives which may be granted amounts to 3% of the tax revenue target set in the relevant regional budget, and this amount will be disbursed on a proportional basis to the eligible parties outlined above on a quarterly basis using the following calculations: 1) 10% of the total incentive amount (for supporting parties); 2) 5% of the total incentive amount (for PBB-P2 collectors); and 3) 10 times the recipient's principle salary and allowances (for the remaining eligible parties).
6. Government Regulation in Lieu of Law [No. 1 of 2017](#) on Access to Financial Information for Tax Purposes

Enforcement date:

Summary:

- The Director General of Tax ("Director General") has now been authorized to access financial information held by financial service institutions ("FSI") and/or other relevant entities which are not engaging in any banking, capital market or insurance sector activity but which qualify as financial institutions ("Other Entities")
- FSI or Other Entities are no longer bound by the obligation to keep such information confidential (secrecy obligation) and the regulation therefore repeals related provisions originally set out under several frameworks.
- FSI and/or Other Entities must now provide the following documents to the Director General: 1) Reports containing financial information, in accordance with standards for the exchange of financial information for all financial accounts which are identified as reportable accounts; and 2) Reports containing financial information for tax purposes.
- For more information, see ILB [No. 3125](#) and ILD [No. 510](#).

7. Ministry of Finance Regulation [No. 68/PMK.03/2017](#) on the Amendment to Ministry of Finance Regulation [No. 91/PMK.03/2015](#) on the Reduction and Cancellation of Administrative Sanctions for Delays to Submissions of Notification Letters, Rectification of Notification Letters and Delays to Payments or Deposits of Tax

Enforcement date: 16 May 2017

Summary:

- The Director General of Tax may reduce administrative sanctions or exempt any non-compliant taxpayers from administrative sanctions, based either on the request of the taxpayer or on the initiative of the Director General (previously, exemptions could only be granted based on requests be made by taxpayers).
- Redefines the criteria for tax non-compliance which may see administrative sanctions either reduced or nullified, specifically: 1) Delays for the submission of Annual Tax Returns for the 2014 tax year or earlier, and/or Periodic Tax Returns for the period up to December 2014; 2) Voluntary rectifications of Annual Tax Returns for the 2014 tax year or earlier, and/or Periodic Tax Returns for the period up to December 2014 which result in higher tax bills; 3) Delays in the payment or deposit of any taxes incurred during the 2014 tax year or earlier; 4) Delays in the payment or deposit of any taxes incurred during the period up to December 2014; and 5) All of the abovementioned types of late submissions and payments/deposits which were settled during 2015.
- If an official Notice of Tax Collection (“Notice”) has been issued for the above acts of non-compliance, then an exemption from administrative sanctions may only be granted if the taxpayers have not yet or have only partially settled the Notice.

8. Ministry of Finance Regulation [No. 66/PMK.03/2017](#) on the Amendment to Ministry of Finance Regulation [No. 29/PMK.03/2015](#) on the Cancellation of Administrative Sanctions in the form of Interest Incurred Pursuant to Article 19 (1) of Law [No. 6 of 1983](#) on General Provisions and Procedures for Taxation, as Amended Several Times, Most Recently by Law [No. 16 of 2009](#)

Enforcement date: 16 May 2017

Summary:

- The Directorate General of Tax may cancel administrative sanctions in the form of interest for non-compliant tax payers, based on request made by taxpayers or on the initiative of the Director General (previously, exemptions could only be granted based on request being made by taxpayers).
- Redefines the criteria for any tax non-compliance which may be exempt from administrative sanctions, specifically: 1) Any tax debt used as the basis for the imposition of administrative sanctions which was imposed prior to 1 January 2015; and 2) Any tax debt which was settled by the taxpayer prior to 1 January 2016.
- If a Notice of Tax Collection (“Notice”) has been issued for the above acts of non-compliance, then the exemption from administrative sanctions may only be granted if the taxpayers in question have not yet or have only partially settled the relevant administrative sanctions.

