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communication and informatics

Minister of Communication and Informatics Regulation No. 11 of 2017 dated March 1, 2017, regarding Procedures for Quotation Testing of Telecommunications Tools and/or Equipment. This Regulation sets out details of the quotation tests performed by the Directorate General of Post and Informatics Resources and Equipment. Quotation testing is done for telecommunications equipment and/or tools that are certified and available in the market to examine compliance with the technical requirements for such tools and/or equipment. Tests can be performed periodically or under special circumstances, e.g. in response to a complaint. The examination involves comparing the results of a desk audit of the sample tool/equipment with the results of a physical audit of such sample tool/equipment, using the technical requirements determined by the Minister of Communication and Informatics as a reference. This Regulation came into effect on the date of its promulgation.

customs and excise

Minister of Finance Regulation No. 51/PMK.04/2017 dated April 12, 2017, regarding Objections within the Customs and Excise Sectors. Under this Regulation, a party may submit an objection letter over (i) tariffs and/or customs duty value for the calculation of import duties that result in underpayment; (ii) matters other than tariffs and/or customs duty value for the calculation of import duties; (iii) the imposition of fines or administrative sanctions; or (iv) the imposition of export duties. This Regulation sets out the procedures and requirements to submit an objection letter to the Directorate General of Customs and Excise. It came into force 60 days as of the date of its enactment.

Minister of Finance Regulation No. 59/PMK.04/2017 dated May 8, 2017, regarding Excise Exemptions. This Regulation provides provisions for cut tobacco and fermented or refined ethyl alcohol drinks to be exempted from excise. It also contains provisions on other goods that are exempted from excise, namely excisable goods continually transported or further transported outside customs zone destination, exported excisable goods, excisable goods transferred to factory or storage, excisable goods used as raw materials or supporting materials for finished excisable goods, excisable goods that are destroyed or damaged before leaving storage, and excisable goods that are destroyed or damaged before leaving temporary storage. This Regulation provides the conditions for excise exemptions for the goods, as well as sanctions for violations of the Regulation's provisions. This Regulation will come into force 90 days as of the date of its enactment.

Minister of Energy and Mineral Resources Regulation No. 26 of 2017 dated March 30, 2017, regarding Mechanisms for Investment Cost Recovery in Oil and Gas Upstream Business Activities. This Regulation provides details on the recovery of investment costs by business entities conducting exploration and exploitation activities under a cooperation contract with SKK Migas. Contractors will receive investment cost recovery at the end of the cooperation contract period. This Regulation came into force on the date of its promulgation.

Minister of Energy and Mineral Resources Regulation No. 28 of 2017 dated March 31, 2017, regarding the Amendment of Minister of Energy and Mineral Resources Regulation No. 5 of 2017 regarding the Enhancement of the Added Value of Minerals through Domestic Mineral Refinery and Processing Activities. This Regulation amends the transition period for changing a Work Contract to a Special Mining Business License ("IUPK"). It came into force on the date of its promulgation.

Minister of Energy and Mineral Resources Regulation No. 29 of 2017 dated April 12, 2017, regarding Licensing for Oil and Gas Business Activities. The stated aim of this Regulation is to simplify licensing procedures in the oil and gas sector. This Regulation provides guidelines on how to apply for the necessary licenses according to the type of oil and gas business activity through the online application system. It revokes three regulations and comes into force one year from the date of its promulgation.

Minister of Energy and Mineral Resources Regulation No. 32 of 2017 dated May 8, 2017, regarding the Utilization and Sales Price for Flare Gas in Upstream Oil and Gas Business Activities. The stated purpose of this Regulation is to increase the utilization of flare gas and decrease the volume of gas being flared into the atmosphere. This Regulation stipulates procedures for utilizing flare gas and contains provisions on the buyers and pricing of flare gas. Contracts for the sale of flare gas signed before this Regulation came into effect shall remain in force until the end of the contract period. This Regulation came into force on the date of its promulgation.

