

## LETTER FROM THE EDITORS

The laws and regulations issued in late October and early November 2014 are still dominated by those issued by President Yudhoyono's administration. This is to be expected, as the new President Widodo administration is only just over a month old, and with limited time not many regulations can be expected from the new government and ministers.

A lack of bills and laws passed by the House of Representatives has also been caused by the endless conflict between two competing coalitions at the parliament: The Great Indonesia Coalition (*Koalisi Indonesia Hebat* - KIH) and the Red-White Coalition (*Koalisi Merah Putih* - KMP).

KIH is comprised of political parties that supported President Widodo during the last election. The KIH feels dissatisfied with the distribution of power in the parliament, which is currently dominated by KMP (consisting of political parties who supported presidential candidate Prabowo Subianto).

As a result, news from the House these days is mostly about disputes, conflicts, and failed settlements. Very few draft bills are being discussed nor bills passed. This, in turn, may lead to the situation where many amendments to existing regulatory frameworks that need to be made are being postponed.

Nevertheless, with the new administration under President Widodo now operational, it is expected that upcoming laws and regulations should provide benefits to all stakeholders, including civil society and the business sector.

## GENERAL CORPORATE

1. Health Social Security Agency Regulation (BPJS) [No. 3 of 2014](#) on Procedures and Work Supervision Mechanisms and Assessment on Compliance for Implementing the Health Social Security Programs

Enforcement date: 27 August 2014

Summary:

- Implements Article 14 of Government Regulation [No. 86 of 2013](#) on Procedures for Administrative Sanctions Imposition on Employers excluding State Officials, Certain Others, and Employers, Workers, and Recipients of Social Security Assistance
- Provides for every citizen to register themselves and their family with the health security programs, submit their personal data accurately and completely, and pay the prescribed fees
- Mandates Health BPJS to appoint examining officers to monitor and evaluate compliance
- Mandates Health BPJS to submit quarterly reports regarding non-compliance to the Ministry of Manpower

2. Health Social Security Agency (BPJS) Regulation [No. 4 of 2014](#) on Registration and Payment Procedures for Individual Membership in the Social Security Agency for Health

Enforcement date: 1 November 2014

Summary:

- Mandates self-employed workers and informal workers (Pekerja Bukan Penerima Upah dan Bukan Pekerja) to register themselves and their family for health security programs from Health BPJS
- Sets out the requirements and procedures for prospective individual members to register, either via a Health BPJS' branch office, website, or another party which cooperates with Health BPJS (e.g. banks)
- Requires BPJS to validate prospective member's data and issue a virtual account for them to pay the fee for which a member card will be issued in seven days (maximum) after the member pays the first fee

3. Minister of State-Owned Enterprise (“Minister”) Regulation [No. PER-18/MBU/10/2014](#) on Electronic Submission of Data, Reports, and Documents of State-Owned Enterprise

Enforcement date: 16 October 2014

Summary:

- Mandates state-owned enterprises (*badan usaha milik negara* - BUMN) to submit their operational and other required data, reports, and documents to the Minister using the electronic information system of the Ministry of BUMN, starting from the third quarter of 2014
- Specifies the required data, reports, and documents that must be submitted electronically; e.g. annual report, work and budget plan, financial statements, human resources data, company's profile
- For more information see ILB [No. 2527](#)

4. Minister of State-Owned Enterprise Regulation No. PER-19/MBU/10/2014 on Requirements and Procedures for Appointing and Dismissing Members of State-Owned Enterprise Board of Commissioners and Supervisory Board

Enforcement date: 17 October 2014

Summary:

- Implements Articles 30 and 59 of Law [No. 19 of 2003](#) on State-Owned Enterprise, as well as Article 58 of Government Regulation [No. 45 of 2005](#) on Establishment, Management, Supervision, and Dissolution of State-Owned Enterprises
- Sets out the requirements and procedures to appoint Commissioners and Supervisors of a state-owned company (e.g., not a political party administrator, not a head of province/regency/city, never been declared bankrupt, etc)
- Sets out the reasons and procedures for dismissal of Commissioners and Supervisors (e.g., resignation, violating articles of associations, found guilty by a court decision, and so forth)
- For more information see ILB [No. 2524](#)

5. Minister of Industrial Affairs (“Minister”) Regulation [No. 89/M-IND/PER/10/2014](#) on Guidelines for Handling the Utilization of Foreign Workers under Work Cooperation at the Ministry of Industrial Affairs (“Ministry”)

Enforcement date: 17 October 2014

Summary:

- Enables the Ministry to hire foreigners with proper skills and competences and secures approval from Ministry of State Secretariat

- Sets out the requirements and procedures (i) to submit applications to hire foreigners at the Ministry; (ii) to secure approval from the respective working unit which will employ the foreigner; (iii) to secure official appointment from the government
- Provides requirements and procedures (i) for Secretariat of Director General of International Industrial Cooperation to secure mandatory entrance visa, limited stay permit, as well as multiple-entry and re-exit permits for the foreign workers, and (ii) for work unit as the foreign worker's employer to secure a Foreign Worker Employment License (*Izin Mempekerjakan Tenaga Asing*)

## TELECOMMUNICATIONS AND MEDIA

### 6. Minister of Communication and Information Technology (“Minister”) Regulation [No. 36 of 2014](#) on Registration Procedures for Electronic System Providers

Enforcement date: 30 September 2014

Summary:

- Implements Article 5 (5) of Government Regulation [No. 82 of 2012](#) on Organizing Electronic Systems and Transactions regarding the establishment of mechanisms to register electronic systems designed by electronic systems providers
- Mandates electronic system providers, including software developers, electronic payment developers, and digital security companies, to register their electronic system with the Director General of Information Technology Applications
- This obligation applies to electronic systems that are used for public purposes
- For more information see ILB [No. 2522](#)

### 7. Minister of Communication and Information Technology (“Minister”) Regulation [No. 38 of 2014](#) on Amendment to Ministerial Regulation [No. 01/PER/M.KOMINFO/01/2010](#) on Telecommunication Network Operations (“Regulation”)

Enforcement date: 8 October 2014

Summary:

- Limits the numbers of mobile network operators (“Operators”) that use specific radio frequencies, area codes, and/or network access codes as previously Operators using area codes (i.e. CDMA providers) were not covered under the Regulation
- Regulates the process for securing a principle license, for which (i) new Operators using specific radio frequencies, area codes, and/or network access codes must undergo a selection process, while (ii) existing Operators that already have an area code and/or network access code and intend to provide other services will also undergo an evaluation process
- Requires annual evaluation and comprehensive evaluation every five years, while previously the Regulation only required comprehensive evaluation every six years
- For more information see ILB [No. 2506](#)

8. Minister of Telecommunication and Information Technology Regulation [No. 31 of 2014](#) on Master Plan for Organizing the Special Telecommunication Radio Frequency for Analog Television Broadcasting Purposes on Ultra High Frequency Band (“**Regulation**”)

Enforcement date: 22 September 2014

Summary:

- Public and private broadcasting institutions providing analog broadcast on ultra-high frequency (UHF) bands must: (i) comply with technical requirements under the Regulation; (ii) secure a radio station license; (iii) secure certificates from the Director General of Postal and Information Technology Sources and Equipment for every tool and piece of equipment used to broadcast on the UHF band
- Sets out the (i) frequency limits for each channel, (ii) signal characteristics, and (iii) protection ratio for organizing special telecommunication radio frequencies for analog television broadcasting purpose on the UHF band
- Repeals and replaces the Minister of Transportation Decree No. 76 of 2003 on Master Plan for Organizing the Special Telecommunication Radio Frequency for Analog Television Broadcasting Purposes on Ultra High Frequency Band, including its amendment Ministerial Regulation No. 12/PER/M.KOMINFO/02/2009.

