INVESTMENT COORDINATING BOARD
REPUBLIC OF INDONESIA

COPY

REGULATION OF THE INVESTMENT COORDINATING BOARD OF
THE REPUBLIC OF INDONESIA
NUMBER 6 OF 2018
CONCERNING
GUIDELINES AND PROCEDURE OF LICENSE AND INVESTMENT FACILITIES

BY THE GRACE OF GOD ALMIGHTY

CHAIRMAN OF INVESTMENT COORDINATING BOARD OF
THE REPUBLIC OF INDONESIA,

Considering : a. whereas in order to implement the provisions of Article 88 of Government Regulation Number 24 Of 2018 concerning Electronically Integrated Business License Services, it is necessary to formulate norms, standards, procedures and criteria of Business License and Investment Facilities;
b. whereas the Regulation of the Investment Coordinating Board Number 13 Of 2017 concerning Guidelines and Procedures for Licensing and Investment Facility needs to be adjusted to the amendment of law and legislation;

c. whereas based on the considerations as referred to in letter a and letter b, it is necessary to stipulate Regulation of the Investment Coordinating Board on Guidelines and Procedure for Licensing and Investment Facility;

In view of:

1. Law Number 25 Of 2007 concerning Investment (State Gazette of the Republic of Indonesia Year 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);

2. Government Regulation Number 24 of 2018 concerning Electronically Integrated Business License Services (State Gazette of the Republic of Indonesia Year 2018 Number 90);

3. Presidential Regulation Number 90 Of 2007 concerning the Investment Coordinating Board as amended by Presidential Regulation Number 86 of 2012 concerning Amendment to Presidential
HAS DECIDED:

To Stipulate: REGULATION OF THE INVESTMENT COORDINATING BOARD CONCERNING GUIDELINES AND PROCEDURES FOR LICENSING AND INVESTMENT FACILITIES.

CHAPTER I

GENERAL PROVISIONS

Article 1

In these Regulations the meaning of:

1. Investment is any form of investment activity, either by Domestic and Foreign Investor, to
2. Investor is an individual or business entity conducting Investment which may be a Domestic and Foreign Investor which hereinafter in these Regulations may be referred to as Investor.

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

4. Foreign Investor is an individual of foreign citizen, foreign business entity, and/or foreign government conducting Investment in the territory of the Republic of Indonesia.

5. Domestic Investment hereinafter abbreviated as PMDN is the activity of investment to conduct business in the territory of the Republic of Indonesia performed by Domestic Investor by using domestic capital.

6. Foreign Investment hereinafter abbreviated as PMA is the activity of investment to conduct business in the territory of the Republic of Indonesia.
Indonesia carried out by Foreign Investors, whether using foreign capital completely or in association with Domestic Investors.

7. Investment Coordinating Board hereinafter abbreviated as BKPM is a non-ministerial government institution responsible in the field of Investment, led by a Head who is under and directly responsible to the President.

8. One Stop Integrated Service, hereinafter abbreviated as PTSP, is an integrated service in one unity of the process starting from the stage of the application to the completion of the service product through one door.

9. PTSP Center in BKPM is the Investment related Services as the Government's authority conducted on integrated basis in a unified process starting from the application stage until the completion of the service product through one door in BKPM.

10. Online Single Submission Management and Organization Institution, hereinafter referred to as OSS Institution, is a non-ministerial government institution that conducts government affairs in the field of investment coordination, namely BKPM.
11. Department of Investment and One Stop Integrated Service of Province, Regency/Municipality, hereinafter referred to as DPMPTSP Province, DPMPTSP Regency/Municipality is the element of assistant regional head for the implementation of governmental affairs of province, regency/municipality which performs the main function of coordination in the field of Investment in local government of province, regency/municipality.

12. Special Economic Zone hereinafter abbreviated to KEK is a region with certain borders within the jurisdiction of the Unitary State of the Republic of Indonesia which is determined to perform economic functions and obtain certain facilities.

13. Free Trade Area and Free Seaport hereinafter abbreviated as KPBPB shall be an area within the jurisdiction of the Unitary State of the Republic of Indonesia separated from the customs area so that it is free from imposition of entry duty, value added tax, sales tax on luxury goods, and excise.

14. Licensing shall be any form of approval to engage in Investment issued by the Central Government,
Regional Government, KPBPB Enterprises Body or KEK Administrator, which has authority in accordance with the provisions of laws and regulations.

15. Investment Facility is any form of fiscal and non-fiscal incentives and easiness of Investment services, in accordance with the provisions of laws and regulations.

16. Business License shall mean the registration provided to the Investor to start and operate the business and/or activity and shall be granted in the form of an approval as outlined in the form of a letter/decision or fulfillment of the terms and/or commitment.

17. Electronically Integrated Business License or Online Single Submission hereinafter abbreviated as OSS is Business License issued by the OSS Institution for and on behalf of ministers, heads of institutions, governors or regents/mayors to Investors through an integrated electronic system.

18. Business License means a license issued by a central PTSP in BKPM for and on behalf of the minister or head of the institution, after the
Investor has been registered and to start the business and/or activity prior to the commercial or production operation by fulfilling the requirements and/or Commitments.

19. Business Registration Number hereinafter abbreviated as NIB shall be the identity of the Investor issued by the OSS Institution after the Investor has been registered.

20. Taxpayer Identification Number hereinafter abbreviated as TIN/NPWP is number given to a Taxpayer as a facility in tax administration which is used as self-identification or Taxpayer's identity in implementing taxation rights and obligations.

21. Electronically Information and Investment License Service System, hereinafter abbreviated 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, KPBPB Enterprise Board, KEK Administrator, DPMPTSP Province, DPMPTSP Regency/Municipality, and PTSP Implementing Agency in the Field of Investment.
22. Electronic Documents are any electronic information created, forwarded, transmitted, received, or stored in the form of analog, digital, electromagnetic, optical, or the like, which may be retrieved, displayed and/or heard through a computer or electronic system, including but not limited to writing, sound, images, maps, designs, photographs or the like, letters, signs, numbers, access codes, symbols or perforations that have sense or meaning or are understandable to those who are able to understand them.

23. Electronic Signature is a signature consisting of Electronic Information embedded, associated or related with other Electronic Information used as a verification and authentication tool.

24. Day is the day of work as determined by the Central Government.

25. Representative Office of Foreign Company, hereinafter abbreviated as KPPA, is an office led by an Indonesian citizen or a foreign national appointed by a foreign company or a foreign joint-venture overseas as its representative in Indonesia.
26. Decision Letter of the Head of the Investment Coordinating Board on behalf of the Minister of Finance concerning the granting of facilities on the import of machinery/capital goods as well as goods and materials shall be the granting entry duty facility on the import of machinery/capital goods and goods and materials for Investment.

27. Decision Letter of the Head of the Investment Coordinating Board on behalf of the Minister of Finance concerning the granting of exemption or allowance of entry duty and/or value added tax on the import of goods for the working contract and the working agreement of the coal mining business shall be the granting of exemption or allowance of entry duty and/or exemption of value-added tax on import of goods for working contract and coal mining concession working agreement.

28. Corporate Leader is a board of directors which is incorporated in the articles of association or amendment thereof who have been approved by the Minister of Law and Human Rights for a legal entity of a Limited Liability Company or in
accordance with the provisions of the law and regulation for non-legal entity of a Limited Liability Company.

29. Construction is the establishment of a new company or factory to produce goods and/or services.

30. Development is the development of an existing company or plant including the addition, modernization, rehabilitation, and/or restructuring of the production equipment including machinery for increasing the number, type, and/or quality of production results.