Miscellaneous

1. Ministry of Transportation Regulation [No. PM 39 of 2017](#) on Ship Registrations and Nationalities

Enforcement date: 19 May 2017

Summary:

- The registration of ship ownership can only be undertaken for ships which have overall volumes of 7 Gross Tonnage (“GT”) and which are owned by Indonesian citizens, Indonesian legal entities or Indonesian joint-venture companies.
- The registration of ship ownership is to be undertaken by the Directorate General of Sea Transportation or at appointed seaports, as listed under Appendix I to the Regulation, through the submission of the various supporting documents which are listed under Article 7 (1) of the Regulation (e.g. proof of ownership, ship identity, NPWP, recommendation from the Ministry of Maritime Affairs and Fisheries) via the Electronic Ship Registration System.
- Any ship that is registered and which sails within Indonesian waters is required to obtain a ship nationality document which should take one of the following forms: 1) *Surat laut*, for vessels with overall volumes of 175 GT or more; 2) *Pas besar*, for vessels with overall volumes between 7 and 175 GT; 3) *Pas kecil*, for vessels with overall volumes of less than 7 GT; or 4) *Pas sungai dan danau*, for river- or lake-going vessels.
- The *surat laut* document is issued by the Director General of Sea Transportation, while the other types of ship nationality document are issued by an official harbormaster.
- See ILB [No. 3146](#).

2. Ministry of Transportation Regulation [No. PM 38 of 2017](#) on the Ninth Amendment to Ministry of Transportation Regulation [No. KM 25 of 2008](#) on the Organization of Air Transportation

Enforcement date: 19 May 2017

Summary:

- The initial investment (tangible and intangible assets) and first-year working capital (for direct and indirect operational costs) for any airline now constitutes paid-up capital (previously different amounts of paid-up capital had to be deposited by an airline, dependent on the type of aircraft concerned).
- Airlines are no longer required to enclose any audited financial performance reports when applying for new flight-route permits from the Directorate General of Civil Aviation.
- In the event of any accident or serious incident, the Directorate General of Civil Aviation will first set up an auditing team which will examine and assess the accident prior to implementing any proper follow-up measures (in the form of management improvements or administrative sanctions). Previously, sanctions which took the form of the reduction or suspension of flights (over the route in question) could be directly imposed upon the relevant airline by the Directorate General).

3. Ministry of Agriculture Regulation [No. 17/PERMENTAN/KR.120/5/2017](#) on Animal Quarantine Documents

Enforcement date: 29 September 2017

Summary:

- Set out 19 types of official Quarantine Documents which can be issued by quarantine officers, by the head of the Agricultural Quarantine Agency, by transportation owners or by persons in charge of any transportation equipment, including documents which address the following areas: refusal of unloading, approval of unloading, approval of loading, order of detention, declaration of detention, declaration of refusal, etc.
- Set out seven types of Other Quarantine Documents which can be issued by other institutions, by the producers or owners of animals, as well as by animal collection and management areas, including: Veterinary Certificates, Health Certificates, Sanitation Certificates, wild-animal transportation documents, Halal Certificates, etc.

4. Law [No. 5 of 2017](#) on Cultural Promotion

Enforcement Date: 29 May 2017

Summary:

- Sets out 10 types of cultural expression which are to be promoted under the law, including: 1) Verbal traditions; 2) Manuscripts; 3) Customs; 4) Traditional technologies; 5) Languages; 6) Traditional sports; and so forth.
- Allows all parties (including business entities in the form of legal entities or non-legal entities) to: 1) Access the Integrated Cultural Data System organized by the Ministry of Education and Cultural Affairs; 2) Access cultural promotion documents; 3) Update any data which relates to various types of cultural promotion; and 4) Actively participate in the protection, preservation, development and utilization of any types of cultural promotion.