Minister of Energy and Mineral Resources Regulation No. 34 of 2017 dated May 9, 2017, regarding Licensing for the Minerals and Coal Sectors. This Regulation stipulates the licenses required in the minerals and coal sectors and the procedures to obtain these licenses. It provides guidelines for business actors in the minerals and coal sectors on how to apply for licenses according to the type of business activities, and outlines the rights, obligations and restrictions for license holders. This Regulation revokes five regulations and came into force on the date of its promulgation.

Minister of Energy and Mineral Resources Regulation No. 35 of 2017 dated May 15, 2017, regarding the Amendment of Minister of Energy and Mineral Resources Regulation No. 6 of 2017 regarding Procedures and Requirements for Granting a Recommendation for the Implementation of Processed and Refined Mineral Exports. This Regulation amends several provisions regarding the mineral products for which an export recommendation is required. It also introduces new provisions on force majeure with regard to the construction of refinery facilities and on the appointment of an independent auditor to verify the planned construction of a refinery facility. Any planned construction of a refinery facility approved by the Director General of Energy and Coal prior to the issuance of this Regulation must comply with the provisions of this Regulation, which came into force on the date of its promulgation.

Minister of Environment and Forestry Regulation No. P.20/MENLHK/SETJEN/KUM.1/3/2017 dated April 7, 2017, regarding Emission Standards for New Types of Category M, Category N and Category O Motor Vehicles. This Regulation provides The sub-categories of each of Categories M, N and O are detailed in the Regulation. Vehicles belonging to these categories and sub-categories are subject to the emission standards entailed in the attachment of this Regulation. The Regulation provides that the emission standards must be complied with no later than 18 months from the enactment of the Regulation for gas, CNG and LPG-fuelled vehicles, while diesel-fuelled vehicles have four years to comply. This Regulation came into force on the date of its promulgation.

Financial Services Authority (OJK) Regulation No. 5/POJK.05/2017 dated March 6, 2017, regarding Premiums, Pension Benefits and Other Benefits Organized by Pension Funds. The stated aim of this Regulation is to improve the organization of pension funds established and organized by employers for their own employees ("DPPK") and pension funds established and organized by banks or life insurance companies for either their own employees or third-party employees ("DPLK"). A DPPK can be a fixed-benefit ("PPMP") or fixed-premium ("PPIP") fund, while a DPLK can only be a fixed-premium fund. Both DPPK and DPLK may provide other benefits to participants who are still employed or already retired. This Regulation details the requirements for the above-mentioned pension fund programs. It came into force on the date of its promulgation.

Financial Services Authority (OJK) Regulation No. 10/POJK.04/2017 dated March 14, 2017, regarding the Amendment of OJK Regulation No. 32/POJK.04/2014 regarding the Planning and Organization of General Meetings of Shareholders for Publicly Traded Companies. Through this Regulation, the OJK hopes to increase the protection of minority shareholders. This Regulation introduces provisions on the conditions to hold a General Meeting of Shareholders ("GMS") to make any changes to rights incorporated under the shares of publicly traded companies. Among other requirements, the GMS in question must only be attended by shareholders who will be directly affected by said changes regardless of whether the concerned shareholders have voting rights. The GMS may only proceed on the condition that it meets the quorums as set out in this Regulation. Further, this Regulation addresses the appointment and termination of any public accountants responsible for auditing the annual financial histories of publicly traded companies, the decision of which must be rendered in a GMS by taking into consideration the recommendation made by the Board of Commissioners. This OJK Regulation entered into force on the date of its promulgation.