9. Minister of Communication and Information Technology Regulation [No. 32 of 2014](#) on Requirements and Procedures to Grant Postal Permits

Enforcement date: 22 September 2014

Summary:

- Implements Article 22 and Article 25 of Governmental Regulation [No. 15 of 2013](#) on Implementation of Law [No. 38 of 2009](#) on Postal Services regarding licenses to provide postal services (“**Postal Operating License**”)
- Provides requirements and procedures for state-owned enterprises (BUMN), regional-owned enterprises, Indonesian legal entities, and cooperatives (“**Business**”) to secure a Postal Operating License (national, provincial, and regional/municipal level)
- Mandates any Business with a courier service license to adjust its license to comply with the regulation within two years (maximum) after the regulation comes into force, otherwise the Business’ license will be invalidated
- For more information see ILB [No. 2526](#)

10. Minister of Trade Regulation [No. 48/M-DAG/PER/9/2014](#) (“**Amendment**”) on Second Amendment to Ministerial Regulation [No. 82/M-DAG/PER/12/2012](#) on Provisions on Import of Cellular Phones, Handheld Computers, and Tablet Computers

Enforcement date: 21 August 2014

Summary:

- Amends the list of ports of destination (entry ports) where imported cell phones, handheld computers and tablet computers ( “**Electronic Devices**”) may be unloaded (Kualanamu Airport in Deli Serdang replaces Polonia Airport in Medan)

- Enables Electronic Device distributors and sellers to circulate Electronic Devices produced in free trade areas and free ports, by excluding them from the following obligations: (i) being registered importer (*IT Importir*), (ii) securing an import approval (*IP Importir*) from the Directorate General of Foreign Trade, (iii) undergoing technical verification on the Electronic Devices at the port of origin
- For more information see ILB [No. 2521](#)

## CONSUMER AND RETAIL

### 11. Minister of Trade (“Minister”) Regulation [No. 80/M-DAG/PER/10/2014](#) on Mandatory Packaging for Cooking Oil

Enforcement date: 27 March 2015

Summary:

- Mandates any business which produces and sells cooking oil to pack the cooking oil and label the packaging in accordance to the requirements set out in the regulation (e.g., trademark, production code, nett content, expiry date, producer’s name and address)
- Enables palm cooking oil producers and/or packers to use the MINYAKITA trademark by submitting an application to the Director General of Domestic Trade
- Requires palm cooking oil producers, business, and/or packers to comply with the Regulation by 27 March 2015, or by 1 January 2017 for producers, packers, or business that deal in cooking oil from other vegetable materials
- Repeals and replaces Ministerial Regulation No. 02/M-DAG/PER/1/2009 on Simple Packaging of Palm Cooking Oil

### 12. Minister of Industrial Affairs Regulation [No. 87/M-IND/PER/10/2014](#) on Mandatory Implementation of Indonesia National Standard for Instant Coffee

Enforcement date: 9 months after 17 October 2014

Summary:

- Mandates instant coffee producers and importers to implement the Indonesian National Standard for Instant Coffee (*standar nasional Indonesia* - “SNI”) number 2983:2014 to their retail or bulk instant coffee products, with exemptions for (i) other coffee types for ingredients or other purposes, or (ii) instant coffee for research purposes or to issue a certificate of product implementing SNI (*sertifikat produk penggunaan SNI* - SPPT-SNI)
- Requires the LSPro to submit a report regarding SPPT-SNI to the Agency of Industrial Policy, Climate and Quality Assessment at the Ministry of Industrial Affairs, Director General of Agro Industries, as well as the Food and Drug Supervisory Agency, within seven days (maximum) after the SPPT-SNI is issued
- Mandates the supervising officer of goods and/or service standards at a factory (*pengawas standar barang dan/atau jasa di pabrik*) to annually assess and monitor compliance with obligation to implement the SNI for instant coffee products

### 13. Minister of Transportation Regulation [No. PM 51 of 2014](#) on Formulation Mechanism in Calculating and Determining Upper Tariff for Domestic Scheduled Airline Economy Class Passengers

Enforcement date: 1 October 2014

Summary:

- The Director General of Air Transportation will annually evaluate the tariff or in the following circumstances: the price change for avtur reaches more than IDR 12,000/liter for three consecutive months, and the rupiah exchange rate causes operational costs to change 10% in three consecutive months
- The tariff for infants, children, veterans, the elderly, and stretchers is must not be more than 75% (maximum) from the highest ticket price
- Repeals and replaces the following: (i) Ministerial Regulation No. [KM 26 of 2010](#) on Formulation Mechanism in Calculating and Determining Upper Tariff for Domestic Scheduled Airline Economy Class Passengers, (ii) Ministerial Regulation No. [PM 2 of 2014](#) on Additional Tarif for Domestic Scheduled Airlines Economy Class Passengers, and (iii) Ministerial Regulation No. 11 of 2006 on Reference Tariff for Domestic Scheduled Airlines Economy Class Passengers

14. Minister of Transportation Regulation [No. PM 46 of 2014](#) on Minimum Service Standards for Non-Routed Motorized Passenger Transportation

Enforcement date: 26 September 2014

Summary:

- Implements Article 141 (3) of Law [No. 22 of 2009](#) on Traffic and Road Transportation
- Sets out minimum standards on safety, security, comfort, affordability, equality, and regularity that must be complied with by taxis, public transportation for particular destinations (e.g. shuttles, transport for employees), tourism transport, and public transport in certain areas
- Mandates the Director General of Land Transportation, governor, or regent/mayor to (i) conduct physical examinations of vehicles to ensure that public transport providers comply with the required standards, and (ii) establish a team that will monitor and evaluate compliance every semester
- Sets out administrative sanctions for public transportation providers which do not comply with the required standards in the form of written warnings, and/or license suspension or revocation
- Mandates public transportation providers to adjust with the Regulation within one year (maximum) after the Regulation comes into force

15. Minister of Trade (“Minister”) Regulation [No. 72/M-DAG/PER/10/2014](#) on Amendment to Ministerial Regulation No. [No. 20/M-DAG/PER/4/2014 of 2014](#) on Control and Oversight of Procurement, Distribution, and Sale of Alcoholic Beverages

Enforcement date: 14 October 2014

Summary:

- Enables domestic importers of alcoholic beverages to (i) request additional import quota and (i) change the classification, name/brand, and type of alcohol beverages to be imported during an import period
- Provides more time for alcoholic beverage sellers to secure a Class-A Alcoholic Beverages Seller Certificate (*Surat Keterangan Pengecer Minuman Beralkohol Golongan A - “SKP-A”*) and Class-A Alcoholic Beverages Direct Seller Certificate (*Surat Keterangan Penjual Langsung Minuman Beralkohol Golongan A - “SKPL-A”*), at 18 months and 12 months respectively since

- For more information see ILB [No. 2509](#)

16. Head of the National Agency of Drug and Food Control Regulation No. [13 of 2014](#) on Guidelines for Clinical Trials of Herbal Medicines

Enforcement date: 8 September 2014

Summary:

