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## General Corporate

1. Regulation of the Minister of Law and Human Rights [No. 25 of 2021](#) on Procedures for the Registration, Amendment and Removal of Fiduciary Security

Enforcement Date: 19 July 2021

Summary:

- Fiduciary grantees, their proxies or their representatives (collectively referred to as “**Applicants**”) that are aiming to register fiduciary security, to amend fiduciary security certificates or to remove fiduciary security certificates through the fiduciary security registration system (“**System**”) are first required to secure System access rights.

- In order to obtain said access rights, Applicants must fill out electronic application forms with required information that differs based on the following types of Applicants: 1) Notaries; 2) Corporations (i.e. banking industry, non-banking financial industries, other sectors); and 3) Individuals.
  - Under certain conditions, Applicants are now allowed to rectify any incorrect data which is submitted during the processes of fiduciary security registrations, as well as amend fiduciary security certificates and notifications of fiduciary security removals.
  - For more information, see ILB [No. 4179](#).
2. Regulation of the Minister of Law and Human Rights [No. 26 of 2021](#) on Requirements and Procedures for the Imposition of a Zero-Rupiah Tariff on Legal Services at the Directorate-General of General Legal Administration

Enforcement Date: 19 July 2021

Summary:

- Under this new framework, any of the following services offered by the Directorate-General of General Legal Administration (“**Directorate-General**”) may be provided at a zero-rupiah tariff: 1) Information on certain data (e.g. limited liability companies, foundations, associations, limited partnerships, *firma* partnerships, notary protocols, curators, wills, fiduciary-related matters, political parties, citizenship, citizenship statuses and/or civil service investigators); 2) Blocking and unblocking of access to the administrative systems of legal entities for limited liability companies, foundations and/or associations; 3) Provision of information on the electronic and non-electronic capture and identification of fingerprints; and/or 4) Citizenship and citizenship status. This zero-rupiah tariff will be granted in line with the interests of the government, including in relation to the following activities: 1) Preliminary investigations; 2) Investigations; 3) Taxation-related matters; 4) Civil society-related matters; and/or 5) The implementation of other government affairs.
- The imposition of the zero-rupiah tariff on services will be implemented based on: 1) Applications; 2) Memorandum of understanding; and/or 3) Cooperation Agreements (*Perjanjian Kerja Sama*/PKS). Said applications should be submitted in writing to the Director-General of General Legal Administration (“**Director-General**”). Based on a given application, the Director-General will issue a written reply to the relevant applicant within a maximum period of 30 business days of the application being duly received.

3. Circular of the Minister of Investment/Investment Coordinating Board [No. 18 of 2021](#) on the Amendment to Circular of the Minister [No. 17 of 2021](#) on the Transition of Business Licensing Operations to Risk-Based Business Licensing Operations Through the OSS System

Enforcement Date: 29 July 2021

Summary:

- Amends various details relating to business activities and Indonesian Standard Industrial Classification codes as regards the implementation of the new risk-based Online Single Submission system

4. Circular of the Director-General of Immigration [No. IMI-0158.GR.01.01 of 2021](#) on Provisions for the Extension of Stay Permits for Foreign Citizens Holding Limited-Stay Permits/Permanent-Stay Permits Who Are Located Overseas

Enforcement Date: 19 July 2021

Summary:

- This circular requires the Heads of Immigration Offices to extend the limited-stay permits, permanent-stay permits and/or re-entry permits of any foreign citizens who are located overseas and whose stay permits are set to expire.
- Said extensions will be granted based on applications that are submitted by guarantors/persons-in-charge of the foreign citizens in question to the heads of the relevant immigration offices, provided that: 1) Said guarantors enclose copies of the relevant foreign citizens' passports; 2) Applications will be completed without the requirement to implement any biometric processing based on the approval of the Director-General of Immigration; and 3) The guarantors/persons-in-charge report the arrival of the foreign citizens in question to the relevant immigration offices within 30 days of their arrival.

5. Circular of the National Task Force for the Handling of COVID-19 [No. 17 of 2021](#) on the Provision of Personal Domestic Travel During the COVID-19 Pandemic Period

Enforcement Date: 11 August 2021

Summary:

- The Circular mandates that all domestic travelers (*Pelaku Perjalanan Dalam Negeri* – “PPDN”) are now required to implement the following protocols: 1) Must take responsibility for their own health and must comply with various rules and regulations; 2) PPDN that are travelling by air to and from the islands of Java and Bali to areas that are currently subject to Level 3 and Level 4 Enforcement of the Community Activity Restriction (*Perlakuan Pembatasan Kegiatan Masyarakat* – “PPKM”), must show vaccination cards and the negative results of RT-PCR tests taken within 2 x 24 hours prior to travel (“RT-PCR Test”); 3) Any long distance travel that is undertaken by air within the Java-Bali area now requires PPDN to show vaccination cards and the negative results of RT-PCR tests or second dosage vaccination cards and the negative results of antigen tests (“Antigen Test”); 4) Any PPDN that are travelling via sea, land, ferry crossing or rail to and from areas in the islands of Java and Bali which are subject to Level 3 and Level 4 PPKM must show vaccination cards and negative RT-PCR Test or Antigen Test results; 5) Any PPDN that engage in any long distance travel via sea, land, ferry crossing or rail within the islands of Java and Bali must show vaccination cards and negative RT-PCR Test or Antigen Test results; 6) Any

PPDN that engage in any long distance travel by any transportation means to and from areas in the islands of Java and Bali which are subject to Level 1 and Level 2 PPKM must show negative RT-PCR Test or Antigen Test results; 7) Routine journeys that are undertaken within urban conurbations only require the relevant travelers to show Worker Registration Marks (STRP) or Assignment Letters; and 8) Children below 12 years of age are temporarily prohibited from engaging in any domestic travel between provinces/regencies/cities.

6. Circular of the National Task Force for the Handling of COVID-19 [No. 18 of 2021](#) on Health Protocols for International Travel During the Corona Virus Disease 2019 Pandemic

Enforcement Date: 11 August 2021

Summary:

- According to this circular, the prohibition on entering Indonesia territory, either directly or via transit in foreign countries, remains in effect for international travelers with foreign citizenship status (*Warga Negara Asing* – “WNA”), unless said travelers meet the following criteria: 1) Are traveling in accordance with provisions set out under Regulation of the Minister of Law and Human Rights [No. 27 of 2021](#) on Restrictions on Foreign Citizens Entering Indonesian Territory During the Enforcement Period of Emergency Community Activity Restrictions; 2) Are traveling in accordance with the bilateral Travel Corridor Arrangement (TCA) agreement scheme; and/or 3) Have obtained special written considerations or permissions from the relevant ministries/institutions.
- All international travelers, both Indonesian citizens (*Warga Negara Indonesia* – “WNI”) and WNA, must be able to provide a card or certificate (either physical or digital) stating that they have received a full dose of COVID-19 vaccine. If a WNA has not received a vaccine abroad, then they will be vaccinated at a place of quarantine upon arrival in Indonesia after two Reverse-Transcriptase Polymerase Chain Reaction (“RT-PCR”) tests with a negative result have first been completed, under the following conditions: 1) WNA of between 12 - 17 years of age; 2) Holders of diplomatic residency permits and limited-stay permits; 3) Holders of a limited-stay permit cards (*Kartu Izin Tinggal Terbatas/KITAS*) and permanent residence permit cards (*Kartu Izin Tinggal Tetap/KITAP*).
- Upon arrival, all international travelers should complete RT-PCR re-tests and are required to undergo quarantine for a period of 8 x 24 hours under the following conditions: 1) WNI who are Indonesian migrant workers, students or government employees returning from official overseas trips in accordance with Decree of the Head of the Task Force [No. 11 of 2021](#); 2) WNI who do not meet the criteria set out in number (1) above and WNA, including foreign diplomats. All such parties, aside from the heads of foreign representatives and their families, will be required to undergo quarantine in selected quarantine accommodation.
- This circular now requires all quarantine accommodation to be covered by recommendations from the Task Force, provided that they also meet terms and conditions that apply to the Indonesian Hotel and Restaurant Association regarding their cleanliness, health, safety and environmental sustainability (CHSE), as set by the Ministry of Health for Jakarta and surrounding areas or by local health agencies in other areas.

## Banking

7. Regulation of Bank Indonesia [No. 23/8/2021](#) on Second Amendment to Regulation of Bank Indonesia [No. 21/9/PBI/2019](#) on Integrated Commercial Bank Reports

Enforcement Date: 19 July 2021

Summary:

- As a result of the ongoing Corona Virus Disease 2019 (COVID-19) pandemic, which is having a substantial impact upon banks that are facing difficulties submitting their reports in a complete, accurate, current and timely manner, Bank Indonesia (“BI”) has now re-extended the deadline for the implementation of BI’s integrated reporting system.
  - The following deadline periods for the submission and/or correction of reports have now been altered:  
1) Report submissions and/or corrections for data from the end of December 2019 until the end of December 2021; and 2) Report submissions and/or corrections for data as of January 2022.
  - For more information, see ILB [No. 4181](#).
8. Regulation of the Bank Indonesia Board of Governors [No. 23/15/PADG/2021](#) on the Implementation of National Standards for Open Application Programming Interface Payments

Enforcement Date: 16 August 2021

Summary:

- The Regulation establishes a new set of standards relating to the operation of Application Programming Interfaces (“API”) for payment transactions. The National Standards for Open API Payments (*Standar Nasional Open API Pembayaran – “SNAP”*) comprise various technical specifications, operational specifications and implementing guidelines and encompass the following documents: 1) SNAP technical and safety standards, data standards and technical specifications; and 2) Guidelines for the governance of SNAP.
- Open API payment service providers (“Providers”) and service users that take the form of payment system providers (“PJP Users”) are obliged to implement SNAP-based Open API Payments (“SNAP-API”) within Open API payment systems are that currently organized by Providers and PJP Users. Furthermore, Providers are also obliged to ensure that Non-PJP Users cooperate during the implementation of SNAP-API.
- Providers which conduct fund source administration activities through SNAP-API are required to implement authorizations every time that they process payment transactions or once only during the first transaction and which will remain valid for a certain duration (or until it is revoked). In addition, if Providers or PJP Users are intending to access consumer data in order to process transactions through the use of SNAP-API, then they must first secure approvals from the relevant consumers through verifications/authentications of the identities of the relevant parties or validations of access rights.
- During the development of any Open API Payment systems, Providers and PJP Users are required to:  
1) Perform tests on SNAP-API testing applications through the relevant SNAP developer’s site; 2)

Perform functionality testing; 3) Set procedures and draw up documentation that apply in relation to system development, changes and maintenance; 4) Submit verification requests to the SRO; and 5) Comply with applicable laws and regulations.

#### 9. Regulation of the Financial Services Authority [No. 12/POJK.03/2021](#) on Commercial Banks

Enforcement Date: 30 October 2021

Summary:

- Any parties that establish commercial banks in the form of Indonesian legal entities (*bank berbadan hukum Indonesia* – “**BHI Banks**”) must fulfill the following requirements: 1) Must have a minimum paid-up capital of Rp. 10 trillion (or other amount determined by the Financial Services Authority); 2) Must be owned by Indonesian parties (i.e. Indonesian citizens or legal entities) or by Indonesian parties that partner with foreign parties (i.e. foreign citizens or legal entities), however, the maximum level of ownership that can be held said foreign parties is set at 99% of the bank’s paid-up capital; and 3) Must secure both a principal approval and a business license.
- Commercial banks are allowed to operate solely as digital banks that conduct their business activities through electronic channels without the need to operate any physical branches, although any such commercial bank will still be required to run one physical office as its head office. In order to operate as a digital bank, a commercial bank must satisfy various digital bank-related requirements and should set up the bank through one of the following methods: 1) Establishment of a new BHI Bank as a digital bank; or 2) Transformation of an existing BHI Bank into a digital bank.
- For more information, see ILB [No. 4193](#).

#### 10. Regulation of the Financial Services Authority [No. 13/POJK.03/2021](#) on the Organization of Commercial Bank Products

Enforcement Date: 30 October 2021

Summary:

- Products of commercial banks (“**Banks**”) are categorized as follows: 1) Basic Bank products, which comprise products/services that relate to fund accrual activities, fund distribution activities and other simple activities; and 2) Advanced Bank products, which comprise information-technology-based products, products that relate to the activities or products of non-bank financial services institutions, products that require approvals or licenses to be granted by other authorities, and other products of a complex nature.
- Banks that are planning to offer new advanced bank products are first required to secure licenses from the Financial Services Authority.
- For more information, see ILB [No. 4195](#).

11. Circular of the Financial Services Authority [No. 18/SEOJK.03/2021](#) on the Amendment to Circular of the Financial Services Authority [No. 8/SEOJK.03/2019](#) on Monthly Reporting by Rural Banks

Enforcement Date: 27 July 2021

Summary:

- Changes the formats and the procedures for the drawing-up of monthly rural bank reports. Said formats refer to certain codes (e.g. form 00.00 for main information on rural banks, form 00.02 for data on rural banks' boards of directors and boards of commissioners members, form 00.09 for data on rural banks' boards of directors and boards of commissioners members who are no longer serving).

## Capital Market

12. Circular of the Financial Services Authority [No. 19/SEOJK.04/2021](#) on Stimulus Policy and the Relaxation of Provisions on Investment Management to Maintain Capital-Market Performance and Stability During the Spread of Corona Virus Disease 2019

Enforcement Date: 5 August 2021

Summary:

- Under Circular 19/2021, the obligation to adjust the compositions of mutual-fund securities portfolios that take the form of collective-investment contracts but not in relation to any transaction activities that are undertaken by investment managers has now been adjusted to a maximum of 40 trading days. Meanwhile, the obligation to adjust the composition of mutual-fund securities portfolios that take the form of collective-investment contracts in relation to any transaction activities that are undertaken by investment managers has now been adjusted to a maximum of 20 trading days.
- Provisions that address the specific terms of mutual-fund obligations in the form of collective-investment contracts for which the relevant registration statements have become effective in relation to managed funds that amount to at least Rp. 10 billion have now been adjusted as follows: 1) A maximum of 130 trading days after the mutual-fund registration statement becomes effective; or 2) A maximum of 160 trading days after the mutual-fund registration statement becomes effective for protected mutual funds, mutual funds with guarantees and index mutual funds that carry out limited public offerings.
- Furthermore, provisions that address the period of the obligation to disband mutual funds that take the form of collective-investment contracts with total net asset values of less than IDR 10 billion have now been adjusted to 160 consecutive trading days.
- Ultimately, in terms of investment managers and mutual-fund selling agents who sell mutual fund securities through electronic systems, in order to facilitate the purchase of mutual funds by investors who conduct mutual-fund transactions electronically, mutual-fund purchases are permitted to be completed through electronic-payment systems that take the following forms: 1) Virtual accounts offered by providers of payment gateway services; 2) Fund transfer services that have obtained permission from Bank Indonesia; and 3) Other innovative payment mechanisms for mutual-fund transactions, provided that investment managers and mutual-fund selling agents who conduct sales activities through said electronic systems meet a number of requirements, as determined by the OJK.