31. Machinery shall be any engine, machinery, plant equipment, tools or devices, in installed and disposed state used for industrial construction or development.

32. Goods and Materials are all goods or materials, of any type and composition, used as materials or components to produce finished goods.

33. Power Plant Industry is an activity of producing and providing electricity power for public interest by any business entity conducting business in the field of electricity supply, excluding transmission,
distribution, and electric power supporting business.

34. Business Entity in the Field of Electricity Power shall be a legal entity which may be in the form of a state-owned enterprise, a regional-owned enterprise, a private entity incorporated as an Indonesian legal entity, and/or a cooperative, conducting business in the electricity sector, established in accordance with the law and legislation.

35. Transfer is the transfer of rights, asset transfer, and changes in use of capital goods or machinery, for other activities outside of business, export or write-off of the company assets.

36. Transfer in the Mining Sector shall be the transfer of rights, asset transfer, sale, exchange, grant, or write-off of the company's assets.

37. Exports shall be the release of imported goods ex-facility exemption or allowance of entry duty and/or value added tax for working contract or working agreement of coal mining business from customs area according to the customs regulation in the export sector.
38. Taxpayer is a business entity conducting Investment of either legal entity or non-legal entity.

39. Investment Activity Report hereinafter abbreviated as LKPM is a report on the progress of Investment realization and problems faced by Investors which must be made and submitted periodically.

CHAPTER II
PURPOSE AND OBJECTIVES

Article 2
Guidelines and Procedures for Licensing and Investment Facilities as set forth in these Regulations are intended as guidance on the issuance of Licensing and Investment Facility for:

a. central PTSP officials in BKPM, DPMPTSP Province, DPMPTSP Regency/Municipality, KPBPB Enterprise Body, and/or KEK Administrator according to their authority; and

b. investors and other public communities.

Article 3
Guidelines and Procedure for Licensing and Investment Facility aims:
a. to realize standardization of the filing procedure, the requirements of application and process of Licensing and Investment Facilities at PTSP Center in BKPM, DPMPTSP Province, DPMPTSP Regency/Municipality, PTSP KEK, and PTSP KPBPB; and

b. to provide information on the terms and completion time of the application for Licensing and Investment Facility.

CHAPTER III

SCOPE

Article 4

(1) The scope of service arrangements in this Agency Regulations covers Licensing and Investment Facility services as well as supervision on the fulfillment of Business License commitments.

(2) Licensing and Investment Facility services as referred to in paragraph (1) shall include the following licenses:

a. energy and mineral resources sectors, electricity sub-sectors, namely:

1. geothermal permits; and
2. preliminary survey and geothermal exploration assignments;

b. energy and mineral resources sectors, oil and natural gas subsectors, namely:
   1. license for utilization of oil and natural gas data;
   2. survey permit;
   3. oil and natural gas storage business license;
   4. oil and natural gas processing business license;
   5. oil and natural gas transportation business license;
   6. oil and natural gas general commercial Business License; and
   7. foreign representative office license for oil and natural gas sub-sector;

c. energy and mineral resources sectors, mineral and coal subsectors, i.e:
   1. Exploration mining business license;
   2. Termination of mining business license due to return;
3. Mining business license of special production operations for the transport and sale as well as its extension;

4. Mining business license of production operations as well as its extension;

5. Mining business license of special production operations for processing and/or purification and its extension;

6. Temporary permits to carry out transportation and sales;

7. Mining business license of production operations for sale; and

8. Mining service business license and its extension;

d. public works and public housing sector, namely:

1. Business License for property development and exploitation; and

2. Business License for Housing;

e. customs and taxation facilities, namely:

1. granting import facilities of machinery, capital goods and materials for the
investment of industrial sectors and industry producing services;

2. granting facilities of machinery importation and capital goods for electricity power sector;

3. granting import facilities of machinery, capital goods for working contracts and coal mining concession works;

4. proposing facilities for exemption or reduction of corporate income tax (tax holiday); and

5. proposing facilities for corporate income tax for investment in certain business fields and/or in certain areas (tax allowance); and

f. Investment field, namely:

1. KPPA Permit;

2. permit for opening branch office for sector as referred to in paragraph (2) letter a, letter b, letter c, and letter d, with the provision of Business License issued by PTSP Center in BKPM;
3. recommendation for granting limited stay visa as shareholder;

4. recommendation of the status transfer of stay permit for visit to be a limited stay permit; and

5. recommendation of the status transfer of a limited stay permit to be permanent stay permit.

(3) Investment License other than licensing as referred to in paragraph (2) shall be executed through OSS system in accordance with the provisions in the Government Regulation governing on electronically integrated Business License.

(4) Supervision for the fulfillment of the Business License commitment as referred to in paragraph (1) includes the supervision on fulfillment of commitments submitted by Investors at the time of applying Business License through the OSS system.

CHAPTER IV
GUIDELINES OF LICENSES

Part One
Provisions on Investment License

Paragraph 1

Provisions of Business Field

Article 5

(1) A company that will start a business shall firstly possess NIB and Business License in accordance with the provisions of law and legislation.

(2) Business License as referred to in paragraph (1) shall be granted in accordance with the nomenclature, format and provisions stipulated by the ministry/non-ministerial government institution supervising the sectors.

(3) In the case of a Company that already has a valid principle license, investment permit, investment registration, or Business License, the application for other necessary licensing services must include NIB as a condition.

Paragraph 2

Provisions of Investment and Capital Values

Article 6

(1) An PMA Company is qualified as a large scale business, unless otherwise stipulated by law and regulation, shall be obliged to implement
provisions, investment value requirements and capital for obtaining Investment License.

(2) Companies with large business qualification as referred to in paragraph (1) are:
   a. has a net worth of more than Rp10,000,000,000.00 (ten billion rupiah) excluding land and building of premises based on the latest financial statements; or
   b. has annual sales proceeds of more than Rp50,000,000,000.00 (fifty billion rupiah) based on the latest financial statements.

(3) PMA companies as referred to in paragraph (1), unless otherwise stipulated by laws and regulations, shall comply with the provisions of investment value, namely:
   a. total investment value larger than Rp10,000,000,000.00 (ten billion rupiah), excluding land and buildings;
   b. the value of the issued capital equals the paid up capital, at least Rp2,500,000,000.00 (two billion five hundred million rupiah);
c. the percentage of share ownership is calculated based on the par value of the shares; and

d. The nominal value of the shares as referred to in letter c, for each shareholder is at least Rp10,000,000,000.00 (ten million rupiah).

(4) In case of Investor with business activity of property development and exploitation, capital requirement provisions for PMA related to investment value as referred to in paragraph (3) namely:

a. in the form of property of a complete building or housing complex in an integrated manner:

1. investment value larger than Rp10,000,000,000.00 (ten billion rupiah) including land and building;

2. paid up capital of at least Rp2,500,000,000.00 (two billion five hundred million rupiahs) and the value of equity participation in the company's capital; or
b. in the form of a property unit not in 1 (one) complete building or 1 (one) housing complex in an integrated manner,

1. investment value larger than Rp10,000,000,000.00 (ten billion rupiah) outside land and buildings;

2. paid up capital of at least Rp2,500,000,000.00 (two billion five hundred million rupiahs); and

3. the value of participation in the Company's capital for each shareholder is at least Rp10,000,000.00 (ten million rupiahs) provided that the Debt to Equity Ratio (DER) 4: 1.

(5) The investment value as referred to in paragraph (2) and/or paragraph (3) must be fulfilled by the Company within 1 (one) year after the date the Company obtains the Business License.

