INVESTMENT COORDINATING BOARD OF
REPUBLIC OF INDONESIA

COPY

REGULATION OF INVESTMENT COORDINATING BOARD OF
REPUBLIC OF INDONESIA
NUMBER 14 OF 2017
CONCERNING
GUIDELINES AND PROCEDURES FOR CONTROL OF INVESTMENT
IMPLEMENTATION

BY THE GRACE OF GOD ALMIGHTY

THE HEAD OF THE INVESTMENT COORDINATING BOARD OF
THE REPUBLIC OF INDONESIA,

Considering : a. that in order to implement the provisions
of Article 14, Article 15 and Article 28 paragraph
(1) point h of Law Number 25 of 2007 regarding
Investment, it has been stipulated Regulation of
Head of Investment Coordinating Board Number
17 of 2015 concerning Guidelines and Procedures for Control of Investment Implementation;

b. that in order to increase the realization of investment and implement the Presidential Regulation No. 91 of 2017 concerning Accelerated Implementation of Undertaking, it is necessary to perfect the Regulation of Head of Investment Coordinating Board Number 17 of 2015 concerning Guidelines and Procedures for Control of Investment Implementation;

c. that based on the considerations as referred to in point a and point b, it is necessary to establish a Regulation of Investment Coordinating Board concerning Guidelines and Procedures for Control of Investment Implementation;

In view of:

1. Law Number 25 of 2007 on Investments (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplementary State Gazette of the Republic of Indonesia Number 4724);

2. Presidential Regulation Number 90 of 2007 concerning Investment Coordinating Board as amended by Presidential Regulation Number 86 of 2012 concerning Amendment to Presidential
Regulation Number 90 of 2007 concerning Investment Coordinating Board (State Gazette of 2012 Number 210);
3. Presidential Regulation Number 97 of 2014 concerning the Implementation of One Stop Services (State Gazette of 2014 Number 221);
4. Presidential Regulation Number 91 of 2017 concerning Accelerated Implementation of Undertaking (State Gazette of the Republic of Indonesia of 2017 Number 210);

HAS DECIDED:

To stipulate : REGULATION OF INVESTMENT COORDINATING BOARD CONCERNING GUIDELINES AND PROCEDURES FOR CONTROL OF INVESTMENT IMPLEMENTATION.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Board Regulation meant by:

1. Investment is any form of investment activity, both by Domestic and Foreign Investors Investor, to do business in the territory of the Republic of Indonesia.
2. Investor is an individual or business entity conducting Investment which can be a Domestic Investor or a Foreign Investor.

3. Domestic Investor is an individual Indonesian citizen or Indonesian business entity, the state of Republic of Indonesia, or regional government conducting investment in the territory of the Republic of Indonesia.

4. Foreign Investor is an individual of foreign nationals, foreign corporation, and/or foreign governments conducting Investment in the territory of the Republic of Indonesia.

5. Domestic Investment hereinafter referred to as PMDN is the activity of investing to do business in the territory of the Republic of Indonesia by Domestic Investor using domestic capital.

6. Foreign Investment hereinafter referred to as PMA is the activity of investing to do business in the territory of the Republic of Indonesia by Foreign Investor, either using foreign capital fully or in joint venture with Domestic Investor.

7. Investment Coordinating Board, hereinafter referred to as BKPM, is the non-ministerial
government agency in charge of Investment, chaired by a Head who is under and directly responsible to the President.

8. One Stop Integrated Service hereinafter referred to as PTSP is any activities organizing Licensing and Non-Licensing based on the mandate of the institution or agency that has the authority on Licensing and Non-Licensing, the management process of which starting from the proposal stage to the stage of issuance of documents conducted in one place.

9. Central PTSP of BKPM is Investment-related Services which is the authority of the Government held in an integrated manner in one unity of the process starting from the stage of the request up to the completion of the service product through one door in BKPM.

10. Provincial Investment Service and One Stop Integrated Service, hereinafter referred to as the Provincial DPMPTSP, is a regional instrument as an assistant element of the governor to carry out government affairs in the field of Investment and
One Stop Integrated Service which is the authority of the province.

11. Regency/City Investment Service and One Stop Integrated Service hereinafter referred to as Regency/City DPMPTSP is a regional apparatus as an assistant element of regents/mayors to carry out government affairs in the field of Investment and One Stop Integrated Service which is the authority of the regency/city.

12. Free Trade Zone and Free Port hereinafter referred to as KPBPB shall be an area within the territory of the Republic of Indonesia which is separated from customs area so that it is free from imposition of import duty, value added tax, sales tax on luxury goods, and excise tax.

13. Special Economic Zone hereinafter referred to as KEK is a region with certain boundaries within the jurisdiction of the Republic of Indonesia set to perform economic functions and obtain certain facilities.

14. Task Units are Task Units set up to improve service, escort, barrier resolution, simplification, and online system development in order to
accelerate the implementation of business licensing including for micro, small and medium enterprises after obtaining investment approval.

15. Undertaking License is approvals required for Investors to start and run businesses and is given in the form of approval set forth in the form of a letter/deed or eligibility (checklist).

16. Licensing is any form of approval to conduct an Investment issued by the Central Government, Local Government, Free Trade Zone and Free Port, and Administrator of Special Economic Zone, which has authority in accordance with the provisions of the legislations.

17. Investment Facility is any form of fiscal and non-fiscal incentives and ease of Investment services, in accordance with the provisions of legislations.

18. Starting Construction Activities are the commencement of physical work planning in the form of technical planning related to business activities.

19. Investment Registration is a form of Government approval which is a principle license as the basis of
issuance of Licensing and granting of Investment Facilities.

20. Investment Principle Permit, hereinafter referred to as Principle Permit is a Permit that must be secured in order to start a business.

21. Investment Permit is a Principle Permit held by the Company with certain criteria.

22. Business License Guidance is a mandatory permit for a company to start production/operations, unless otherwise provided by the Regulations of the Legislation.

23. Expansion License is a Business License that must be secured by a company to start production/operations on the implementation of business expansion, specifically for industrial sector.

24. Representative Office of a Foreign Company, hereinafter referred to as KPPA, is an office led by an individual Indonesian citizen or a foreign national appointed by a foreign company or a foreign joint-venture overseas as its representative in Indonesia.
25. Representative Office of Foreign Trading Company, hereinafter referred to as KP3A, is an office led by an individual Indonesian citizen or a foreign national appointed by a foreign trading company or a foreign joint-venture overseas as its representative in Indonesia.

