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general

Coordinating Minister for Economic Affairs Regulation No. 8 of 2017 dated October 27, 2017, regarding Implementation Guidance for Presidential Regulation No. 91 of 2017 regarding Acceleration of Business Implementation. This Regulation provides guidance to ministers, governors and regents/mayors for (i) forming and implementing national work units, and work units for ministries, provinces and cities; (ii) applying licensing checklists for special economic zones, free trade areas and free ports, industrial areas, and national strategic tourism areas; (iii) data sharing utilization in special economic zones, free trade areas and free ports, industrial areas, and national strategic tourism areas; (iv) reforming business licensing regulations; and (v) implementing the online single submission system regulated by Presidential Regulation No. 91 of 2017. This Regulation came into force on the date of its promulgation.

agrarian affairs and spatial planning

Minister of Agrarian Affairs and Spatial Planning/Head of National Land Agency Regulation No. 19 of 2017 dated October 30, 2017, regarding the Amendment of Minister of Agrarian Affairs and Spatial Planning/Head of National Agency Regulation No. 5 of 2015 regarding Location Permit. This Regulation changes the definition of "Land Office" and adds a definition for "low-income residents." It also amends the amount of land required for capital investment to no more than (i) 25 hectares for agriculture business, (ii) 10,000 sqm for non-agriculture business and (iii) 50,000 sqm for low-income housing development. This Regulation came into force on the date of its promulgation.

Minister of Agrarian Affairs and Spatial Planning/Head of National Land Agency Regulation No. 18 of 2017 dated October 30, 2017, regarding the Amendment of Head of National Land Agency Regulation No. 2 of 2013 regarding the Delegation of Authority to Issue Land Title and Land Registration. With this amendment, Heads of Land Offices may issue to legal entities Right to Build over land which area exceeds 20,000 sqm. To obtain such Right to Build, a legal entity must: (i) possess adequate human resources and infrastructure in the jurisdiction of the Land Office concerned; (ii) implement the construction of low-income housing; and (iii) comply with all higher laws, regulations and ministerial policy. The delegation of authority to Heads of Land Offices to grant land titles shall be in the form of (i) a Decree of the Regional Land Agency if the land in question is under the authority of the Regional Land Agency; or (ii) a Decree of the Minister of Agrarian Affairs if the land in question is under the authority of the minister. This Regulation came into force on the date of its promulgation.

Financial Services Authority (“OJK”) Regulation No. 57/POJK.04/2017 dated September 26, 2017, regarding the Implementation of Good Corporate Governance by Securities Companies Acting as Securities Underwriters and Securities Brokers. The stated aim of this Regulation is to improve the quality of securities companies and customer protections. Securities companies acting as securities underwrites and brokers in the capital market must implement good corporate governance, specifically by implementing, among other measures, internal controls, business ethics, business planning, a non-compliance reporting system, and customer complaint policies. Companies are required to implement internal controls by formulating risk management policies and evaluating the same annually, and formulating compliance and internal auditing policies. With regard to business plans, the Board of Directors of the company is responsible to formulate company targets and financial projections annually for approval by the Board of Commissioners or the General Meeting of Shareholders. The approved business plan must be submitted to the OJK by the end of November each year. Subsequently, securities companies must submit reports on the realization of such business plans by February 15 of the following year. The OJK also requires securities companies to submit a report on the implementation of good corporate governance annually by February 15 of the year following the reporting period. This Regulation entered into force on the date of its promulgation.