13. Circular of the Financial Services Authority [No. 20/SEOJK.04/2021](#) on Stimulus Policy and the Relaxation of Provisions Relating to Issuers and Public Companies

Enforcement Date: 10 August 2021

Summary:

- At their core, the new stimulus policies comprise the following elements: 1) Extension of the validity period for financial statements; 2) Extension of the validity period for appraiser's reports; 3) Extension of the initial-offering period; 4) Postponement of the public-offering period or cancellation of public offerings; 5) Extension of the deadline for the submission of periodic reports; 6) Extension of the deadline for the holding general meetings of shareholders; 7) Certain conditions under which public companies can increase their capital without pre-emptive rights (*Hak Memesan Efek Terlebih Dahulu/HMETD*); 8) Submission of reports and disclosures of information through an electronic reporting system; 9) Use of an electronic public-offering system; 10) Extension of the fulfillment period in relation to the obligation to transfer shares resulting from repurchases.

14. Circular of the Financial Services Authority [No. 21/SEOJK.04/2021](#) on the Fit-and-Proper Testing of Prospective Main Parties of Securities Rating Agencies

Enforcement Date: 10 August 2021

Summary:

- The fit-and-proper testing of the following parties nominated as main parties should be carried out by the OJK: 1) Prospective controlling shareholders (*pemegang saham pengendali* – “PSP”); 2) Prospective members of boards of directors (“BoD”); and 3) Prospective members of boards of commissioners (“BoC”).
- The following factors will be assessed during the fit-and-proper testing of the above-listed parties: 1) The integrity and financial feasibility of PSP candidates; and 2) The integrity, financial reputations and competence of prospective BoC and BoD members.
- Applications for approvals to become main parties should be submitted by: 1) Prospective PSP or prospective BoD members in the event that said applications are submitted at the same time as applications for business licenses for securities rating agencies; or 2) BoD members in the event that securities rating agencies have already secured business licenses. Said applications should be submitted to the OJK in accordance with the document format set out under the Appendix to Circular 21/2021.
- Before a securities rating agency submits an application and the required accompanying administrative documents to become a main party, the relevant securities rating agency should first compile a compliance checklist in accordance with the document format set out under the Appendix to this circular.

15. Decree of the Board of Directors of PT Bursa Efek Indonesia [No. Kep-00061/BEI/07-2021](#) on Regulation II-A on the Trading of Equity Securities

Enforcement Date: 26 July 2021

Summary:

- Under this new regulation, provisions that address trading times for the regular market, cash market and negotiation market have been divided into two enforcement periods, specifically: 1) 26 July – 3 December 2021; and 2) 6 December 2021 onwards.
- Provisions that specifically address displays that feature information on the Indicative Equilibrium Price (IEP) and Indicative Equilibrium Volume (IEV) during the pre-opening and pre-closing sessions will come into force on 6 December 2021.
- For more information, see ILB [No. 4182](#).

16. Decree of the Board of Directors of PT Kustodian Sentral Efek Indonesia [No. KEP-0025/DIR/KSEI/0721/2021](#) on Rule of PT Kustodian Sentral Efek Indonesia No. XI-A on Procedures for Holding a General Meeting of Shareholders with the Granting of Power of Attorney through the KSEI Electronic General Meeting System (eASY.KSEI)

Enforcement Date: 27 July 2021

Summary:

- Securities issuer that uses eASY.KSEI is required for said to enter data and information regarding the announcement of the general meeting of shareholders (“GMS”) through eASY.KSEI in accordance with the mechanism determined by the eASY.KSEI provider with due observance of the relevant laws and regulations.
- Securities issuer that uses the eASY.KSEI service is required to enter data and information on the invitation to the GMS through eASY.KSEI with the mechanism determined by the eASY.KSEI provider with due observance of the relevant laws and regulations.
- Shareholders who are entitled to attend the GMS and fulfill the requirements may give power of attorney to the entitled parties through eASY.KSEI to attend and cast their votes. Said shareholders who are entitled to attend the GMS are shareholders listed in the shareholder register issued by: 1) Indonesian Central Securities Depository (*Kustodian Sentral Efek Indonesia – “KSEI”*), for shares in collective custody at KSEI; 2) Securities administration bureau or securities issuer that organizes its own securities administration, for shares in script form; and 3) Securities administration bureau or public non-collective depository company that organizes its own securities administration, for shares not registered in collective custody at KSEI, on a certain date in accordance with the relevant Regulation of the Financial Services Authority (*Otoritas Jasa Keuangan/OJK*).
- Securities issuers are required to submit a summary of the minutes of the GMS through eASY.KSEI with the content and time limit in accordance with the relevant laws and regulations. Moreover, the summary of the minutes of the GMS in question will be published to the public through the eASY.KSEI provider's website according to the mechanism determined by the eASY.KSEI provider.

## Energy

### 17. Regulation of the President [No. 69 of 2021](#) on the Second Amendment to Regulation of the President [No. 191 of 2014](#) on the Supply, Distribution and Retail Pricing of Oil Fuel

Enforcement Date: 3 August 2021

Summary:

- The second amendment now permits direct appointments to be completed in relation to the supply and distribution of certain types of oil fuel by the subsidiaries of business entities in line with the following provisions: 1) The direct capital ownership of a business entity in its subsidiary must exceed 50%; and 2) Subsidiaries must have secured commercial business licenses.
- Any business entity that has been assigned to supply and distribute certain types of oil fuel is now required to implement the following measures: 1) Ensuring the availability of certain types of oil fuel; 2) Prioritizing production by domestic refineries; and 3) Taking direct or indirect (through subsidiaries) ownership of domestic oil-and-gas refinery facilities.
- While the Minister of Energy and Mineral Resources may determine the retail prices of certain types of gas fuel and gas fuel for assignments and the formula for the calculation of basic prices, the retail prices for general types of oil fuel are to be determined by business entities based on the highest price.

### 18. Regulation of the Minister of Energy and Mineral Resources [No. 6 of 2021](#) on the Standardization of Electrical Power Competencies

Enforcement Date: 1 April 2021

Summary:

- State-owned enterprises, regionally owned enterprises, private enterprises, public-service entities and cooperatives involved in the electricity provision and electricity support service businesses are required to employ engineers who meet various competency standards that apply to engineering personnel, as evidenced through possession of valid certificates of competence in accordance with competency classifications and qualifications that apply within the electricity sector.
- Electrical Power Competency Standards (*Standar Kompetensi Tenaga Teknik Ketenagalistrikan* – “SKTTK”), as established by the Minister of Energy and Mineral Resources, are required to be implemented by the holders of business licenses within the electricity sector and used as a reference in relation to the following: 1) Preparation of electricity qualification levels; 2) Implementation of competency certification; and/or 3) Implementation of vocational education/skills training.
- The implementation of SKTTK in relation to the preparation of electricity qualification levels is to be conducted through the inclusion of SKTTK in programs which may be conducted for up to a maximum duration of one year from said SKTTK being determined by the Minister or simultaneously during the formulation of the SKTTK design concept.
- All engineering personnel and assessors (either domestic or foreign personnel) that are employed by electricity businesses are required to secure competence certification through participation in

competence certification programs. SKTTK should be used as a reference during the implementation of any competence certification programs in relation to the following matters: 1) Determination of the scope of classification of competency certification institutions; 2) Implementation of competency assessments or other assessments; and 3) Implementation of the monitoring of competency certificate holders.

## 19. Regulation of the Minister of Energy and Mineral Resources [No. 11 of 2021](#) on the Implementation of Electricity Businesses

Enforcement Date: 11 June 2021

Summary:

- Electricity businesses comprise the following: 1) Electricity provision businesses, either in the public interest or in the relevant party's self-interest; and 2) Electricity supporting businesses, which comprises electricity supporting service businesses and electricity supporting industry businesses.
- Any business entities that are aiming to engage in the electricity provision business in the public interest are required to secure the following: 1) Business license for the provision of electricity in the public interest (*izin penyediaan tenaga listrik untuk umum* – "IUPTLU"); 2) Determination of working areas; 3) Validation of electricity provision business plan (*rencana usaha penyediaan tenaga listrik/RUPTL*); and 4) Sale license, purchase license and/or cross-country electricity network interconnectivity license.
- Business entities that are aiming to implement electricity provision business in their own self-interest through total power-plant capacities of more than 500 kilowatts per electricity installation system are required to secure temporary electricity provision business licenses (*izin usaha penyediaan tenaga listrik sementara* – "IUPTLS"). Meanwhile, if the maximum power-plant capacity is 500 kilowatts per electricity installation system or less, then the relevant business entities are only required to submit reports that address their electricity provision business, as operated in their own self-interest, to the Minister of Energy and Mineral Resources.
- Electricity supporting service business can be implemented by holders of electricity supporting service business licenses (*izin usaha jasa penunjang tenaga listrik/IUJPTL*), although the holders of IUPTLU or IUPTLS may also implement said business, with the exception of the following activities: 1) Examination and testing of electrical installations; 2) Certification of electrical equipment and utilizers; 3) Certification of the competency of electrical technicians; 4) Certification of electricity supporting service business entities; and 5) Other services which directly relate to the provision of electrical power.

20. Regulation of the Minister of Energy and Natural Resources [No. 14 of 2021](#) on the Application of Minimum Energy Performance Standards in Relation to Energy Utilization Equipment

Enforcement Date: 22 June 2021

Summary:

- Domestic manufacturers and importers (“**Business Actors**”) are required to implement Minimum Energy Performance Standards (*Standar Kinerja Energi Minimum* – “**SKEM**”) in relation to energy utilization equipment through the affixing of SKEM labels or Energy Efficient labels to the relevant equipment.
- Before complying with the above requirements, Business Actors must first secure Energy Efficiency Certificates by submitting applications to the Product Certification Agency (*Lembaga Sertifikasi Produk* – “**LSPro**”). LSPro will then implement performance testing prior to the issuance of the certificates in question.
- General procedures for the implementation of SKEM are under the guidance and supervision of the Director-General of New Renewable Energy and Energy Conservation.

21. Regulation of the Minister of Energy and Mineral Resources [No. 17 of 2021](#) on the Implementation of Flare Gas Management on Oil-and-Gas Business Activities

Enforcement Date: 9 July 2021

Summary:

- Contractors and business entities that have secured Processing Business Licenses (“**Business Entities**”) are required to manage their gas flares through the following activities: 1) Utilization of gas flares (which should be prioritized); and 2) Flaring.
- Flaring can be carried out under the following circumstances: 1) Routine flaring; 2) Irregular flaring; 3) Safety flaring; 4) Flaring from low-pressure gas and/or flaring with an average gas impurity content of more than 50% moles; 5) Conditions or events resulting from the failure of any equipment systems or installations; 6) Flaring from additional gas containing gaseous impurities used as fuel for flaring in order to maintain flames; and 7) Flaring from natural-gas production which is subject to commercial constraints.
- Contractors and/or Business Entities that engage in any flaring and/or gas-flare utilization are now permitted to engage in cooperation with other contractors and/or Business Entities whose field locations lie adjacent to their own field locations.
- For more information, see ILB [No. 4186](#).

22. Regulation of the Minister of Energy and Mineral Resources [No. 18 of 2021](#) on Priority Petroleum Utilization for the Fulfilment of Domestic Need

Enforcement Date: 9 July 2021

Summary:

- Prior to engaging in any imports, domestic petroleum contractors (“**Contractors**”) or their affiliates are now required to: 1) Offer Contractors’ shares of petroleum and condensate (“**Petroleum**”) to PT Pertamina and/or Petroleum processing license holders (“**Petroleum Businesses**”); or 2) Involve PT Pertamina and/or Petroleum Businesses in any auctions of Contractors’ shares of Petroleum.
- Negotiations that deal with offers from Contractors or their affiliates must reach agreement within 20 days of said offers being made, otherwise, the Contractors or their affiliates may sell to other parties.
- Contractors or their affiliates should submit negotiation results as appendices to their applications in order to secure Petroleum export recommendations.
- For more information, see ILB [No. 4183](#).

23. Regulation of the Minister of Energy and Mineral Resources [No. 19 of 2021](#) on Amendment to Regulation of the Minister of Energy and Mineral Resources [No. 4 of 2018](#) on the Management of Natural Gas for Downstream Oil-and-Gas Business Activities

Enforcement Date: 9 July 2021

Summary:

- The Amendment states that if no business entities are holders of Distribution Network Area Special Rights (“**Special Rights**”) for the conducting of activities within Distribution Network Areas and Certain Commercial Areas, then the following provisions will apply: 1) Commercial natural-gas business activities undertaken through pipelines can be carried out by other business entities after they have first obtained an Commercial Oil-and-Gas Business License (“**Business License**”) from the Minister, as long as the area in which the planned construction will take place has not been included in the Distribution Network Area auction plan for the current year by the Regulatory Agency (previously, the relevant business entities were also required to obtain a consideration from the Regulatory Agency); and 2) Business entities, as the holders of Business Licenses, may develop facilities and distribute natural gas to new consumers after they have first made the relevant adjustments to their Business Licenses until other business entities are determined as the holders of Special Rights.
- Moreover, during the issuance of any Business Licenses to any other business entities that engage in commercial natural-gas business activities through pipelines, the Minister may seek considerations from the Regulatory Agency.

#### 24. Regulation of the Minister of Energy and Mineral Resources [No. 20 of 2021](#) on the Calculation of Retail Sales Prices for Oil Fuels

Enforcement Date: 9 July 2021

Summary:

- The Minister of Energy and Mineral Resources (“**Minister**”) has determined various per-liter retail sales prices for kerosene, solar (oil gas) and assignment-specific oil fuels.
- The retail sales price for every liter of kerosene at delivery points is a fixed nominal that already includes value-added tax (*pajak pertambahan nilai* – “**PPN**”). However, every liter of kerosene is subsidized and this subsidy is calculated through the following formula: (retail price for each liter of kerosene excluding PPN) – (basic price for each liter of kerosene).
- The retail sales price for every liter of solar (gas oil) at delivery points is calculated through the following formula: ([basic price + PPN] – subsidy) + motor-vehicle oil-fuel tax.
- The retail sales price for every liter of assignment-specific oil fuel at delivery points is calculated through the following formula: basic price + additional distribution costs within assignment areas amounting to 2% of the basic price + PPN + motor-vehicle oil-fuel tax.
- The retail sales price for every liter of general types of oil fuel are determined by the relevant business entities based on the highest-price formula, as follows: basic price + PPN + motor-vehicle oil-fuel tax + margin with a highest amount of 10% of the basic price. These business entities must report the determination and implementation of their retail prices to the Minister on a monthly basis or at any time that said prices change.