26. Representative Office of Foreign Construction Services Business Enterprise, hereinafter referred to as BUJKA Representative Office, is an enterprise established and domiciled in a foreign country, has a representative office in Indonesia, and is equalized with a Limited Liability Company engaged in construction services business.

27. Foreign Oil and Gas Company Representative Office, hereinafter referred to as KPPA Migas is an office led by an individual Indonesian citizen or foreign citizen appointed by foreign companies or foreign joint-venture overseas as its representative in the Indonesia engaged subsector of oil and gas.

28. Company Management/Person in Charge is directors/company management listed in the Company’s Articles of Association/Establishment
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Deed or the amendments thereof which has acquired endorsement/approval/notification from the Minister of Law and Human Rights for Limited Liability Company and in accordance with legislations for non-legal entity of Limited Liability Company.

29. Electronic Information Systems and Investment Licensing, hereinafter referred to as SPIPISE, is an electronic system of Licensing and Non-Licensing services integrated between BKPM and Ministries/Non-ministerial Government Agencies with Licensing and Non-Licensing Authority, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Enterprise Body, or KEK Administrator in accordance with their authority.

30. Access Right is a right granted by the SPIPISE manager to SPIPISE users who already have a user identity and access code to use SPIPISE.

31. Company Folder is a means of storing corporate documents in digital form provided in the BKPM licensing system (SPIPISE).

32. Industrial Estate is an area where concentration of processing industry activities equipped with
infrastructure, facilities and other supports provided and managed by industrial estate companies.

33. National Tourism Strategic Area, hereinafter referred to as KSPN is the strategic area of tourism in accordance with the provisions in the tourism-related legislation.

34. Control is an activity of Monitoring, Coaching, and Supervision of Investors who have secured Investment Licensing in order to implement Investment in accordance with the provisions of legislations.

35. Monitoring is an activity undertaken to collect, evaluate, and present data on the realization of Investment and representative office.

36. Coaching is an activity undertaken to give guidance/dissemination of conditions on the implementation of Investment and facilitate the settlement of problems with respect to the implementation of investment activities.

37. Supervision is an effort or activity undertaken to check the progress of the implementation of investment, prevent and/or reduce the occurrence
of irregularities against the provisions of the implementation of Investment, including the use of Investment facilities.

38. Decentralization is the delegation of authority from the Government to the governor.

39. Project is a business activity undertaken by an Investor who has secured Investment Licensing.

40. Investment Activity Report, hereinafter referred to as LKPM, is a report on the progress of Investment realization and problems faced by Investors which must be prepared and submitted periodically.

41. Minutes of Inspection, hereinafter referred to as BAP, is the result of inspection conducted either directly to the field or by utilizing information technology on the implementation of Investment activities.

42. Technical Ministries/Non-Government Agencies, hereinafter referred to as Technical Agencies, are governmental instruments dealing with certain affairs or performing certain tasks within the government under the 1945 Constitution or other regulatory regulations.
43. Head of Environment is the organizer element of Village Government or designated in another name in the area of implementation of Investment.

44. Restrictions are administrative measures to restrict business operations.

45. Freezing is an administrative action resulting in temporary suspension of business activities and/or Investment Facilities.

46. Revocation is an administrative action resulting in the revocation of Investment License and/or Investment Facilities.

47. Closure is an administrative action to terminate the activities of KPPA, KP3A, BUJKA Representative Office, KPPA Migas and Branch Office of Investment Company.

CHAPTER II

PURPOSE AND OBJECTIVES

Article 2

Guidelines and Procedures for Controlling Investment Implementation provided herein is intended as a guide for officials in the Central PTSP of BKPM, Provincial DPMPTSP, Regency/City DPMPTSP, KEK Administrator,
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KPBPB Management Board, and entrepreneurs as well as public in general.

Article 3

(1) The objectives of the Investment implementation control include:

a. availability of data on the progress of Investment realization and information of problems faced by Investors;

b. the implementation of guidance and/or dissemination of policies in the field of control of investment implementation;

c. the implementation of problem solving facilitation in the implementation of investment through integrated coordination between the central government, local government, and investment companies;

d. the realization of certainty against implementation of investment in accordance with the provisions of legislations.

(2) Guidelines and Procedures for Controlling Investment Implementation shall be carried out as Norms, Standards, Procedures, and Criteria for the implementation of investment control by BKPM,
Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB and KEK Administrator throughout Indonesia.

(3) In the event that the implementation of the control of investment implementation is not provided herein, the implementation of the implementation of Control of Investment shall follow the Norms, Standards, Procedures and Criteria set forth in the regulation of the Technical Agencies.

CHAPTER III

SCOPE

Article 4

The scope of Investment control activities covers:

a. Monitoring;

b. Coaching; and

c. Supervision.

CHAPTER IV

AUTHORITY TO CONTROL INVESTMENT IMPLEMENTATION

Article 5
(1) Authority to Control Investment Implementation shall be held by:

a. The Central Government shall be carried out by BKPM through the Deputy of Investment Implementation Control for all Licensing and Investment Facilities issued by PTSP Pusat of BKPM;
b. The provincial government shall be conducted by the Provincial DPMPTSP for all Licensing and Investment Facilities issued by the Provincial DPMPTSP;
c. Regency/Municipal governments shall be conducted by the Regency/Municipal DPMPTSP for all Licensing and Investment Facilities issued by the Regency/Municipal DPMPTSP;
d. Free Trade Zone and Free Port Enterprise for all Licensing and Investment Facility issued by the KPBPB Concession Board; and
e. Special Economic Zone Administrator for all Licensing and Investment Facilities issued by the KEK Administrator.
(2) In the event Investment Licensing is issued by Central PTSP of BKPM but now it has become the authority of the provincial government or Regency/Municipal government or KPBPB Concession Board, or KEK Administrator, the implementation of the Investment Control shall be carried out by the Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in accordance with their authority.

(3) In certain cases, BKPM may directly carry out Monitoring, Coaching, and Supervision of Investment which is the authority of the provincial government, district/municipal government, the KPBPB or KEK Administrator and deliver the results to the Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in accordance with their authority.

(4) In certain cases, the Provincial DPMPTSP may directly conduct Monitoring, Coaching, and Supervision of Investment activities under the authority of the Regency/Municipal government,
KPBPB or KEK Administrator and deliver the results to the Regency/Municipal DPMPTSP, KPBPB or KEK Administrator in accordance with their authority.