OJK Circular Letter No. 50/SEOJK.03/2017 dated September 27, 2017, regarding Reporting and Requests for Debtor Information through the Financial Information Services System. This Circular Letter is an implementing regulation for OJK Regulation No. 18/POJK.03/2017 regarding the same subject and revokes Bank Indonesia (“BI”) Circular Letter No. 7/63/DPBPR/2005 and BI Circular Letter No. 10/47/DPNP/2008 regarding Debtor Information System. The revocation of the two BI circular letters is effective as of January 1, 2018. This OJK Circular Letter establishes the OJK-managed Financial Information Services System (“SLIK”) for the exchange of credit information, replacing the Debtor Information System that was managed by BI. There are two types of reporters recognized under the SLIK, namely mandatory and non-mandatory reporters. Mandatory reporters are commercial banks, rural banks, sharia rural financing banks, financing institutions and other financial institutions that provide funding facilities. This Circular Letter expands the scope of mandatory reporters, which previously covered only commercial and rural banks. Non-mandatory reporters are other financial institutions that provide peer-to-peer lending and other non-financial institutions, such as credit unions. Reporters are required to submit monthly debtor information reports that contain information on debtors, credit facilities, collateral and guarantors, among other information. These reports must be submitted online through the SLIK. This Circular Letter entered into force on the date of its promulgation.

OJK Circular Letter No. 52/SEOJK.05/2017 dated September 28, 2017, regarding the Organization of Conventional Pawnbroker Companies. This Circular Letter is an implementing regulation for OJK Regulation No. 31/POJK/2016 regarding Pawnbroker Companies. It contains provisions for the organization of conventional pawnbrokers, the most pertinent of which concern fee-based income, minimum loan-ratio requirements and the formulation of guidelines for pawnbrokers. Conventional pawnbrokers may engage in fee-based business activities unrelated to the core pawnshop business, such as the marketing of licensed financial service products or acting as financial service agents or remittance agents. Such fee-based business should not exceed 20% of the total assets of the pawnbroker. Pawnbrokers may also operate side businesses provided that they first obtain approval from the OJK and submit an implementation report to the OJK within 15 days as of the commencement of the side business. This Circular Letter sets forth minimum loan-to-value ratios depending on the type of collateral. However, this minimum requirement can be waived with the consent of the borrower, as evidenced by a pawn certificate signed by the borrower. This Circular Letter entered into force on the date of its promulgation.

OJK Circular Letter No. 54/SEOJK.05/2017 dated October 12, 2017, regarding Reporting on the Implementation of Good Corporate Governance by Guarantee Institutions. This Circular Letter is an implementing regulation for OJK Regulation No. 3/POJK.05/2017. It sets forth guidelines for reports on good corporate governance ("GCG Reports"), which must be submitted to the OJK by no later than April 30 of the following year. GCG Reports must also be submitted to the executive heads of insurance supervisors, pension funds, financing institutions or other financial service providers. GCG Reports must include the implementation of GCG, such as auditing, risk management, remuneration policy, etc. They must also include the results of self-assessment reports and corresponding action plans. This Circular Letter entered into force on the date of its promulgation.

Bank Indonesia ("BI") Regulation No. 19/11/PBI/2017 dated October 6, 2017, regarding the Settlement of Bilateral Trade Transactions through the Use of Local Currency via Banks. This Regulation contains provisions for Local Currency Settlement through Appointed Cross Currency Dealer Banks ("ACCD Banks"). ACCD Banks are composed of an ACCD Bank located in Indonesia and an ACCD Bank located in a partnering country as appointed by BI and the respective partnering country's central bank/monetary authority. Indonesian ACCD Banks can open special purpose non-resident accounts in Rupiah currency, undertake foreign-exchange transactions and trade financing, perform foreign exchange spot, forward and swap transactions, and perform fund transfers in Rupiah or in the currency of the partnering ACCD Bank. This Regulation requires underlying transaction documents for foreign-exchange transactions, with exceptions for transactions conducted for the purpose of liquidity management or position squaring. This Regulation will come into force on January 2, 2018.