#### 25. Regulation of the Minister of Energy and Mineral Resources [No. 23 of 2021](#) on Management of Oil-and-Gas Working Areas during Final Cooperation Contract Periods

Enforcement Date: 19 July 2021

Summary:

- In an effort to preserve investment continuity in relation to oil and gas working areas during the final periods of cooperation contracts (“**Working Areas**”), contractors are now able to extend their cooperation contracts by up to a maximum of 20 years per extension. Meanwhile, PT Pertamina (Persero) may submit applications relating to the management of Working Areas to the Minister of Energy and Mineral Resources.
- This new legal framework now allows both contractors and PT Pertamina (Persero) to engage in transfers of participating interest that amounts to over 51% in line with certain provisions set out under this new regulation.
- In terms of any cooperation contracts which were signed but which had not yet become effective prior to the promulgation of this regulation (i.e. 19 July 2021), the relevant parties must ensure that they comply with provisions that address certain work commitments and transfers of participating interest, as set out under the new framework.

26. Decree of the Minister of Energy and Mineral Resources [No. 118.K/MG.04/MEM.M/2021](#) on Certain Natural-Gas Prices at Plant Gates

Enforcement Date: 30 June 2021

Summary:

- Sets certain natural-gas prices, which comprise the following elements: 1) Natural-gas volumes; 2) Adjustment of the components of natural-gas prices; 3) Distribution tariffs, which comprise transportation fees and midstream fees.
- Tariffs for the distribution of natural gas will include value-added tax for the distribution of natural gas through natural-gas transportation and/or storage services provided by the holders of transportation and/or storage licenses. Value-added tax will not be imposed if any such distribution is undertaken through the utilization of self-owned transportation and/or storage facilities.
- Holders of commercial natural-gas business licenses may sell any remaining natural-gas volumes to other consumers on a commercial basis through the application of initial/non-adjusted natural-gas prices if PT PLN (Persero) and/or other power-plant business entities fail to absorb any natural gas that is distributed by said holders of commercial natural-gas business licenses.
- PT PLN (Persero) and/or other power-plant business entities must report the utilization of volumes and certain natural-gas prices at plant gates to the Minister of Energy and Mineral Resources on a monthly basis or at any time that they are requested to. Meanwhile, holders of commercial natural-gas business licenses must report the following to the Minister on a monthly basis or at any time that they are requested to: 1) Volumes and prices of distributed natural gas that is subject to certain natural-gas prices at plant gates; and 2) Volumes and prices of distributed natural gas that is not absorbed by PT PLN and/or other power-plant business entities.

27. Decree of the Minister of Energy and Mineral Resources [No. 125.K/HK.02/MEM.M/2021](#) on Retail Sales Prices for Certain Oil Fuels and Assignment-Specific Oil Fuels

Enforcement Date: 12 July 2021

Summary:

- Sets per-liter retail sales prices for the following types oil fuels at delivery points: 1) Kerosene: Rp. 2,500 (including value-added tax); 2) Solar (gas oil): Rp. 5,150 (including value-added tax and motor-vehicle oil-fuel tax); 3) Gasoline RON 88: Rp. 6,450 (including value-added tax and motor-vehicle oil-fuel tax).
- These prices have been applicable since 1 July 2021.



28. Decree of the Minister of Energy and Mineral Resources [No. 134.K/HK.02/MEM.M/2021](#) on Certain Natural-Gas Prices and Users Within the Industrial Sector

Enforcement Date: 30 July 2021

Summary:

- Certain natural-gas prices for certain natural-gas users within the industrial sector comprise the following elements: 1) Natural-gas volumes; 2) Adjustments to natural-gas components; 3) Distribution tariffs, which comprise transportation fees and midstream fees. Said distribution tariffs are subject to the applicable taxation laws and regulations if they relate to the utilization of facilities of holders of business distribution licenses and/or holders of business storage licenses.
- Holders of natural-gas commercial business licenses are now required to report the realization of volumes and prices to the Minister of Energy and Mineral Resources, specifically in relation to the following areas: 1) Distribution of natural gas subject to certain natural-gas prices; and 2) Distribution of natural gas that is not absorbed by natural-gas users. However, holders of said licenses are now allowed to sell volumes of natural gas which are not absorbed by natural-gas users to other consumers.
- Relevant natural-gas distribution activities, agreements, tariff decrees and administrative documents which were either carried out, determined or issued based on the 2020 decree will remain acknowledged and valid.
- For more information, see ILB [No. 4192](#).

29. Decree of the Minister of Energy and Mineral Resources [No. 135.K/HK.02/MEM.M/2021](#) on the Amendment to Decree of the Minister of Energy and Mineral Resources [No. 118.K/MG.04/MEM.M/2021](#) on Certain Natural-Gas Prices at Plant Gates

Enforcement Date: 30 June 2021

Summary:

- Distribution tariffs that apply in relation to the utilization of facilities of holders of business distribution licenses and/or holders of business storage licenses are subject to prevailing taxation laws and regulations. Previously, it was clearly stated that these distribution tariffs were subject to value-added tax.
- Distribution tariffs that apply in relation to transportation and/or storage facilities that are utilized in order to support commercial business activities and that are owned or controlled by commercial natural-gas business license holders do not constitute a “handover of service” that should be subject to taxation laws and regulations and that will become a part of the relevant price formulation values (*nilai pembentuk harga*).
- The following types of documents which were agreed or determined based on Decree of the Minister of Energy and Mineral Resources [No. 91 K/10/MEM/2020](#) will remain acknowledged and applicable provided that they do not contradict any of the provisions set out under this new decree: 1) Natural-gas sale and purchase agreements; 2) Decrees on tariffs for the transportation of natural gas through

pipelines; 3) Natural-gas transportation agreements; and/or 4) Other administrative documents that relate to the implementation of certain natural-gas prices.

30. Decree of the Minister of Energy and Mineral Resources [No. 139.K/HK.02/MEM.B/2021](#) on the Fulfillment of Domestic Coal Need

Enforcement Date: 4 August 2021

Summary:

- Certain parties are required to allocate 25% of their planned annual coal production output, as approved by the government, to fulfill the domestic need for coal in order to generate electricity (either for the general public or in the interests of various parties) and for industrial raw materials/fuel. Said certain parties comprise the following: 1) Holders of Mining Business Licenses or Special Mining Business Licenses for Production Operations for Coal; 2) Parties to Coal Contracts of Work for the Production Operation stage; 3) Holders of Special Mining Business Licenses as Continuity of the Operation of Contracts of Work/Coal Contracts of Work.
- If said parties fail to fulfill the obligation outlined above or fail to fulfill their sale contracts, then they will be subject to the imposition of the following sanctions: 1) Prohibition on the export of any coal until they fulfill the abovementioned obligations/contracts, unless said parties have not entered into any sales contracts with domestic coal users or their coal is deemed unfit for domestic markets; 2) Payment of fines and compensation funds.
- The sale price for coal that is used for the provision of electricity in the public interest has been set at USD 70 per metric ton of free-on-board vessel, the price of which is based on certain specifications (i.e. 6,322 kcal/kg GAR, 8% total moisture, 0.8% total sulfur and 15% ash).
- Business entities that engage in the provision of electricity in the public interest are required to draw up plans that address the fulfillment of domestic needs on an annual basis by prioritizing the long-term contract mechanism.

## Employment

### 31. Regulation of the Minister of Manpower [No. 15 of 2021](#) on Procedures for the Provision of Unemployment Insurance

Enforcement Date: 28 July 2021

Summary:

- Unemployment Insurance (*Jaminan Kehilangan Pekerjaan – “JKP”*) benefits will be granted in the form of cash payments, access to job-market information and work training. JKP benefits that take the form of cash payments are organized by the Social Security Agency for Employment (BPJS Ketenagakerjaan), while the two other benefits listed above are organized by the Ministry of Manpower.
- JKP benefits are granted to participants who have their employment terminated, including working relationships that are based on work agreements for specific timeframes (PKWT) and work agreements for unspecified timeframes (PKWTT). Said participants must also be willing to work again.
- Work training will be offered through work training institutions owned by the government, private parties or companies able to meet the following requirements: 1) Must offer work training programs that are based on work competence standards in accordance with the needs of the job market by taking into account national, international or special work competency standards; 2) Must have registered with and been verified by the Employment Information System; 3) Must have been accredited by an accrediting agency for work training institutions, as proven through possession of an accreditation certificate; and 4) Must have secured approval from the Minister of Manpower.
- For more information, see ILB [No. 4180](#).

### 32. Regulation of the Minister of Manpower [No. 16 of 2021](#) on Amendment to Regulation of the Minister of Manpower [No. 14 of 2021](#) on Guidelines for the Provision of Government Assistance in the Form of Salary/Wage Subsidies for Workers/Laborers in the Mitigation of the Impacts of Corona Virus Disease 2019

Enforcement Date: 28 July 2021

Summary:

- The Amendment has now revised the requirements for workers/employees that are eligible to enjoy government assistance in the form of salary/wage subsidies as follows: 1) Must be Indonesian citizens, as proven through residency identities; 2) Must have been active participants in the Social Security Agency for Employment (“**BPJS Ketenagakerjaan**”) program until June 2021; 3) Must have a maximum salary/wage amounting to Rp. 3.5 million per month; 4) Must work in areas in which Level-3 and Level-4 Enforcement of the Community Activity Restriction (*Pemberlakuan Pembatasan Kegiatan Masyarakat/PPKM*) have been imposed by the government; and 5) Must prioritize persons who work in the consumer goods industry, transportation industry or various other industries, as well as the property and real-estate sector and the trade and services sector, with the exception of education and health services, in accordance with sectoral data classifications set out by the BPJS Ketenagakerjaan.

- Said salary/wages that will be subsidized should be the most recent salaries/wages that were reported by businesses or employers to the BPJS Ketenagakerjaan and subsequently recorded by the program and should comprise basic wages and fixed allowances.
  - Moreover, the provision of government assistance in the form of salary/wage subsidies will prioritize workers/employees who have not participated in the pre-employment card program, *program keluarga harapan* or the micro-enterprise productive assistance program.
  - The Amendment has now revised the government assistance that will be provided in the form of salary/wage subsidies to cash payments amounting to Rp. 500,000 per month for two months, which shall be paid immediately (previously, cash payments of Rp. 600,000/month were available for up to four months).
33. Decree of the Minister of Manpower [No. 104 of 2021](#) on Guidelines for the Implementation of Working Relations During the COVID-19 Pandemic

Enforcement Date: 13 August 2021

Summary:

- The new guidelines set out under Decree 104/2021 encompass the following areas: 1) Implementation of the work from home (“WFH”) and work from office/workplace (“WFO”) schemes; 2) Payment of wages and other workers/labor rights; and 3) Measures aimed at preventing employment terminations.
- The WFO scheme should be implemented through the following activities: 1) Determination of the percentage of workers/laborers working under the WFO scheme in accordance with regulations that address community activity restrictions, as set by the government; 2) Division of monthly working days on a rotational basis in order to provide opportunities for all workers/laborers to be able to work while taking into account the maximum capacities set by the government; 3) Reductions in working hours.
- Workers/laborers who work under either the WFO or WFH schemes or a combination of both are still entitled to receive adequate wages. However, any employers who are financially unable to pay the wages normally received by their workers/laborers as a result of the ongoing impact of the COVID-19 pandemic are permitted to make wage adjustments based on agreements between said employers and the relevant workers/laborers.
- Employers, workers/laborers, trade unions/labor unions and the government must prioritize processes of dialogue aimed at finding the best solutions in terms of maintaining business and work continuity. In this regard, employment terminations should only be used as a last resort after all other efforts aimed at addressing any industrial relations problems that have resulted from the COVID-19 pandemic have been exhausted.
- Any companies that are experiencing genuine impacts in terms of their business and work continuity as a result of the COVID-19 pandemic should make the following efforts to prevent employment terminations: 1) Adjustments to the workplace; 2) Adjustments to working hours; 3) Temporary, rotated layoffs of workers/laborers; 4) Adjustments to wage amounts and methods of payment; 5) Gradual reductions in any facilities and/or allowances that are available to workers/laborers; 6) Non-

extension of the terms of expired working agreements for certain periods, which should be implemented on a selective basis; and/or 7) Retirement of workers/laborers who meet the requirements and/or offers of early retirement.

## General Financial Services

34. Regulation of the Financial Services Authorities [No. 14/POJK.03/2021](#) on the Amendment to Regulation of the Financial Services Authorities [No. 34/POJK.03/2018](#) on the Reassessment of the Primary Parties of Financial Services Institutions

Enforcement Date: 30 July 2021

Summary:

- Introduces new indications which can be used by the Financial Services Authority (*Otoritas Jasa Keuangan* – “OJK”) in order to request reassessments of primary parties (e.g. if primary parties are believed to be hindering or disrupting efforts that are being made by the OJK, other primary parties or other third parties in order to handle solvency and/or liquidity issues relating to financial services institutions).
- Authorizes the OJK to determine final reassessment results without the requirement to follow the necessary reassessment steps and to set shorter periods for the submission of responses from reassessed primary parties under certain conditions.
- States that any primary parties that fail reassessments will be treated as parties that are related to the relevant financial services institutions for a certain period of time that will run concurrently with the length of time during which said parties will be prohibited from becoming shareholders or primary parties in financial services institutions.
- For more information, see ILB [No. 4196](#).