(6) Investors are prohibited from entering into agreements and/or statements confirming the ownership of shares in limited liability companies for and on behalf of others.
Paragraph 3

Provisions of Business Field

Article 7

(1) In order to obtain NIB and Business License, the Company shall pay attention to:

a. provisions on closed business fields and open business fields with the requirements; and

b. regulations of the minister/non-ministerial government institutions, in accordance with the provisions of law and legislation.

(2) The location of business activities shall be in accordance with the Local Spatial Plan.

(3) In the case of a company located within KEK, the provisions concerning open business fields with requirements are not applicable, except for business sectors reserved for Micro, Small, Medium Enterprises and Cooperatives as well as closed business fields for Investment.

Part Two

Business License Procedures

Article 8
(1) The application for licensing as referred to in Article 4 paragraph (2) shall be made online basis through SPIPISE.

(2) In the event that the application for licensing as referred to in Article 4 paragraph (2) cannot be submitted online, the application shall be filed offline by attaching the requirements as stipulated in the laws and regulations.

(3) Submission of online applications as referred to in paragraph (2) shall be submitted to the Central PTSP in BKPM by using the application form in the format as contained in Appendix I constituting as an inseparable part of this Agency Regulations or application form as regulated in the technical related ministerial/non-ministerial government institution.

(4) The application as referred to in paragraph (1) and paragraph (2) shall be completed with general provisions, namely:

a. legal aspects of legal entity, in the form of:

1. the deed of incorporation of the company and/or its amendment which
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has been approved by the Minister of Law and Human Rights;

2. TIN/NPWP of the company that has been done its Confirmation of Taxpayer Status in accordance with the provisions of law and legislation; and

3. NIB;

b. the legality aspect of the domicile is the company's head office address and/or the legality of the company's project location in the form of Sale and Purchase Deed (AJB), Land Rights Certificate (HGB/HGU), lease agreement or borrowing-use agreement for the companies/affiliates group;

c. environmental legality aspect in the form of Environmental Management document;

d. proof of online final period LKPM acceptance through SPIPISE for companies that already have an obligation to submit LKPM; and

e. power of attorney if the application is not made directly by the Company's Chief.
(5) Business License shall be issued no later than 3 (three) Days since the acceptance of complete and correct application.

(6) The change of business license shall be issued no later than 3 (three) days since the acceptance of complete and correct application.

(7) Business License on the application as referred to in paragraph (1) shall be issued in certificate form with Electronic Signature in portable document format (pdf) format and completed with validation sheet.

(8) The form of Business License as referred to in paragraph (7) shall be issued in accordance with the provisions in the law and legislation.

(9) In the event that the application for Business License as referred to in paragraph (7) is rejected, the Chairman of BKPM or the appointed official shall submit a Rejection Letter not later than 2 (two) Days.

(10) The form of Rejection Letter as referred to in paragraph (9) as contained in Appendix II constituting as an inseparable part of this Agency Regulations.
Article 9
The validity period of the Business License is stipulated insofar as the company is still conducting the production/operation business, unless otherwise stipulated under the provisions of the law and legislation.

CHAPTER V
PROVISIONS AND PROCEDURES OF REPRESENTATIVE OFFICE AND BRANCH OFFICE PERMITS

Part One
KPPA Permission Provisions

Paragraph 1
General

Article 10
(1) To carry out KPPA activities in Indonesia shall have KPPA Permit.

(2) The activities of KPPA as referred to in paragraph (1) are limited:
   a. as supervisor, liaison, coordinator, and take care of the interests of the company or its affiliated companies;
   b. preparing the establishment and development of enterprises of foreign
companies in Indonesia or in other countries and Indonesia;
c. located in an office building in the provincial capital;
d. does not seek any income from sources in Indonesia including is not allowed to carry out activities or engage in any conduct/sale transaction and purchase of commercial goods or services with any company or individual in the country; and
e. does not participate in any form in the management of any company, subsidiary or branch company in Indonesia.

(3) The Head of KPPA must stay in Indonesia, fully responsible for the smooth running of the Office, is not allowed to engage in activities other than KPPA activities and does not hold concurrent positions as Corporate Leaders and/or more than 1 (one) KPPA.

(4) In the event that the appointed Head of KPPA is a foreign national and/or employ foreign worker, KPPA shall employ Indonesian workers in
accordance with the provisions of law and legislation.

(5) The KPPA Permit as referred to in paragraph (1) shall be valid as long as the representative office conducts activities.

(6) KPPA may amend the provisions contained in the KPPA Permit.

Paragraph 2

Procedures for Application and Issuance of KPPA Permit

Article 11

(1) Application for KPPA Permit shall be made online through SPIPISE with the conditions as set forth in Appendix III which is an integral part of this Agency Regulations.

(2) The application as referred to in paragraph (1) shall be issued no later than 3 (three) days after the acceptance of a complete and correct application.

(3) The KPPA Permit shall be issued in the form of a certificate with Electronic Signature in pdf format and completed with validation sheet.

(4) The form of KPPA Permit as referred to in paragraph (1) as contained in Appendix IV
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constituting as an inseparable part of this Agency Regulations.

(5) In the event that the application for KPPA Permit is rejected, the Chairman of BKPM or the appointed official shall make a Rejection Letter not later than 2 (two) Days.

(6) The form of Rejection Letter as referred to in paragraph (5) as contained in Appendix II constituting as an inseparable part of this Agency Regulations.

Part Two

Terms and Procedures for Opening of Branch Office

Paragraph 1

Conditions for Opening of a Branch Office

Article 12

(1) PMA/PMDN Company may open branch offices throughout Indonesia which is a unit or part of its parent Company which may be located in different place and may be independent or having duty to perform part of its parent company's duties.

(2) PMA/PMDN company whose business license shall be issued by PTSP Center in BKPM as referred to in Article 4 paragraph (2) letter f number 2 and
will open a Branch Office, shall report the plan of Branch Office opening to BKPM unless otherwise stipulated by the provisions of the law and legislation.

Paragraph 2

Procedures for Application and Opening of Branch Offices

Article 13

(1) The Application for Opening of a Branch Office as referred to in Article 12 paragraph (2) shall be conducted online through SPIPISE, subject to the terms set forth in Appendix III which is an integral part of this Agency Regulations.

(2) The establishment of a Branch Office as referred to in paragraph (1) shall be issued in the form of a certificate with Electronic Signature in pdf format and completed with validation sheet.

(3) The opening of a Branch Office as referred to in paragraph (2) shall be published in the form stated in Appendix V which is an integral part of this Agency Regulations.
(4) The opening of a Branch Office shall be issued no later than 3 (three) days after the acceptance of a complete and correct application.

(5) In the event that the application for opening of a Branch Office as referred to in paragraph (1) is rejected, the Chairman of BKPM or the appointed official shall make a Rejection Letter not later than 2 (two) Days.

(6) The form of Rejection Letter as referred to in paragraph (5) as contained in Appendix II constituting as an inseparable part of this Agency Regulations.

(7) Branch Offices may amend the terms stated in the Opening of Branch Offices.

CHAPTER VI
TERMS AND CONDITIONS OF CUSTOMS AND TAXATION FACILITIES
Part One
Terms and Procedures for Application of Import Duty Exemption Facility
Paragraph 1
Provisions and Procedures for Provision of Import Duty Exemption on Import of Machinery and Goods and
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Materials for the Industrial Construction or Development in the framework of Investment

Article 14

(1) The Companies possessing NIB and/or Business License may obtain fiscal facilities in accordance with the provisions of law and legislation.

(2) The fiscal facility as referred to in paragraph (1) includes:

a. entry duty exemption facility on Machinery excluding spare parts; and
b. exemption facility on import duty of Goods and Materials.