5. Law [No. 3 of 2017](#) on the Book System

Enforcement Date: 29 May 2017

Summary:

- Sets out various requirements covering the types of books (including e-books) which can be published in Indonesia, as follows: 1) Must not contradict the values of *Pancasila*; 2) Must not contain any discriminatory materials, pornography, violence or hate speech; and 3) Must have International Standard Book Numbers (ISBN) affixed to them.
- Allows foreign book publishers to publish books in Indonesia in cooperation with domestic book publishers.
- Prohibits book publishers (i.e. government institutions or private entities) from directly selling textbooks to individuals and/or any educational programs which are aimed at the early-childhood, elementary and secondary levels.
- Sets out the rights and obligations of all parties involved in the publication of books, including: writers, translators, adapters, editors, designers, illustrators, printing agencies, e-book developers, publishers, book stores and the general public.

6. Presidential Regulation [No. 53 of 2017](#) on the State Cyber and Cryptography Agency

Enforcement Date: 23 May 2017

Summary:

- Establishes the State Cyber and Cryptography Agency (*Badan Siberdan Sandi Negara* – “BSSN”), a non-ministerial government agency responsible for the organization of the country’s cyber security through the implementation of the following measures: 1) The drafting of technical policy for the identification and detection of, as well as protection against, cyber incidents or attacks; 2) The implementation of technical guidelines; 3) The provision of administrative support to every unit within BSSN; and so forth.
- BSSN is an agency which has now unified the functions of the State Cryptography Agency (*Lembaga Sandi Negara*) and the Directorate of Information Security (“Directorate”) at the Ministry of Telecommunications and Information Technology under the auspices of a single government institution.
- Prior to the full organizational structure of the new BSSN being put in place, both the LSN and the Directorate of Information Security (“Directorate”) will retain their respective duties and responsibilities. Eventually, all LSN officials will become BSSN officials, while Directorate personnel may choose whether to become BSSN officials.

7. Ministry of Public Works and Public Housing Regulation [No. 08/PRT/M/2017](#) on Procedures for the Advance Use of Business Entities’ Own Funds for the Procurement of Land for the Development of Dams

Enforcement Date: 27 April 2017

Summary:

- The advance use of a business entity’s own funds for the procurement of land for the construction of dams is allowed if: 1) The development of the relevant dam has been listed as a nationally strategic project for the current year but there a lack of sufficient funding from the related ministry; and/or 2) There is insufficient budget to finance the relevant project.
- The advance use of a business entity’s funds in any financing scheme can only be undertaken in order to pay for land and fixtures, while any other operational costs relating to procurement of land will be charged to the State.
- In order to proceed with a financing scheme, the Ministry will submit a request to the Ministry of Finance. The Minister of Finance via the State Asset Management Agency (LMAN) will then evaluate the request and decide whether to either approve or refuse it within 30 days of receiving the request.
- Business entities should submit their requests for repayment to the head of LMAN enclosing relevant information on the identity of the business entity, details of the funds to be used to procure the land in question, and detailed information relating to the land to be procured.

8. Ministry of Agriculture Regulation [No. 14/PERMENTAN/PK.350/5/2017](#) on the Classification of Animal Medicines

Enforcement Date: 12 May 2017

Summary:

- Animal medicines (i.e. medicines used to treat animals) are classified into: 1) Prescription Medicines (*Obat Keras*), to be used for quarantining animal diseases and/or treating sick animals, and which can be administered by veterinarians or by medical animal personnel under the supervision of veterinarians; 2) Limited-Prescription Medicines (*Obat Keras Terbatas*), to be used in the treatment of certain animals, and which can be administered by veterinarians or by medical animal personnel under the supervision of veterinarians; and 3) Over-the-Counter Medicines (*Obat Bebas Terbatas*), which can be purchased without the need for a veterinarian's prescription.
- Prohibits the use of any substances contained within animal medicines or medical procedures which could endanger human health as regards livestock which is intended for human consumption. Details of prohibited animal medicines are listed under Appendix III to the Regulation.