## Infrastructure and Construction Services

35. Regulation of the Minister of Public Works and Public Housing [No. 23 of 2021](#) on the Procedure for the Determination of Toll-Road Businesses at the Initiative of Business Entities

Enforcement Date: 8 June 2021

Summary:

- Initiative projects that will be completed by toll-road businesses and which are prepared and proposed by said business entities to the Minister must fulfill the following criteria: 1) Must be technically integrated and must be organized in accordance with the master plan (the General Plan for the National Road Network); 2) Must be economically and financially viable; and 3) Must be submitted by business entities that possess adequate financial capacities in terms of the financing of toll-road businesses.
- The overall procedure for determinations of initiative projects encompasses the following steps: 1) Submission of a letter of intent and the relevant required documents by the proposing business entity (or by a consortium of business entities) to the Minister of Public Works and Public Housing (“**Minister**”); 2) Examination of the completeness of the required documents; 3) Instigation of an initial evaluation by the Minister or by an authorized party; 4) Issuance of a principal license; 5) Preparation of feasibility study documents and submission of a work plan and periodic progress reports; 6) Submission of project proposal to the Minister; 7) Examination of the completeness of the required documents and final evaluation; and 8) Issuance of initiative project license.
- The Minister may provide certain types of compensation to determined initiators of initiative projects, as follows: 1) Granting of 10% additional value; 2) Granting of rights to equal offer; and 3) Reimbursement of initiators’ expenses that are incurred during the creation of toll-road businesses.
- For more information, see ILB [No. 4188](#).

## Land and Property

36. Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency [No. 20 of 2021](#) on Procedures for the Management and Utilization of Abandoned Areas and Lands

Enforcement Date: 15 July 2021

Summary:

- Objects that will be defined as abandoned areas that will be subject to management encompass the following: 1) Mining areas; 2) Plantation areas; 3) Industrial areas; 4) Tourism areas; 5) Large-scale/integrated housing/residential areas; 6) Other areas which are utilized based on licenses/concessions/business-licensing documents that relate to the utilization of land and spaces.
- Objects that will be defined as abandoned lands that will be subject to management encompass the following: 1) Lands that are currently under freehold, right-to-build, right-to-cultivate, right-to-use or right-to-manage titles; and 2) Lands that are acquired based on decrees/letters issued by authorized officials that become the basis for the acquisition, occupation or use of said lands by individuals or legal entities (*dasar penguasaan atas tanah – “DPAT”*).
- Generally speaking, the procedures for the management of abandoned areas and abandoned lands encompass the following steps: 1) Evaluation; 2) Warning; and 3) Determination.
- The following utilization measures may be implemented in relation to areas that have been determined as abandoned lands: 1) Any revoked license/concession/business licensing documents that relate to the abandoned areas may be transferred/granted to other parties; and/or 2) The abandoned areas may be determined as assets of land banks.
- Lands that are determined as abandoned lands may be determined as the following: 1) Assets of land banks; and/or 2) State general reserve land (*tanah cadangan umum negara/TCUN*), which can be utilized in the interests of the public and the state through processes of agrarian reform, as nationally strategic projects, through land banks or for other state-reserved purposes.

37. Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency [No. 12 of 2021](#) on Technical Land Consideration

Enforcement Date: 21 July 2021

Summary:

- Technical land considerations (“**Considerations**”) are required in order to engage in certain activities and secure certain functions, specifically: 1) Issuance of Considerations of the Suitability of Space Utilization Activities (*Kesesuaian Kegiatan Pemanfaatan Ruang – “KKPR”*); 2) As the basis for the affirmation of statuses and tenure recommendations in relation to incurred land; and 3) As an implementation of land utilization policy and land registrations in relation to locations for which Confirmations of the Suitability of Space Utilization Activities have been secured.
- Six steps must be implemented in terms of the procedure for the granting of a Consideration, which encompass: 1) Submission of application; 2) Field review; 3) Processing and data analysis; 4) Discussion meeting; 5) Preparation of summary and map; and 6) Issuance of Consideration.

- The validity periods of Considerations break down as follows: 1) In accordance with the validity periods of the relevant KKPR (for Considerations that are issued for the purpose of KKPR issuance); or 2) Considerations will remain valid for as long no alterations are made in terms of the relevant space utilization within the spatial plan that has become the reference for the issuance of said Considerations (for Considerations that are issued for status affirmations of incurred land and the organization of land utilization policy).
  - For more information, see ILB [No. 4185](#).
38. Regulation of Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency [No. 13 of 2021](#) on the Implementation of Conformity of Spatial Utilization Activities and the Synchronization of the Spatial Utilization Program

Enforcement Date: 21 July 2021

Summary:

- In general, the Conformity of Spatial Utilization Activities (*Kesesuaian Kegiatan Pemanfaatan Ruang – “KKPR”*) for business activities is to be implemented via the Online Single Submission (“OSS”) system through the issuance of the following documents: 1) Confirmation of the Suitability of Spatial Utilization Activities (*Konfirmasi Kesesuaian Kegiatan Pemanfaatan Ruang – “KKKPR”*); and 2) Approval for the Suitability of Spatial Utilization Activities (*Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang – “PKKPR”*).
- KKKPR for business activities will be issued in accordance with suitability of spatial utilization activity location plans as they relate to a Detailed Spatial Plan (*Rencana Detail Tata Ruang – “RDTR”*) that has been integrated into the OSS system. Meanwhile, PKKPR will be utilized if there is no RDTR available or if the available RDTR has yet to be integrated into the OSS system.
- KKPR replace the now obsolete location permit. However, any location permit which was issued prior to the promulgation of this new regulation will remain valid until its expiration date.
- For more information, see ILB [No. 4189](#).



## Manufacturing and Industry

### 39. Regulation of the Minister of Industry [No. 16 of 2021](#) on Recommendations for Imports of Dangerous Materials

Enforcement Date: 13 July 2021

Summary:

- In order to secure approvals for imports of hazardous materials (*bahan berbahaya* – “**B2**”) from the Minister of Trade, companies that have secured Producer Importer Identification Numbers (*Angka Pengenal Importir Produsen* – “**API-P**”) and companies that have secured General Importer Identification Numbers (*Angka Pengenal Importir Umum* – “**API-U**”) are required to secure recommendations from the Minister of Industry.
- In order to be deemed eligible to submit applications for the abovementioned recommendations, API-P companies and API-U companies should first be verified by verification implementing agencies appointed by the Minister of Industry.
- API-P companies and API-U companies that have secured recommendations are obliged to submit monthly reports on the development of their imports to the Director-General of Chemical, Pharmaceutical and Textile Industries commencing from the date of issuance of the relevant import approvals.
- For more information, see ILB [No. 4178](#).

### 40. Regulation of the Minister of Industry [No. 17 of 2021](#) on the Amendment to Regulation of the Minister of Industry Regulation [No. 31 of 2020](#) on Guidelines for the Utilization of Government-Borne Import-Duty Facilities for Imports of Goods and Materials Used to Produce Goods and/or Services by Certain Industrial Sectors Affected by the COVID-19 Pandemic

Enforcement Date: 27 July 2021

Summary:

- Under the Amendment, any payable import-duty that should be paid by bonded-zone businesses or businesses operating within bonded zones which are concurrently acting in the role of bonded-zone organizers (*Pengusaha di Kawasan Berikat merangkap Penyelenggara di Kawasan Berikat* – “**PDKB**”) upon releases of goods and materials to other places within customs areas can be borne by the government in the form of Government-Borne Import Duty (*Bea Masuk Ditanggung Pemerintah* – “**BM-DTP**”).
- Said BM-DTP can be granted in relation to the following: 1) Imports of goods and materials that are used as part of services offered by companies that are also industrial companies in relation to the maintenance, repair and overhaul of aircraft; and 2) Releases of goods and materials originating from outside customs areas to other places within customs areas from: a) Bonded logistics centers (*Pusat Logistik Berikat* – “**PLB**”); b) Bonded zones; c) Free areas; or d) Special Economic Zones (*Kawasan Ekonomi Khusus* – “**KEK**”), which shall be granted to companies operating within the aircraft maintenance, repair and overhaul industrial sector in relation to activities that produce services.

- The government may also grant BM-DTP for releases of the following goods and materials to other places within customs areas: 1) Which have become part of goods used during the implementation of aircraft maintenance, repair and overhaul services; or 2) Which are used to implement aircraft maintenance, repair and overhaul services outside of the abovementioned places. Said BM-DTP applies to industrial companies which are PLB or businesses operating within PLB which are concurrently acting in the role of PLB organizers (*Pengusaha di PLB merangkap Penyelenggara di PLB/PDPLB*), bonded-zone businesses, PDKB, free-zone businesses or KEK businesses required to pay payable import duty.

#### 41. Regulation of the Minister of Industry [No. 18 of 2021](#) on the Machinery and/or Equipment Restructuring Program Within the Fabric Improvement and Fabric Printing Industries

Enforcement Date: 30 July 2021

Summary:

- The Machinery and/or Equipment Restructuring Program (“**Program**”) will be implemented within fabric improvement (KBLI 13132) and fabric printing (KBLI 13133) industries which meet the following requirements: 1) Must be an Indonesian legal entity; 2) Must have an SIINas account and must have completed an INDI 4.0 self-assessment; 3) Must have drawn up an industrial data report that covers the previous one-year period; 4) Must have secured an industrial business license which is valid for at least two years; 5) Must possess proof of control over any land in which the relevant business activities are conducted; 6) Must have purchased machinery/equipment with a total value of Rp. 500 million and which has been properly installed; 7) Must have drawn up an Industry 4.0 transformation plan; 8) Must own a production-waste processing facility; 9) Must have complied with all of the relevant payment obligations relating to principal installment, interest and/or margin; and 10) Must not participate in any other machinery/equipment restructuring programs.
- The Program is to be implemented in the form of price discounts through partial reimbursements of the sales prices of machinery/equipment. The value of such reimbursements has been capped at 25% of the relevant purchase prices for domestic machinery/equipment or at 10% of the relevant purchase prices for foreign machinery/equipment. Furthermore, the total value of any reimbursement of the purchase prices of machinery/equipment has been capped at Rp. 1 billion.
- Reimbursements of the purchase prices of machinery/equipment will only be offered in relation to purchases that are completed through any of the following methods: 1) Purchase through the use of personal funds; 2) Banking credit; 3) Credit extended by non-bank financial service institutions; and/or 4) Credit extended by suppliers.

#### 42. Regulation of the Minister of Industry Regulation [No. 19 of 2021](#) on Amounts, Terms and Tariff Imposition Procedures for Types of Non-Tax State Revenue Applicable at the Ministry of Industry

Enforcement Date: 30 July 2021

Summary:

- In general, this regulation addresses the 16 types of Non-Tax State Revenue (*Penerimaan Negara Bukan Pajak – “PNBP”*) that are applicable at the Ministry of Industry (“**Ministry**”), which are split across

various services, fines and royalties. Tariffs can be imposed in relation to technical services based on cooperation agreements, while 75% and 0% PNPB tariffs can also be enjoyed by certain parties.

- The 75% and 0% PNPB tariffs can be enjoyed by the following parties: 1) Students; 2) Small-scale industries; 3) Researchers or other functional Ministry employees; and so forth.
- For more information, see ILB [No. 4194](#).

#### 43. Circular of the Minister of Industry [No. 3 of 2021](#) on Operational and Mobility Guidelines for Industrial Activity During the Period of the COVID-19 Public Health Emergency

Enforcement Date: 23 July 2021

Summary:

- The Circular has now established a set of guidelines and procedures for operations and mobility in relation to industrial activities. Said guidelines encompass the following aspects: 1) Licenses for operations and mobility in relation to industrial activities, which are required to be secured by industrial companies and industrial area companies if they wish to maintain their operations during the COVID-19 public health emergency period; 2) Implementation of health protocols; 3) Reporting; 4) Verification and field examinations; and 5) Sanctions.
- The above-mentioned mandatory health protocols comprise of the following elements: 1) Establishment of a COVID-19 task force; 2) Provision of health facilities within factory premises; 3) Initiation of COVID-19 prevention and handling efforts, which include screening, limitations placed upon on-site workers, provision of supplements, vaccination programs, testing, tracing, treatment and so forth; 4) Mandates that all employers must implement the health protocols.

#### 44. Directive of Minister of Industry [No. 1 of 2021](#) on Oxygen Products as Industrial Strategic Commodities During the COVID-19 Health Emergency Period

Enforcement Date: 2 July 2021

Summary:

- This directive states that all industrial companies that manage basic inorganic chemicals for industrial gas should implement the following measures: 1) Optimize production capacity during the COVID-19 health emergency in accordance with the results of evaluations and verifications conducted by the Director-General of the Chemical, Pharmaceutical and Textile Industries at the Ministry of Industry (“**Director-General**”); 2) Allocate oxygen production in order to fulfill medical needs; and 3) Report the implementation of the production, distribution and pricing of oxygen products to the Director-General on a regular basis or at any time that said reporting is deemed necessary.
- The Director-General will then implement the following actions, among others: 1) Evaluation and verification of the production capacities of industrial gas companies as regards the production of basic inorganic chemicals, as well as oxygen that is required for medical purposes; 2) Monitoring of the production, distribution and pricing of oxygen products for medical purposes; 3) Inventory taking of industrial companies that utilize oxygen products produced from basic inorganic chemicals by industrial gas companies under the guidance of the Director-General.

## Monetary & Payment System

### 45. Regulation of Bank Indonesia [No. 23/9/PBI/2021](#) on the Amendment to Regulation of Bank Indonesia [No. 22/12/PBI/2020](#) on Bilateral Transaction Settlements in Local Currencies Through Banks

Enforcement Date: 19 July 2021

Summary:

- Indonesian Appointed Cross-Currency Dealer (“**ACCD**”) banks are prohibited from undertaking any domestic, non-deliverable forward transactions in partner countries in the rupiah currency against partner countries’ currencies. This prohibition now exempts certain local-currency settlement transactions that are undertaken in accordance with the relevant local-currency settlement cooperation frameworks between Indonesia and the relevant partner countries.
- Indonesian ACCD banks that violate this prohibition will now be subject to the imposition of administrative sanctions in the form of written reprimands.
- The sanctions which were originally addressed under the framework of Regulation of Bank Indonesia [No. 20/10/PBI/2018](#) (and its amendments) have now been revoked.

### 46. Regulation of Bank Indonesia [No. 23/10/PBI/2021](#) on the Money Market

Enforcement Date: 31 December 2021

Summary:

- Transactions that are permitted through the rupiah money market and foreign-exchange money market encompass: 1) Sale and purchase transactions that involve financial instruments through the rupiah money market and foreign-exchange money market; 2) Lending and borrowing transactions or funding in rupiah and/or foreign currencies that do not involve any credit or sharia financing; 3) Financial instruments that involve lending and borrowing transactions (securities lending) in rupiah and/or foreign currencies; 4) Derivative transactions with rupiah or foreign currency interest rates; and 5) Other transactions within the rupiah money market and foreign-exchange money market.
- The Regulation stipulates that transactions within the money market can be conducted through the following methods: 1) Transfers of principal funds in full (gross); 2) Transfers of funds that take into account differences in liabilities over transactions (netting); or 3) Settlement of other transactions determined by BI.