Financial Services Authority (OJK) Regulation No. 12/POJK.01/2017 dated March 21, 2017, regarding the Implementation of Anti-Money Laundering and Prevention of Terrorism Financing ("APU-PPT") Programs within the Financial Sector. This Regulation combines (and simultaneously repeals) the previous guidelines under Bank Indonesia ("BI") Regulation No. 12/20/PBI/2010 regarding the Implementation of APU-PPT Programs for Rural Credit Banks and Rural Sharia-Financing Banks, BI Regulation No. 14/27/PBI/2012 regarding the Implementation of APU-PPT Programs for Commercial Banks, OJK Regulation No. 22/POJK.04/2014 regarding Know Your Customer Principles for Financial Service Providers Operating within the Capital Market Sector, and OJK Regulation No. 39/POJK.05/2015 regarding the Implementation of APU-PPT Programs within the Non-Banking Financial Industry Sector. This OJK Regulation sets out provisions on the obligations of financial service providers within the banking, capital market and non-banking sectors to implement APU-PPT programs, measures relating to the implementation of APU-PPT programs, reporting measures and sanctions. It came into force on the date of its promulgation.

Financial Services Authority (OJK) Regulation No. 14/POJK.03/2017 dated April 7, 2017, regarding the Recovery Plan for Systemic Banks. This Regulation requires systemic banks to prepare and submit recovery plans, the implementation of which is triggered when the indicators as set out in this Regulation are reached. Systemic banks are banks that, due to the size of their assets, capital and obligations, network areas or the complexity of the banking transactions they handle, as well as their relationship with other financial service sectors, may cause the partial or complete failure of other banks or financial service providers, either operationally or financially, if there is any interference or failure of such banks. Systemic banks are obliged to periodically evaluate their recovery plans and undertake "stress testing" once a year. The result of this testing must be reported by the Board of Directors to the Board of Commissioners of the bank in question. By the enactment of this Regulation, Bank Indonesia ("BI") Regulation No. 13/3/PBI/2011 regarding Status Determination and Follow-Up Supervision of Banks, and BI Regulation No. 15/2/PBI/2013 regarding Status Determination and Follow-Up Supervision of Conventional Banks are revoked. This Regulation came into force on the date of its promulgation.

Financial Services Authority (OJK) Circular Letter No. 4/SEOJK.03/2017 dated March 1, 2017, regarding the Implementation of Risk Management Measures by Banks Engaging in Mutual Fund Activities. This OJK Circular Letter sets out a number of general and specific measures that must be observed by banks offering mutual fund services, and the planning and reporting obligation thereof. General measures under this Circular Letter are applicable to all banks, while specific measures differ according to the role a bank assumes in regard to mutual fund services, whether the bank acts as an investor, sales agent or custodian bank. This OJK Circular Letter repeals Bank Indonesia ("BI") Circular Letter No. 7/19/DPNP dated June 14, 2005, as amended by BI Circular Letter No. 11/36/DPNP dated December 31, 2009, which regulated the same matters. This Circular Letter came into force on the date of its promulgation.

Financial Services Authority (OJK) Circular Letter No. 9/SEOJK.05/2017 dated February 23, 2017, regarding Micro Insurance Products and Marketing Channels for Micro Insurance Products. This Circular Letter implements Article 8 paragraph (2) and Article 45 paragraph (3) of OJK Regulation No. 23/POJK.05/2015 dated November 24, 2015, regarding Insurance Products and the Marketing of Insurance Products. This OJK Circular Letter requires that Micro Insurance Products be simple, convenient, economic and immediate, and also stipulates the features and administrative process for such products. It also sets out five marketing channels for Micro Insurance Products, i.e. direct marketing, insurance agents, bank assurance, non-banks and/or marketing agents. The OJK also mandates the marketing of Micro Insurance Products be done based on marketing cooperation agreements, which at the very least must include provisions on the payment procedures for contributions, claims and premiums, and a statement that decision-making authority on underwriting shall fully be conferred on the insurance company. This Circular Letter came into force two months as of its date of promulgation.

