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## banking

**Bank Indonesia ("BI") Regulation No. 19/13/PBI/2017 dated December 15, 2017**, regarding One-Stop Services at Bank Indonesia for the Operational Affairs of Commercial Banks ("BI Reg 19/2017"). This Regulation establishes a one-stop facility whose services include the issuance of certain licenses required for the establishment of new commercial banks and for existing banks to complete strategic corporate actions including mergers and acquisitions, change of status, such as from a sharia bank to a commercial bank, change of name and business license revocation. The stated aim of BI Reg 19/2017 is to simplify the procedures to secure the stipulated licenses. BI Reg 19/2017 came into force on the date of its promulgation.

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## capital markets

**Financial Services Authority (Otoritas Jasa Keuangan or "OJK") Regulation No. 76/POJK.04/2017 dated December 22, 2017**, regarding Public Offerings by Shareholders ("OJK Reg 76/2017"). This Regulation concerns the procedures for public offerings. It revokes Capital Supervisory Agency ("Bapepam-LK") Regulation No. KEP-05/PM/2004 on the same topic. The procedures set out in OJK Reg 76/2017 principally concern the submission of a registration statement prior to commencing the public offering, preparing and submitting a prospectus, and reporting the result of a public offering to the OJK. A prospectus may be published by issuers or public companies following the submission of the registration statement to the OJK. This publication or announcement must then be reported to the OJK within two days. Within three days as of the completion of the public offerings, the result must be reported to the OJK. OJK Reg 76/2017 came into force on the date of its promulgation.

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## education, research and technology

**Minister of Education and Culture Regulation No. 39 of 2017 dated December 28, 2017**, regarding the Registration and Licensing of Film Companies. Under this Regulation, the film industry includes movie production, film archiving, distribution and the importing of movies. This Regulation stipulates the procedure for a company in the film industry to obtain a business registration certificate, as well as the licensing requirements for companies in the industry. It came into force on the date of its promulgation.

**Minister of Energy and Mineral Resources Regulation No. 2 of 2018 dated January 23, 2018**, regarding Enactment of Mandatory Indonesian National Standards (“SNI”) in the Power Sector. This Regulation stipulates that certain electrical equipment must satisfy existing Indonesian National Standards. It includes a list of electrical equipment that is exempt from the mandatory fulfilment of SNI. This Regulation came into force on the date of its promulgation.

**Minister of Energy and Mineral Resources Regulation No. 4 of 2018 dated January 25, 2018**, regarding Natural Gas Business Activities in the Downstream Oil and Natural Gas Sector. This Regulation provides guidelines for the transmission, distribution and transportation of natural gas, and the development and operation of natural gas pipelines and support facilities. It also stipulates the sales price for natural gas and the tariff for the transportation of natural gas by pipeline. This Regulation came into force on the date of its promulgation.

**Minister of Finance (“MOF”) Regulation No. 201/PMK.02/02/2017 dated December 22, 2017**, regarding Mechanism for the Reimbursement of Production Bonus Payments by Geothermal Entrepreneurs. The Geothermal Production Bonus is a financial obligation imposed on the holders of a geothermal license, geothermal resources concession, operational contract with geothermal resources concession, or geothermal resources concession of gross income from the sales of geothermal steam and/or electricity from a geothermal power plant. Under this Regulation, a geothermal entrepreneur must pay the Production Bonus in advance to the regency government producer, and the entrepreneur will be reimbursed by the central government, according to the procedure stipulated by this Regulation. This Regulation came into force on January 22, 2018.

**Coordinating Minister for Economic Affairs/Chairman of Financing Policy Committee for Micro, Small and Medium Enterprises Regulation No. 11 of 2017 dated December 15, 2017**, regarding Guidance for the Implementation of Credit for Business. This Regulation provides the requirements to qualify as a recipient, distributor and guarantor of credits for business. It also regulates the guarantee mechanism for business credits, as well as the different distribution channels available for business credits. Any cooperation agreement signed prior to the enactment of this Regulation shall remain in force until the cooperation agreement expires. This Regulation came into force on January 1, 2018.