(5) In certain cases, the Provincial DPMPTSP and Regency/Municipal DPMPTSP may directly conduct Monitoring, Coaching, and Supervision of Investment activities under the authority of BKPM and submit the results to BKPM.

(6) In certain cases, Regency/Municipal DPMPTSP may directly conduct Monitoring, Coaching, and Supervision of Investment activities under authority of the Provincial DPMPTSP and deliver the results to the Provincial DPMPTSP.

(7) Certain matters as referred to in paragraph (3), paragraph (4), and paragraph (5) include:

a. a request from the authorized Technical Agency;

b. a request for assistance from the provincial government, Regency/Municipal government, KPBPB or KEK Administrator;

c. public complaints;

d. Investor complaints; or
e. the occurrence of environmental pollution and/or other matters that may endanger the safety of the community and/or disrupt the national economy as well as the regional economy.

CHAPTER V
RIGHTS, LIABILITIES, AND RESPONSIBILITIES OF INVESTOR

Article 6

Every Investor is entitled to obtain:

a. certainty of rights, law and protection;
b. open information about the business sector it is running;
c. right of service; and
d. various forms of amenity facilities in accordance with the provisions of legislations.

Article 7

Every Investor is obliged:

a. to adopt the principles of good corporate governance;
b. to implement corporate social responsibility;
c. to submit LKPM;
d. to respect the cultural traditions of the society around the location of the Investment operation;

e. to improve the competence of Indonesian workers through job training in accordance with the provisions of legislations;

f. to hold training and transfer of technology to Indonesian workers in accordance with legislations for companies employing foreign workers;

g. to gradually allocate funds for the restoration of the location that meets the standards of environmental feasibility for company who seek natural unrenewable resources, the implementation of which shall be in accordance with the provisions of legislations; and

h. to comply with all provisions of legislations.

Article 8

Every Investor shall be responsible:

a. to assure availability of capital from sources that do not conflict with the provisions of legislations;

b. to bear and settle any liabilities and losses if the Investor terminates or abandons its business activities;
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c. to create business climate of fair competition and prevent monopolistic practices;
d. to preserve the environment; and
e. to maintain occupational safety, health, comfort, and welfare of the workers.

CHAPTER VI
IMPLEMENTATION OF CONTROL OF INVESTMENT

Section One
Monitoring

Article 9

(1) Monitoring Activities, as referred to in Article 4 point a, shall be conducted through the collection, verification and evaluation of:

a. checklist as stated in the Letter of Statement of Compliance of Licensing Requirement registered by the Central PTSP of BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, PTSP of KPBPB or KEK Administrator, in the request for Undertaking License for Investors;
b. Investment realization data contained in LKPM and import realization report submitted by Investor;
d. Report on other business activities required in accordance with the regulation of the relevant Technical Agencies.

(2) Monitoring Activities as referred to in paragraph (1) shall be implemented by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in accordance with their authority.

(3) Monitoring Activities shall be conducted on Investment as of obtaining Registration of Investment/Principal Permit/Investment Permit or Business License obtained without undergoing Investment Registration.

(4) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP may perform monitoring of Investment
Company whose license is not issued through SPIPISE, by first uploading the permit to SPIPISE.

(5) The Head of BKPM may undertake the delegation of the implementation of Monitoring activities under the authority of the Central Government to the governor through Decentralization.

(6) The delegation as referred to in paragraph (5) shall be stipulated by the Regulation of BKPM.

Article 10

(1) Companies maintaining temporary Undertaking License shall be obligated to submit information on the progress of the checklist as stated in the Statement of Compliance with Licensing Requirements.

(2) Submission of information as referred to in paragraph (1) shall be done on monthly basis through updating of Company Folder until commencement of construction.

(3) In the event that the information delivery period as referred to in paragraph (1) coincides with the LKPM reporting period or the company has commenced the construction, the progress information shall be incorporated in the LKPM.
(4) Investors may update the Company Folders as referred to in paragraph (2) at any time as necessary.

(5) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall carry out evaluation, including taking necessary steps in accordance with the authority to inform the progress of commitment to fulfill the requirements (checklist) as contained in the Statement of Compliance with Licensing Requirements that has been registered.

Article 11

(1) Every Investor is obliged to submit LKPM online and regularly through SPIPISE for each Licensing owned.

(2) Investors who have more than 1 (one) business field and/or are located in more than 1 (one) regency/municipality for 1 (one) Licensing, shall submit LKPM for each business field and each regency/municipality of Project site.

(3) Submission of LKPM as referred to in paragraph (1) shall be made under conditions as follows:
a. Investors who are still in construction phase must submit LKPM every 3 (three) months (Quarterly) in accordance with the format contained in Appendix I which forms integral part hereof, with the following report period:

1. Quarter I Report shall be submitted no later than the 10th of April of the corresponding year;
2. Quarter II Reports shall be submitted no later than the 10th of July of the corresponding year;
3. The Quarter III Report shall be submitted no later than the 10th of October of the corresponding year; and
4. Quarter IV Reports shall be submitted no later than the 10th of January of the following year.

b. Companies which have carried out production-operation activities shall submit LKPM every 6 (six) months (Semester) in accordance with the format contained in Appendix II which forms integral part hereof, with the following reporting period:
1. First Semester Report shall be submitted no later than the 10th of July of the corresponding year; and

2. Second semester report shall be submitted no later than the 10th of January of the following year.

(4) For companies with Business Licenses obtained without Registration of Investment, LKPM of production/operation phase shall be submitted after the company declares commencement of production/operation through SPIPISE.

(5) The Company has an obligation to submit the first LKPM for the implementation of Investment activities in the period corresponding to the date of issuance of the Investment Licensing.

(6) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board or KEK Administrator shall verify and evaluate online the Investment realization data as stated in LKPM on Investment Licensing.

(7) With respect to verification and evaluation of data as referred to in paragraph (6), BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB or
KEK Administrator may request explanation from the company or request correction of LKPM.

(8) In the event an Investor makes corrections to LKPM as referred to in paragraph (7), the correction may be submitted online maximum 2 (two) times, with each correction maximum 2 (two) working days in the same reporting period.

(9) The results of verification and evaluation of investment realization data included in the approved LKPM as referred to in paragraph (1) shall be stored in the SPIPISE database.