Article 15

(1) Procedures for submission of application for fiscal facilities as referred to in Article 14 paragraph (1) are:

a. applications for facilities shall be filed online through SPIPISE completed with the requirements set out in Appendix III which are an integral part of this Agency Regulations;

b. facilities as referred to in paragraph (1) shall be issued in hardcopy or certificate with
Electronic Signature in pdf format and completed with validation sheet;

c. companies must have access rights to apply for facilities to BKPM online through SPIPISE;

d. the company that will apply for the facility must upload the required documents;

e. the company shall fill out and submit the facility application form along with the list of Machinery/Goods and Materials online through SPIPISE;

f. the application as referred to in letter d shall be administratively verified by the officer;

g. if the applications verified by the officers are considered incomplete and incorrect, then the application shall be returned to the Company online through SPIPISE;

h. the company must complete the company's data through the company's folder on the online system in SPIPISE as long as it cannot be withdrawn online through the OSS system;
i. the Company's completed and correct application documents shall be made technical clarification in the form of technical meeting and/or visit to the project site;

j. Technical clarification results:
   1. it shall be issued receipt if the application can be processed in accordance with the provisions;
   2. it will be returned to the Company online if it cannot be processed in accordance with the provisions; or
   3. the application is rejected because it is not in accordance with the provisions;

k. to the result of the technical clarification as referred to in letter j point 2, the Company shall be given time no later than 5 (five) days to complete and file the document again online through SPIPISE;

l. in the case that the Company has met and completed the documents as referred to in letter k, it shall be issued a receipt;

m. in the event that the Company does not comply with the provisions as referred to in
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letter i, the Company's application is rejected;

n. completion of facility application shall be no later than 5 (five) Days as from the issuance of receipt as referred to in letter j number 1 and letter l; and

o. the rejection of application as referred to in letter j number 3 and letter m shall be no later than 3 (three) Days.

(2) The application as referred to in paragraph (1) for import duties facility on Machinery for the Development (extension) or restructuring/modernization/rehabilitation facilities) shall be signed on sufficient stamp duty by the board of directors/Company’s Managements and provided with company’s stamps completed with the form in accordance with the format as contained in Appendix VI which is an integral part of this Agency Regulations.

(3) The application as referred to in paragraph (1), for the changes to the determination of facilities on the import of Machinery shall be accompanied with the clarification on the reason for the
amendment, and signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, completed with the form in accordance with the format as contained in Appendix VII, constituting as inseparable part from these Regulations.

(4) The application as referred to in paragraph (1), for the extension of the facility period for the import of Machinery shall be made prior to the expiration of the facility period, accompanied by an clarification on the reason for the non-completion of the import of Machinery, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, completed with the form according to the format as contained in Appendix VIII which form an integral part of this Agency Regulations.

(5) The application as referred to in paragraph (1), for the extension of the facility period for the import of Machinery shall be made after the expiration of the facility period, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, completed with the
application form in accordance with the format as contained in Appendix VI and Appendix VIII which is an integral part of this Agency Regulations.

(6) The application as referred to in paragraph (1), to move the location of Imported Machinery is done online to BKPM, accompanied by an clarification on the reason for moving the location of the Machine, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, completed with the form according to the format as contained in Appendix IX which is an integral part of this Agency Regulations.

(7) The application as referred to in paragraph (1), for facilities on the import of Goods and Materials, shall be signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, completed with the form in accordance with the format as contained in Appendix X which is an integral part of the Agency Regulation and stamped Statement Letter signed by the Company’s Management stating that the Machine to be applied for the facilities of Goods
and Materials are not pledged, not disputed with other parties and still in the possession/ownership of the company, in accordance with the format as contained in Appendix XI constituting as an inseparable part from these Regulations.

(8) The application as referred to in paragraph (1), for the amendment of facilities for the import of Goods and Materials, along with an clarification on the reason for the change of the Goods and Materials facility, shall be signed on sufficient stamp duty by the Company’s Management and provided with the company's seal, stated in Appendix XII which is an integral part of this Agency Regulations.

(9) The application as referred to in paragraph (1), for the extension of the period of entry duty facility on the import of Goods and Materials shall be made before the expiration of the facility period, accompanied with the clarification on the reason for the non-completion of the import of Goods and Materials, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seals, completed with forms according
to the format as contained in Appendix XIII which is an integral part of this Agency Regulations.

(10) The application as referred to in paragraph (1), for the extension of the period of entry duty facility on the import of Goods and Materials shall be made after the expiration of the facility period, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, the format as contained in Appendix XI and Appendix XIII which form an integral part of this Agency Regulations.

Article 16

(1) The entry duty exemption facility on the import of machinery as referred to in Article 14 paragraph (2) letter a, may be given for the Construction and Development project.

(2) The Application for entry duty exemption facility on the import of machinery as referred to in paragraph (1) shall be submitted no later than 3 (three) years since the issuance of NIB and/or Business License.

(3) The development as referred to in paragraph (1), which is the addition of production capacity of
more than 30% (thirty percent) shall be classified as business expansion.

(4) The application for facilities for development as referred to in paragraph (3) must complete a statement from the Company’s Management regarding the additional production capacity with the letter format as contained in Appendix XIV constituting as an inseparable part of this Agency Regulations.

Article 17

(1) The entry duty exemption facility on the import of machinery may be provided to the companies owning NIB and/or Business License.

(2) The Company in the implementation of Investment activities may use domestic and/or imported production machinery.

(3) The Companies which already have NIB and/or Business License as referred to in paragraph (1) may be granted facilities with the following provisions:

a. for the field of industrial business which produces goods may be granted facilities of
entry duty exemption on the import of Machinery and Goods and Materials; and/or

b. for the field of industrial business providing services may be granted facilities of entry duty exemption on the import of machinery.

(4) Exemption of entry duty as referred to in paragraph (3) may be given to Machinery, Goods and Materials derived from KPBPB, KEK or Bonded Piling Site.

(5) The granting of facilities as referred to in paragraph (3) shall refer to the Regulations of the Minister of Finance which regulates the exemption of entry duty on the import of machinery as well as Goods and Materials for the Development or Industrial Development for Investment.

(6) The entry duty facility on the import of machinery as referred to in paragraph (1) may be given as long as the Machinery:

a. has not yet been produced domestically;

b. has already been produced domestically but not yet meet the required specifications; or

c. has already been produced domestically but the amount is not sufficient for the industry,
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Based on the list of machines set by the ministry in charge of industry.

(7) For the Machines that fail to comply with the provisions as referred to in paragraph (6) may be granted entry duty facility after obtaining technical recommendation from the ministry that is responsible in the field of industry.

Article 18

(1) Machinery in the provision of exemption of entry duty on the import of machinery as referred to in Article 14 paragraph (2) letter a may be a new machine and/or a non-new machine condition.

(2) Non-New Machinery import as referred to in paragraph (1) shall follow the provisions stipulated in the ministerial regulation in charge of trade and ministerial regulation in charge of industry.

Article 19

(1) A company that already has a Business License/Expansion License and will conduct restructuration/modernization/rehabilitation which will result in a change in production capacity not exceeding 30% (thirty percent) of production
capacity of the license as stipulated in the Business License/expansion permit, and/or other documents that include production capacity may be granted facilities of entry duty exemption on the import of machinery.

(2) The entry duty exemption facility on the import of machinery as referred to in paragraph (1) shall not include Goods and Materials.

(3) Against the companies applying for facilities for import of machinery for restructuring/modernization/rehabilitation shall be carried out a direct review to the project site.