**BI Regulation No. 19/12/PBI/2017 dated November 30, 2017**, regarding the Organization of Financial Technology (“BI Reg 19/2017”). The long-awaited BI Reg 19/2017 comprehensively governs the organization of financial technology (“fintech”) in Indonesia, including the scope and characteristics of fintech activities, mandatory registration with BI, regulatory sandbox mechanisms and cooperation between payment system organizers and fintech organizers. BI Reg 19/2017 classifies fintech organizers into five main activities, i.e., payment systems, market support, investment and risk management, allocation of loans/financing and capital (inclusive of peer-to-peer lending and crowdfunding), and other financial services. As of December 30, 2017, all fintech organizers that engage in the above activities must register with BI. Payment

system organizers that have already obtained a license from BI and fintech organizers that are supervised by an institution other than BI are exempted from this mandatory registration. This BI regulation also introduces a regulatory sandbox, a sort of “laboratory” by which the central bank can assess the developed capabilities of certain fintech organizers that carry out new models of financial services, products, technologies and business models. Should BI approve such fintech products, the central bank will issue a license to the fintech organizer. With regard to cooperation between payment system organizers and fintech organizers, any such cooperation must obtain prior approval from BI, the failure of which will be subject to administrative sanctions. BI Reg 19/2017 came into force on the date of its promulgation.

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## fisheries

**Minister of Maritime Affairs and Fisheries Regulation No. 50/PERMEN-KP/2017 dated November 13, 2017**, regarding Types of Commodities Subject to Mandatory Fish Quarantine, Fishery Product Quality and Safety Examination. This Regulation stipulates several types of commodities that must go through mandatory quarantine examinations upon their arrival or departure from Indonesian territory. It also lists the documents that must be provided for the quarantine purpose. This Regulation came into force on January 12, 2018.

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## industry

**Minister of Industry Regulation No. 1 of 2018 dated January 12, 2018**, regarding Criteria and/or Requirements for the Implementation of Income Tax Facilities for Capital Investment in Certain Fields and/or in Certain Areas of the Industrial Sector. As the title suggests, this Regulation stipulates criteria and requirements for domestic corporate taxpayers in the industrial sector to receive income tax facilities for capital investment. These criteria include large investment, high absorption of manpower and using more than 20% local content for raw and supporting materials. This Regulation came into force on the date of its promulgation.

**Minister of Industry Regulation No. 41/M-IND/PER/12/2017 dated December 22, 2017**, regarding Green Industry Certification Agency. This Regulation provides that in performing the certification, the agency shall refer to green industry standards, green industry certification procedures and the terms of use of the green industry logo on the Green Industry Certificate. The Green Industry Certification Agency shall be required to deliver an annual performance report to the Head of Research and Development at the Ministry of Industry. This Regulation came into force on the date of its promulgation.

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## investment funds

**OJK Regulation No. 64/POJK.04/2017 dated December 22, 2017**, regarding Real Estate Investment Funds in the Form of Collective Investment Contracts (“OJK Reg 64/2017”). Under this Regulation, Real Estate Investment Funds (Dana Investasi Real Estat or “DIRE”) may be issued by public offering through the stock exchange or through a non-public offering (private placement). If issued through a public offering, the investment manager must first submit the registration statement for the public offering to the OJK, along with a collective investment contract (Kontrak Investasi Kolektif or “KIK”) notarial deed (as already registered with the OJK) and a KIK prospectus. If using private

placement, the investment manager must submit the relevant KIK to the OJK within 10 days of the execution of the KIK. This OJK Regulation also provides that KIK-DIRE may be invested in real estate assets through direct method or indirect method involving the use of a Special Purpose Company. This Regulation amends the thresholds that must be met for KIK-DIRE investment portfolios. For real estate assets investment portfolios, the threshold is at least 80% of net asset value. For other assets investment portfolios, the threshold is 20% or less of net asset value. OJK Regulation 64/2017 repeals the previous regulations on real estate investment funds, i.e., Head of Bapepam-LK Decision No. Kep-423/BL/2007 regarding Registration Statements for Public Offerings Undertaken by Real Estate Investment Trusts in the Form of Collective Investment Contracts; Head of Bapepam-LK Decision No. Kep-424/BL/2007 regarding Guidelines for the Format and Content of Prospectuses for Public Offerings Undertaken by Real Estate Investment Trusts in the Form of Collective Investment Contracts; Head of Bapepam-LK Decision No. Kep-426/BL/2007 regarding Guidelines for Collective Investment Contracts Offered by Real Estate Investment Trusts; and OJK Regulation No. 19/POJK.04/2016 regarding Guidelines for Investment Managers and Custodian Banks that Operate Real Estate Investment Trusts in the Form of Collective Investment Contracts. This OJK Regulation came into force on the date of its promulgation.