Financial Services Authority (OJK) Circular Letter No. 12/SEOJK.03/2017 dated March 17, 2017, regarding Share Ownership in Commercial Banks. This Circular Letter is an implementing regulation for OJK Regulation No. 56/POJK.03/2016 regarding Share Ownership in Commercial Banks, and revokes BI Circular Letter No. 15/4/DPNP regarding Share Ownership in Commercial Banks. Notable provisions in this OJK Circular Letter include those on shareholding caps for Regional Governments (set at 30%) and Bank Holding Companies (decided based on the highest shareholder category of the Bank Holding Company), the procedures for shareholders to own more than 40% of a bank's shares and the mandatory commitment to buy a bank's equity bonds. To own more than 40% of a bank's shares, this OJK Circular Letter requires that prospective controlling shareholders of foreign nationalities or domicile obtain a recommendation from the supervisory authority in their country of origin. This Circular Letter came into force on the date of its promulgation.

Financial Services Authority (OJK) Circular Letter No. 13/SEOJK.03/2017 dated March 17, 2017, regarding the Implementation of Governance for Commercial Banks. This Circular Letter serves as an implementing regulation for OJK Regulation No. 4/POJK.03/2016 regarding Assessment of Bank Soundness Level for Commercial Banks, and OJK Regulation No. 55/POJK.03/2016 regarding Implementation of Governance for Commercial Banks. The provisions under this OJK Circular Letter mainly concern good corporate governance and the good corporate governance implementation report. Three matters are excluded from the implementation report, namely, the remuneration packages and facilities for the Board of Directors and Board of Commissioners, share options owned by commissioners, directors and executive officers, and salary ratio. By virtue of this OJK Circular Letter, Bank Indonesia Circular Letter No. 15/15/DPNP regarding the Implementation of Good Governance in Commercial Banks is revoked. This Circular Letter came into force on the date of its promulgation.

Financial Services Authority (OJK) Circular Letter No. 14/SEOJK.03/2017 dated March 17, 2017, regarding the Assessment of Bank Soundness Level for Commercial Banks. This Circular Letter serves as an implementing regulation for OJK Circular Letter No. 14/SEOJK.03/2016 regarding the Assessment of Bank Soundness Level for Commercial Banks, and OJK Regulation No. 18/POJK.03/2016 regarding the Implementation of Risk Management in Commercial Banks. This Circular Letter revokes Bank Indonesia Circular Letter No. 13/24/DPNP. Under this OJK Circular Letter, banks are required to self-assess their soundness level through Risk-Based Bank Rating. Banks are required to submit the self-assessment results according to the deadline as set out in this Circular Letter, which came into force on the date of its promulgation.

Financial Services Authority (OJK) Circular Letter No. 16/SEOJK.03/2017 dated April 6, 2017, regarding the Submission of Foreign-Customer Taxation Information for the Purpose of the Automatic Exchange of Information through Common Reporting Standards. This Circular Letter sets out provisions that implement OJK Regulation No. 25/POJK.03/2015 dated December 4, 2016, regarding the Submission of Foreign-Customer Taxation Information to Participating Countries or Jurisdictions and Bilateral or Multilateral Competent Authority Agreements ("CAA") which have been signed by the Indonesian Government for the implementation of the Automatic Exchange of Information obligation through the use of Common Reporting Standards ("CRS"). According to this Circular Letter, CRS is a standard that relates to the exchange of financial information for taxation purposes as drafted by the Organization for Economic Cooperation and Development. Pursuant to this Circular Letter, four types of financial institutions, i.e. commercial banks, security companies, custodian banks and conventional/sharia life insurance companies, are required to report their foreign customers' tax-related information to Indonesian tax authorities in accordance with CAA CRS. The financial institutions are required to obtain written approval from the foreign customers for such reporting, and should the foreign customers decline to provide their consent, the financial institutions must refuse to complete any new transactions undertaken by said foreign customers. This Circular Letter also provides the reporting mechanism and time frame for the submission of such reports. For reporting based on multilateral CAA CRS, the report must be submitted to the OJK by no later than August 1 annually (for fiscal positions as of December of the previous year). For reporting that is based on bilateral CAA, the report must be submitted within 60 days before the deadline as agreed under the bilateral CAA in question. This Circular Letter came into force on the date of its promulgation.