(10) BKPM shall compile data on the realization of the Investment on a national basis based on data of LKPM recording results online as referred to in paragraph (9).

(11) The result of the compilation as referred to in paragraph (10) shall be published to the public no later than:
   a. the 30th of April of the corresponding year for the Quarter I Report;
   b. the 31st of July of the corresponding year for the Quarter II and First Semester Reports;
c. the 31st of October of the corresponding year for the Quarter III Report; and
d. the 31st of January of the following year for Quarter IV and Semester II Reports.

Article 12

(1) KPPA is obliged to submit its activity report every 6 (six) months to BKPM in accordance with the format contained in Appendix III which forms integral part hereof, with the following report period:

a. First semester report shall be submitted no later than the 10th of July of the corresponding year;
b. Second semester report shall be submitted no later than the 10th of January of the following year.

(2) KP3A shall be obliged to submit its activity report every 6 (six) months to BKPM in accordance with the format contained in Appendix IV which forms integral part hereof, with the following reporting period:
a. First semester report shall be submitted no later than the 10th of July of the corresponding year;

b. Second semester report shall be submitted no later than the 10th of January of the following year.

(3) BUJKA Representative Office shall be required to submit an annual activity report to BKPM and the Ministry of Public Works and Public Housing no later than the 10th of January of the following year in accordance with the format contained in Appendix V which forms integral part hereof.

(4) KPPA Migas shall be obliged to submit its activities report every 6 (six) months to BKPM in accordance with the format contained in Appendix VI which forms integral part hereof, with the following reporting period:

a. First semester report shall be submitted no later than the 10th of July of the corresponding year;

b. Second semester report shall be submitted no later than the 10th of January of the following year.
(5) Submission of reports as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be done to BKPM online through SPIPISE.

Article 13

(1) Companies which have received exemption of import duty on machinery and/or goods and materials shall be obliged to submit import realization report to BKPM no later than 7 (seven) working days after obtaining the Letter of Approval of Goods Clearance (SPPB) from the Directorate General of Customs and Excise in the format as set forth in Appendix VII which forms integral part hereof.

(2) Submission of import realization report, as referred to in paragraph (1), shall be done online through SPIPISE.

Article 14

(1) Companies which have received Importer Identity Number (API) from BKPM shall be obliged to submit reports of realization of imports to BKPM, either realized or unrealized, with reporting period as follows:
a. Quarter I Report shall be submitted no later than the 10th of April of the corresponding year;
b. Quarter II Report shall be submitted no later than the 10th of July of the relevant year;
c. Quarter III Report shall be submitted no later than the 10th of October of the corresponding year; and
d. Quarter IV Report shall be submitted no later than the 10th of January of the following year.

(2) The submission of the import realization report as referred to in paragraph (1) shall be done online at http://inatrade.kemendag.go.id and SPIPISE, in accordance with the format set forth in Appendix VIII which forms integral part hereof.

Article 15

(1) BKPM shall prepare reports on:

a. cumulative realization of Investment in national scale every 3 (three) months and submitted to the President and relevant Technical Agency;
b. recapitulation of the import of machinery and/or goods and materials receiving exemption of import duty from BKPM every six months to the Minister of Finance through the Fiscal Policy Office using the form set forth in Appendix IX which forms integral part hereof; and

c. recapitulation of realization of imports under the API periodically every 3 (three) months to the Minister of Trade, using the form set forth in Appendix X which forms integral part hereof.

(2) The Provincial DPMPTSP shall prepare a cumulative report on the implementation of Investment in the provincial territory every 3 (three) months and shall be submitted to the governor with a copy to BKPM.

(3) Regency/Municipal DPMPTSP shall prepare cumulative report on the implementation of Investment in the Regency/Municipality every 3 (three) months and shall be submitted to the regent/mayor with copies to the governor.
(4) KPBPB Concession Board or KEK Administrator shall prepare cumulative report on the implementation of Investment in KPBPB or KEK every 3 (three) months and submitted to BKPM with a copy to the governor.

(5) The cumulative report as referred to in paragraph (1) point a, paragraph (2), paragraph (3), and paragraph (4) shall be submitted with at least include the following:

a. reporting period;
b. realization of domestic and foreign investments during the reporting period;
c. number of projects and realization of investment based on project location, business sector and country for PMA; and
d. number of projects and realization of investment based on project location, business sector for PMDN.

Article 16

In order to improve the Company's compliance with its obligations and responsibilities as referred to in Article 7 and Article 8, BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board
and KEK Administrator may give reward for the best investment companies in accordance with their authority.

Section Two

Coaching

Article 17

(1) Coaching Activities, as referred to in Article 4 point b, shall be implemented through:

a. dissemination coaching, workshops, technical coaching, or investment dialogue on terms of implementation of Investment periodically;

b. the provision of consultation on the control of implementation of Investment in accordance with the provisions of the legislations;

c. facilitation of problem solving faced by Investors;

d. facilitation of accelerated realization of investment in the form of ease of business for investors; or

e. watching of acceleration of national strategic projects that already acquired investment licenses.
(2) Coaching Activities as referred to in paragraph (1) shall be implemented by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator to Investors.

(3) Implementation of coaching activities as referred to in paragraph (2) may be conducted in a coordinated manner with relevant parties.

(4) In the event Investor requests Coaching on issues with respect to implementation of Investment, BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator may implement coaching activities as referred to in paragraph (1) point c.

(5) In the event facilitation of settlement of problems faced by investors as referred to in paragraph (1) point c, regarding dispute among shareholders which failed reach the settlement agreement, the authorized official of BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator may carry out blocking of SPIPISE access Rights in accordance with their authority.
(6) Blocking of Access Rights as referred to in paragraph (5) may be lifted if the shareholders have reached an agreement to settle the problems.

Article 18

(1) Request for coaching as referred to in Article 17 paragraph (4) may be conveyed by investors through LKPM and/or a letter addressed to the Head of BKPM or Deputy Field Control of Implementation of Investment, Head of Provincial DPMPTSP, Head of Regency/Municipal DPMPTSP, Head of KPBPB Concession Board, or KEK Administrator in accordance with their authority.