Article 20

(1) A decision on the granting entry duty exemption facility on the import of machinery as referred to in Article 17 and Article 19 may subject to a change of decision.

(2) The changes of the decision as referred to in paragraph (1) shall include:

a. change, replacement and/or addition of Machinery;

b. change, replacement of HS Code of Machinery;
c. changes, replacement of technical specifications of Machines;

d. Change of Machine value;

e. change, replacement of Machine unit;

f. change, replacement and/or addition of Machine details;

g. change, replacement and/or addition of unloading port;

h. change, replacement and/or addition of country of origin;

i. change, replacement and/or addition of project location; and/or

j. change of corporate entity data.

(3) The change of decision as referred to in paragraph (2) can only be done in case of:

a. The machine has not been imported, i.e. has not obtained the registration number (Reg.No.) on the Goods Import Declaration (PIB); and

b. The machine is still within the release period.

(4) The data of Machinery have not yet been imported as referred to in paragraph (3) a, may be clarified
in advance to the Directorate General of Customs and Excise, Ministry of Finance.

(5) A request for amendment to the stipulation of the granting of an entry duty facility on the Machine may be filed after 3 (three) months as of the issuance of the stipulation on granting the entry duty facility on the Machine.

(6) A request for amendment to the stipulation of the granting on entry duty facility of the Machine may be submitted before 3 (three) months as of the issuance of issuance of the stipulation on granting the entry duty facility on the Machine by enclosing the following requirements:
   a. Bill of Lading (B/L) or Air Waybill (AWB);
   b. packing list;
   c. invoice;
   d. contract; and/or
   e. technical explanation.

Article 21

(1) The period of the granting entry duty facility on the import of machinery may be given no later than 2 (two) years as of the issuance of the decision on the entry duty facility of the Machine.
(2) The period as referred to in paragraph (1) may be renewed annually as long as the Company has not conducted commercial activities as evidenced by a declaration of not yet commercially production as stated in Appendix XV which is an integral part of this Agency Regulations.

(3) The application for extension of facility period as referred to in paragraph (2) shall be submitted no later than 14 (fourteen) Days prior to the expiration of entry duty facility on the Machine.

(4) In the event that the application of extension of the period of granting entry duty facility on the import of Machinery shall be made after the expiry of the facility period, the entry duty facility of the un-imported Machine may be given through re-determination from the date of stipulation and valid up to 1 (one) year minus the delay period of the submission.

(5) In the case of the extension of the period as referred to in paragraph (4), BKPM may clarify in advance to the Directorate General of Customs and Excise, Ministry of Finance and in case of
necessary, it may be conducted visits to the project site.

(6) The validity period of entry duty facility on imports of Machinery for the development with the intention of restructuring/modernization/rehabilitation, may be given no later than 2 (two) years since the issuance of the decision and cannot be extended.

Article 22

(1) Any Machines which have obtained entry duty exemption facilities as referred to in Article 17 and Article 19 shall be used in accordance with the purpose of entry by the Company in concerned at the locations stated in the Minister of Finance's Decree on the Provision of Import Duty Exemption Facility on the Import of Machinery.

(2) The machinery as referred to in paragraph (1) may be carried out by Transfer of Machine with mechanism as regulated in the Regulation of the Director General of Customs and Excise, Ministry of Finance.

(3) The transfer of machinery as referred to in paragraph (2), in the case of Re-exported, may be
made after obtaining the recommendation of Transfer from BKPM.

(4) The machinery as referred to in paragraph (1) may be transferred from the location as stated in the Minister of Finance Decree on the Provision of Import Duty Exemption Facility on the Import of Machinery, to a new location subject to the provisions of transfer of Machinery performed by and for the same company.

(5) The new location as referred to in paragraph (4) shall be in accordance with the project location stated in the NIB and/or the Business License.

(6) Application for transfer of location of imported Machinery as referred to in paragraph (4) shall be submitted online to BKPM.

(7) To the application as referred to paragraph (6), in case of necessary, BKPM may conduct a visit to the project site.

Article 23

(1) A company that has completed industrial development and is ready to carry out commercial activities, may be granted entry duty facility on
the import of Goods and Materials as raw materials for 2 (two) years of production on:

a. the use of machines that have obtained the entry duty exemption facility from the Minister of Finance; and/or

b. the use of imported domestic production Machinery.

(2) The application of entry duty facility on the import of Goods and Materials as referred to in paragraph (1) shall be submitted no later than 1 (one) year since the company is ready to carry out commercial activities.

(3) The Companies using Machinery with a domestic component level (Domestic Content Level) of at least 30% (thirty percent) as stated by the ministers in charge of industry or the appointed officials may be granted entry duty facilities on the import of Goods and Materials as raw materials for 4 (four) years of production.

(4) The application of entry duty facility on the import of Goods and Materials as referred to in paragraph (3) shall be submitted no later than 1 (one) year
since the company is ready to carry out commercial activities.

(5) Toward the companies applying for import facilities on Goods and Materials shall be carried out a direct review to the project site to ensure that Machinery and equipment are installed in accordance with the capacity to be submitted.

(6) Ready to carry out commercial activities as referred to in paragraph (2) and paragraph (4), evidenced by a letter of company statement with the format of the letter as contained in Appendix XVI which is an integral part of this Agency Regulations.

Article 24

(1) The decision on the granting of entry duty exemption facility on the import of Goods and Materials as referred to in Article 23 may be made a change of decision.

(2) The changes of the decision as referred to in paragraph (1) shall include:
   a. change/replacement of Goods and Materials;
b. change, replacement of HS Code of Goods and Materials;

c. change/replacement of technical specifications of Goods and Materials;

d. changes in the value of Goods and Materials;

e. change, replacement and/or addition of unloading port; and/or

f. change, replacement and/or addition of country of origin.

(3) The change of decision as referred to in paragraph (2) can only be done in case:

a. Goods and Materials have not yet been imported, i.e. not getting Reg.No. on PIB; and

b. Goods and Materials are still within the period of release.

(4) The change of decision as referred to in paragraph (2) shall not change the total amount of Goods and Materials that have been approved.

Article 25
(1) Entry duty facility on the import of Goods and Materials shall be given at the time of importing for a maximum of 2 (two) years.

(2) Companies that have not completed their import within 2 (two) years may be granted an extension of the import period.

(3) The extension of the import period as referred to in paragraph (2) may be given 1 (one) time for the import period of 1 (one) year at the latest from the date of importing and cannot be extended.

(4) The Companies using Domestic production machines with Domestic Content Level of at least 30% (thirty percent) with time of import of Goods and Materials may be granted an extension of import period at the latest 4 (four) years from the date of the decision of granting entry duty facility on the import of Goods and Materials.

(5) The company as referred to in paragraph (4), which carries out special imports for Goods and Materials which are regulated in the provisions of import regulation based on ministerial regulations in charge of trade and has not completed its
import within 4 (four) years, may be granted an extension of the import period 1 (one) time extension for the import period of 1 (one) year at the latest since the issuance of the Renewal Importing Period and cannot be re-extended.

(6) Submission of application for extension of import period as referred to in paragraph (3) and/or paragraph (5) shall be submitted no later than 14 (fourteen) Days before the validity period of granting entry duty facility on import of Goods and Materials ends.

(7) The granting of extension facility for the period of time as referred to in paragraph (5) shall take into account the number of Goods and Materials for production needs of at least 1 (one) year and pay attention to the determination of the quota allocation given by the minister in charge of trade.

(8) In the event that the application for extension of the period as referred to in paragraph (2) is made after the expiration of the facility, then the entry duty on the Goods and Materials which have not yet been imported may be provided by re-determination from the date of stipulation and
valid until 1 (one) years minus the period of late submission.