Minister of Finance Regulation No. 156/PMK.06/2017 dated November 6, 2017, regarding the Implementation of the Know-Your-Customer Principle for Auction Houses, which revokes Minister of Finance Regulation No. 45/PMK.06/2013. Under this Regulation, auction houses must draft, stipulate and implement know-your-customer policies as stipulated by this Regulation, including the identification and verification of service users and the monitoring of service users' transactions. Auction houses must apply the know-your-customer principle when conducting business with service users for transactions worth at least IDR 100 million, for any suspicious financial transaction and where the auction house doubts the information provided by the service user. This Regulation provides detailed guidelines for applying the know-your-customer principle. It came into force on November 8, 2017.

communication and informatics

Minister of Communication and Informatics Regulation No. 14 of 2017 dated September 5, 2017, regarding the Amendment of Minister of Communication and Informatics Regulation No. 12 of 2016 regarding the Registration of Telecommunication Service Customers, as amended by Minister of Communication and Informatics Regulation No. 21 of 2017. This newest amendment seeks to improve data protection by removing the requirement that customers provide the name of their mother when registering for telecommunication services. This Regulation came into force on the date of its promulgation.

Government Regulation No. 46 of 2017 dated November 10, 2017, regarding Environmental Economic Instruments. This Regulation provides that environmental economic instruments consist of (i) development and economic activity planning, (ii) environmental funding and (iii) incentives and/or disincentives. The stated purpose of this Regulation is to provide a legal structure and accountability for the protection and management of the environment, to change the behaviour of stakeholders in development and economic activity, to put in place an organized, systematic and measurable system for the management of environmental funding, and to develop domestic public and international trust in the management of environmental funding in Indonesia. This Regulation came into force on the date of its promulgation.

Law No. 18 of 2017 dated November 22, 2017, regarding the Protection of Indonesian Migrant Workers. This Law revokes Law No. 39 of 2004 regarding the Placement and Protection of Indonesian Manpower Abroad. However, all implementing regulations of the previous law shall remain in effect to the extent they do not contradict Law No. 18 of 2017. This Law adopts the protection aspects of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Under this Law, the protection of Indonesian migrant workers falls to the government, prior to, during and post-employment. The private sector has the role of placing Indonesian migrant workers. This Law came into force on the date of its enactment.

Minister of Manpower (“MOM”) Regulation No. 21 of 2017 dated November 22, 2017, regarding the Amendment of MOM Regulation No. 1 of 2016 regarding Guidelines for the Organization of Work Accident, Life and Pension Security Programs for Non-Salary Earners. Under this amendment, non-salary earners below the age of 60 are required to participate in work accident, life and pension security programs. The age limit was previously 56. This Regulation came into force on the date of its enactment.

Minister of Maritime Affairs and Fisheries Regulation No. 39/PERMEN-KP/2017 of 2017 dated September 5, 2017, regarding Maritime Affairs and Fisheries Business Practitioner Cards. The stated aim of this Regulation is to protect and improve the welfare of people working in the maritime affairs and fisheries sector, and to improve the effectiveness and efficiency of the Ministry of Maritime Affairs and Fisheries. Under this Regulation, everyone working in the sector, including fisherman and shipping service providers for maritime and fisheries products, is required to obtain a Maritime Affairs and Fisheries Business Practitioner Card to be used as an identification document. The card will be valid for five years and may be extended within three months prior to its expiry date. This Regulation revokes the requirement for fisherman to obtain a fisherman's card and for fish farmers to obtain an aquaculture card (AQUACARD). However, fisherman's cards issued prior to the enactment of this Regulation shall remain valid until their expiry date. This Regulation came into force on the date of its promulgation.

Minister of Public Works and Public Housing Regulation No. 16/PRT/M/2017 dated September 12, 2017, regarding Non-Cash Toll Transactions on Toll Roads. This Regulation is intended to provide guidance for the implementation of non-cash toll transactions on toll roads. The implementation of non-cash toll transactions shall be conducted in phases: (a) full implementation of non-cash toll transactions by October 31, 2017; and (b) the full implementation of transactions using contactless technology by December 31, 2018. This Regulation came into force on the date of its promulgation.