- Requires producers of non-traditional herbal medicines (in the form of herbal medicine without traditional characteristic and non-indigenous herbal medicines) and traditional medicine (in the form of Jamu, standardized herbal medicine, and phytopharmaca, such as jamu) to prove the safety and efficacy of their product through clinical trials
- Introduces three types of evidence to prove the safety and efficacy of herbal medicine, namely empirical based evidence, clinical based evidence, and non-clinical based evidence
- Sets different types of evidence that must be satisfied by each type of traditional herbal medicine, being: Jamu (empirical based evidence), standardized herbal medicine (empirical and non-clinic based evidence), and phytopharmaca (empirical, non-clinic, and clinic based evidence)
- Non-traditional herbal medicine must be supported with clinical and non-clinical based evidence

17. Head of the National Agency of Drug and Food Control Regulation No. [12 of 2014](#) on Quality Requirements for Traditional Medicines

Enforcement date: 25 August 2014

Summary:

- Sets the standard quality for raw materials and finished products for traditional medicines
- Provides that the standard quality for raw materials for traditional medicine makes reference to *Materia Medika Indonesia* or *Farmakope Herbal Indonesia*
- Provides that the standard quality for finished product traditional medicines makes reference to the Appendix of the regulation, which set out maximum thresholds for substances that can be contained in an external use traditional medicine (liquid medicine, semi liquid items such as ointments and creams, and solid medicine) and internal use traditional medicine
- Requires producers that have satisfied the requirements set out in Minister of Health Regulation No. [661/Menkes/SK/VII/1994](#) on Requirements for Traditional Medicine, to comply with the regulation no later than 1 year of the regulation is enforced

## MANUFACTURING AND INDUSTRY

18. Minister of Industrial Affairs Regulation [No. 80/M-IND/PER/9/2014](#) on Motor Vehicle Industry

Enforcement date: 24 March 2015

Summary:

- Classifies the motor vehicle industry into five groups: (i) Motor vehicle components manufacturing industries, (ii) car frame manufacturing industries (four wheels or more), (iii) motor vehicle

manufacturing industries (four wheels or more), (iv) special vehicle manufacturing industries, and (v) motorcycles (two or three-wheels) manufacturing industries

- Completely Knocked Down (CKD) vehicles must at least be comprised of the following component packages: four main components (vehicles with four wheels or more), or six main components (for motorcycles)
- Regulates certain manufacturing processes for imported CKD and IKD that must be performed in Indonesia, amongst others: welding, painting, vehicle assembly, and quality testing, frame molding, and/or main component assembly
- Provides exemptions to the prohibition of having CKD and IKD vehicles pre-welded or pre-painted, e.g. CKD vehicles with less than 10 passenger capacity, applies the 4x2 system (2WD), with engine capacity more than 1500 cc may be pre-welded or pre-printed
- For more information see ILB [No. 2519](#)

19. Minister of Industry Regulation No. [84/M-IND/PER/10/2014](#) on Mandatory Implementation of Indonesian National Standard (SNI) for Cables

Enforcement date: 7 October 2014

Summary:

- Requires producers of 51 types of electrical conductor cables (i.e. copper, aluminum, annealed conductors cable for power distribution of 450/750 V) to comply with SNI No. 04.6629.3-2006, 04.6629.4-2006, 04.6629.5-2006, 60502-1:200
- The application for securing SNI approval for conductor cables is submitted to the appointed certification agency (LSPro) and must undergo technical testing at an accredited laboratory
- The mandatory SNI does not apply to conductor cables that are used for exhibitions, research, and technology development, and for SNI certification purposes
- Repeals and replaces Ministerial Regulation No. [50/M-IND/PER/5/2011](#) on the same matter, as amended by Ministerial Regulation [No. 57/M-IND/PER/5/2012](#)

20. Minister of Industry Regulation No. [83/M-IND/PER/10/2014](#) on Mandatory Implementation of Indonesian National Standard (SNI) for Pre-stressed Concrete Steel Wire for Concrete Construction

Enforcement date: 7 January 2015

Summary:

- Requires producers of 3 types of pre-stressed concrete steel wire under 9 different HS Codes (untwisted still wire without coating, coating still wire, and quench steel wire) to comply with SNI No. 1154:2011, 1155:2011, and 7701:2011
- The application for securing SNI approval for pre-stressed concrete steel wire is submitted to the appointed certification agency (LSPro) and must undergo technical testing at an accredited laboratory
- The mandatory SNI does not apply to pre-stressed concrete steel wire that satisfies the following criteria: a) the steel wire has a different scope, qualification or quality standard; or b) is used for exhibitions, research, technology development, or SNI certification purposes



- Repeals and replaces Ministerial Regulation [No. 42/M-IND/PER/2/2012](#), on the same matter

21. Minister of Industry Regulation No. [82/M-IND/PER/10/2014](#) on Mandatory Implementation of Indonesian National Standard (SNI) for Threaded Pipe Fittings made from Malleable Black Cast Iron

Enforcement date: 2 November 2014

Summary:

- Requires producers of threaded pipe fittings made from malleable black cast iron to comply with SNI No. 0139-2008.
- The application for securing SNI approval must be submitted to the appointed certification agency (LSPro) and must undergo technical testing at an accredited laboratory
- The mandatory SNI does not apply to pipe that satisfies the following criteria: a) threaded pipe that has a different scope, qualification or quality standard; b) is used for exhibition, research, technology development purpose, SNI certification, or export purposes; or d) the threaded pipe is granted by another country
- Repeals and replaces Ministerial Regulation [No. 44/M-IND/PER/2/2012](#), on the same matter

22. Minister of Industry Regulation No. [81/M-IND/PER/10/2014](#) on Amendment to Minister of Industry Regulation No. [41/M-IND/PER/6/2008](#) on Provisions and Procedures for Granting Industrial Business Licenses, Expansion Licenses, and Industrial Registration Certificates

Enforcement date: 7 October 2014

Summary:

- Businesses that wish to secure principle approval as a requirement to obtain an industrial business license may submit an application to the governor or regent/mayor by enclosing the applicant company's deed of establishment, and other documents required by laws and regulations, and are no longer obliged to enclose a disturbance permit
- Small business are no longer required to enclose a copy of a disturbance permit and location permit when submitting an application for an industry registration certificate (*tanda daftar industri*)
- Determines that application procedure for an industry business license, business expansion permit and industry registration certificate is now free of charge

23. Minister of Industry Regulation No. [78/M-IND/PER/9/2014](#) on Second Amendment to Minister of Industry Regulation No. [31/M-DAG/IND/PER/6/2013](#) on Appointment of Compliance Assessment Institutions for the Mandatory Implementation of Indonesian National Standard (SNI) for Category M, N and O Motor Vehicle Rims

Enforcement date: 24 September 2014

Summary:

- Adds two new certification agencies for mandatory implementation of SNI for vehicle rims, namely: 1) LSPro PT. TUV Nord Indonesia (Bekasi); and 2) LSPro PT. TUV Rhenland Indonesia (Jakarta)

24. Minister of Industry Regulation No. [77/M-IND/PER/9/2014](#) Appointment of Compliance Assessment Institutions for the Mandatory Implementation of Indonesian National Standard (SNI) for Aluminum and Silver Coated Sheet Mirror Float Glass

Enforcement date: 24 September 2014

Summary:

- Lists in its Appendix accredited Product Certification Institutions and Test Laboratories that are appointed to test and certify aluminum and silver coated sheet mirror float glass
- Obligates Test Laboratories to carry out all examination requests from Product Certification Institutions
- Product Certification Institutions and Test Laboratories must report their respective business activities to the Director General of Manufacturing Based Industries and the Head of the Agency of Assessment of Policy, the Climate, and Industry Quality

25. Minister of Industry Regulation No. [76/M-IND/PER/9/2014](#) on Optical Disc Industry

Enforcement date: 16 September 2014

Summary:

- Provides detail procedures for optical disc businesses to secure an industrial business license (*izin usaha industri* - IUI) from the Minister, and requires the business to comply with several requirements on machinery/tools and materials
- Requires businesses to use domestic optical disc production facilities and may only import products under specific circumstances
- Obliges businesses to report their operational activities to the Minister, covering general details, sale and purchase of optical disc production equipment, as well as optical disc products
- Repeals and replaces Minister of Industrial Affairs and Trade Decree [No. 648/MPP/Kep/10/2004](#) on Reporting and Supervision over Optical Disc Businesses.
- For more information see ILB [No. 2512](#)

26. Minister of Finance Regulation No. [195/PMK.02/2014](#) on Standards for Cost Structures

Enforcement date: 6 October 2014.