Minister of Industry Regulation No. 09/M-IND/PER/3/2017 dated March 20, 2017, regarding Procedures for Granting Special License for Crumb Rubber. This Regulation provides guidelines for granting a special license for crumb rubber capital investment, including the administrative requirements and the criteria to obtain the special license. This Regulation only applies for new capital investment, expansion of investment, change of share participation and merger of company. The special license is a requirement to obtain a crumb rubber Industrial License. Capital investment companies approved for but which had not obtained the Industrial License before the issuance of the 2016 Negative Investment List are exempted from this Regulation. This Regulation came into force on the date of its promulgation.

Minister of Industry Regulation No. 10/M-IND/PER/3/2017 dated March 24, 2017, regarding Facility to Obtain Raw Materials for the Sugar Industry. This Regulation provides that newly established and expanded companies in the sugar industry shall be granted a facility for the importation of raw sugar crystals over a certain period. Companies must apply for a recommendation to import the raw sugar and complete the verification process to obtain the facility. This Regulation came into force on the date of its promulgation.

Minister of Land and Spatial Planning / National Land Agency Regulation No. 5 of 2017 dated April 27, 2017, regarding Electronic Land Information Service. This Regulation concerns the availability of the National Land Agency's electronic/online land information service. This service will enable users to verify and confirm the accuracy of data in land certificates and other relevant information as listed in this Regulation. With the enactment of this Regulation, an Official Certifier for Land Entitlement, or PPAT, is obliged to refer to the information in this electronic/online land information service before proceeding with any deeds pertaining to any legal actions on the concerned land or building. This service is subject to fees that are not regulated in this Regulation, which came into force on the date of its promulgation.

Minister of Finance Regulation No. 52/PMK.010/2017 dated April 17, 2017, regarding Use of Book Value on Transfer and Obtainment of Property in the Framework of a Merger, Consolidation, Expansion or Acquisition of a Business. This Regulation revokes Minister of Finance Regulation No. 43/PMK.03/2008 regarding the same. Taxpayers may use book value for the transfer of property in the framework of corporate actions as mentioned in the title of this Regulation. Taxpayers must fulfil all the requirements and submit a request to the Directorate General of Taxation to use such method. This Regulation came into force on the date of its promulgation.

Minister of Finance Regulation No. 66/PMK.03/2017 dated May 16, 2017, regarding the Amendment of Minister of Finance Regulation No. 29/PMK.03/2015 regarding the Annulment of Interest Administration Sanctions Issued Pursuant to Article 19 paragraph (1) of Law No. 6 Year 1983 regarding General Provisions and Guidelines of Tax as amended several times, the latest by Law No. 16 Year 2009. Under this Regulation, the Directorate General of Taxation, at its own discretion or at the request of a taxpayer, may

reduce or annul administrative sanctions related to tax debt arising before January 1, 2015 and paid before January 1, 2016. This Regulation came into force on the date of its promulgation.

Minister of Finance Regulation No. 68/PMK.03/2017 dated May 16, 2017, regarding the Amendment of Minister of Finance Regulation No. 91/PMK.03/2015 regarding Reduction or Annulment of Administrative Sanctions for Delay in the Submission of Notice Letter, Correction of Notice Letter and Delay in Payment or Tax Payment. Under this Regulation, the Directorate General of Taxation may reduce or annul administrative sanctions arising from taxpayer error. This Regulation came into force on the date of its promulgation.