(2) For the request for coaching as referred to in paragraph (1), BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall in accordance with their authority facilitate investment dispute resolution through the stages of:

a. identification and verification of issues;

b. coordination of facilitation of problem solving with relevant related Technical Agencies,
technical agencies of relevant regions, and/or other relevant parties;
c. in the event of facilitating the completion of obstacles on Undertaking License, it should be held coordination with National Task Unit, Ministry/Institution Task Unit, Provincial Task Unit, and Regency/Municipal Task Unit;
d. Reporting of facilitation of problem solving to relevant parties.

(3) In the event coordination as referred to in paragraph (2) is conducted in the form of meetings, the results are set forth in minutes of facilitation as in Appendix XI which forms integral part hereof.

(4) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall record and monitor the progress of facilitation of problem solving.

Section Three
Supervision

Article 19
Supervision activities as referred to in Article 4 point c shall be carried out in furtherance of:

a. evaluation of the implementation of provisions of Investment based on Investment Licensing included Undertaking License in the form of commitment to fulfill the requirements (checklist) as contained in the Statement of Compliance with Licensing Requirements that have been registered;

b. The provision of machinery and/or goods and materials import duty exemption facility;

c. application for Industrial Business License, Expansion License submitted to BKPM, Provincial DPMPTSP or Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator;

d. request of the unit of Deputy Investment Services, BKPM, and/or relevant Technical Agency;

e. early indications or evidence of irregularities on the implementation of the provisions of Investment or non-fulfillment of the obligations and responsibilities as referred to in Article 7 and Article 8;

f. proposed Investment License Revocation submitted to BKPM by Provincial DPMPTSP or
Regency/Municipal DPMPTSP for Projects under the authority of the Central Government;
g. proposed Investment License Revocation submitted to the provincial DPMPTSP by Regency/Municipal DPMPTSP for Projects under the authority of the provincial government; or
h. the imposition and lifting of sanctions.

Article 20

(1) Supervision activities shall be carried out by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in a coordinated manner and be accompanied by Technical Agencies and/or relevant agencies.

(2) Supervision, as referred to in Article 19 point a and c, may be implemented by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in accordance with their authority.

(3) Supervision, as referred to in Article 19 point b and d, shall be conducted by BKPM and may be accompanied by Provincial DPMPTSP and/or Regency/Municipal DPMPTSP.
(4) Supervision as referred to in Article 19 point e and h, shall be conducted by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in accordance with their authority and may be accompanied by relevant and authorized Government Agencies.

(5) Supervision as referred to in Article 19 point f, may be implemented by BKPM and accompanied by Provincial DPMPTSP and/or Regency/Municipal DPMPTSP.

(6) Supervision as referred to in Article 19 point g, shall be conducted by Provincial DPMPTSP and was accompanied by Regency/Municipal DPMPTSP.

(7) Supervision as referred to in Article 19 point c shall be carried out within a maximum period of 5 (five) working days after the application is declared complete and correct.

(8) Supervision as referred to in paragraph (7) shall be conducted:

a. by BKPM, for the investment value of less than Rp.100.000.000.000,00 (one hundred
billion rupiah) may be done by utilizing information technology; and
b. by Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board or KEK Administrator, may be done by using information technology.

Article 21

(1) Supervision as referred to in Article 20 shall be conducted by sending a letter of notification in advance no later than three (3) working days prior to the date of implementation of supervision to the company and Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, KEK Administrator and/or Technical Agency, on site of supervision activities as listed in Appendix XII and Appendix XIII, which form integral part hereof.

(2) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall in any implementation of Supervision appoint a supervision officer in writing in a letter of assignment, as listed in Appendix XIV which forms integral part hereof, and signed:
Article 22

Authorized Translation

a. for BKPM by the relevant Regional Director of Investment Implementation Control unit;
b. for Provincial DPMPTSP by Head of Provincial DPMPTSP;
c. for Regency/Municipal DPMPTSP by the Head of Regency/Municipal DPMPTSP;
d. for KPBPB Concession Board by the Head of KPBPB Concession Board; or
e. for KEK by KEK Administrator.

(3) In the event Company’s Management/PIC does not respond, Supervision shall remain being done by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator to be accompanied by the Head of Environment at the Project site.

(4) In the event supervision is conducted for early indications or evidence of irregularities of provisions for the implementation of Investment, supervision shall be conducted without prior notification to the Company’s Management/Person in Charge.
Authorized Translation

(1) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall reserve the right to obtain explanations and information and/or request necessary supporting data associated with the company being the object of Supervision.

(2) Company as referred to in paragraph (1) shall provide explanations and information and/or provide the complete and correct supporting data.

Article 23

(1) The results of inspection to the Project site with respect to Supervision shall be outlined in a Minutes of Inspection signed by the Supervision officer of BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board and/or KEK Administrator with relevant Technical Agencies and the Company Management/PIC in the Project site.

(2) In the event the project cannot be found and/or the Management/Person in Charge is not present, BAP shall be signed by the Supervision officer of BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board and/or KEK
Authorized Translation

Administrator, as well as the head of environment of the location of the Project as set forth in the Investment Licensing.

(3) BAP shall be made in the form as set forth in Appendix XV which forms integral part hereof.

(4) In the event the Company’s Management/Person in Charge of the Project site refused to sign the BAP, the Supervision Officer of BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall draw up minutes of refusal as set forth in Appendix XVI signed by the Company’s Management/Person in Charge.

CHAPTER VII
ADMINISTRATIVE MEASURES WITH RESPECT TO CONTROL OF INVESTMENT IMPLEMENTATION

Section One
General

Article 24

(1) Administrative measures with respect to control of implementation of investment may be in the form of:
a. revocation of investment licensing at the request of the company;
b. revocation of Investment Licensing based on final and binding court order;
c. closure of KPPA, KP3A, BUJKA Representative Office, KPPA Migas, and Branch Offices of Investment Company based on their request;
d. imposition of sanctions.

(2) Administrative measures in order to control the implementation of investment by the authority shall be carried out by:

a. Head of BKPM on behalf of the technical Minister or Deputy Control of Implementation of Investment for the Head of BKPM on behalf of the relevant technical Minister in accordance with the relevant licensing mandated to BKPM;
b. Deputy Control of Implementation of Investment on behalf of the Head of BKPM for projects that do not have business license;
c. Head of the Provincial DPMPTSP;
d. Head of Regency/Municipal DPMPTSP;
e. Head of KPBPB Concession Board;
f. KEK Administrator; or

g. Relevant Technical Agency.

(3) Administrative measures as referred to in paragraph (1), shall be signed by the appropriate authorized officials by:

a. Electronic signatures; or

b. Manual Signature.