(9) With respect to the submission as referred to in paragraph (8), BKPM may clarify in advance to the Directorate General of Customs and Excise, Ministry of Finance, and in case of necessary BKPM may conduct a visit to the project site to ensure the shortage of imports of Goods and Materials.

Paragraph 2


Article 26

Business Entities conducting power plant industries for public interest which already have NIB and Power Plant Business License (IUPTL), may apply to obtain entry duty exemption facility on capital goods import.

Article 27

(1) The provisions concerning the procedures for filing facilities as referred to in Article 15 paragraph (1) shall apply mutatis mutandis to the provisions
concerning the procedures for submission of an application for exemption of entry duty on capital goods import as referred to in Article 26.

(2) The application as referred to in paragraph (1), for facilities on capital goods import, shall be signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, completed by form in accordance with the format as contained in Appendix XVII which is an integral part of this Agency Regulations.

(3) The application as referred to in paragraph (1), for the amendment of facilities for the capital goods import, accompanied with the clarification on the reason for the change of the capital goods import facility, shall be signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, and completed with forms stated in Appendix XVIII which is an integral part of this Agency Regulations.

(4) The application as referred to in paragraph (1), for the extension of the period of entry duty facility on capital goods import, accompanied by an clarification on the reason for the completion of
capital goods import, forms according to the format are stated in Appendix XIX which is an integral part of this Agency Regulations.

(5) The exemption of entry duty on capital goods import as referred to in Article 26 may be granted to a business entity:

a. Limited Liability Company of State Electricity Company (Persero) (PT PLN (Persero)); or
b. a holder of a Power Plant Business License (IUPTL).

(6) IUPTL holder as referred to in paragraph (5) letter b shall include:

a. IUPTL holder having business area;
b. IUPTL holder for power plant businesses that have Power Purchase Agreement (PPA) with PT PLN (Persero), stating that all electricity produced will be purchased by PT PLN (Persero);
c. IUPTL holders for power plant businesses that have lease agreements (FLA) with PT PLN (Persero); or
d. IUPTL holders for power plant businesses that have electricity sale and purchase
agreements with IUPTL holders owning business area, with a statement that all electricity power generated thereof will be purchased by IUPTL holders owning business area.

(7) The submission of application as referred to in paragraph (1) shall be submitted by attaching a Goods Import Plan (RIB) of Project Requirement which has been approved and validated by the Director General of Electricity, Ministry of Energy and Mineral Resources.

Article 28

(1) The decision on granting of entry duty exemption facility as referred to in Article 26 may be amended.

(2) The changes of the decision as referred to in paragraph (1) shall include:
   a. change, replacement and/or addition of Capital Goods;
   b. change, replacement of HS Code of Capital Goods;
   c. changes, replacement of technical specifications of Capital Goods;
d. change, replacement and/or addition of revenue port;

e. change, replacement and/or addition of country of origin;

f. change in value of Capital Goods;

g. change, replacement of Capital Goods unit;

h. change, replacement and/or addition of details of Capital Goods;

i. change, replacement and/or addition of project location; and/or

j. change of corporate entity data.

(3) The changes as referred to in paragraph (1) may only be made in the case of:

a. Machine not yet imported, i.e. not getting Reg.No. on PIB; and

b. The machine is still within the release period.

(4) The amendment as referred to in paragraph (1) shall be submitted by attaching the Import Duty for Change of Goods (RIBP) of project requirements approved and validated by the Director General of Electricity, Ministry of Energy and Mineral Resources.
Article 29

(1) The period of import of capital goods which can be given facilities as referred to in Article 26 shall be given no later than 2 (two) years after the issuance of the decision on the entry duty exemption on Capital Goods.

(2) The period of import of capital goods as referred to in paragraph (1), may extend the period of not later than 12 (twelve) months after the expiration of the import realization period with the stipulation that the company must submit an application for extension of import realization not later than 14 (fourteen) days before the expiration of the decision on the exemption of entry duty.

(3) In the event that the application for extension of the period as referred to in paragraph (2) shall be made after the expiration of the facility period, the entry duty facility on capital goods which have not yet been imported may be provided through re-stipulation from the date of stipulation and valid until 1 (one) year minus the period of late submission.
(4) With regard to the submission as referred to in paragraph (3), BKPM may clarify in advance to the Directorate General of Customs and Excise, Ministry of Finance and in case of necessary visits to the project site.

Article 30

(1) The Capital goods that can be granted facilities as referred to in Article 26 may be carried out Transfer of capital goods in accordance with the mechanism set forth in the Regulation of the Minister of Finance concerning the exemption of entry duty on capital goods import for the construction or development of power plant industries for the public interest and the implementation regulation.

(2) The transfer of capital goods as referred to in paragraph (1) shall be made after obtaining a license from the Director General of Customs and Excise on behalf of the Minister, based on the recommendation of the Chairman of BKPM or appointed officials.

Paragraph 3
Provisions and Procedures for the Exemption or allowance of Import Duty and/or Exemption of Value Added Tax on the Import of Goods for Working Contract and Working agreement on Coal Mining Concession

Article 31

(1) Against the import of goods for the working contract and the coal mining concession agreement may be granted exemption or allowance of entry duty in accordance with the contract to be owned.

(2) Exemption or allowance of entry duty and/or value added tax on import of goods for working contract and working agreement of coal mining concession, may only be given to contractors whose contract includes exemption of value added tax on import of goods for working contract and working agreement of coal mining exploitation.

(3) Application for exemption or allowance of entry duty and/or value added tax on import of goods for working contract and working agreement of coal mining business as referred to in paragraph (2) shall be submitted by the owner of Working
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Contract and working agreement of coal mining concession to BKPM.

(4) The provisions concerning the procedure for filing facilities as referred to in Article 15 paragraph (1) shall apply mutatis mutandis to the provisions concerning the procedure of application for exemption or allowance of entry duty and/or value added tax on the import of goods for Working Contract and working agreement of coal mining concession as referred to in paragraph (2).

(5) The application as referred to in paragraph (3), for exemption or allowance of entry duty and/or value added tax, shall be signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, and completed with facility form on import of capital goods in accordance with format stated in Appendix XX which is an integral part of this Agency Regulations.

(6) The application as referred to in paragraph (3), for the amendment of the decision on exemption or allowance of entry duty and/or value added tax on import of goods, accompanied with the
clarification on the reason for the change of imported goods facility, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, and completed with form as stated in Appendix XXI which is an integral part of this Agency Regulations.

(7) The application as referred to in paragraph (3), for the extension of the period of exemption or allowance of entry duty and/or value added tax on the import of goods, accompanied with the clarification on the reason for the non-completion of the realization of imports of goods, signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, and completed with form in accordance with the format as contained in Appendix XXII which is an integral part of this Agency Regulations.

(8) The application as referred to in paragraph (3) shall be submitted by enclosing the recommendation of Master list from the Director General of Mineral and Coal, Ministry of Energy and Mineral Resources.

Article 32
On the exemption or allowance of entry duty on the import of goods and/or exemption of value added tax on the import of goods for the working contract and the coal mining concession agreement to contractor whose contract stipulates the exemption or allowance of entry duty and/or value added tax the import of goods for the working contract and the working agreement of the coal mining concession as referred to in Article 31 may be amended.

The changes of the decision as referred to in paragraph (1) shall include:

a. change, replacement and/or addition of goods;

b. change, replacement HS Code of goods;

c. changes, replacement of technical specifications of goods;

d. change, replacement and/or addition of unloading port;

e. change, replacement and/or addition of loading country;

f. changes in the value of goods;

g. change, replacement unit of goods;
h. change, replacement and/or addition of goods details; and/or
i. change, replacement and/or addition of project location.