transportation

Minister of Transportation Regulation No. PM 18 of 2017 dated February 22, 2017, regarding the Formulation of Operational Costs for Pioneer Flight Transportation and Passenger Fares for Pioneer Flights in 2017. This Regulation provides calculations for flight operational fees, with such fees calculated based on the air transportation service fees per production unit added with profit. Said air transportation service fees consist of direct fees and indirect fees. Direct fees are categorized as constant fees (fees arising as a result of aircraft activities, e.g. technician wages and insurance) and variable fees (fees arising as a result of operating the aircraft, e.g. fuel costs and ground-handling costs). Indirect fees are defined as fees incurred to support the commercial air transportation entity that do not have any direct relation with operating the aircraft itself (i.e. organization costs and marketing or trading costs). Further, under this Regulation, passenger fares for pioneer flights shall be based on the use of propeller-type aircraft with a maximum seating capacity of 30, the total cost of aircraft operation inclusive of a maximum 10% profit margin and the purchasing power of society. This Regulation came into force on the date of its promulgation.

Minister of Transportation Regulation No. PM 20 of 2017 dated March 10, 2017, regarding Special Terminals and Privately Owned Terminals provides guidelines for the operation of special terminals and privately owned terminals. Special terminals may be built outside of port areas and the surrounding vicinity in order to provide support for certain activities that cannot be provided by the nearest port. The government or a business entity acting as a special terminal operator may operate special terminals. Privately owned terminals may be built to support certain activities within port areas and the surrounding vicinity. The operation of a privately owned terminal shall be integrated with the operation of the port, and can only be done through a cooperation with the port operator, as approved by the relevant authorities. This Regulation came into force on the date of its promulgation.

Minister of Transportation Regulation No. PM 24 of 2017 of April 5, 2017, Minister of Transportation Regulation No. PM 24 of 2017 of April 5, 2017, regarding the Revocation of Business Entity Shareholding Requirements in the Field of Sea Transportation, Ship Agency, Loading Business and Port Business. This Regulation revokes several regulatory requirements applicable to the ownership of shares by a business entity in the field of sea transportation, ship agency, loading business and port business. The revoked provisions are (i) Articles 4, 5, 6, 7, 9, 11 and 22 of Minister of Transportation Regulation No. PM 45 of 2015 regarding Ownership Requirements for Capital Business Entities in the Field of Transportation; (ii) Article 69 paragraph (2) (b) and (c) and Article 70 paragraph (2) (b) and (c) of Minister of Transportation Regulation No. PM 93 of 2013 regarding the Provision and Business of Sea Transportation; (iii) Article 9 paragraph (3) letter b and c and paragraph (4) of Minister of Transportation Regulation No. PM 11 of 2016 regarding the Provision and Business of Ship Agency; (iv) Article 30 paragraph (3) (a) and (h), paragraph (4), and paragraph (5) of Minister of Transportation Regulation No. PM 146 of 2016 regarding the Amendment of Minister of Transportation

Regulation No. PM 51 of 2015 regarding the Provision of Sea Ports; and (v) Article 6 paragraph (4) (b), (4) (c), and (5), Article 8 paragraph (2) (c) and (d), and Article 8 paragraph (4) of Minister of Transportation Regulation No. PM 152 of 2016 regarding the Provision and Business of Ship Loading and Unloading. This Regulation came into force on the date of its promulgation.

Minister of Transportation Regulation No. PM 26 of 2017 dated March 31, 2017, regarding the Provision of Non-Fixed-Route Public Transportation Services by Motorized Vehicles. This Regulation concerns the provision of public transportation services by motorized vehicles that do not operate on fixed routes. The types of public transportation services covered by this Regulation are (i) taxi transportation; (ii) specific destination transportation; (iii) transportation for tourism purposes; and (iv) specific area transportation. This Regulation also provides the requirements for entities to obtain a license to provide non-fixed-route public transportation services. These requirements include ownership of at least five vehicles, ownership or possession of a vehicle storage space to accommodate the vehicles, and maintenance service facilities for the vehicles (either owned by the business entity itself or provided through a cooperation agreement with another party). Depending on the type of non-fixed-route public transportation service, the license may be issued by the Directorate General of Land Transportation, the Head of the Transportation Management Agency or the relevant governor or mayor. This Regulation came into force on the date of its promulgation.