(4) Revocation or closure as referred to in paragraph (1) shall apply to valid Investment Licensing.

Section Two

Revocation of Investment Licensing Based on Request of Company

Article 25

(1) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall carry out Revocation in accordance with their authority, based on a request from Investor:

a. revocation due to the dissolution of the company (liquidation);

b. revocation not included as the dissolution of company (liquidation).
(2) In the event the request for revocation is submitted by foreign companies with only one (1) Investment Licensing and still interested in doing business in Indonesia, the company must first obtain a new License attached to the Revocation petition.

(3) If the request for revocation is submitted by foreign companies with only one (1) Investment Permit and did not attach Investment Licensing as referred to in paragraph (2), the application for revocation must be accompanied by the dissolution of the company (liquidation).

(4) Revocation of Investment License shall be issued under Decree as set forth in Appendix XVII which forms integral part hereof or in accordance with the nomenclature, formats and conditions as stipulated by the relevant Technical Agencies.

Article 26

(1) Request for Revocation of Investment Licensing, as referred to in Article 25 paragraph (1) shall be submitted online by SPIPISE, with the data requirements that have been completed in the Folder Company as follows:
a. identity of the directors or persons who have been appointed as liquidator signing the petition;
b. power of attorney without substitution right and duly stamped, as set forth in Appendix XVIII which forms integral hereof, along with record of identity of the attorney, in case the application is not done directly by the board of directors or a person who has been appointed as liquidator;
c. resolution of General Meeting of Shareholders or statement of shareholders expressing consent with the petition for revocation of Investment Licensing or dissolution of the company;
d. the registration of the dissolution of the company by the Ministry of Law and Human Rights, in the event of dissolution or liquidation;
e. Investment Licensing to be revoked;
f. LKPM of the most recent period that has been approved over the whole project in the event the investor has more than 1 (one) projects;
Authorized Translation

g. TIN of the company that has been validated in accordance with the provisions of legislations; and

h. company incorporation deed and the amendments accompanied by validation and/or receipt of notification from the Ministry of Law and Human Rights.

(2) Revocation of Investment Licensing shall be published at least three (3) working days after the file is declared complete and correct.

(3) In the event Decree on revocation of Investment Licensing is issued for the purpose of liquidation, as referred to in Article 25 paragraph (1) point a, Decree of Revocation shall be followed by the closure of Access Right.

Section Three
Revocation of Investment Licensing Based on Court Decision

Article 27

(1) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall carry out Revocation in
accordance with their authority based on final and binding court decisions.

(2) In the event the court decision as referred to in paragraph (1) decides Revocation of Licensing of PMA company with only 1 (one) Licensing, the company must conduct liquidation.

(3) In the event the court decision as referred to in paragraph (1) decides revocation of Investment Licensing of PMA company with more than 1 (one) Licensing, Revocation shall be processed without liquidation.

(4) In the event the court decision as referred to in paragraph (1) decides revocation of one (1) of the Projects within one (1) Licensing, it shall be followed by a change of Licensing.

(5) Revocation of License shall be issued at least 21 (twenty one) working days after the date of the court decision is legally binding.

(6) Revocation of Investment Licensing shall be issued under a Decree as set forth in Appendix XVII which forms integral part hereof or in accordance with the nomenclature, formats and conditions set by the relevant Technical Agencies.
Section Four

Closure of KPPA, KP3A, BUJKA Representative Office, KPPA Migas and Investment Company Branch Office

Based on Request

Article 28

(1) BKPM shall carry out Closure of KPPA, KP3A, BUJKA Representative Office and KPPA Migas.

(2) BKPM or Provincial DPMPTSP shall carry out Closure of Investment Company Branch Office.

(3) Request for Closure as referred to in paragraph (1) and paragraph (2) is submitted by:
   a. Head of KPPA;
   b. Head of KP3A;
   c. Head of BUJKA Representative Office;
   d. Head of KPPA Migas; or
   e. Directors of Investment Company Branch Office.

Article 29

(1) Request for Closure of Representative Office as referred to in Article 28 paragraph (1) shall be submitted online by SPIPISE, with the data requirements completed in the Company Folder:
Authorized Translation

a. Representative Office license;

b. IMTA of the foreign nationality Head of Representative Office or Citizen ID card of the Indonesian Head of Representative Office;

c. passport of Directors of the Company in the country of origin;

d. TIN of Representative Office that has been validated;

e. a statement, duly stamped, of the Head of Representative Office or Board of Directors of the Company in the country of origin confirming no accounts payable with other parties;

f. warrant or statement of Directors of the Company in the country of origin on the closure of Representative Office; and

g. the Representative Office report of the most recent period.

(2) Request for closure of Branch Office of Investment Company as referred to in Article 28 paragraph (2) shall be submitted to the issuer of licenses in accordance with their authority online through
SPIPISE, with the data requirements that have been completed in the Company Folder:

a. branch office license;
b. certificate of domicile of the branch office of the company;
c. incorporation deed and the amendments;
d. Citizen ID Card of the Head of the Branch Office;
e. TIN of the Branch Office that has been validated in accordance with the provisions of legislations; and
f. Power of Attorney without substitution right and duly stamped for arrangement of request not done directly by the directors as set forth in Appendix XVIII which forms integral part hereof, along with their credentials.

(3) Deputy Control of Implementation of Investment shall on behalf of the Head of BKPM issue Certificate of Closure of Representative Office as set forth in Appendix XIX which forms integral part hereof.

(4) Deputy Control of Implementation of Investment shall on behalf of the Head of BKPM or Head of the
Provincial DPMPTSP issue Certificate of Closure of an Investment Company Branch Office in accordance with their authority, as set forth in Appendix XX which forms integral part hereof.

(5) Issuance of Certificate of Closure of Representative Office and Branch Office of Investments Company shall be conducted no later than three (3) working days after the file is declared complete and correct.

Section Five

Imposition of Sanctions

Article 30

BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, KEK Administrator, or relevant Ministry/Agency shall in accordance with their competence, impose administrative sanctions for investors who:

a. failed to fulfill one of the obligations as referred to in Article 7;

b. failed to fulfill one of the responsibilities as referred to in Article 8;
c. failed to meet all or part of the requirements contained in the checklist and the completion time commitment and failed to commence construction, as referred to in Article 10 paragraph (1) and paragraph (2);

d. committed certain and urgent violations being environmental degradation and/or danger to the safety of people with cross-regional or cross-country impact of; and/or

e. meet the criteria for the imposition of sanctions as provided by the relevant Technical Agencies.