### 47. Regulation of Bank Indonesia [No. 23/11/PBI/2021](#) on National Payment-System Standards

Enforcement Date: 13 August 2021

Summary:

- The scope of the new National Payment-System Standards (“**National Standards**”) will encompass the following aspects: 1) Governance; 2) Risk management; 3) Information-system safety standards; 4) Interconnectivity and interoperability; and/or 5) Other aspects, as determined by BI. It is also important to note that the new National Standards will also address a minimum scope of technical and operational specifications, as well as a standardized code of practice.

- The stages involved in the establishment of the new National Standards break down as follows: 1) Planning of the National Standards; 2) Preparation of technical specifications, operational specifications and a standardized code of practice; and 3) Implementation of trials.
  - The regulation authorizes BI to determine policies and regulations that specifically address the implementation of the new National Standards and that must be complied with by providers of payment systems and payment-system infrastructure. Said policies and regulations should address the following specific areas: 1) Parties required to adhere to the National Standards; 2) Phases of implementation, including periods; 3) Area coverage; 4) Transaction limitations; 5) Mechanisms for the testing and verification of the implementation of the National Standards; 6) Scope of transaction processing; 7) Obligations of parties during the implementation of the National Standards; and/or 8) Other policies and regulations.
48. Regulation of the Bank Indonesia Board of Governors [No. 23/13/PADG/2021](#) on the Second Amendment to Regulation of the Bank Indonesia Board of Governors [No. 21/23/PADG/2019](#) on Integrated Commercial Bank Reports
- Enforcement Date: 2 August 2021
- Summary:
- Specifies that the submission of reports and/or report corrections comprise the following: 1) Submission of reports and/or report corrections for data between December 2019 and December 2021 (previously June 2021); and 2) Submission of reports and/or report corrections for data from January 2022 (previously July 2021) onwards.
  - Due to the changes outlined above, all of the references made to the months of June 2021 and July 2021 have now been adjusted to December 2021 and January 2022 respectively.
  - Requires reporting parties to submit their reports and/or corrections for data from January 2022 on the 10<sup>th</sup> days (for risk-related information) or 23<sup>rd</sup> days (for financial information) of April, July, October and January.
49. Regulation of the Bank Indonesia Board of Governors [No. 23/12/PADG/2021](#) on the Settlement of Bilateral Transactions Between Indonesia and Malaysia in Rupiah and Ringgit Through Banks
- Enforcement Date: 2 August 2021
- Summary:
- In order to facilitate local currency settlements (“LCS”), Bank Indonesia (“BI”) may appoint Indonesian Cross-Currency Dealer (“ACCD”) banks, provided that they meet criteria relating to the following areas: 1) Soundness level; 2) Capabilities as regards the facilitation of financial activities and transactions between Indonesia and Malaysia and the building of business networks with Malaysian banking institutions; and 3) Other criteria, as agreed upon by BI and the relevant Japanese authorities.
  - The mechanism for the appointment of Indonesian ACCD banks must include the following steps at the least: 1) Prospective banks submit their applications to BI and the Malaysian State Bank; 2) BI and the

Malaysian State Bank then process the application; and 3) BI and the Malaysian State Bank approve or reject the application.

- The ceiling threshold for the aggregate balances of special-purpose, non-resident rupiah accounts (“SNA”), as owned by each Malaysian ACCD bank in Indonesian ACCD banks, is set at Rp. 400 billion at the end of a given business day. Meanwhile, Indonesian ACCD banks are required to maintain an aggregate SNA balance of MYR 100 million at the end of a given business day.

50. Regulation of the Bank Indonesia Board of Governors [No. 23/14/PADG/2021](#) on the Amendment to Regulation of the Bank Indonesia Board of Governors [No. 22/20/PADG/2020](#) on the Settlement of Bilateral Transactions Between Indonesia and Japan in Rupiah and Yen Through Banks

Enforcement Date: 5 August 2021

Summary:

- Adds various new types of rupiah-against-yen transactions which can be conducted by Indonesian Appointed Cross-Currency Dealer (“ACCD”) banks during the implementation of rupiah-yen local currency settlements, specifically: 1) Cross-currency swap transactions; and 2) Domestic non-deliverable forward transactions. Indonesian ACCD banks may also conduct these new types of transactions in order to implement the squaring positions of Japanese ACCD banks for yen-against-rupiah transactions.
- Increases the threshold of rupiah-against-yen transactions which are required to be proven through underlying transactions from US\$ 250,000 to US\$ 500,000.
- Documents for underlying transactions which comprise estimates are now allowed in relation to both ongoing transactions and/or direct investments. Previously, said documents could only be used in relation to ongoing transactions.
- The estimated underlying transactions outlined above should be calculated based on the following: 1) Revenue or payment-requirement plans for ongoing transactions and/or direct investments; 2) Customer risk profiles. Previously, calculations could be based on the plans outlined in point (1) above for a maximum period of one year.

## Natural Resources

### 51. Regulation of the Minister of Maritime Affairs and Fisheries [No. 29 of 2021](#) on the National Fish Logistics and Tracing System

Enforcement Date: 10 June 2021

Summary:

- A fish tracing system will be implemented throughout the supply chain (i.e. throughout pre-production, production, distribution, processing and sale stages) for fisheries products that derive from imports, are intended to be exported and that will be sold domestically. The tracing process itself should identify certain data that relates to the fisheries products, specifically: 1) Raw materials; 2) Other additives; 3) Processing history; 4) Packaging; 5) Distribution; and 6) Post-delivery product location.
- The national fish logistics system should contain the following information: 1) Procurement, specifically details relating to the procurement of fisheries products deriving from various sources (e.g. aquaculture, imports, etc.); 2) Storage, specifically the availability of fisheries products through various storage facilities (i.e. cold-storage facilities, warehouses and fishponds); 3) Transportation, which will list all of the eligible transportation methods; and 4) Distribution, specifically information on delivery locations and distribution routes.
- Both the national fish tracing and logistics systems will be implemented through the Stelina application. In order to gain access to and use the Stelina system, business actors must register their business identification numbers and/or the numbers of their fisheries sector cards, and should also input the dates of all transactions which relate to traceability of fish capture, aquaculture and certain sales of fish categories.

### 52. Regulation of the Minister of Agriculture [No. 29 of 2021](#) on the Naming and Registration of Plant Varieties

Enforcement Date: 2 August 2021

Summary:

- Under this new legal framework, the naming and registration of plant varieties can be completed online. In this regard, Regulation 29/2021 sets out the requirements and procedures for the registration of local varieties and breeding varieties (*varietas hasil pemuliaan*).
- The overall registration procedure for local varieties breaks down as follows: 1) A relevant agency (e.g. a regent, mayor or governor) submits a registration application to the Head of Central Protection for Plant Varieties and Agricultural Licenses (“**Head of PVTTP**”); 2) The application will then be processed, provided that the relevant requirements have been fulfilled; 3) The Head of the PVTTP will then inform the applicant that they have received their application (*jawaban penerimaan*) within 30 business days of said application being duly received; 4) Once an application has been received, the central PVTTP will then issue a registration certificate for local varieties.
- Meanwhile, the overall registration procedure for breeding varieties breaks down as follows: 1) The owner of the relevant breeding varieties submits a registration application to the Head of the PVTTP; 2) The application will then be processed, provided that the relevant requirements have been fulfilled;

3) The Head of the PVTTP will then inform the applicant that they have received their application within 30 business days of said application being duly received; 4) Once an application has been received, the central PVTTP will then issue a registration certificate of breeding varieties.

## Pharmaceutical, Healthcare and Food and Drug Standards

53. Regulation of the Minister of Health [No. 23 of 2021](#) on the Third Amendment to Regulation of the Minister of Health [No. 10 of 2021](#) on the Implementation of Vaccinations in Relation to the Mitigation of the Corona Virus Disease 2019 (COVID-19) Pandemic

Enforcement Date: 28 July 2021

Summary:

- PT Bio Farma (Persero) may submit vaccine procurement requests to the Minister of Health in order to initiate the Gotong Royong vaccination program, which will offer the following: 1) Vaccinations for the employees of legal/business entities, as well as for their families and other individuals related to their families; and 2) Vaccinations for members of the public that live around the business activity locations of legal/business entities, as part of corporate social responsibility efforts.
- Foreign citizens are allowed to be vaccinated under the Gotong Royong vaccination program through one of the following methods: 1) Are employed by legal/business entities which initiate Gotong Royong vaccinations; 2) Register to participate in the program through the representatives of foreign countries or international NGOs (said foreign citizens will be required to possess stay permits and passport numbers); or 3) Register to participate in the program through legal/business entities which initiate Gotong Royong vaccinations (said foreign citizens will be required to possess KITAS/KITAP/stay permits and passport numbers).
- COVID-19 vaccines used in the Gotong Royong vaccination program cannot be received through grants, donations, gifts from the public or international grants (either bilateral or multilateral).

54. Circular of the Minister of Health [No. HK.02.01/MENKES/871/2021](#) on the Implementation of *Gotong-Royong* Vaccination

Enforcement Date: 13 July 2021

Summary:

- In order for the implementation of *Gotong-Royong* vaccination to run effectively and efficiently, technical instructions are needed as a reference in the implementation of the mutual cooperation vaccination. Hence, the Ministry of Health is currently preparing technical guidelines for the implementation of *Gotong-Royong* vaccination.
- Health service facilities that have implemented *Gotong-Royong* vaccination should wait for the stipulation of said technical guidelines.



- PT Bio Farma (Persero) as a distributor appointed by the government to distribute COVID-19 vaccines shall coordinate with the Ministry of Health regarding the distribution of COVID-19 vaccines to health service facilities as implementers of *Gotong-Royong* vaccination.
  - Regency/city Health Offices should wait for technical guidelines to be determined by the Ministry of Health before providing user ids to health care facilities.
55. Circular of the Minister of Health [No. HK.02.02/I/2845/2021](#) on Highest Tariff Limit for Reserve Transcription Polymerase Chain Reaction (RT-PCR) Examination
- Enforcement Date: 16 August 2021
- Summary:
- Sets the highest tariff limit for Reserve Transcription Polymerase Chain Reaction (RT-PCR) examination including the swab test, as follows: 1) Rp. 495,000 for RT-PCR examination in Java and Bali; and 2) Rp. 525,000 for RT-PCR examination outside Java and Bali.
  - The aforementioned highest tariff limit applies to people who carry out RT-PCR examinations at their own/independent request, and does not apply to contact tracing activities or referrals for COVID-19 cases to hospitals, the operations of which receive RT-PCR examination assistance from the government or is part of the COVID-19 patient financing guarantee.
56. Regulation of the National Agency of Drug and Food Control [No. 18 of 2021](#) on Guidelines for the Pre-Clinical Pharmacodynamics Testing of Traditional Drugs
- Enforcement Date: 9 July 2021
- Summary:
- Sets guidelines for traditional drugs industries, small-scale enterprises and importers which have secured business licenses and which are aiming to submit applications for the pre-clinical pharmacodynamics testing of traditional drugs. Said guidelines address the implementation of the following: 1) Pre-clinical pharmacodynamics testing of traditional drugs; and 2) Research on scientific and technological developments within the field of traditional drugs.
  - Traditional drug industries, small-scale enterprises and importers may use other methods based on valid references and/or validated methods once they have secured approvals from the National Agency of Drug and Food Control.

57. Regulation of the National Agency of Drug and Food Control [No. 19 of 2021](#) on Guidelines for Follow-ups to Supervision Results for Traditional Drugs, Quasi-Drugs, Health Supplements and Cosmetics

Enforcement Date: 13 July 2021

Summary:

- Sets guidelines for follow-ups to supervision results for the following: 1) Traditional drugs (i.e. *jamu*, imported traditional drugs, licensed traditional drugs, standardized herbal drugs, phytopharmaca); 2) Quasi-drugs; 3) Health supplements; and 4) Cosmetics.
- The supervision of traditional drugs, quasi-drugs and health supplements should be implemented in relation to the following aspects: 1) Production and distribution facilities; 2) Markings (*penandaan*); 3) Promotional activity; and 4) Monitoring of side effects.
- The supervision of cosmetics should be implemented in relation to the following aspects: 1) Production and distribution facilities; 2) Markings (*penandaan*); 3) Promotional activity; 4) Informational documents; and 5) Monitoring of side effects.
- The above-mentioned distribution facilities include electronic-based distribution facilities.
- Findings that result from any processes of supervision can comprise minor, major and critical findings and may be followed up by technical guidance and/or the imposition of administrative sanctions (e.g. written warnings, withdrawal of products from the market, suspension of activities).

58. Regulation of the National Agency for Drug and Food Control [No. 21 of 2021](#) on the Implementation of Processed-Food Safety and Quality Assurance Systems at Distribution Facilities

Enforcement Date: 4 August 2021

Summary:

- The implementation of Processed Food Safety Management Systems (*Sistem Manajemen Keamanan Pangan Olahan – “SMKPO”*) is mandatory for all business actors that distribute processed foods. In order to implement SMKPO, business actors are required to implement good processed-food distribution practices (*cara peredaran pangan olahan yang baik – “CPerPOB”*).
- Business actors that have implemented the CPerPOB guidelines may then apply for the issuance of SMKPO certification, which comprises the following: 1) SMKPO Commitments Fulfillment Certificate; and/or 2) SMKPO Standards Fulfillment Certificate. All SMKPO certificates are issued by the Head of the National Agency for Drug and Food Control (*Badan Pengawas Obat dan Makanan – “BPOM”*) and will only have validity in relation to one distribution facility.
- After securing SMKPO certificates, business actors will then be required to: 1) Fulfill the SMKPO standards or commitments within six months of said SMKPO certificates being issued; 2) Ensure that they hold the correct SMKPO documents and establish an SMKPO team.
- For more information, see ILB [No. 4191](#).

59. Regulation of the National Agency of Food and Drug Control [No. 20 of 2021](#) on the Amendment to Regulation of the National Agency of Food and Drug Control [No. 31 of 2018](#) on Processed Food Labeling

Enforcement Date: 2 August 2021

Summary:

- In cases where processed foods are not distributed by the relevant producers or importers, the Amendment now requires the relevant business actors to include the phrases, “*Tidak diperdagangkan secara eceran,*” and, “*Tidak untuk dikemas ulang,*” or other sentences with similar meanings on the labeling of all processed foods. However, this obligation does not apply to processed foods that are sold by producers directly to business actors for reprocessing purposes.
- The Amendment now requires the relevant percentages of raw material content to be incorporated onto the labeling of all processed foods that contain any of the following: 1) Raw materials which provide the identities of processed foods; 2) Raw materials which are emphasized in the labeling of processed foods, either in words or pictures; or 3) Raw materials that are reflected in the names of processed foods.
- Meanwhile, the labeling of all food additives which are sold through retail outlets must incorporate the following information: 1) The sentence, “*Bahan tambahan pangan*”; 2) The name of the relevant food additive category; 3) The name of the relevant food additive type; 4) The maximum amounts food additives that are used in processed foods; and 5) Lists of supporting materials contained in food additives (if any).