Minister of Finance Regulation No. 131/PMK.03/2017 dated October 3, 2017, regarding the Second Amendment of Minister of Finance Regulation No. 76/PMK.03/2013 regarding the Administration of Land and Building Tax in the Oil and Gas, and Geothermal Sectors. This Regulation amends several provisions regarding tax subjects and objects and the procedure for payment of tax in the oil and gas, and geothermal sectors, among other amendments. It came into force on October 4, 2017.

Minister of Finance Regulation No. 141/PMK.08/2017 dated October 23, 2017, regarding Procedures for the Transfer of Taxpayer Assets to the Republic of Indonesia and Their Placement within the Financial Market and Outside the Financial Market in the Framework of the Tax Amnesty. The stated aim of this Regulation is to provide flexibility and ease for Gateways in submitting investment positions to the Directorate General of Tax, as well as to support the regulation simplification program. In accordance with Minister of Finance Regulation No. 122/PMK.08/2016, it can be inferred that a Gateway is a bank account of the receiving bank that is appointed by the Ministry of Finance to receive taxpayer assets under the Tax Amnesty program. This Regulation provides the steps and conditions for the transfer of assets within and outside the financial market, the withdrawal of investment profit and investment as credit guarantee, and the appointment of a bank, investment manager or security broker as a Gateway. It came into force on October 24, 2017.

Minister of Finance Regulation No. 147/PMK.03/2017 dated October 31, 2017, regarding Guidelines for the Registration of Taxpayer and Deletion of Taxpayer Identification Number and the Stipulation and Revocation of Taxable Entrepreneur. This Regulation provides detailed steps to register as a taxpayer and to be stipulated as a taxable entrepreneur, among other things. It also provides guidelines aimed at improving the monitoring of taxable entrepreneurs. This Regulation came into force on November 1, 2017.

Minister of Finance Regulation No. 159/PMK.04/2017 dated November 10, 2017, regarding the Second Amendment of Minister of Finance Regulation No. 155/PMK.04/2008 regarding Customs Notification. This Regulation amends the obligations for importers and exporters in reporting the amount of goods imported or exported. It came into force on November 23, 2017.

Minister of Finance Regulation No. 165/PMK.03/2017 dated November 17, 2017, regarding the Second Amendment of Minister of Finance Regulation No. 118/PMK.0/2016 regarding the Implementation of Law No. 11 of 2016 regarding Tax Amnesty. This Regulation amends, among other things, several provisions regarding tax exemption related to the transfer of ownership of land and/or buildings and the handling of undisclosed or outstanding property. It came into force on November 20, 2017.

Minister of Finance Regulation No. 169/PMK.04/2017 dated November 20, 2017, regarding the Amendment of Minister of Finance Regulation No. 111/PMK.04/2013 regarding Guidelines for the Collection of Import Duty and/or Excise. This Regulation amends several provisions, including those related to the collection of import duty and/or excise, warning letters, distress warrants, the implementation of auctions and conditions for the revocation of a prevention decision. This Regulation will come into force 60 days after its promulgation, i.e. January 21, 2018.

trade

Minister of Industry Regulation No. 34/M-IND/PER/9/2017 dated September 8, 2017, regarding the Four-Wheel or More Motor Vehicle Industry. This Regulation provides that industrial vehicle companies must manufacture major vehicle components domestically. Companies can manufacture the vehicle components themselves or subcontract the work to qualified domestic companies. Companies operating in the four-wheel or more motor vehicle industry must possess an (i) Industrial Business License for vehicle production, (ii) Company Code Stipulation Letter and (iii) a trademark registration letter from the relevant authority or an agreement with the principal trademark holder for the manufacture of motor vehicles. This Regulation came into effect three months after its promulgation and revokes Minister of Industry Regulation No. 59/M-IND/PER/5/2010.

transportation

Minister of Transportation Regulation No. PM 103 of 2017 dated October 10, 2017, regarding the Regulation and Control of Vehicles Utilizing Crossing Transportation Services. This Regulation stipulates the procedures for the provision and use of crossing services provided by ports, including gates and weighbridges (jembatan timbang), which must be placed in front of ticketing counters. All vehicles that will be transported must be measured for height and weight, and any vehicle carrying dangerous goods must report to the port administrator. The port administrator has the right to reject any vehicle not abiding by this Regulation. Port administrators that violate this Regulation shall be subject to an administrative sanction in the form of a 50% decrease in port tariff. This Regulation came into force 30 days after its promulgation, i.e. November 10, 2017.