Summary:

- Determines guidance for ministerial institutions to draft expenses and cost plans for non-regulatory activities pursuant to upper thresholds set by the Ministry of Finance
- Sets out two types of expenses for every ministerial institution, namely core expenses and support expenses
- Sets the maximum for support expense at 45% of the core expenses
- The composition of expense structure will be implemented from 2016

27. Minister of Finance Regulation No. [194/PMK.05/2014](#) on Budget Implementation for the Completion of Unfinished Projects Until End of Fiscal Year

Enforcement date: 6 October 2014

Summary:

- The completion of unfinished projects that are funded in rupiah until 31 December (end of fiscal year) may be extended in the next fiscal year, provided that: 1) commitment maker official (*Pejabat Pembuat Komitmen - PPK*) considers that the contractor may finish the work no later than 50 days after the contract expires; and 2) proxy budget user considers an amendment to budget plan in the following year may be initiated to cover the unfinished project
- Amendment to an unfinished project contract is permitted without a time extension to complete the work. To amend a project contract, contractors must make a performance bond of at least 5% of the remaining balance of the contract value

## TAXATION

28. Minister of Finance Regulation No. [193/PMK.07/2014](#) on Allocation of Underpaid Revenue Sharing Funds from Tobacco Excise for 2012 Fiscal Year

Enforcement date: 6 October 2014

Summary:

- Determines the underpaid revenue sharing funds from tobacco excise for 2012 fiscal year as IDR 124,074,406,876

29. Director General of Tax Regulation No. [PER-25/PJ/2014](#) on Second Amendment to Director General of Tax Regulation No. [PER-44//PJ/2010](#) on Format, Content, and Procedures for Filling and Submitting Notification Letters for Value Added Tax Period

Enforcement date: 23 September 2014

Summary:

- Adds documents that must be enclosed by taxpayers for requesting refunds for overpayment of value-added tax, covering: import/export notification, tax invoice, tax payment receipts, cancellation note (*retur*)

30. Director General of Tax Regulation No. [PER-20/PJ/2014](#) on Procedures for Applications and Determination of Period of Actual Use for Non-Building Tangible Assets for Amortization Purposes

Enforcement date: 2014 fiscal year

Summary:

- Taxpayers who wish to change their income tax calculation as a result of amortization to their non-building tangible assets (i.e. machinery), must submit an application as provided in Appendix I of the regulation, and enclose the following documents: a) details of assets; b) specification of assets from producer; c) estimation of age and economic benefit of the assets from public appraiser; d) technical supporting documents on benefit period of the assets; and e) amortization declaration that has been granted to the taxpayer
- The application is submitted to the head of tax office service where the taxpayer is located
- Taxpayer may submit application to determine the actual benefit period of their non-building tangible assets that are owned before 2014 fiscal year
- Repeals and replaces Director General of Tax Regulation No. [PER-55/PJ/2009](#), on the same matter

## MISCELLANEOUS

### 31. Minister of Transportation Regulation [No. 49 of 2014](#) on Traffic Signal Tools

Enforcement date: 26 September 2014

Summary:

- Implements Article 56 and Article 57 of Governmental Regulation No. 79 of 2013 on Traffic Networks and Road Transportation in regard to electronic devices, such as traffic lights with or without sound (“traffic signal tools”) to manage road traffic
- Traffic signal tools made by business entities must comply with the prescribed requirements and must pass the assessment of the Director General of Road Transportation
- Mandates that the management of traffic signal tools installed prior to the regulation be adjusted to comply with the regulation within two years after the regulation comes into force
- Repeals and replaces Ministerial Decree No. 62 of 1993 on Traffic Signal Tools

### 32. Minister of Health (“Minister”) Regulation [No. 74 of 2014](#) on Guidance in Implementing Counseling and HIV Tests

Enforcement date: 17 October 2014

Summary:

- Implements Article 27 of Ministerial Regulation [No. 21 of 2013](#) on the Handling of HIV and AIDS
- Provides guideline for health professionals, programs managers, HIV counselors, work place managers for organizing HIV counseling and tests at all health service facilities, including health service facilities at police and armed forces facilities, prisons and detention houses, work places, or places appointed for migrant manpower
- Mandates every HIV counseling and test be recorded and reported
- Repeals and replaces Ministerial Decree No. 1507/Menkes/SK/X/2005 on Voluntary HIV Counseling and Testing.

### 33. Governmental Regulation [No. 74 of 2014](#) on Road Transportation

Enforcement date: 17 October 2014

Summary:

- Implements Article 137 (5), Article 150, Article 172, Article 185 (2), Article 198 (3), Article 242 (3), and Article 244 (2) of Law [No. 22 of 2009](#) on Traffic and Road Transportation
- Regulates road transportation matters, covering the following: (i) road transportation classifications (i.e., motorized and non-motorized vehicles for passengers and/or goods), (ii) public transportation procurement, including the requirements and procedures to carry out public transportation businesses, tariffs, subsidies, and (iv) monitoring measures
- Repeals and replaces Government Regulation [No. 41 of 1993](#) on Road Transportation, although its implementing regulations will remain valid, to the extent it does not contradict the Regulation
- For more information see ILB [No. 2523](#)

34. Governmental Regulation [No. 78 of 2014](#) on Acceleration of Development of Least-Developed Areas

Enforcement Date: 14 October 2014

Summary:

- Sets out respective officers to plan, implement, supervise, monitor, and evaluate the acceleration of development for least-developed areas, along with their responsibilities and authorities
- Provides that funding to accelerate the development of least-developed areas will be derived from state and regional budgets, and also special allocation funds
- Enables public and business entities to participate in accelerating the development of under-developed areas through partnership programs and investment

35. Minister of Public Works Regulation [No. 10/PRT/M/2014](#) on Guideline Requirements for Permits for Foreign Construction Business Representative Offices

Enforcement date: 8 October 2014

Summary:

- Sets out requirements and procedures for foreign construction services businesses (“**Businesses**”) to apply for a permit required for a representative office to operate in Indonesia, covering the following three types of licenses: (i) new permit, (ii) permit extensions or permit terminations, and (iii) data amendment for existing permits
- Mandates the Business to enter into an operational cooperation arrangement with a domestic business that meets the prescribed criteria, under which the Business can only be involved in construction projects that are categorized as high-risk, high-technology, and high-cost
- Requires the Business to submit an annual report and transfer of knowledge plan
- Sets out administrative sanctions for Businesses that violate the Regulation, in the form of (i) written warnings, and (ii) suspension or revocation of permit
- For more information see ILB [No. 2515](#)

36. Minister of Agriculture Regulation No. [45/PERMEN-KP/2014](#) on Operational Feasibility Certificate for Fishing Boats

Enforcement date: 10 October 2014

Summary:

- Provides procedures and requirements for every fishing ship to secure a ship worthiness certificate from the fishery oversight authority at the relevant seaport, covering: fishing boats, fish transporting vessels, fishing training vessels, research or exploration vessels, and fishing cultivation vessels
- Ship captains or owners must deliver a cruising plan report to the fishery oversight authority at least a day before cruising. The fishery oversight authority will inspect the vessel and issue a ship worthiness certificate if the vessel is feasible to cruise
- The ship worthiness certificate is valid for one cruising activity with a validity period of two days after the issuance date

- Small scale fishermen are only required to secure a ship worthiness certificate if their vessel is more than 5 gross ton
- Repeals and replaces Minister Regulation No. [pER.07/MEN/2010](#), on the same matter

37. Minister of Forestry Regulation No. [P.67/Menhut-II/2014](#) on Information Systems for River Basin Drainage Areas

Enforcement date: 18 September 2014

Summary:

- Introduces an electronic information system for river basin drainage areas in Indonesia through [www.sipdas.dephut.go.id](http://www.sipdas.dephut.go.id), which details the working plan for managing river basin drainage by the government

38. Head of National Land Agency Regulation No. [10 of 2014](#) on Revocation of Laws and Regulations on Land

Enforcement date: 23 September 2014

Summary:

- Repeals 109 regulations on land matters (land registration, land conversion, land reform, land as a security interest, land use/site permits, dispute resolution etc.) that are considered obsolete or have been regulated under newer regulations to harmonize and synchronize provisions on land with newer regulations
- For more information see ILB [No. 382](#) and ILD [No. 2513](#)

39. Presidential Regulation No. [99 of 2014](#) on Second Amendment to Presidential Regulation No. [71 of 2012](#) on Organizing Land Procurement for Public Purposes

Enforcement date: 18 September 2014

Summary:

- Requires the government to use the post qualification method to determine the compensation value of land that will be acquired if the cost assessment by the assessor exceeds IDR 50 million
- Requires respective institution intending to acquire land to settle money compensation incurred from land acquisition no later than 14 days after the compensation is validated by the chairperson's of the institution
- For more information see ILB [No. 2459](#)

## ENERGY AND NATURAL RESOURCES

40. Minister of Maritime Affairs and Fisheries Regulation [No. 42/PERMEN-KP/2014](#) on Fourth Amendment to Ministerial Regulation [No. 02/MEN/2011](#) on Fishing Lanes and Placement of Fishing Equipment and Fishing Auxiliary Equipment in Indonesian Fishery Processing Facilities

Enforcement date: 6 October 2014

Summary:

- Amends the provision on large pelagic-ring trawl (*pukat pelagis cincin besar*) fishing equipment, for which the trawl mesh size varies from three inches to two inches, depending on if the trawl is operated by one boat or two boats
- Amends the provisions on fish equipment for pocket trawling (*pukat kantong/paying*), for which the trawl's mesh size varies from two inches to one inch and for which fishermen are now allowed pocket trawl in fishing lane III in the Indonesian Exclusive Economic Zone
- Provides a new provision on fish equipment in the form of long bag set nets, for which the mesh size is 35 millimeter with a head rope of more than 150 meters, which can be operated in certain areas in fishing lane III by motor boats with a capacity of more than 30 gross-ton

41. Minister of Maritime Affairs and Fisheries Regulation [No. 44/PERMEN-KP/2014](#) (“Amendment”) on Amendment to Minister of Fishery and Maritime Affairs [No. 8/PERMEN-KP/2013](#) on Quality Control for Pearls entering the Territory of the Republic of Indonesia (“Regulation”)

Enforcement date: 6 October 2014

Summary:

- Changes the title of Chapter VI of the Regulation as “Entry of Pearl as Luggage or Shipment Goods”
- Amends the provisions under Article 17 of the Regulation on pearl entry as luggage or shipment goods, under which pearls can only enter Indonesia through international airports, with a limitation of 50 grams (maximum) for pearl shipments up to twice a month for the same recipient
- Amends the provisions under Article 21 of the Regulation which deletes the obligation to deliver a rejection letter upon an application to re-enter pearls to Indonesia being lodged, and changes the reference for the approval letter format from Appendix V of the Regulation to Appendix IV of the Amendment
- Amends the wording under Article 22 of the Regulation with the deletion of the obligation to deliver a rejection letter, by which a fish quarantine officer may destroy rejected pearls if the application documents are deemed incomplete or invalid (without a rejection letter)

42. Minister of Maritime Affairs and Fisheries Regulation [No. 46/PERMEN-KP/2014](#) on Quality and Security Control of Fish Entering the Territory of the Republic of Indonesia (“Regulation”)

Enforcement date: 13 October 2014

Summary:

- Provides guidelines for importers with a producer importer identification number (API-P) or general importer's identification number (API-U) and representatives from neighboring countries to (i) secure a Fisheries Products Entry License, and (ii) import or re-import fishery products into Indonesia through locations provided for under the Regulation
- Mandates importers to report their fish importing activities with importers that fail to do so being subject to administrative sanctions
- Provides for Fisheries Products Entry Licenses issued prior to the Regulation to remain valid, but requires all license applications submitted prior to the Regulation to be processed in accordance to the Regulation

- Repeals and replaces Ministerial Regulation [No. PER.15/MEN/2011](#) on Quality and Security Control of Fish Entering the Territory of the Republic of Indonesia for which its implementing regulations prevail to the extent they do not conflict with the Regulation

43. Minister of Maritime Affairs and Fisheries (“**Minister**”) Regulation [No. 48/PERMEN-KP/2014](#) on Fishing Log Books

Enforcement date: 17 October 2014

Summary:

- Mandates each ship captain with a fishing license to provide a fishing log book for which the log book type will be based on fishing equipment used
- Provides guideline (i) for fishing ship captains to submit and report their fishing log book, including electronic submission for fishing ships operating on the high seas, and (ii) for harbor master or fishing log book officers to examine submitted log books
- Sets out sanctions for fishing ship captains who fails to secure a sailing permission due to non-compliance in submitting a log book, and for which the fishing ship may further be subject to administrative sanctions in the form of fishing license suspension or revocation if the log book is not submitted
- Repeals and replaces Ministerial Regulation [No. PER.18/MEN/2010](#) on Fishing Log Books

44. Minister of Maritime Affairs and Fisheries Regulation [No. 49/PERMEN-KP/2014](#) on Fish Cultivation Business

Enforcement date: 17 October 2014

Summary:

- Provides requirements and procedures for individuals and business entities involved in fish-cultivation to secure the following licenses: (i) Fisheries Business License, (ii) Fish Transporting Ship License, (iii) Investment Recommendation for Fish Cultivation, (iv) Fish Cultivation Business Record Certificate, and/or (v) Fish Transporting Ship Record Certificate
- Mandates every fish cultivator, including small cultivators, to submit a report to the license-issuing authority, with details of their production and distribution and/or types and amount of fish transported
- Enables licenses secured prior to the regulation to remain valid, subject to certain terms and conditions set out in the Regulation
- Repeals and replaces Ministerial Regulation [No. PER.12/MEN/2007](#) on Fish Cultivation Business
- For more information see ILB [No. 2525](#)

45. Minister of Energy and Mineral Resource Regulation [No. 27 of 2014](#) on Electricity Purchase from Biomass and Biogas Power Plants by the State Power Company (PLN)

Enforcement date: 16 October 2014

Summary:

- Mandates PLN to purchase up to 10 megawatts of electrical power from biomass or biogas power plants owned by state and regional owned enterprises, Indonesian legal entities, and cooperatives (“**business**”) which have secured an electricity procurement business license (IUPTL)