60. Decree of the Head of the National Agency of Drug and Food Control No. [HK.02.01.1.2.06.21.233 of 2021](#) on Public Service Guidelines for Traditional Drugs, Health Supplements and Cosmetics During the Corona Virus Disease 2019 (COVID-19) Pandemic

Enforcement Date: 3 June 2021

Summary:

- Sets guidelines for the following purposes: 1) Issuance of distribution permits for traditional drugs and health supplements, as well as cosmetics notifications; 2) Issuance of certificates of good production practice for traditional drugs, health supplements and cosmetics, as well as statement letters that address the safety, efficacy/benefits and/or quality standards of the relevant products; 3) Issuance of statement letters on imports of traditional drugs, health supplements and cosmetics; 4) Issuance of approvals for draft advertisements for products; and 5) Provision of information on imports or exports of traditional drugs, health supplements and cosmetics.
- These guidelines are applicable to business actors that operate within the traditional drugs, health supplements and cosmetics industries, as well as to officials from the National Agency of Drug and Food Control.

61. Decree of the Head of the National Agency for Drug and Food Control [No. HK.02.02.1.2.07.21.281 of 2021](#) on the Second Amendment to Decree Head of the National Agency for Drug and Food Control [No. HK. 02.02.1.2.11.20.1126 of 2020](#) on Technical Guidelines for the Implementation of Emergency Use Authorizations

Enforcement Date: 6 July 2021

Summary:

- This second amendment updates the procedure for the granting of Emergency Use Authorizations (EUA), specifically as it relates to the following aspects: 1) Labeling requirements; 2) Lot release agreements; 3) Distribution; and/or 4) Pharmacovigilance inspections. These aspects are comprehensively broken down under the Appendix to the second amendment.

62. Decree of the Head of the National Agency of Drug and Food Control [No. HK.02.02.1.2.07.21.288 of 2021](#) on Technical Guidelines for the Utilization of Drugs Through the Expanded Access Program During Emergencies

Enforcement Date: 12 July 2021

Summary:

- Sets guidelines that address the following activities: 1) Granting of approvals for the Expanded Access Program (“EAP”) by the National Agency of Drug and Food Control; 2) Submission of EAP applications by ministries/government agencies responsible for the health sector, healthcare institutions and healthcare facilities; and 3) Provision of EAP-based drugs by various parties, including pharmaceutical industries and pharmaceutical wholesalers.
- The EAP itself refers to a scheme that permits the use of drugs that have been proven to be able to reduce the effects of or to cure certain diseases (although their efficacies and safety remain the subject of ongoing research) in order to mitigate emergency conditions caused by life-threatening diseases for which drugs have not yet been made available or are limited.

## Tax and Non-Tax Charges

63. Regulation of the Minister of Finance [No. 96/PMK.03/2021](#) on the Determination of Non-Motorized Vehicle Taxable Goods Subject to the Luxury Goods Sales Tax and Procedures for Securing Exemptions to the Luxury Goods Sales Tax (**DU 4 Aug 2021**)

Enforcement Date: 26 July 2021

Summary:

- The various non-motorized vehicle goods which will now be subject to the Luxury Goods Sales Tax (*Pajak Penjualan atas Barang Mewah – “PPnBM”*) break down as follows: 1) Luxury residences with sales prices that exceed Rp. 30 billion will be subject to a PPnBM tariff of 20%; 2) Piloted hot-air balloons, firearms and ammunition for firearms will be subject to a PPnBM tariff of 40%; 3) Helicopters, other aircraft, artillery, revolvers and pistols will be subject to a PPnBM tariff of 50%; 4) Luxury cruise ships and yachts used for non-public purposes will be subject to a PPnBM tariff of 75%.
- However, imports and deliveries of the following items are exempted from the imposition of said PPnBM: 1) Ammunition for firearms that are used for state purposes; 2) Powered aircraft that are used for state purposes or commercial air transportation; 3) Firearms that are used for state purposes; 4) Cruise ships, excursion ships and/or water vehicles designed for the transportation of people, ferries of all types and/or yachts that are used for state purposes or public transportation; and 5) Yachts used by tourism businesses.

64. Regulation of the Minister of Finance [No. 102/PMK.010/2021](#) on Value-Added Tax on Transfers of Room and Building Rental Services to Retail Merchants Borne by the Government for the 2021 Fiscal Year

Enforcement Date: 30 July 2021

Summary:

- The government has pledged to bear the payable value-added tax (*pajak pertambahan nilai – “PPN”*) for transfers of room and building rental services to retailers for the 2021 fiscal year between August 2021 and October 2021. Said buildings/rooms refer to: 1) Standalone stores and outlets; or 2) Stores and outlets that are located within shopping centers, shopping complexes, apartment facilities, hotels, hospitals, educational facilities, public transportation facilities, office facilities and public markets.
- The amounts of PPN that will be borne by the government will be calculated by multiplying the relevant PPN tariff by the tax basis and will take the form of reimbursements (which will include service charges that can be invoiced separately from or simultaneously with the relevant rental services).
- Taxable businesses that transfer the rental services discussed herein are required to draw up the following documents: 1) Tax invoices; and 2) Reports on the realization of government-borne PPN.

65. Regulation of the Minister of Finance [No. 103/PMK.010/2021](#) on Value-Added Tax on Transfers of Landed Houses and Multistory Housing Units Borne by the Government for the 2021 Fiscal Year

Enforcement Date: 30 July 2021

Summary:

- The government has pledged to bear the payable value-added tax (*pajak pertambahan nilai – “PPN”*) for transfers of landed houses and multistory housing units for the 2021 fiscal year if: 1) Landed houses or multistory housing units meet certain requirements; and 2) The transfers occur when the signing of the relevant sale and purchase deeds or paid-off conditional sale and purchase agreements (*perjanjian pengikatan jual beli lunas*) and the rights to use or control the properties in question are completed by 31 December 2021 at the latest (as proven by through official minutes of transfer).
- The abovementioned requirements for landed houses and multistory housing units break down as follows: 1) The maximum sale price of each house or unit is set at Rp. 5 billion; 2) Said houses or units must be new and must be transferred in a ready-for-occupancy condition.
- This PPN facility may be utilized by an individual upon the purchase of one landed house or one multistory housing unit. Said individual may be: 1) An Indonesian citizen who has secured a taxpayer identification number or citizenship ID-card number; and 2) A foreign citizen who has secured a taxpayer identification number and who meets various requirements that apply in relation to the ownership of the property in question.
- The amounts of PPN that will be borne by the government break down as follows: 1) 100% of payable PPN (if the maximum sale price is Rp. 2 billion); and 2) 50% of payable PPN (if the sale price is between Rp. 2 billion and Rp. 5 billion).
- Taxable businesses that transfer the landed houses or multistory housing units discussed herein are required to draw up the following documents: 1) Tax invoices; and 2) Reports on the realization of government-borne PPN.

66. Regulation of the Director-General of Customs and Excise [No. PER-8/BC/2021](#) on the Amendment to Regulation of the Director-General of Customs and Excise [No. PER-17/BC/2017](#) on Procedures for Periodic Excise Payments Made by Factory Businesses that Implement Settlements Through Payments

Enforcement Date: 15 July 2021

Summary:

- Factory businesses that settle payable excise in installments must complete said excise payments on the following dates: 1) 14<sup>th</sup> day of the month following the month in which excisable goods are released (if excisable goods are released between the first and 15<sup>th</sup> day of said month); and 2) 28<sup>th</sup> day of the month following the month in which excisable goods are released (if excisable goods are released between the 15<sup>th</sup> day of said month and the end of said month).

67. Circular of the Director-General of Tax [No. SE-39/PJ/2021](#) on the Implementation of Compliance Risk Management and Business Intelligence

Enforcement Date: 13 July 2021

Summary:

- The implementation of compliance and risk-management results will be used as part of the map of taxpayer compliance risk. This map should be taken into consideration during the planning of activities and during the determination of prioritized actions in relation to business processes. Said implementation of compliance and risk-management results includes the following functions: 1) Extensification; 2) Services; 3) Taxation education; 4) Supervision and examinations; and 5) Invoicing.
- Business intelligence is implemented in order to support compliance and risk management during the implementation and evaluation of supervision, examination and invoicing activities and to generate output that can be integrated into all strategic decisions that are made during the business processes of the Director-General of Tax.

## Technology, Media and Telecommunications

68. Regulation of the Minister of Communication and Information [No. 11 of 2021](#) on the Amendment to Regulation of the Minister [No. 6 of 2021](#) on the Organization of Broadcasting

Enforcement Date: 12 August 2021

Summary:

- The Amendment has now established a new timeline for the discontinuation of analogue television broadcasting, a process which is generally known as Analogue Switch Off (“ASO”). The new schedule breaks down into the following three stages: 1) First stage: to be completed by 30 April 2022 at the latest (originally, a deadline of 17 August 2021 had been set); 2) Second stage: to be completed by 25 August 2022 at the latest; and 3) Third stage: to be completed by 2 November 2022 at the latest.
- In addition, the Amendment now allows for Private Broadcasting Agencies (*Lembaga Penyiaran Swasta* – “LPS”) that are hoping to provide radio and television broadcasting services via terrestrial media to apply for Special Needs Broadcasting Operating Licenses (*Izin Penyelenggaraan Penyiaran* – “IPP”) for the areas of education, public health, disaster relief and/or defense and security.
- Applicants for Special Needs IPP are first required to secure recommendations from the relevant agencies responsible for whichever of the above-listed sectors they are interested in. Applications should then be submitted along with relevant documents which prove that the applicants in question are meeting a public need and which also affirm the availability of multiplexing slots that can be used by the relevant LPS.
- LPS that have secured Special Needs IPP are required to broadcast programs that are in line with the sectors that they applied for at least 80% of the time.



## Trade

69. Regulation of the Commodity Futures Trading Regulatory Agency [No. 5 of 2021](#) on the Third Amendment to Regulation of the Commodity Futures Trading Regulatory Agency Number 1 of 2019 on the Determination of the List of Foreign Exchange and Futures Contracts for the Distribution of Customer Mandates to Foreign Exchanges

Enforcement Date: 28 June 2021

Summary:

- Alters the list of foreign exchange and futures contracts for the distribution of customer mandates to foreign exchanges, specifically by: 1) Removing various futures contracts (e.g. bitcoin futures contracts from the Chicago Mercantile Exchange; iron ore contracts from the Dalian Commodity Exchange); 2) Adding Micro DAX Futures to the European Exchange; and 3) Adding foreign exchange to the Shanghai International Energy Exchange for futures contracts for medium sour crude oil, low-sulfur fuel oil and TSR 20 futures.

70. Circular of the Commodity Futures Trading Regulatory Agency [No. 276/BAPPEBTI/SE/07/2021](#) on the Use of Bank Indonesia's Jakarta Interbank Spot Dollar Rate (JISDOR) in Financial Reports Submitted by Business Actors Through the Commodity Futures Trading Regulatory Agency's E-Reporting System

Enforcement Date: 1 August 2021

Summary:

- Futures-trading and commodity-trading business actors are required to submit financial reports, while futures clearing institutions are required to provide Bank Indonesia JISDOR reference rates which will be used by futures-trading and commodity-trading business actors to report via the e-reporting site.
- The latest JISDOR reference rate can be accessed through the e-reporting site, as well as through the official site of Bank Indonesia.

## Transportation and Logistics

71. Regulation of the Minister of Transportation [No PM.27 of 2021](#) on Procedures for Supervision and Imposition of Administrative Sanctions for Violations of Laws and Regulations in the Aviation Sector

Enforcement Date: 27 May 2021

Summary:

- All flight operators who commit a violation may be subject to administrative sanctions, which are recognized and/or discovered based on the results of the flight inspector's supervision. Said supervisions include: 1) Audit; 2) Inspection; 3) Surveillance; 4) Monitoring; and 5) Test.
- The aforementioned supervision shall be carried out in accordance with: 1) Routine supervision schedule; or 2) Incidental supervision. Furthermore, incidental surveillance shall be carried out with the following conditions: 1) Based on reports received from the public, flight operators, or flight inspectors who are not on duty; 2) Follow-up of the imposition of administrative sanctions; and 3) At the peak of air transportation.
- Meanwhile, the administrative sanctions in question include: 1) Warning; 2) Suspension (*pembekuan*); 3) Revocation; and/or 4) Administrative fines.

72. Regulation of the Minister of Transportation [No. PM. 28 of 2021](#) on National Aviation Security Education and Training Programs

Enforcement Date: 27 May 2021

Summary:

- Aviation safety personnel (i.e. aviation safety personnel, aviation security-facility personnel, internal aviation security inspectors, aviation security managers and aviation safety instructors) must be employed by aviation operators through processes of selection, which should include the following steps: 1) Filling out of a job application form; 2) Health checkup; 3) Interview; 4) Background check; and 5) Potential test/psychological test
- The general criteria that have to be met by all aviation safety personnel break down as follows: 1) Must have completed a program of formal education to at least the level of graduation from a public high school (SMU) or equivalent; 2) Must be both physically and mentally healthy; 3) Must be emotionally stable; 4) Must demonstrate good behavior; 5) Must have never been involved in any criminal act; 6) The minimum heights for men/women are set at 165/160 cm respectively with proportional BMI weights; 7) Must have good vision and hearing ability; 8) Must not be colorblind; 9) Must have good oral and written communication skills; and 10) Must be free of narcotics, psychotropic substances and other harmful addictive substances. It should be noted that other, more specific criteria apply in relation to each specific type of aviation safety personnel.