Article 31

(1) Administrative sanction as referred to in Article 29 point a, point c and point d, shall be done by:

a. written warning or online;

b. restriction of business activities;

c. Suspension of business and/or Investment Facility; or

d. revocation of business activities and/or Investment Licensing and/or Investment Facility.
(2) Administrative sanction as referred to in Article 29, point b, shall be carried out in the following phases:
   a. written warning or online;
   b. suspension of Undertaking License in the form of fulfilment of requirements (checklist);
   c. suspension of activities; and/or;
   d. temporary revocation of Undertaking License.

(3) For administrative sanctions as provided for in paragraph (1) point a, point b, and point c, it may be followed by blocking the SPIPISE Access Right by authorized officials of BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator in accordance with their authority.

(4) Blocking of Access Rights as referred to in paragraph (3) may be lifted if the investor has provided a written response and follow-up of administrative sanctions, as stipulated in paragraph (1) point a, point b, and point c.

(5) Administrative sanction as referred to in paragraph (1) point b, point c and point d, may be imposed
directly in case of certain and urgent violations as referred to in Article 29 point c.

(6) With respect to imposition of administrative sanctions, BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator, may ask other agencies in the central government or local governments to provide information and supporting data, as well as legal considerations on the violations committed by investors.

Article 32

(1) Administrative sanctions in the form of written warning, as referred to in Article 31 paragraph (1) point a shall be imposed on investors three (3) times in a row, with interval each of 30 (thirty) calendar days from the date of the previous warning issued.

(2) Warning letter as referred to in paragraph (1) shall be issued by the Regional Director of Deputy Control of Implementation of Investment Unit, Head of Provincial DPMPTSP, Head of Regency/Municipal DPMPTSP, Head of KPBPB
Concession Board, or KEK Administrator in accordance with their authority.

(3) The form of the warning letter as referred to in paragraph (1) shall be as set forth in Appendix XXI which forms integral part hereof.

Article 33

(1) Administrative sanctions in the form of first and final warning may be imposed in the event of the following:
   a. failure to submit Investment Activity Report in accordance with the provisions on the implementation of investment for 3 (three) reporting periods in a row; and/or
   b. reports from authorized Technical Agencies and/or relevant agencies regarding violations of legislations.

(2) For the first and final warning letter, as referred to in paragraph (1), the Investor shall respond in writing and follow-up within a period of 30 (thirty) calendar days from the issue date of the warning.

(3) For investors imposed with administrative sanctions in terms of first and final warning but failed to give a written response and follow-up
within a period of thirty (30) calendar days, the competent officials may directly impose Administrative Sanction in terms of Revocation of Investment License and/or Investment Facilities.

(4) The form of the first and final warning letter as referred to on paragraph (1) shall be as set forth in Appendix XXII which forms integral part hereof.

Article 34

(1) Administrative sanctions in terms of restrictions on business activities may be imposed if the Investor failed to provide a written response and follow-up within a period of thirty (30) calendar days from the issue date of the third warning letter.

(2) Restrictions on business activities, as referred to in paragraph (1), may be in terms of:
   a. Restrictions on business activity in one or several locations for investors who have projects in several locations;
   b. Restriction of production capacity;

(3) The form of letter of restrictions on business activities as referred to in paragraph (1) shall be as set forth in Appendix XXIII, which forms integral part hereof.
(4) In the event investors have made corrections, investors may apply for the lifting of restrictions on business activities with BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board or KEK Administrator issuing such letter of restriction on business activities using forms as set forth in Appendix XXIV which forms integral part hereof.

(5) Upon request for the lifting of restriction on business activities as referred to in paragraph (4), if necessary, BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board or KEK Administrator shall within no later than seven (7) working days carry out inspection on site of the project as outlined in the BAP.

(6) Upon request for the lifting of restriction on business activities as referred to in paragraph (4), Deputy Control of Implementation of Investment shall on behalf of the Head of BKPM, Head of Provincial DPMPTSP, Head of Regency/Municipal DPMPTSP, Head of KPBPB Concession Board, or KEK Administrator in accordance with their authority issue letter of revocation of restriction on
business activities within no later than 3 (three) working days after the inspection on site of the project as outlined in the BAP.

(7) The form of letter of revocation of restrictions on business activities as referred to in paragraph (5) shall be as set forth in Appendix XXV which forms integral part hereof.

Article 35

(1) Administrative sanctions in terms of suspension of business activities and/or Investment Facility shall be imposed if investors failed to give a written response and follow-up within 30 (thirty) calendar days after the issuance of restriction on business activities.

(2) Suspension of business and/or Investment Facility, as referred to in paragraph (1), may be in terms of:

   a. suspension of some activities at the Project site/place of business;

   b. suspension of part of business for investors with several fields of businesses;

   c. suspension of Investment Facility that has been given to the Investor; and/or
d. refusal of service for request for any Investment Licensing and Facilities.

(3) The form of letter of suspension of business activities and/or Investment Facility shall be as set forth in Appendix XXVI which forms integral part hereof.

(4) In the event the Investor has made correction, investor may apply for revocation of suspension of business activities and/or Investment Facility to BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board or Administrator KEK issuing the letter of suspension of business activities and/or Investment Facility using the form set forth in Appendix XXVII which forms integral part hereof.

(5) Upon request for revocation of suspension of business activity and/or Investment Facility as referred to in paragraph (4), if necessary, BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board or KEK Administrator shall within no later than seven (7) working days, carry out inspection on site of the project as outlined in the BAP.
(6) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall issue letter of revocation of suspension of business activities and/or Investment Facility at the latest three (3) working days after inspection on site of the project as outlined in the BAP.

(7) Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator, shall notify BKPM in writing before imposing suspension of business activities to investors who acquire Investment Facility issued by BKPM.

(8) For Investors subject to administrative sanctions in the form of suspension of business activities and/or investment facilities who failed to respond in writing and follow-up within a period of thirty (30) calendar days, the authorized official may directly impose administrative sanctions in the form of revocation of Investment Licensing and/or Investment Facility.

(9) The form of letter of revocation of suspension of business activities and/or Investment facilities as
referring to in paragraph (5) shall be as set forth in Appendix XXVIII that forms an integral part hereof.