- Provides guidelines for (i) a business to be determined as manager of biomass or biogas energy for power plants, and obligations applied to them as a biomass and biogas energy manager, and (ii) PLN and business to enter into and enforce the electricity sale and purchase agreement
- Repeals and replaces provisions under Article 3 (1) and (2), Article 4, Article 5, Article 6, Article 7 and Article 8 of Ministerial Regulation [No. 4 of 2012](#) on Selling Price of Electricity Power by PLN from Small and Medium Scale Renewable Energy Power Plants and Excess Power

46. Director General of Minerals and Coal Regulation [No. 698/K/39/DJB/2014](#) on Guidance on Access Rights Approval to Mineral and Coal Mining Area Information System Services

Enforcement date: 4 August 2014

Summary:

- Provides requirements and procedures for regional governments and government institutions to secure approval from the Director General of Mineral and Coal (“**Director General**”) in accessing the “one map of Indonesian mineral and coal mining” (*minerba* one map Indonesia - MOMI), referred to as an access right
- Provides procedures for the Director General to grant access rights to regional governments and governmental institutions
- Sets out the rights and obligations of MOMI access right holders

47. Minister of Environmental Affairs [No. 4 of 2014](#) on Quality Standards for Emissions from Immovable Resources from Mining Activities and Businesses

Enforcement date: 14 October 2014

Summary:

- Implements Article 20 (2) letter e of Law [No. 32 of 2009](#) on Environment Protection and Management regarding quality standards of emission
- Sets out the substances and parameters for emissions that can be released by mining companies into the atmosphere generated by mining processing activities and support machinery
- Mandates the respective mining companies to undertake independent mandatory monitoring of their emissions, comprised of the following sequential steps: drafting monitoring plan, emission monitoring, calculating emission loads, and submitting emission monitoring report
- Repeals and replaces Appendix V-A and Appendix V-B of Ministerial Regulation [No. KEP-13/MENLH/03/1995](#) on Emission Quality Standards for Immovable Sources
- For more information ILB [No. 2520](#)

48. Minister of Public Works [No. 11/PRT/M/2014](#) on Management of Rainfall on Buildings and Their Premises

Enforcement date: 26 September 2014

Summary:

- Sets out principles and advantages, implementing instruments, and the stages for managing rainfall on new and/or existing buildings and premises

- Regulates principles, criteria, and procedures for regional governments to determine requirements for Building Construction Permits (*Izin Membangun Bangunan - IMB*) in providing rainfall management facilities and infrastructure on their buildings and premises
- Determines rainfall management facilities and infrastructure that must be provided, along with their dimensions, illustrations, and placement, as well as planning procedures

49. Governmental Regulation [No. 71 of 2014](#) on Protection and Management of Peat Land Ecosystems

Enforcement date: 15 September 2014

Summary:

- Sets out comprehensive measures to preserve and prevent damage to peat land areas, as follows: (i) planning of actions to protect and manage peat land, (ii) Determining appropriate use of peat land, (iii) controlling the destruction of peat land, (iv) maintaining peat land functions, and (v) supervising regulatory compliance of stakeholders that use peat land
- Enables any type of business to utilize peat land designated for cultivation, provided that the utilization is in accordance with applicable protection and management plans which are determined under the following process: (i) creating inventory lists of peat land ecosystem areas, (ii) determining the main functions of each peat land area, and (iii) drafting plans to protect and manage peat lands
- Provides administrative sanctions for businesses responsible for the damage of peat land or failure to perform mitigation and recovery actions, as follows: (i) coercive measures by the government (e.g. temporary suspension of activities, relocation, and closure of the drainage channels), and (ii) suspension or revocation of environmental license
- For more informations see ILB [No. 2507](#)

50. Minister of Agriculture Regulation No. [109/Permentan/OT.140/9/2014](#) on Skill Qualifications and Competency in the Horticulture Sector for Foreign Individuals

Enforcement date: 11 September 2014

Summary:

- Sets out 9 position in the horticulture sector that may be filled by foreigners, covering: international marketing specialist, leading experts on breeding for vegetable and ornamental crops, in-vitro (*mericlone*) seed propagation specialist, horticulture product handling specialist, horticulture machine engineering specialist, horticulture organic farming specialist, horticulture processed product engineer specialist, food safety quality control system management specialist, and agro-tourism development specialist
- Sets out requirements that must be satisfied by foreign workers in the horticulture sector, one of which it is a university degree equivalent to a doctorate in a specific horticulture field
- For more information see ILB [No. 2541](#)

51. Minister of Agriculture Regulation No. [108/Permentan/PD.410/9/2014](#) on Imports of Cattle, Calves, and Cattle for Slaughter

Enforcement date: 9 September 2014

Summary:

- Sets out health requirement for cattle, calves, and cattle for slaughter that can be imported into Indonesia, which must be supported by the necessary document from the exporting country (health certificate health requirement and certificate of origin), weight, age, free from any genetically and physical imperfections, mandatory quarantine by exporting country
- Sets out procedure for foreign farms to be registered as an exporter of cattle, calves, and cattle for slaughter at the Ministry of Agriculture
- Domestic business that wish to import cattle, calves, and cattle for slaughter must secure import approval from the Minister of Trade and an import recommendation from the Minister of Agriculture
- Repeals and replaces Ministerial Regulation [No. 85/Permentan/PD.410/8/2013](#), [87/Permentan/PD.410/9/2013](#), and [97/Permentan/PD.410/9/2013](#)

52. Minister of Agriculture Regulation No. [107/Permentan/SR.140/9/2014](#) on Oversight of Pesticides

Enforcement date: 9 September 2014

Summary:

- Mandates the Minister of Agriculture, governor and regent/mayor to appoint civil servants at the agriculture office to be supervisors of fertilizer and pesticide usage at the central, provincial, and regency/city level
- Supervisors of fertilizer and pesticide have the rights to inspect the substance of fertilizers and pesticides that are distributed and circulated in the market, request production of a business license for a producer, enter premises of fertilizer and pesticides producers, gather samples, recommend distribution suspension of certain fertilizers and pesticides (central supervisor of fertilizer and pesticides)
- Mandates Minister of Agriculture, governor and regent/mayor to establish Fertilizer and Pesticides Supervision Commission at the central, provincial, and regency/city level

53. Minister of Agriculture Regulation No. [41/PERMEN-KP/2014](#) on Prohibition on Import of Hazardous Fish

Enforcement date: 23 September 2014

Summary:

- Stipulates 152 types of fish, amphibians, and sea/water animals that cannot be imported into Indonesia without a special permit from the Director General of Fishery Cultivation
- Repeals and replaces Minister Regulation [No. PER.17/MEN/2009](#), on the same matter

54. Minister of Forestry Regulation No. [P.76/Menhut-II/2014](#) on Determination of Forest Utilization Business Contribution Fees

Enforcement date: 26 September 2014.