9. Ministry of Agriculture Regulation [No. 13/PERMENTAN/PK.240/5/2017](#) on Livestock Business Partnerships

Enforcement Date: 12 May 2017

Summary:

- Livestock business partnerships ("Partnerships") may be organized in order to deal with the following areas: livestock (cows, cattle, sheep, chickens, rabbits, etc.), animal products (i.e. eggs, milk and milk-derivate products), and production facilities and infrastructure.
- Partnerships may be engaged in by individual livestock farmers, groups of livestock farmers, or between groups of livestock farmers. Partnership schemes available under the Regulation include: core-plasma, profit-sharing, lease, general trade and/or sub-contract schemes.
- Livestock farmers wishing to engage in partnerships must first secure registration certificates and livestock business licenses from the relevant local government.

10. Ministry of Agrarian Affairs and Spatial Planning/Head of the National Land Agency Regulation [No. 6 of 2017](#) on Procedures for the Reviewing of Spatial Plans

Enforcement date: 8 May 2017

Summary:

- All spatial plans (i.e. at the national, provincial, regional/municipal levels) must be reviewed on a five-yearly basis, starting from the fifth year after any such plan is enacted. This review process may also be undertaken at other times if any of the following conditions prevail: 1) There has been a serious natural disaster; 2) Changes have been made to national or regional borders.
- The review process comprises of three stages: 1) Announcement of a review by the Ministry, or by the relevant governor or regent/mayor, dependant on the level of the spatial plan concerned; 2) Execution of the review (i.e. review, evaluation and assessment); 3) Drafting of a recommendation based on the review results (i.e. a recommendation as to whether to revise the spatial plan or not). These processes must be completed within a year of the announcement date of the review.

- In order to follow up on any recommendations which are made, the President or the relevant head of regional government will calculate the percentage value of any changes which must be made to the spatial-plan materials before implementing the following measures: 1) Amend the relevant spatial-plan regulation (if the percentage value of any changes amounts to < 20%); or 2) Repeal the spatial plan-regulation (if the percentage value of any changes amounts to ≥ 20%).

11. Ministry of Transportation Regulation [No. PM 40 of 2017](#) on the Organization and Control of Traffic Through the Limitation of Motor Vehicles and the Closing of Motor-Vehicle Weighing Stations During Eid Al-Fitr

Enforcement date: 16 May 2017

Summary:

- In order to ensure an efficient transportation and safety regime over the Eid Al-Fitr period, the Ministry will limit the operational times and locations of: 1) Vehicles transporting mining products; and 2) Cargo vehicles that meet certain criteria (i.e. have capacities of > 14,000 kilograms, have three or more wheelbases and/or trailers).
- Said limitations do not apply to cargo vehicles which are carrying certain commodities and these commodities will be further specified in a regulation issued by the Director General of Transportation.
- All motor-vehicle weighing stations located in Sumatra, Java and Bali will be closed and used as rest areas, commencing from seven days prior to Eid Al-Fitr (from 00.00 WIB) and lasting until seven days after Eid Al-Fitr (by 24.00 WIB).

12. Ministry of Transportation Regulation [No. PM 34 of 2017](#) on Procedures for the Submission and Approval of Investment Plans by the Indonesian Flight-Navigation Services Public-Utility Company

Enforcement date: 9 May 2017

Summary:

- The Indonesian Flight-Navigation Services Public-Utility Company (*Perusahaan Umum Lembaga Penyelenggara Pelayanan Navigasi Penerbangan Indonesia – “Perum LPPNPI”*) is required to draft both long-term and annual plans which relate to investment in the flight-navigation service sector. These plans must secure written approval from the Ministry (based on the results of an evaluation undertaken by the Director General of Air Transportation).
- These long-term plans must address the following areas at the least: 1) Vision, mission, objectives, strategies and working programs for long-term investment; 2) Evaluation of any previous long-term plans; 3) Investment position when the plan was drafted; 4) Any references which were used during the drafting of said plans; and 5) Policies for the development of investment.
- Annual plans must contain the following information at the least: 1) Lists and details of any relevant working programs and investment values; 2) References to the implementation of said programs.
- Applications to secure approvals must be submitted during the following periods: 1) Once every five years (for long-term plans); 2) In July (for new annual-plan programs for the following year); and 3) In October (for any carry-over programs which relate to annual plans for the following year).