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## law administration and legal profession

**Minister of Law and Human Rights Regulation No. 26 of 2017 dated November 21, 2017**, regarding Requirements and Procedures for the Employment of Foreign Advocates and the Obligation to Provide Pro Bono Services to the Legal Education and Research Sector. This Regulation serves as a guideline for Indonesian law firms in the employment of foreign advocates. It sets the ratio between local advocates and foreign advocates at 4:1 and caps the number of foreign advocates a law firm can employ at five. Consistent with the previous regulation, Regulation No. 26 of 2017 requires foreign advocates to provide a certain number of hours of pro bono work related to legal education and research in Indonesia. Failure to fulfill the pro bono requirement will result in the non-extension of their work approval. This Regulation revoked Minister of Law and Human Rights Regulation No. 11 of 2004 and came into force on the date of its promulgation.

**Minister of Law and Human Rights Regulation No. 32 of 2017 dated December 8, 2017**, regarding Procedures for the Non-Litigation Settlement of Disputes over Laws and Regulations. This Regulation sets out several provisions regarding the non-litigation settlement of disputes over conflicting or overlapping laws and regulations that hinder the investment climate and business and economic activity. Non-litigation settlement refers to a process of executive review by the Director General of Laws and Regulations at the Ministry of Law and Human Rights, with the result to be delivered to the President along with the ministry's recommendation. This Regulation stipulates those parties that can submit a petition for review, as well as the procedure for submitting a petition. It came into force on the date of its promulgation.

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## manpower

**Minister of Manpower and Transmigration Regulation No. 22 of 2017 dated December 7, 2017**, regarding the Implementation of One-Door Integrated Service in the Field of Manpower at the Indonesian Investment Coordinating Board ("BKPM"). This Regulation authorizes the Chairman of the BKPM to issue certain business licenses related to the manpower sector, including licenses for services involving the placement of Indonesian workers domestically, the provision of temporary workers domestically by labor supply companies and the organization of work training programs. Further, by virtue of this Regulation, officials from the Ministry of Manpower and Transmigration will be assigned to the BKPM to sign and issue certain operational licenses, including Work Permits for Foreigners. This Regulation came into force on the date of its promulgation.

**MOF Regulation No. 2/PMK.010/2018 dated January 4, 2018**, regarding the Imposition of Safeguard Measures Import Duty on the Import of Section I and H Other Alloy Steel Products. Under this Regulation, safeguard measures import duty shall be imposed for three years on stipulated products. Products from certain countries are excluded from safeguard measures import duty under this Regulation, which came into force on January 21, 2018.

**MOF Regulation No. 202/PMK.010/2017 dated December 21, 2017**, regarding the Implementation of Income Tax Treatment Based on the Provisions of International Agreements. Under this Regulation, foreign nationals and Indonesians employed by international organizations and/or subject to international law can receive preferential income tax treatment as stipulated in the international agreements included in the attachment to this Regulation. This Regulation came into force on December 22, 2017.

**MOF Regulation No. 203/PMK.04/2017 dated December 27, 2017**, regarding Provisions for the Export and Import of Goods Carried by Passengers and Transportation Crew Members. This Regulation requires customs and excise officials to be notified of the carriage of certain goods by passengers or transportation crew members leaving or entering Indonesian territory, with such goods to be imposed certain export and import duties. This Regulation came into force on January 1, 2018.

**MOF Regulation No. 204/PMK.04/2017 dated January 27, 2018**, regarding Duty Free Shops. A Duty Free Shop is a building, place or area to stock imported goods and/or goods from the customs area to be sold to certain persons. This Regulation stipulates provisions on the location, requirements, establishment, customs and tax treatment, obligations, responsibilities and restrictions on Duty Free Shops. It came into force on the date of its promulgation.