Summary:

- Redefines the forest utilization business contribution fees for the following forestry licenses: Timber Forest Product Utilization License for Natural Forests (*Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Alam - IUPHHK-HA*); Timber Forest Product Utilization License in Plantation Forest with an Engineered Regeneration Restoration Forest (*Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman dengan Sistem Permudaan Buatan - THPB*); Non-Timber Forestry Product Utilization Permit

(Iuran Izin Usaha Pemanfaatan Hasil Hutan Bukan Kayu - IUPHHBK); Area Utilization Permit (*Izin Pemanfaatan Kawasan*); Timber Forest Product Utilization License Restoration Ecosystem in Production Forest (*Izin Usaha Pemanfaatan Hasil Hutan Kayu Restorasi Ekosistem pada Hutan Produksi* - IUPHHKRE); Timber Forest Product Utilization License for Publicly Planted Forests (*Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Tanaman Rakyat* - IUPHHK-HTR); Timber Forest Product Utilization License for Sociological Forests (*Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Kemasyarakatan* - IUPHHK-Hkm), and Timber Forest Product Utilization License for Village Forests (*Izin Usaha Pemanfaatan Hasil Hutan Kayu pada Hutan Desa* - IUPHHK-HD)

- The contribution fees are different for each type of license, location of forestry area and the size of area, ranging from IDR 1,500,000 per year - IDR 5,000,000 per year
- Repeals and replaces Ministerial Regulation No. 700/KptsII/1999

55. Minister of Forestry Regulation No. [P. 74/Menhut-II/2014](#) on Implementation of Silviculture Techniques for Businesses Utilizing Carbon Sequestration and/or Storage in Production Forests

Enforcement date: 26 September 2014

Summary:

- Provides silviculture techniques for carbon sequestration (seeding, cultivation, enrichment, natural regeneration, and maintenance) and silviculture techniques for carbon storage (tree health maintenance and plant maintenance)

56. Minister of Forestry Regulation No. [P. 73/Menhut-II/2014](#) on Working Plans for Businesses Utilizing Carbon Sequestration and/or Storage in Production Forests

Enforcement date: 26 September 2014

Summary:

- Obliges holders of Business License for Carbon Sequestration and Storage for Production Forest (*Izin Usaha Pemanfaatan Penyerapan dan/atau Penyimpanan Karbon pada Hutan Produksi*) to draft a carbon forest inventory report
- The carbon forest inventory report must outline information on the condition of forests, stumpage condition, and carbon stock, which must be drafted once every 10 years
- The carbon inventory report is submitted to the appointed production forest supervisor (*Pengawas Tenaga Teknis Pengelolaan Hutan Produksi* - WAS-GANISPHPL)
- Obliges holders of Business License for Carbon Sequestration and Storage for Production Forest to draft a working plan (*Rencana Kerja Tahunan Usaha Pemanfaatan Penyerapan dan/atau Penyimpanan Karbon pada Hutan Produksi*) based on the carbon forest inventory report

57. Minister of Forestry Regulation No. [P.68/Menhut-II/2014](#) on Determination of Forestry Products Benchmark Prices for Calculating Fees for Forest Resources, Stumpage Compensation and Stumpage Substitution Rate

Enforcement date: 18 September 2014

Summary:

- Sets fees for forest resources, stumpage compensation and stumpage substitution rate based on the type of timber or non-timber forest product, location where the timber is logged or non-timber product is harvested, and size of the timber/weight of the non-timber product
- App fees range from IDR 2,000 per product (i.e. rattan, firewood, etc.), IDR 10,000,000 per ton (sandalwood), until IDR 27,500,000 per ton (*Massoia bark, pandanus conoideus/buah merah*)
- The contribution fee is valid until 31 December 2014

## TRADE

### 58. Governmental Regulation [No. 76 of 2014](#) on Trade Balance Mechanism for Procurement of Defense and Security Equipment from Abroad

Enforcement Date: 14 October 2014

Summary:

- Implements Article 43 (9) of Law [No. 16 of 2012](#) on Defense Industry which enables procurement of defense and security equipment from foreign countries through mechanisms of trade balance, local content, and/or offset
- Sets out that the trade balance, local content, and/or offset must be 85 percent (minimum) of the contract value, in which the local content and offset must be 35 percent of the contract value with 10 percent increase for every five following years
- Enables trade balance, local content, and/or offset contracts prior to the regulation to prevail, while procurement contracts that are still being drafted or in progress must be adjusted with the Regulation

### 59. Minister of Trade Regulation [No. 77/M-DAG/PER/10/2014](#) on Rules of Origin of Indonesia

Enforcement date: 1 January 2015

Summary:

- Provides criteria that must be satisfied to declare goods originate from Indonesia with a certificate of origin, which are categorized into two main groups, origin criteria and consignment criteria
- Sets out two types of rules of origin of Indonesia, namely (i) preferential rules, for which the certificate of origin can obtain a reduction in import duty or an exemption by the importing country, and (ii) non-preferential rules, for which the certificate of origin is requested by the importing country but not for the purpose of any customs concessions
- For more information see ILB [No. 2510](#)

### 60. Minister of Trade (“Minister”) Regulation [No. 68/M-DAG/PER/10/2014](#) on Delegation of Authority to Issue Permits Related to Trade to the Sei Mangkei Special Economic Zone Administrator

Enforcement date: 8 October 2014

Summary:

- Implements Article 24 letter a under Law [No. 39 of 2009](#) on Special Economic Zones, and Article 44 (2) letter a and (3) of Governmental Regulation [No. 2 of 2011](#) on Organizing Special Economic Zones, as amended by Governmental Regulation [No. 100 of 2012](#)
- Requires every business conducting and/or developing trading activities in the Sei Mengkei Special Economic Zones to secure a license from the Sei Mengkei administrator, for which the required license will be based on the license types and the zones included in the Sei Mengkei Special Economic Zone
- Provides for the Minister to delegate his authority to the Sei Mengkei administrator to issue licenses in the trading sector, for which the authority can be revoked if the administrator is deemed unable to enforce the delegated authority or under certain conditions prescribed by the regulation
- Mandates the administrator to submit recapitulation reports on license issuance to the Minister via <http://inatrade.kemendag.go.id> or in hard copy, on 15<sup>th</sup> of every quarterly month
- Trading licenses secured prior to the Regulation remain valid until expiration

61. Minister of Trade Regulation [No. 73/M-DAG/PER/10/2014](#) on Third Amendment to Ministerial Regulation [No. 83/M-DAG/PER/12/2012](#) on Import Provisions for Certain Products (“**Regulation**”)

Enforcement date: 1 December 2014

Summary:

- Amends the entry points for importing certain products (e.g. Cikarang dry port; Kreung Geukuh (North Aceh) and Bitung (Bitung) seaports), while also specifying the products that can be imported through the newly added entry points
- Adds two new articles specifying the following: (i) exemption to the obligation of verifying the import of certain products, provided that the import is conducted by a Prioritized Importer (*importir jalur prioritas* - IJP), and (ii) requirements for certain products which are imported by IJP but not listed as products from business fields listed under the producer importer’s identification number (API-P)
- For more information see ILB [No. 2528](#)

62. Minister of Trade Regulation [No. 75/M-DAG/PER/10/2014](#) (“**Second Amendment**”) on Second Amendment to Ministerial Regulation [No. 44/M-DAG/PER/9/2009](#) on Procurement, Distribution and Supervision of Dangerous Materials (“**Regulation**”)

Enforcement date:

Summary:

- Inserts (i) new terms of “verification”, “surveyor”, and “Director General of Standardization and Consumers Protection”, and (ii) prohibition for importers (producer and registered), registered distributor, and registered retailer of dangerous materials to import mercury classified with Tariff Post/HS 2805.40.00.00 amongst themselves and/or end-user which are engaged in gold mining business
- Eliminates the authority for importer producer of dangerous materials (IP-B2) to distribute the dangerous materials, thus affect other provisions under the Regulation in regard dangerous materials distribution by IP-B2
- Repeals and replaces (i) Appendix I and Appendix II of the Regulation with Appendix I of the Amendment in regard to the types of dangerous materials, and (ii) Appendix VI of the Regulation with Appendix II of the Amendment in regard to the format of dangerous materials trade business license