(3) The changes as referred to in paragraph (1) may only be made in the case of:

a. goods as referred to in paragraph (1), have not been imported i.e. have not obtained Reg.No. on PIB; and
b. goods as referred to in paragraph (1), are still within the period of release.

(4) The changes as referred to in paragraph (1) shall be submitted by enclosing a letter of recommendation approved and validated by the Director General of Mineral and Coal, Ministry of Energy and Mineral Resources.

Article 33

(1) The period of granting of exemption or allowance of entry duty and/or value added tax shall refer to the provisions in the working contract and the coal mining concession agreement.

(2) The application for facilities as referred to in paragraph (1) shall be conducted annually,
provided that the period of exemption or allowance of entry duty and/or value added tax on import of goods for working contract and coal mining concession agreement expires on 31 December in the current year.

(3) The period of granting of facilities as referred to in paragraph (1) may be extended upon recommendation from the Director General of Mineral and Coal, Ministry of Energy and Mineral Resources.

Article 34

(1) Imported goods receiving exemption or allowance of entry duty and/or value added tax for working contract and working agreement of coal mining operation as referred to in Article 31 may be transferred, re-exported, or demolished.

(2) The imported goods to be transferred, re-exported or demolished as referred to in paragraph (1) shall be made in accordance with the mechanism set forth in the Regulation of the Minister of Finance concerning the exemption or allowance of entry duty and/or value added tax on imports of goods for Working Contract or Working Contract
of coal mining concession and its implementation regulation.

(3) The application for imported Goods to be carried out by Transferred, Re-exported or demolished as referred to in paragraph (2) shall be accompanied by a letter of recommendation from BKPM, in the case that the transfer is made after 2 (two) years up to 5 (five) years as from the date of import customs notification.

Paragraph 4

Procedures for Submitting a Recommendation on Transfer/Re-Export/Demolishment Applications

Article 35

(1) Procedures for submission of applications filed by companies/business entities on the recommendation of Transfer of Machinery as referred to in Article 22 paragraph (3), recommendation on the transfer of capital goods as referred to in Article 30 paragraph (2), recommendation of Transfer, Re-Exports, or demolished as referred to in Article 34 paragraph (3), namely:
a. the company/business entity submits documents for application of recommendation of Transfer /Re-Exports/Demolished online to BKPM;

b. the application documents as referred to in letter a will be administratively verified by the officer;

c. in the event that the application documents verified by the officer are considered incomplete and incorrect, then the application document shall be returned to the company/business entity;

d. in the case of the application document of the Company/Business Entity have been completed and correct, a recommendation of Transfer/Re-Exports/Demolishment will be issued within 5 (five) days; and

e. completion of verification until the application documents are returned to the company/business entity as referred to in letter c, shall be made no later than 3 (three) days.
(2) The requirements of the application as referred to in paragraph (1) are contained in Appendix III constituting as an inseparable part of this Agency Regulations.

(3) The application as referred to in paragraph (1) is for:

a. transfer recommendation for Re-Export of Facilitated Machinery which has been imported; and

b. the recommendation for the transfer of Re-export of capital goods, with an clarification on the reasons for the transfer and Re-export of the Machine, is signed on sufficient stamp duty by the Company’s Management and provided with the company’s seal, and completed with the form as contained in Appendix XXIII which is an integral part of this Agency Regulations.

(4) The application as referred to in paragraph (1) for recommendation of Transfer, Re-export or Demolishment of imported goods obtaining exemption or allowance of entry duty and/or value added tax on import of goods, accompanied with
the clarification on the reasons for the transfer, is signed on sufficient stamp duty by Company’s Managements and provided with the company’s seal, and completed with form contained in Appendix XXIV which is an integral part of this Agency Regulations.

Paragraph 5

Issuance of Decision on Import Duty Exemption Facility

Article 36

(1) In the case of applications for granting facilities as referred to in Article 15 paragraph (2) to paragraph (10), Article 27 paragraph (2), Article 27 paragraph (3), Article 27 paragraph (4), Article 31 paragraph (5), Article 31 Paragraph (6), and Article 31 Paragraph (7) are approved, the Chairman of BKPM or officers appointed on behalf of the Minister of Finance shall issue a Decree on the Provision of the Facilities.

(2) The form of a Decision Letter on the granting facilities of application as referred to in:

a. Article 15 paragraph (2) is contained in Appendix XXV constituting as an inseparable part of this Agency Regulations;
b. Article 15 paragraph (3) as contained in Appendix XXVI constituting as an inseparable part of this Agency Regulations;
c. Article 15 paragraph (4) as contained in Appendix XXVII constituting as an inseparable part of this Agency Regulations;
d. Article 15 paragraph (5) as contained in Appendix XXVIII constituting as an inseparable part of this Agency Regulations;
e. Article 15 paragraph (6) as contained in Appendix XXIX constituting as an inseparable part of this Agency Regulations;
f. Article 15 paragraph (7) as contained in Appendix XXX constituting as an inseparable part of this Agency Regulations;
g. Article 15 paragraph (8) as contained in Appendix XXXI which is an integral part of this Agency Regulations;
h. Article 15 paragraph (9) as contained in Appendix XXXII constituting as an inseparable part of this Agency Regulations;
i. Article 15 paragraph (10) as contained in Appendix XXVIII constituting as an inseparable part of this Agency Regulations;

j. Article 27 paragraph (2) as contained in Appendix XXXIV which is an integral part of this Agency Regulations;

k. Article 27 paragraph (3) as contained in Appendix XXXV constituting as an inseparable part of this Agency Regulations;

l. Article 27 paragraph (4) as contained in Appendix XXXVI constituting as an inseparable part of this Agency Regulations;

m. Article 31 paragraph (5) as contained in Appendix XXXVII constituting as an inseparable part of this Agency Regulations;

n. Article 31 paragraph (6) as contained in Appendix XXXVIII constituting as an inseparable part of this Agency Regulations;

and

o. Article 31 paragraph (7) as contained in Appendix XXXIX which is an integral part of this Agency Regulations.
(3) In the event the application is rejected, the Chairman of BKPM or the appointed official on behalf of the Minister of Finance shall make a Letter of Rejection of Provision of Facilities by stating the reasons for the rejection.

(4) Form of Letter of Rejection of Provision of Facility as referred to in paragraph (3) as contained in Appendix XL constituting as an inseparable part of this Agency Regulations.

Paragraph 6
Issuance of Recommendation on Transfer/Re-Exports/Demolishment

Article 37

(1) If the recommendation application as referred to in Article 35 is approved, a recommendation of Transfer/Re-Exports/Demolishment shall be issued.

(2) Form of Recommendation on Transfer/Re-Exports/Demolishment as referred to in paragraph (1) to:

a. transfer recommendations for Re-Export on imported facilities for industrial construction or development is stated in Appendix XLI
which is an integral part of this Agency Regulations; and

b. recommendation of Transfer/Re-Exports/Demolishment of imported goods in the framework of the working contract and the working agreement of coal mining business is stated in Appendix XLII which is an integral part of this Agency Regulations.

(3) In the event that the application as referred to in Article 35 is rejected, the Chairman of BKPM or the appointed official issues a Rejection Letter stating the reasons for the refusal.

(4) The Form of Rejection Letter as referred to in paragraph (3) shall be contained in Appendix XLIII constituting as an inseparable part of this Agency Regulations.