**MOF Regulation No. 228/PMK.03/2017 dated January 29, 2017**, regarding Details on the Types of Data and Information and Guidelines for the Submission of Data and Information Related to Taxation. This Regulation requires government agencies, institutions, associations and other related parties to periodically submit taxation data and information to the Directorate General of Tax. Such data and information shall be submitted electronically or as hard copies. This Regulation provides details on the parties required to make such submissions, the data and information to be submitted, and the schedule for submissions. It came into force on the date of its promulgation.

**Minister of Trade Regulation No. 15 of 2018 dated January 15, 2018**, regarding the Amendment of Minister of Trade Regulation No. 24/M-DAG/PER/4/2016 regarding Trade Standardization. This Regulation amends several provisions regarding the Indonesian National Standard (Standar Nasional Indonesia or "SNI"), the use of INATRADE to check the data of imported goods, post-audit mechanisms to analyze the consistency of goods and the functions of the Compliance Assessment Institution, as well as sanctions for non-compliance. This Regulation came into effect on February 1, 2018.

**Minister of Trade Regulation No. 12 of 2018 dated January 12, 2018**, regarding the Amendment of Minister of Trade Regulation No. 87/M-DAG/PER/10/2015 regarding Provisions on the Import of Certain Products. Under this amendment, products covered

by this Regulation will be examined for fulfilment of importation requirements after they pass the customs area, and importers will be required to make a self-declaration that they have fulfilled the import requirements. Importers that do not comply with the provisions of this Regulation shall be subject to sanctions and the imported products concerned will be destroyed. This Regulation came into effect on February 1, 2018.

**Coordinating Minister for Economic Affairs/Chairman of National Council for Special Economic Zones Regulation No. 15 of 2017 dated December 21, 2017**, regarding the Amendment of Coordinating Minister for Economic Affairs/Chairman of National Council for Special Economic Zones Regulation No. 10 of 2016 regarding Business Fields that Constitute Main Activities in a Special Economic Zone. This Regulation amends the list of business fields that are considered the main activities in a special economic zone. It came into force on the date of its promulgation.

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## transportation

**Minister of Transportation Regulation No. PM 120 of 2017 dated December 29, 2017**, regarding Delivery Order Online Service for Imported Goods at Seaports. The stated aim of this Regulation is to improve the flow of goods and to decrease logistics costs at seaport through the introduction of the Delivery Order Online ("DO Online") certificate, which functions as a confirmation that goods have been sent. The certificate will be issued by the shipping company or a proxy to the owner of the goods and serves as valid evidence of the transfer of goods. The DO Online certificate will be integrated with the Indonesian National Single Window system, InaPortnet and similar systems. The DO Online will initially be implemented at Belawan Port, Tanjung Priok Port, Tanjung Perak Port and Makassar Port. The implementation of DO Online at other ports will be regulated in a separate ministerial regulation. This Regulation comes into effect six months since the date of its promulgation, i.e., June 29, 2018.

**Minister of Transportation Regulation No. PM 114 of 2017 dated December 15, 2017**, regarding the Third Amendment of Minister of Transportation Regulation No. PM 10 of 2016 regarding Tariffs for the Transportation by Sea of Goods for the Purpose of Public Service Obligation. This Regulation sets new tariffs for container and general cargo ships. It came into effect on the date of its promulgation and is retroactive to September 22, 2017.

**Minister of Transportation Regulation No. PM 115 of 2017 dated December 15, 2017**, regarding the Amendment of Minister of Transportation Regulation No. PM 100 of 2016 regarding Procedures and Requirements to Grant License to Use Foreign Vessels for Domestic Sea Transportation Activities Other Than the Transportation of Passengers and/or Goods. This amendment emphasizes the use of Indonesian-flagged vessels to conduct certain activities such as salvage operations, underwater work, oil and gas exploration, and offshore construction. At the same time, it extends the time period given to foreign vessels to conduct activities other than transporting passengers and/or goods to the end of December 2018. This Regulation came into effect on the date of its promulgation.

**Minister of Villages, Development of Underprivileged Regions and Transmigration Regulation No. 23 of 2017 dated December 19, 2017**, regarding the Development and Implementation of Appropriate Technology for the Management of Village Resources. The stated aim of this Regulation is to protect the natural resources of villages from exploitation and stop environmental destruction and pollution. It emphasizes that the Government is authorized to determine the arrangement, designation, utilization, procurement and reuse of natural resources, and to take action to protect and preserve natural resources. This Regulation came into force on the date of its promulgation.