Minister of Transportation Regulation No. PM 104 of 2017 dated October 10, 2017, regarding the Provision of Crossing Transportation Services. This Regulation covers the determination of crossings, the requirements for transportation providers, tariffs, the placement of vessels, and the licensing of services. For an entity to conduct business as a crossing transportation business, it must obtain a Ferry Transportation Business License (Surat Izin Usaha Angkutan Penyeberangan). The requirements to obtain a license include (i) submission of deed of establishment of the entity; (ii) submission of the tax identity number of the entity; (iii) presence of a person-in-charge; (iv) occupying a place of business; (v) submission of a statement of undertaking to obtain an Indonesian flagged vessel that fulfils seaworthiness requirements; (vi) having experts in the fields of management, maritime affairs and/or commercial shipping; and (vii) having experts in the management of ferry transportation business. To operate a vessel on a determined crossing route, a crossing transportation business entity must obtain an Approval to Operate Crossing Vessel (Persetujuan Pengoperasian Kapal Angkutan Penyeberangan), which allows vessels to serve only one crossing. This Regulation came into force on the date of its promulgation.

Minister of Transportation Regulation No. PM 107 of 2017 dated October 18, 2017, regarding the Organization of Long-Distance Ferry Services. A long-distance ferry service provider must: (i) possess a Ferry Transportation Business License (Surat Izin Usaha Angkutan Penyeberangan); (ii) obtain an Approval to Operate Crossing Vessel (Persetujuan Pengoperasian Kapal Angkutan Penyeberangan) from the Directorate General of Land Transportation; (iii) utilize a passenger roll-on, roll-off vessel or a goods roll-on, roll-off vessel; and (iv) own or control a vessel with the capacity to transport at least 100 trucks, with a minimum speed of 15 knots. Where a crossing service is not available between Jakarta-Semarang, Jakarta-Surabaya or Surabaya-Lembar, PT ASDP Indonesia Ferry (Persero) shall be appointed to provide such service. Any provision of long-distance ferry services must be stipulated in a contract between the Board of Directors of the company providing the service and the Directorate General of Land Transportation. This Regulation came into force on the date of its promulgation and is retroactive to January 1, 2017.

Minister of Transportation Regulation No. PM 108 of 2017 dated October 24, 2017, regarding the Provision of Non-Fixed-Route Public Transportation Services. This Regulation revises Minister of Transportation Regulation No. PM 26 of 2017 ("Reg. PM 26"), which was partially annulled by Supreme Court Decision No. 37 P/HUM/2017. This Regulation does not make any changes to the restrictions placed on operational areas and vehicle numbers by Reg. PM 26, but it does introduce several factors to be taken into consideration with respect to the establishment of operational areas. These factors include (i) demand for special rental-vehicle services; (ii) area development; (iii) characteristics of the area/region; and (iv) the availability of adequate road networks. Rental-vehicle quotas will be based on the estimated need for transportation services in the operational area. Base and ceiling tariffs are retained. This Regulation revokes the issuance of Certificates of Vehicle Registration (Surat Tanda Nomor Kendaraan) on behalf of companies and revokes provisions relating to the prohibition on online application providers engaging in the following activities: (i) determining tariffs and offering tariff promotions that fall below the determined base tariff; (ii) recruiting drivers; and (iii) providing online application access to individuals working as transportation providers and public transportation companies that have not secured non-fixed-route transportation licenses. This Regulation came into effect on November 1, 2017.