63. Minister of Trade Regulation No. [62/M-DAG/PER/9/2014](#) on Determination of Soybean Prices for Safeguarding Prices at Farmgate Level

Enforcement date: 1 October 2014

Summary:

- Soybean prices for safeguarding at farmgate level are set for IDR 7,600 per kilogram
- The price is valid from 1 October 2014 - 31 December 2014

64. Minister of Trade Regulation No. [61/M-DAG/PER/9/2014](#) on Determination of Export Benchmark Prices for Processed Mining Products Subject to Export Duty

Enforcement date: 1 October 2014

Summary:

- Sets a new export price for mining products pursuant to level of concentrate, covering: copper, iron, manganese, zinc, limonite, and titanium
- The price is determined by taking into consideration the average highest price on: international market, free on board, domestic market and importing countries
- The new export price is valid from 1 October 2014
- Repeals and replaces Minister Regulation [No. 51/M-DAG/PER/8/2014](#), on the same matter

65. Minister of Trade Regulation No. [60/M-DAG/PER/9/2014](#) on Determination of Export Benchmark Prices for Agricultural and Forestry Products Subject to Export Duty

Enforcement date: 1 October 2014

Summary:

- Sets the price reference for Crude Palm Oil at USD 726,73/MT and cocoa beans at USD 3,152,80/MT
- The Appendices to the Regulation further set out the export fees for the following commodities: crude palm oil, timber and leather, and cocoa beans
- Repeals and replaces Minister of Trade Regulation [No. 50/M-DAG/PER/8/2014](#), on the same matter

66. Minister of Trade Regulation No. [57/M-DAG/PER/9/2014](#) on Amendment to Minister of Trade Regulation No. [53/M-DAG/PER/8/2012](#) on Organizing Franchise Businesses

Enforcement date: 17 September 2014

Summary:

- Requires foreign and local franchise businesses to provide master franchise agreement between the prospective franchisor and franchisee in order to secure a Certificate of Franchise Registration (*Surat Tanda Pendaftaran Waralaba* - STPW)
- For more information see ILB [No. 2500](#).

67. Minister of Trade Regulation No. [56/M-DAG/PER/9/2014](#) on Amendment to Minister of Trade Regulation No. [70/M-DAG/PER/12/2013](#) on Guidelines for Establishing and Developing Traditional Markets, Shopping Centers, and Modern Stores

Enforcement date: 17 September 2014

Summary:

- Introduces five main features, namely: 1) Change of the use of the terms traditional market and modern stores; 2) Requirement to sell beyond the 10 percent supplementary goods threshold; 3) Waiver to sell store's private-brands beyond the 15 percent threshold; 4) Mandatory 80 percent local products; and 5) A 150 outlets limitation
- Allows self-service stores to sell supplementary goods up to 10 percent (maximum) of a store's total inventory, unless approval from the Minister is secured
- Limits self-service stores to only selling their private brands up to 15 percent of a store's entire inventory
- Mandates self-service stores to have 80 percent of their inventory as locally-produced items
- Allows a single business to own 150 (maximum) self-service store outlets, and businesses with more than 150 outlets must adjustment by forming a partnership with SMEs within five years from when the 2013 Regulation come into force (20 June 2014)
- For more information see ILB [No. 2505](#)

## FINANCIAL SERVICES

68. Bank Indonesia (BI) Regulation [No. 16/20/PBI/2014](#) on Implementation of Prudential Principles for the Management of Foreign Loans of Non-Bank Corporations

Enforcement date: 1 January 2015

Summary:

- Provides guidelines for non-bank corporations (to comply with the obligation of implementing prudent principles in managing their foreign currencies loans with overseas parties, by satisfying prescribed hedging ratios, liquidity ratios, and credit ratings
- Sets out exemptions to this obligation, as follows: (i) prudential principles do not apply to foreign loans in foreign currency in the form of trade credits, and (ii) obligation to meet a certain credit rating does not apply to foreign loans for purposes of refinancing or financing for infrastructure projects obtained from international organization
- Mandates the companies to report their prudential principles implementation to BI
- Sets out sanctions for parties that violate the regulation in form of written warning that will become effective after the third quarter report in 2015
- For more information see ILB [No. 2516](#)

69. Board of Directors of Indonesia Stock Exchange ("IDX") Decree [No. KEP-00100/BEI/10-2014](#) on Regulation No. I-A.1 on Listing of Equity Shares and Securities Excluding Shares Issued by Mineral and Coal Mining Companies



Enforcement date: 1 November 2014

Summary:

- Provides flexibility for mining companies and their holding companies intending to be listed on the IDX through an initial public offering (“**Prospective Companies**”), by exempting them from having to satisfy several requirements regulated under IDX Decree [No. KEP-00001/BEI/01-2014 of 2014](#) on Amendment to Regulation Number I-A on the Listing of Equity Shares and Securities Excluding Shares Issued by Publicly Traded Companies (“**I-A Regulation**”)
- Sets out criteria and requirements (other than the requirements set out under I-A Regulation) that must be satisfied by Prospective Companies in order to be listed, for which the general application procedures and initial public offering process refer to other regulations issued by the Financial Services Authority
- Sets out obligations for listed Prospective Companies, e.g. monthly report on work plan realization (for mining operational production company which hasn’t reached the stage of selling the mining crops)
- Exempts certain provisions from applying to listed Prospective Companies, as follows: provisions set out under IV.1.3.27 and IV.2.3.24 of Appendix II of I-A regulation; and
- For more information see ILD [No. 366](#) and ILB [No. 2511](#)

70. Bank Indonesia (BI) Circular Letter [No. 16/17/DSta](#) (“**Amendment**”) on Fourth Amendment to BI Circular Letter [No. 13/3/DPM](#) dated 4 February 2011 Regarding Commercial Bank Daily Report (“**Regulation**”)

Enforcement date: 3 November 2014

Summary:

- Specifies bank’s foreign loans, obligations, *giro*, deposits, and savings that are exempted from being incorporated under a bank’s report on short-term foreign loans
- Inserts code numbers 70 to 75 for exempted foreign loans under form 407 on daily balance of bank’s short-term foreign loans
- Repeals and replaces Appendix I (on guidelines to draft commercial bank’s daily report) and Appendix II (on technical application of commercial bank’s daily report) of the Regulation with Appendix I and Appendix of the Amendment

71. Minister of Finance Regulation No. [189/PMK.06/2014](#) on Procedures for Implementation of Compensation for Public Entrepreneurship Credit (*Kredit Usaha Rakyat*) Guarantee

Enforcement date: 29 September 2014

Summary:

- Provides procedures for disbursing fee to credit guarantee companies of government’s Public Entrepreneurship Credit program (*Kredit Usaha Rakyat* - KUR) from the state budget
- Credit guarantee companies must present an annual budget plan for Credit Guarantee for KUR (first week of January) to Echelon Level 1 on budgeting affairs at the Ministerial of Finance
- The Minister of Finance is responsible to determine the amount that will be disbursed to guarantee companies, which will be paid on an annual basis
- The credit guarantee companies must submit an application for disbursement to the government every April (for credit guarantee services performed between October - March), and October (for credit guarantee services that performed between April - September)

- Repeals and replaces Minister Regulation No. [135/PMK.05/2008](#)

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Puri Imperium Office Plaza G-7 Kuningan, Jakarta 12980  
to subscribe, call 62-21-83701827 or fax to 62-21 83701826 or email [layan@hukumonline.com](mailto:layan@hukumonline.com)  
for feedback email [english@hukumonline.com](mailto:english@hukumonline.com)

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