13. Ministry of Tourism Regulation [No. 5 of 2017](#) on Guidelines for the Location and Organization of Meetings, Incentive Travel, Conferences and Exhibitions

Enforcement date: 12 May

Summary:

- Set out various locations for the organization of meetings, incentive travel, conferences and exhibitions (MICE) based on various criteria and indicators which have been set in accordance with four development aspects, as follows: 1) Accessibility; 2) Attractions; 3) Amenities; and 4) Human resources and support from stakeholders (i.e. development of manpower as it relates to MICE activities).
- The accessibility aspect relates to any facilities and infrastructure which will ease access to and from the MICE locations via means of land, air or sea transportation.
- The attraction aspect relates to the attraction level of the MICE location, based on the relevant meeting, exhibition and accommodation facilities, as well as on the various attractions and tourist sites which are located around MICE locations.
- The amenities aspect concerns supporting facilities for visitors to MICE locations and relate to the environmental conditions and the overall image of any MICE locations.
- The human resources and support from stakeholders aspects relate to the professionalism of any human resources working in MICE locations, as well as to the support which is offered by stakeholders (e.g. regional governments, developers).

14. Governor of the Special Capital City Region of Jakarta Regulation [No. 61 of 2017](#) on the Third Phase of the 2017 Sectoral Minimum Wage

Enforcement date: 18 May 2017

Summary:

- Sets out statutory provincial minimum wages across five industrial sectors within Jakarta, as follows: 1) Construction and public works (IDR 136,710 – IDR 183,191/day); 2) Chemistry, energy and mining (IDR 3,360,000/month); 3) Textiles, clothing and leather (IDR 3,355,750 – IDR 3,390,000/month); 4) Telecommunications (IDR 3,417,750/month); and 5) Retail (IDR 3,659,742/month).
- Any employers which are engaged in the abovementioned sectors are required to pay employees who have been working for periods of less than one year in accordance with the minimum wages specified under the Appendix to this regulation.
- Wages for workers who have been working for periods of more than one year are to be determined based on negotiations between workers and employers.
- Statutory provincial minimum wages are applicable retroactively from 1 January 2017.

15. Ministry of Finance Regulation [No. 67/PMK.02/2017](#) on the Amendment to Ministry of Finance Regulation [No. 66/PMK.02/2013](#) on Procurement, Disbursement and Accountability Procedures for the Use of Funding for Seed Subsidies

Enforcement date: 16 May 2017

Summary:

- Nullifies all previous provisions relating to unpaid subsidies for seeds due to incomplete verification of invoices for subsidy payments by the Director of Seed Plantation at the Directorate General of Food Planters as Proxy Budget Users.

- Nullifies the provision that states that seed producers are responsible for the implementation and utilization of all seed-subsidy funding.

16. Ministry of Finance Regulation [No. 60/PMK.08/2017](#) on Procedures for the Granting of Central-Government Guarantees for the Acceleration of the Development of Nationally Strategic Projects

Enforcement date: 9 May 2017

Summary:

- Financing guarantees from central government can be granted to any projects which satisfy the following criteria: 1) The projects are listed under Presidential Regulation [No. 3 of 2016](#) as Nationally Strategic Projects; 2) The entity or institution which is in charge of the project (*Penanggung Jawab Proyek Strategis Nasional* - "PJPSN") has not yet received any guarantee from central government or any other type of guarantee; 3) The projects are not listed as special assignments from the government which are not eligible for to receive guarantee assistance; 4) The projects are drawn up in a cooperation agreement (or equivalent document) which at least outlines various types of political risk, the PJPSN's financial liabilities, the period for the fulfillment of a PJPSN's liabilities and the relevant dispute-resolution mechanisms.
- In order to access the guarantee facility, a PJPSN must first submit a request to the Minister of Finance via the Director General of Risk and Finance Management ("Director General") enclosing the various documents which are listed under Article 9 (3) of the regulation (including: feasibility study, financial model, etc.).
- Any entities executing nationally strategic projects may submit written claims for payment to the Ministry if the relevant PJPSN fails to settle its liabilities according to the cooperation agreements for the projects in question.

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