Article 36

(1) Administrative sanctions in terms of revocation of Investment Licensing and/or Investment Facility as referred to in Article 31, Paragraph (1) point d, may be imposed on investors, based on:

a. proposal of BKPM, Provincial DPMPTSP, DPMP TSP Regency/Municipal, KPBPB Concession Board, or KEK Administrator;

b. proposals of relevant technical agency; or

c. evaluation of work units implementing Control of Investment.

(2) BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator shall issue Decree of Revocation of Investment Licensing and/or Investment Facility in accordance with their authority.

(3) Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator, shall notify BKPM in writing prior to the Revocation of Investment Licensing to investors who acquire Investment Facility issued by BKPM.
(4) Revocation of Investment Licensing and/or Investment Facilities shall be issued in the form of Decree as set forth in Appendix XVII which forms integral part hereof.

(5) Revocation of Investment Licensing and/or Investment Facility as referred to in paragraph (1) point b shall be issued in accordance with the nomenclature, formats and conditions stipulated by the relevant Technical Agencies.

Article 37

(1) Proposal of Revocation of Investment Licensing and/or Investment Facility, as referred to in Article 36 paragraph (1) point a and point b shall be submitted by enclosing proposal letter of revocation of Investment Licensing and/or Investment Facility, signed by an authorized officer of the proposing agency in accordance with the format as set forth in Appendix XXIX which forms integral part hereof.

(2) Revocation of Investment Licensing and/or Investment Facility shall be issued no later than 5 (five) working days after the file is declared complete and correct.
Article 38

Revocation of Investment Licensing and/or Investment Facility, as referred to in Article 36 paragraph (1) point c, shall enclose BAP and/or supporting documents in the database of SPIPISE.

Article 39

Administrative sanctions as referred to in Article 31 paragraph (2) shall be imposed under the following conditions:

a. for companies located in KEK, the action shall be taken based on the implementation of the supervision conducted by the KEK Administrator;

b. for companies located in KPBPB Concession Board, the action shall be taken based on the implementation of the supervision conducted by KPBPB Concession Board;

c. for companies located in the Industrial Area and KSPN, the action shall be taken based on the implementation of the supervision conducted by BKPM, Provincial DPMPTSP or Regency/municipal DPMPTSP in accordance with their authority;
d. for companies located outside KEK, KPBPB Concession Board, Industrial Area or KSPN, the action shall be taken based on the implementation of the supervision conducted by BKPM, Provincial DPMPTSP or Regency/municipal DPMPTSP in accordance with their authority.

CHAPTER VIII
COSTS

Article 40

(1) Investors are not charged in the implementation of control of Investment conducted by BKPM, Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPBPB Concession Board, or KEK Administrator.

(2) The costs required by BKPM officials and relevant Technical Agencies officials related to the implementation of control activities Investment shall be charged to the State Budget.

(3) Costs required by Provincial DPMPTSP, regency/municipal DPMPTSP and or officials of relevant regional agencies for the implementation of control of Investment shall be charged to the Budget of each region.
(4) Costs required by KPBPB Concession Board or KEK Administrator for the implementation of control of Investment shall be charged to the Budget of KPBPB Concession Board or KEK Administrator.

CHAPTER IX
TRANSITIONAL PROVISIONS

Article 41

(1) In addition to the implementation of online LKPM underway, the submission of:

a. reports of representative office, as referred to in Article 12;

b. import realization report based on the import duty exemption, as referred to in Article 13;

c. import realization report based API, as referred to in Article 14;

d. application for revocation of Investment Licensing, as referred to in Article 26;

e. request of closure of representative office, as referred to in Article 29 paragraph (1); and

f. request of closure of investment company branch office, as referred to in Article 29 paragraph (2),
online using SPIPISE services as stipulated herein, shall be implemented gradually.

(2) Submission of reports, request of revocation, and request of closure as referred to in paragraph (1) in BKPM shall be effective no later than by 2 July 2018.

(3) Submission of reports, request of revocation and request of closure as referred to in paragraph (1) point b, point d, and point f, in the provincial DPMPTSP, KPBPB Concession Board, KEK Administrator shall be effective no later than by 31 December 2018.

(4) During the transitional period as referred to in paragraph (2) and (3), where not possible, reporting, revocation and closure as referred to in paragraph (1) due to the facilities and infrastructure not support, shall be conducted offline.

(5) In the event revocation and closure is conducted offline as referred to in paragraph (4), it shall use the form of revocation and closure as set forth in Appendix XXX and Appendix XXXI which forms integral part hereof.
Article 42

(1) Implementation as referred to in Article 41 paragraph (1) point c and point d, in Regency/Municipal DPMPTSP shall be conducted in stages in accordance with the capability of supporting facilities in their respective areas.

(2) In the event the facilities and infrastructure have not supported, as referred to in paragraph (1), submission of report and request of revocation shall be carried out offline.

CHAPTER X

CONCLUSION

Article 43

Upon enactment hereof, Regulation of Head of Investment Coordinating Board Number 17 of 2015 on Guidelines and Procedures for Controlling Investment Implementation (State Gazette of the Republic of Indonesia of 2015 Number 1481), shall be null and void.

Article 44

This Regulation of Board shall come into force:
a. for BKPM on 2 January 2018; and
b. for Provincial DPMPTSP, Regency/Municipal DPMPTSP, KPB BPBP Concession Board and KEK Administrator no later than on 2 July 2018.

For public cognizance, ordering the promulgation of this Regulation of Board is published in the Official Gazette of Republic of Indonesia.

Stipulated in Jakarta
on 4 December 2017

HEAD OF INVESTMENT COORDINATING BOARD OF REPUBLIC OF INDONESIA,

[Signature]
THOMAS TRIKASIH LEMBONG

Promulgated in Jakarta
on 11 December 2017

DIRECTOR GENERAL OF LEGISLATION REGULATION OF MINISTRY OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA

[Signature]

WI DODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2017 NUMBER 1768

True copy

Main Secretariat of BKPM

Head of Legislations Regulation Bureau,

Public Relations and Management Administration

[signed and stamped]

Ariesta R. Puspasari

AFFIDAVIT

This is to certify that have translated the foregoing from Indonesian to English, that is true and complete, and I am competent in both languages.

Jakarta, 16th January 2018

Drs. Sularno Popomaruto

Sworn Translator by virtue SK.Gub.KDKI Jkt.No.1715/2000