73. Regulation of the Minister of Transportation [No. PM.29 of 2021](#) on Civil Aviation Safety Regulations Part 172 concerning Aviation Traffic Management and Telecommunication Service Providers

Enforcement Date: 3 June 2021

Summary:

- Civil Aviation Safety Regulations Part 172 concerning Aviation Traffic Management and Telecommunication Service Providers stipulates the provisions within the following areas: 1) Operation of aviation traffic management and telecommunications; 2) Certification of traffic management and telecommunications service providers; 3) The authority and obligation of the operator of aviation traffic management and telecommunications services; and 4) Imposition of administrative sanctions.
- The implementation of aviation traffic management and telecommunications services includes: 1) Aviation traffic services including air space management and Air Traffic Flow Management (ATFM); and 2) Aviation telecommunications services.
- Operators of aviation traffic management and telecommunications services are required to have a certificate of operators of aviation traffic management and telecommunications services legalized by the Minister of Transportation (“**Minister**”) through the Director-General of Air Transportation (“**Director-General**”).
- The obligations of operators of aviation traffic management and telecommunications services are as follows: 1) Carry out aviation traffic and telecommunications services in accordance with their certificates; 2) Develop and implement personnel education and training programs; 3) Prepare and maintain operating manual documents to keep it up to date in accordance with technological developments and laws and regulations; 4) Carry out aviation traffic and telecommunications services in accordance with the procedures listed in the approved operation manual and standard operating procedure; 5) Report if there is a change in office address; 6) Submit information to the aeronautical information service unit regarding flight traffic services that are organized at least with information on the air space served, operating hours and facilities owned and if there are changes or disruptions to services for the publication of aeronautical information; 7) Carry out reporting in accordance with the provisions of the Civil Aviation Safety Regulations Section 830 concerning Notification and Reporting of Accidents and Serious Incidents of Civil Aircraft and Procedures for Investigation of Accidents and Serious Incidents of Civil Aircraft; and 8) Carry out internal control to maintain the quality or quality of aviation traffic and telecommunications services at least once in two years and report the results to the Director-General.

#### 74. Regulation of the Minister of Transportation [No. PM.30 of 2021](#) on Minimum Service Standards for Air-Transportation Passengers

Enforcement Date: 27 May 2021

Summary:

- All scheduled commercial air-transportation business entities that serve domestic air-transportation routes are required to determine the relevant service groups prior to carrying out any scheduled commercial air-transportation activities. Said service groups break down as follows: 1) Maximum service standards; 2) Medium service standards; or 3) Minimum service standards. During the implementation of said services, scheduled commercial air-transportation business entities must adhere to service standards that are in line with principles of consumer protection, which include: 1) Service standards for economy-class passengers; and 2) Service standards for passengers with special needs.
- Passenger service standards must at least encompass the following minimum standards: 1) Clear information on the types and specifications of any services that are offered by air-transportation business entities; 2) Access to clear and transparent information on the application of tariffs; 3) Terms and conditions of transportation that do not conflict with the principles of consumer protection; 4) Information on the certainty of flight operations; 5) Passenger rights and protection whenever flights experience operational disruptions, including large-scale flight disruptions; 6) Passengers with special needs must be offered access to air-transportation services without any discrimination and have the right to have certain requirements met during the flight (pre-notification); and 7) Passengers must be able to submit complaints and all complaints must be followed up by air-transportation business entities.
- In addition, the aforementioned minimum standards encompass: 1) Pre-flight service standards; 2) In-flight service standards; and 3) Post-flight service standards.

#### 75. Regulation of the Minister of Transportation [No. PM.32 of 2021](#) on Construction Standards for Airports and Heliports

Enforcement Date: 31 May 2021

Summary:

- This regulation sets various standards that must be complied with during the construction (*pembangunan*) of airports and heliports. In general, airports comprise public airports and special airports. Meanwhile, heliports comprise surface-level heliports, elevated heliports and helidecks. The construction of heliports can be carried out by relevant initiators after they have first fulfilled various standards, which differ dependent on the heliport type.
- Moreover, the construction of airports encompasses new constructions and development constructions (*pembangunan pengembangan*). Such construction projects can be carried out by initiators and/or organizers of public airports after they have first fulfilled various construction standards that relate to the following areas: 1) Proof of land ownership and/or control; 2) Airport location determination documents; 3) Detailed technical design documents for airport facilities; and 4) Environmental approvals.

- During the construction of airports and heliports, the relevant initiators/organizers must comply with the following obligations: Must carry out airport/heliport construction work in accordance with the airport master plan/location map and with drawings of the relevant heliport plan area; 2) Must take responsibility for any impacts that arise as a result of the construction of the relevant airport/heliport; 3) Must comply with laws and regulations that apply within the fields of aviation safety and security, as well as the protection and management of the environment; 4) Must provide access for supervision purposes during the construction of airports/heliports; 5) Must report the implementation of all airport/heliport construction activities on a three-monthly basis to the Minister of Transportation (“Minister”), governors and/or regents/mayors in accordance with their respective authorities; and 6) Must report the results of all airport/heliport construction activities to the Minister after completion of any airport/heliport construction.

76. Regulation of the Minister of Transportation [No. PM.39 of 2021](#) on the Amendment to Regulation of the Minister of Transportation [No. PM.58 of 2013](#) on the Mitigation of Pollution in Waters and Ports

Enforcement Date: 16 June 2021

Summary:

- If equipment and mitigation materials that are stored on board a given ship are unable to cope with pollution in waters and ports, then the ship’s captain should immediately report to the nearest harbormaster. The harbormaster will then coordinate regarding the mitigation of pollution through use of personnel, equipment and materials that are available at the port.
- The mitigation of any pollution deriving from ships in waters and ports, as well as environmental restoration efforts that are initiated in response to such pollution, should be carried out in accordance with provisions set out under the applicable laws and regulations.

77. Regulation of the Minister of Transportation [No. PM.40 of 2021](#) on the Amendment to Regulation of the Minister of Transportation [No. PM.129 of 2016](#) on Maritime Sailing Routes That Include Buildings and/or Water Installations

Enforcement Date: 16 June 2021

Summary:

- Determinations of sailing routes that include special terminals or private-interest terminals should be determined through sailing-route organization permits for business entities.
- Business entities can become involved in the construction, operation and maintenance of maritime sailing routes that include special terminals or private-interest terminals which are managed by the relevant business entities after they have first obtained approvals from the Minister of Transportation. Said approvals include determinations of maritime sailing routes that include special terminals or private-interest terminals.
- If several special terminals or private-interest terminals are managed by business entities, then the organization of sailing routes that include several special terminals or self-interest terminals can be

carried out on a joint basis, as outlined in a cooperation agreement that must be reported to the head of the Technical Implementing Unit.

- Through the issuance of this amendment, the provisions previously set out under Regulation of the Minister of Transportation [No. PM.129 of 2016](#) on Maritime Sailing Routes That Include Buildings and/or Water Installations will remain applicable as long as they do not conflict with any of the provisions set under the applicable laws and regulations that govern the implementation of risk-based business licensing.

#### 78. Regulation of the Minister of Transportation [No. PM.45 of 2021](#) on Ship Measurements

Enforcement Date: 16 June 2021

Summary:

- All ships must be measured prior to commencing operations in order to determine their lengths, widths, depths and tonnages in accordance with the relevant ship measurement method. Said ship measurement methods comprise the following: 1) Domestic measurements; 2) International measurements; and 3) Special measurements.
- Requests for ship measurements should be submitted by ship owners or by their proxies to the Director-General of Sea Transportation (“**Director-General**”) or to the head of the nearest Technical Implementation Unit of the Directorate-General to the location of the relevant ship. Said ship measurement requests may be submitted on the condition that the physical construction of a given ship has at least reached the stage of the completion of the hull, main deck and all superstructures.
- Calculations and determinations of gross tonnage (GT) and net tonnage (NT) should be completed through the use of a list of measurements prepared and signed by a ship measurement expert or fishing-ship measuring operator who should measure the relevant ship in accordance with the measurement method selected.
- Said list of measurements will become the basis for the issuance of a measurement letter, which will remain valid for as long as the ship does not undergo any changes in terms of its size, tonnage or name. However, a new measurement letter must be issued if a ship undergoes any of the following: 1) Structural changes that affect the overall size and/or tonnage of the ship, as listed in the relevant measurement letter (including any changes that are made to the following elements, among others: construction, structure, number of passengers and draft); 2) Changes in the measurement method used in relation to the ship; and/or 3) Change in the ship’s name.

79. Regulation of the Minister of Transportation [No. PM.48 of 2021](#) on Concessions and Other Forms of Cooperation Between Port Operators and Port Business Entities Within the Port Sector

Enforcement Date: 16 June 2021

Summary:

- Generally speaking, this regulation sets out various provisions that specifically address the various business activities that can be conducted at ports, which break down as follows: 1) Provision and/or servicing of ships, passengers and goods; and 2) Port-related services.
- The types of activities that can be conducted through cooperation between port organizers (“**Organizers**”) and port business entities (“**Business Entities**”) within the port sector comprise business activities that relate to the provision and/or servicing of ships, passengers and goods, including: 1) Management of port facilities that have been built, developed and/or are in operation; 2) Construction of new ports; 3) Development of new terminals; 4) Private interest terminals which have changed their function to that of public terminals; 5) Special terminals that have been converted into ports; 6) Organization of sailing routes; and 7) Certain areas in waters and land that function as ports.
- The above-mentioned types of cooperation between Organizers and Business Entities can take the following forms: 1) Concessions; or 2) Other forms of cooperation (i.e. cooperation relating to utilization, operations, leasing and management contracts).
- The procedures for the granting of concessions encompass the following: 1) Granting of concessions through an auction mechanism; or 2) Granting of concessions through an assignment or appointment mechanism.

80. Regulation of the Minister of Transportation [No. PM 49 of 2021](#) on the Testing and Certification of Vessel Equipment and Components

Enforcement Date: 16 June 2021

Summary:

- Under this framework, vessel equipment (e.g. navigation equipment, rescue equipment, etc.) and vessel components (e.g. materials, machinery, accommodation systems, etc.) are subject to mandatory testing and certification.
- Said vessel equipment and components must undergo three testing phases, as follows: 1) First testing (document checking, laboratory testing and field testing); 2) Periodic testing (which should be carried out every 2½ years following the issuance of a first-testing certificate); and 3) Annual testing.
- The abovementioned testing phases will be implemented after testing and certification applications have first been submitted to the head of the Maritime Safety Technology Center (*Kepala Balai Teknologi Keselamatan Pelayaran* – “**Head of Center**”), with copies of said applications also being sent to the Director-General of Sea Transportation.
- Testing results will be drawn up in the form of testing reports. If results reveal that vessel equipment and components qualify for certification, then the Head of Center will issue the relevant certificates,

which break down into the following types: 1) First-testing certificate; 2) Verification page for periodic testing attached to the relevant first-testing certificate; and 3) Annual testing certificate.

#### 81. Regulation of the Minister of Transportation [No. PM.50 of 2021](#) on the Organization of Seaports

Enforcement Date: 16 June 2021

Summary:

- Generally speaking, business activities that take place within ports comprise the following: 1) Provision and/or servicing of ships, passengers and goods; and 2) Port-related services.
- Specifically, the provision and/or servicing of ships, passengers and goods break down as follows: 1) Dock services for mooring (*bertambat*); 2) Refuelling and water cleaning services; 3) Passenger and/or vehicle boarding facilities; 4) Pier services for the loading and unloading of goods and containers; 5) Warehousing and stockpiling services, loading and unloading of equipment and port equipment; 6) Container terminal services, liquid bulk, dry bulk and Ro-Ro; 7) Goods loading and unloading services; 8) Goods distribution and consolidation centers; and/or 9) Ship towing services (*jasa kapal tunda*).
- Meanwhile, provisions and/or services that relate to ports include the following matters: 1) Provision of waste storage facilities; 2) Provision of container depots; 3) Provision of warehousing; 4) Cleaning and maintenance services for office buildings; 5) Installation of clean water and electricity; 6) Fresh water and oil filling services; 7) Provision of offices for the benefit of port-service users; 8) Provision of refrigerated warehouse facilities; 9) Ship maintenance and repair; 10) Packaging and labeling; 11) Fumigation and cleaning/repair of containers; 12) Public transportation to and from ports; 13) Waiting areas for motorized vehicles; 14) Certain industrial activities; 15) Trading activities; 16) Activities relating to the provision of playgrounds and recreation services; 17) Advertising services; and/or 18) Hospitality, restaurants, tourism, postal and telecommunications.

#### 82. Regulation of the Minister of Transportation [No. PM.51 of 2021](#) on Procedures and Mechanisms for the Implementation of Verifications of the Security Management of Ships and Port Facilities

Enforcement Date: 16 June 2021

Summary:

- Verifications must be undertaken in order to ensure the implementation of the security management of ships and port facilities and should be carried out through the following measures: 1) Verification of ships (initial verification, intermediate verification, renewal verification, additional verification); and 2) Verification of port facilities (first verification, second verification, third verification, fourth verification).
- Requests for initial verifications in order to ensure the subsequent issuance of temporary International Ship Security Certificates (“**ISSC**”) and for renewal verifications in order to extend the validity periods of ISSC in order to ensure ISSC issuance should be submitted by applicants in the form of application letters that should be sent to the Minister of Transportation (“**Minister**”) via the Director-General of Sea Transportation (“**Director-General**”) along with the following documents: 1) Company Security Officer (“**CSO**”) certificate; 2) Ship Security Officer (“**SSO**”) certificate; 3) Letter of CSO appointment; 4) Letter of SSO appointment; and/or 5) Internal audit documents.



- Requests for first verifications in order to ensure the subsequent issuance of temporary Statements of Compliance of a Port Facility (“SoCPF”) and third verifications of permanent SoCPF in order to ensure the issuance of SoCPF should be submitted by the relevant applicants in the form of application letters that should be sent to the Minister via the Director-General along with the following documents: 1) Port Facility Security Officer (“PFSO”) certificate; 2) Decision letter of PFSO appointment; 3) Training, drill and exercise reports; and 4) Internal audit documents.

### 83. Regulation of the Minister of Transportation [No. 52 of 2021](#) on Special Terminals and Private Interest Terminals

Enforcement Date: 16 June 2021

Summary:

- Special terminals and private interest terminals should be managed by the central government, provincial governments, regency/city governments or business entities. Meanwhile, special terminals and private interest terminals can only be developed in line with certain technical and economic considerations, or if the nearest available terminal is unable to accommodate several core business activities, including: 1) Agriculture; 2) Forestry; 3) Fisheries; 4) Mining and quarrying; 5) Processing industries; 6) Procurements of electrical power, gas, hot-water steam and cold air; 7) Water management, wastewater management and recycling; 8) Construction; 9) Wholesale trade; 10) Provision of accommodation; 11) Tourism areas, natural tourism parks and national parks; and 12) Certain activities which require docking facilities.
- Special terminals and private interest terminals can only be operated in line with the following activities: 1) Ship traffic activities, boarding and disembarkation of passengers, and loading and unloading of goods in the form of raw materials, production results and/or supporting production equipment for their own use; and 2) Activities relating to government, research, education and training, as well as social activities.
- Business licensing for the development of special terminals can be granted for a maximum period of five years, which can be extended for a maximum period of two years, while business licensing for the operation of said special terminals can be granted for a maximum period of five years, which can also be extended.
- The management of private interest terminals may only be conducted after business licenses have first been secured from the following agencies: 1) The Minister: for private interest terminals located within the work authority areas and work interest areas of main and hub ports; 2) Governors: for private interest terminals located within the work authority areas and work interest areas of regional feeder ports; and 3) Regents/mayors: for private interest terminals located within the work authority areas and work interest areas of local feeder ports.

84. Regulation of the Minister of Transportation [No. PM.53 of 2021](#) on the Amendment to Regulation of the Minister of Transportation [No. PM.125 of 2018](#) on Dredging and Reclamation Work

Enforcement Date: 16 June 2021

Summary:

- All dumping locations on land must meet the following conditions: 1) If said locations lie within the working environment areas of ports and areas of environmental interest at ports: must secure approvals from port operators; or 2) If said locations lie outside the working environment areas of ports and areas of environmental interest at ports: must secure local-government approvals. Moreover, dumping locations on land must comply with the following provisions: 1) Must comprise land areas that are not affected by high tides; and/or 2) Must not alter any stretches of coastline.
- Any parties looking to undertake reclamation work are first required to obtain approvals from the following parties: 1) Regents/mayors: for reclamation work that will be undertaken within the waters of local feeder ports and river and lake ports; 2) Governors: for reclamation work that will be undertaken within the territorial waters of regional feeder ports; and 3) The Director-General of Water Transportation (“**Director-General**”): for reclamation work that will be undertaken within the waters of main ports, collecting ports and special terminals.
- Port business entities, private interest managers of terminals and managers of special terminals may be granted building-use rights or other land rights or land-management rights in accordance with the applicable laws and regulations. However, said building-use rights or other land rights cannot be transferred to any other parties.
- Holders of reclamation work approvals are required to implement the following measures: 1) Pay non-tax state revenue for reclamation work approvals; 2) Install signs and navigational signs that can be clearly seen both day and night and coordinate with the harbormaster and local navigation district during the implementation of the relevant reclamation work; 3) Take full responsibility for the impact of any reclamation work that is carried out; 4) Report reclamation work on a monthly basis to the Director-General with the knowledge of the local port operator and/or harbormaster; 5) Handover any land-management rights that result from any reclamation work to the port operator when the reclamation work is completed; 6) Handover an area of 5% of any total land that results from any reclamation work to a port operator located in the reclamation area for use in relation to government activities that are undertaken within the port sector; and 7) Commence reclamation work within three months of any reclamation-work approval being issued.

85. Regulation of the Minister of Transportation [No. PM.57 of 2021](#) on Procedures for Ship-Safety Examinations, Testing and Certification

Enforcement Date: 16 June 2021

Summary:

- Stipulates various procedures for the examination, testing and certification of ship safety in relation to: 1) Indonesian-flagged ships above GT 500 that sail in international waters; or 2) Indonesian-flagged ships that sail in Indonesian waters but which are regulated under international provisions.

- All procurements, developments, construction and operation of ships and related equipment must be undertaken in compliance with ship-safety requirements that are in accordance with the relevant laws and regulations, as well as with various international provisions. Ship-safety requirements encompass the following areas: 1) Materials; 2) Construction; 3) Buildings; 4) Machinery and electricity; 5) Stability; 6) The arrangement of safety and firefighting tools and equipment; and 7) Ship electronics.
- All equipment and ship components that will be used on board ships must be tested. Moreover, the testing of ship equipment and components should be proven through certification issued by the Director-General of Sea Transportation.
- All ships which are declared to have met ship-safety requirements based on the results of examination and testing processes will be issued ship-safety certification by the Minister of Transportation. Ship-safety certification comprises the following: 1) Passenger ship-safety certificates; and 2) Cargo ship-safety certificates.

#### 86. Regulation of the Minister of Transportation [No. PM.58 of 2021](#) on Maritime Labor Convention Certification

Enforcement Date: 16 June 2021

Summary:

- Stipulate various provisions on the fulfillment of standards by and the issuance of Maritime Labor Convention (“MLC”) certificates for Indonesian flagged vessels measuring 500 gross tonnage (“GT”) or more which are bound for overseas destinations, including: 1) Goods vessels; 2) Passenger vessels; and 3) Special-purpose ships.
- However, said fulfillment of standards and issuance of MLC certificates exempt the following: 1) State ships; 2) Battleships; 3) Fishing vessels; 4) Ships that are not used for any commercial purposes; and 5) Traditionally built ships.
- Indonesian-flagged ships bound for overseas destinations are required to comply with the 2006 MLC and its amendments, as proven through: 1) MLC certificates; 2) Declaration of Compliance with Maritime Labor Provisions (“DMLC”) Part I; 3) DMLC Part II.
- Shipowners or ship operators are required to compensate the crews of their ships. Said compensation should be paid to crew members who have their employment terminated for any of the following reasons: 1) Ships are lost or sunk; 2) Sea transportation companies undergo bankruptcies; or 3) Ships undergo changes of ownership.

#### 87. Regulation of the Minister of Transportation [No. 59 of 2021](#) on the Organization of Water Transportation Services Businesses

Enforcement Date: 7 July 2021

Summary:

- This new regulation simplifies various provisions that previously addressed different areas relating to water transportation. These provisions have been divided up into various chapters, as follows: 1)

Unloading goods (chapter III); 2) Transportation management services (chapter IV); 3) Port water transportation (chapter V); 4) Leasing of marine-transportation equipment or service equipment related to marine transportation (chapter VI); 5) Independent tallies (chapter VII); 6) Container depots (chapter VIII); 7) Ship management (chapter IX); 8) Intermediaries for the purchase, sale and/or leasing of vessels (chapter X); 9) Ship agency (chapter XI); 10) Ship maintenance and repairs (chapter XII); and 11) Ship crew agency (chapter XIII). The introduction of this new legal framework also merges and replaces various preceding related legal frameworks.

88. Circular of the Minister of Transportation [No. 62 of 2021](#) on Guidelines for the Implementation of Domestic Air Travel During the Corona Virus Disease 2019 (COVID-19) Pandemic

Enforcement Date: 11 August 2021

Summary:

- Air passengers who travel to and from the islands of Java and Bali, as well as other areas which are required to implement Level-3 and Level-4 enforced community activity restrictions (*pemberlakuan pembatasan kegiatan masyarakat – “PPKM”*), must show the following: 1) Vaccine card (a minimum of a first dose); and 2) Negative RT-PCR test result from a sample that is taken no later than 2 x 24 hours prior to departure.
- If passengers are traveling between airports within the islands of Java and Bali, then they will be required to show the following: 1) Vaccine card (a minimum of a first dose) and a negative RT-PCR test result from a sample that is taken no later than 2 x 24 hours prior to departure; or 2) Vaccine card which states a second dose and a negative rapid antigen test result from a sample that is taken no later than 1 x 24 hours prior to departure.
- If passengers are traveling to and from areas other than the islands of Java and Bali and which are implementing Level-1 and Level-2 PPKM, then they must show a negative RT-PCR test result from a sample that is taken no later than 2 x 24 hours prior to departure or a negative rapid antigen test result from a sample that is taken no later than 1 x 24 hours prior to departure.
- Aircrews are required to show negative RT-PCR tests or rapid antigen test results from samples that are taken no later than 7 x 24 hours prior to departure.
- Physical distancing must be implemented on all scheduled domestic flights that utilize aircraft that fall into certain categories (i.e. narrow-body and wide-body jets), while the maximum capacity of each aircraft has been set at 70% of total capacity (load factor).

89. Circular of the Minister of Transportation [No. 63 of 2021](#) on Guidelines for the Implementation of International Air Travel During the Corona Virus Disease 2019 (COVID-19) Pandemic

Enforcement Date: 11 August 2021

Summary:

- International travelers, both Indonesian citizens and foreign citizens, are required to show vaccine cards or certificates (complete dose), otherwise, said travelers will be required to be vaccinated upon arrival in Indonesia after having posted a second negative RT-PCR test during quarantine. International

travelers who are foreign citizens may be vaccinated in Indonesia if they meet the following requirements: 1) Must be 12 - 17 years of age; 2) Must hold diplomatic-stay permits or official-stay permits; and/or 3) Must hold limited-stay permit cards or permanent-stay permit cards.

- In addition to the above, international travelers are also required to show: 1) Negative RT-PCR test results from samples that must be taken 3 x 24 hours prior to departure, the results of which must be shown during a health examination process or uploaded via the e-HAC International Indonesia application; 2) Vaccine cards or certificates.
- Upon arrival, international travelers are required to undergo the following: 1) RT-PCR test; and 2) Quarantine or independent isolation process (for representatives of foreign countries and their families only) for a period of 8 x 24 hours after arrival, including a second RT-PCR test to be taken on the seventh day of quarantine.
- Foreign citizens who are located in Indonesian and who are intending to travel, either domestically or internationally, are required to be vaccinated.
- The following parties may be exempted from the requirement to show a vaccine card or certificate in order to enter Indonesia: 1) Foreign citizens who hold diplomatic visas or service visas (for official diplomatic visits of representatives at a ministerial level and above), as well as foreign citizens who are traveling to Indonesia under Travel Corridor Arrangement schemes; 2) Foreign citizens who are aiming to travel internationally, provided that they remain inside the relevant airports while waiting to board international flights (if foreign citizens are traveling domestically for transit purposes); 3) Foreign citizens who are younger than 18 years of age; 4) International travelers with special health conditions who are unable to be vaccinated.

90. Circular of the Minister of Transportation [No. 64 of 2021](#) on the Amendment to Circular of the Minister of Transportation [No. 56 of 2021](#) on Guidelines for the Implementation of Domestic Land Travel During the Corona Virus Disease 2019 (COVID-19) Pandemic

Enforcement Date: 12 August 2021

Summary:

- Authorizes regional governments to implement traffic engineering management policies and traffic demand management policies in accordance with the various needs and conditions that prevail within their regions.
- Said policies include the following: 1) Arrangement of traffic on certain roads; 2) Arrangement of traffic in certain areas which have the potential to attract many visitors and/or significant volumes of traffic; 3) Private vehicle restrictions along certain corridors or within certain areas during certain periods based on passenger numbers or vehicle license plates.

91. Regulation of the Chief of the Indonesian National Police Force [No. 7 of 2021](#) on the Registration and Identification of Motor Vehicles

Enforcement Date: 5 May 2021

Summary:

- All motor vehicles must be registered and this registration obligation applies as follows: 1) Registration of new motor vehicles; 2) Registration of the identification numbers of motor vehicles and their owners; 3) Registration of motor-vehicle extensions; and 4) Registration of motor-vehicle validations.
- Registrations will be implemented in relation to motor vehicles that are owned by the following parties: 1) Individuals; 2) Government agencies; 3) Business entities; 4) Foreign representatives; 5) International agencies; and 6) Foreign legal entities which have permanent offices in Indonesia.
- The following documents will be granted for motor vehicles that have been registered: 1) Proof of motor-vehicle ownership (*bukti pemilik kendaraan bermotor*); 2) Vehicle registration certificates (*surat tanda nomor kendaraan bermotor*); and/or 3) Vehicle registration plates (*tanda nomor kendaraan bermotor*).

## Miscellaneous

### 92. [Draft Bill](#) on Civil Procedure Law

Enforcement Date: -

Summary:

- Lawsuits or petitions relating to rights claims can either be submitted in writing or verbally and must contain the following information at the least: 1) Full name, gender, age, nationality, occupation, applicant's/petitioner's residential address and respondent's residential address (for lawsuits only); 2) Events which are the basis for the lawsuits/petitions, as accompanied by written evidence (if any); and 3) The claims/petitions which are requested to be granted by the court.
- The head of the relevant court may grant petitions for the detention of losing defendants or debtors if: 1) There are sufficient reasons to believe that the debtors in question will intentionally refuse to pay their debts to the relevant creditors even though said debtors are able to complete such payments; 2) The winning plaintiffs or creditors are able to prove that the losing defendants or debtors are required to pay at least Rp. 1 billion to them; and 3) The losing defendants or debtors are not 65 years of age (or older), are not minors, are not currently under conservatorship (*pengampuan*) and are not pregnant/currently breastfeeding their babies.
- For more information, see ILB [No. 4187](#).

### 93. Regulation of the President [No. 68 of 2021](#) on the Granting of Presidential Approvals for Draft Regulations of Ministers/Heads of Agencies

Enforcement Date: 6 August 2021

Summary:

- Official presidential approvals are required to be secured in relation to all draft regulations of ministers/heads of agencies. However, in order for draft regulations to be approved, they must first fulfill the following criteria: 1) Must have a broad impact upon public life; 2) Must be strategically directed in line with priority presidential programs, government targets, national security and state finances; and/or 3) Must be cross-sectoral or inter-ministry/agency in nature.
- The procedure for the securing of the abovementioned approvals breaks down as follows: 1) Harmonization of draft-regulation concepts; 2) Submission of application for approval by the relevant initiator along with the submission of certain documents (i.e. documents that elaborate upon the urgency for and the matters addressed by the regulation in question, as well as a statement letter on the completion of the relevant harmonization process); 3) Delivery of approval recommendation to the president; and 4) Issuance of approval/rejection/other directives by the president.
- Draft regulations that have been approved will then be further determined by the relevant initiators and also promulgated through Indonesia's state gazette.

94. Regulation of the Minister of Tourism and Creative Economy [No. 9 of 2021](#) on Guidelines for Sustainable Tourism Destinations

Enforcement Date: 7 July 2021

Summary:

- The new guidelines for sustainable tourism destinations specifically address the following aspects: 1) Sustainable management; 2) Social and economic sustainability; 3) Cultural sustainability; and 4) Environmental sustainability.
- The sustainable management aspect encompasses the following areas: 1) Management framework and structure; 2) Involvement of stakeholders; 3) Management of pressures and changes.
- The social and economic sustainability aspect encompasses the following areas: 1) Provision of benefits to the local economy; and 2) Social impacts and welfare.
- The cultural sustainability aspect encompasses the following areas: 1) Protection of cultural heritage; and 2) Visits to cultural sites.
- The environmental sustainability aspect encompasses the following areas: 1) Conservation of natural heritage; 2) Management of resources; and 3) Management of waste and emissions.

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