Part Two

Provisions and Procedures for Application of Corporate Income Tax Facilities for Investment in Certain Business Fields and/or in Specific Areas

Article 38

(1) Corporate income tax facility for investment in certain business fields and/or in certain areas (tax
allowance) may be provided to Taxpayers conducting Investment, either new Investment or expansion of existing business on:

a. certain business fields; and/or

b. certain business sectors and certain areas, as governed by a Government Regulation governing the income tax facility for investment in certain business fields and/or in certain areas.

(2) Application for corporate income tax facilities for investment in certain business fields and/or in certain areas (tax allowance) as referred to in paragraph (1) shall be filed by Taxpayers owning NIB.

(3) Application for corporate income tax facilities for investment in certain business fields and/or in certain areas (tax allowance) as referred to in paragraph (1) shall be submitted by the Taxpayer online to BKPM using the application form stated in the Appendix XLIV constituting as an inseparable part of this Agency Regulations, by completing the terms set forth in Appendix III.
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which is an integral part of this Agency Regulations.

Article 39

(1) The application as referred to in Article 38 paragraph (3) shall be submitted to the front officer of PTSP Center in BKPM for checking.

(2) In conducting the check as referred to in paragraph (1), the front officer of PTSP Center in BKPM may request further clarification to the Taxpayer upon the submitted application.

(3) In case of further clarification to the Taxpayer as referred to in paragraph (2), it is found that there is a Taxpayer Investment permit issued by another authorized institution based on the law and legislation, the front officer of PTSP Center in BKPM may request further clarification to the issuing agency of the Investment permit.

(4) Against further clarification to the Taxpayer as referred to in paragraph (2), a clarification document shall be produced which is an inseparable document of the application submitted by the Taxpayer.
(5) Based on the documents of further clarification result as referred to in paragraph (4):

a. the technical ministry shall issue a statement letter concerning the fulfillment of quantitative requirements stipulated in the technical minister's regulation concerning the implementation of Government Regulations governing income tax facilities for Investment in certain business fields and/or in certain areas; and

b. the taxpayer shall complete other data if necessary, with a maximum period of 5 (five) days from the date of clarification received at BKPM.

(6) In the event that the maximum period of 5 (five) Days as referred to in paragraph (5) is not fulfilled, the application file shall be returned to the Taxpayer.

(7) In the event that the application is complete and correct, BKPM will issue a receipt of the application using the format as contained in Appendix XLV which is an integral part of this Agency Regulations.
Article 40

(1) In the case of the application which is declared as the complete and correct application as referred to in Article 39 paragraph (7) and decided to be followed up, BKPM shall convene a trilateral meeting by inviting a senior level official (echelon 1) or representative of the Ministry of Finance cq Director General of Taxes and Expert Staff of the Minister of Finance and the Ministry of Technical Affairs in accordance with the business field submitted in the petition.

(2) A trilateral meeting shall produce a document of agreement as outlined in the minutes of the minutes in the format as contained in Appendix XLVI which is an integral part of this Agency Regulations, signed by all meeting participants and contains a decree stating that the Chairman of BKPM or the appointed official:

a. to approve the application of the Taxpayer to submit a letter of proposal for the provision of corporate income tax facilities for investment in certain business fields and/or in certain areas (tax allowance) on
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the Taxpayer's application to the Minister of Finance through the Director General of Taxes; or

b. rejects the Taxpayer's application.

Article 41

(1) In the event that the decision of the trilateral meeting states that approving the application of the Taxpayer as referred to in Article 40 paragraph (2) letter a, the Chairman of BKPM or the appointed official shall issue a letter of proposal to grant corporate income tax facilities for investment in certain business fields and/or in certain areas (tax allowance) to the Minister of Finance through the Director General of Taxes.

(2) A letter of proposal for the provision of corporate income tax facilities for investment in certain business fields and/or in certain areas (tax allowance) as referred to in paragraph (1) together with the application as referred to in Article 38 paragraph (3) and/or documents as referred to in Article 39 paragraph (5) shall be sent no later than 3 (three) days since the date of the convening of the trilateral meeting.
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(3) The form of letter of proposal for the provision of corporate income tax facilities for investment in certain business fields and/or in certain areas (tax allowance) as contained in Appendix XLVII constituting as an inseparable part of this Agency Regulations.

Article 42

(1) In the event that the decision of the trilateral meeting declares that rejecting the application of the Taxpayer as referred to in Article 40 paragraph (2) letter b, the Chairman of BKPM or the appointed official shall issue rejection letter within 3 (three) days since the trilateral meeting.

(2) The form of rejection letter as referred to in paragraph (1) as contained in Appendix XLVIII constituting as an inseparable part of this Agency Regulations.

Article 43

(1) In the event of a trilateral meeting as referred to in Article 40 paragraph (2), there has been no decision to approve or reject the Taxpayer's application, BKPM will hold further trilateral meetings.
(2) Further trilateral meetings as referred to in paragraph (1) produce an agreement as outlined in the minutes of reporting by using the format as contained in Appendix XLVI which is an integral part of this Agency Regulations, signed by all meeting participants and contains a decree stating that the Chairman of BKPM or the appointed officials:

a. to approve the application of the Taxpayer and subsequently submit a letter of proposal for the provision of corporate income tax facility for investment in certain business fields and/or in certain areas (tax allowance) on the Taxpayer's application to the Minister of Finance through the Director General of Taxes, Ministry of Finance; or

b. To reject the Taxpayer's application.

Article 44

(1) The provisions in the event that the decision of the further trilateral meeting states that approving the application of the Taxpayer as referred to in Article 43 paragraph (2) letter a, mutatis mutandis applies to the provisions of Article 41.
(2) In the event that the decision of the further trilateral meeting states that rejecting the application of the Taxpayer as referred to in Article 43 paragraph (2) letter b, it is mutatis mutandis applies to the provisions of Article 42.

Article 45

The decision of the trilateral meeting as referred to in Article 43 paragraph (2) shall be taken no later than 15 (fifteen) Days as from the date of clarification as referred to in Article 39 paragraph (3) received at BKPM.

Part Three

Terms and Procedures for Application for Corporate Income Tax Exemption or Deduction Facility (Tax Holiday)

Article 46

Application for corporate tax holiday facility shall comply with the provisions stipulated in BKPM regulation concerning details of business field and type of production of pioneer industry which can be given facility of deduction of corporate income tax as well as guidance and procedures of giving facility of corporate income tax deduction.
CHAPTER VII
PROVISIONS AND PROCEDURES
GRANTING STAY PERMIT FACILITY TO INVESTOR

Part One
General
Article 47

Immigration facilities in the field of Investment consist of:

a. recommendation for granting limited stay visa;
b. recommendation for granting of transfer stay permit status to be a limited stay permit; and
c. recommendation for granting of transfer limited stay permit status to be permanent stay permit.

Part Two
Recommendation of Granting Limited Stay Visa

Article 48

(1) The recommendation for the granting of limited stay visas as referred to in Article 47 letter a is a recommendation of a limited stay visa not for work for foreigner conducting PMA and as a condition for obtaining limited stay visas.

(2) Application for recommendation of limited stay visa as referred to in paragraph (1) shall be
submitted online to BKPM, using application form as contained in Appendix XLIX which is an integral part of this Agency Regulations, by completing the requirements as stated in Appendix III which is an integral part of these Agency Regulations.

(3) The recommendation for the granting of limited stay visas as referred to in paragraph (1) shall be issued no later than 3 (three) days after the acceptance of a complete and correct application.

(4) The recommendation form of limited stay visa as referred to in paragraph (1) as contained in Appendix L constituting as an inseparable part of this Agency Regulations.

(5) If the application for recommendation of limited stay visa as referred to in paragraph (2) is rejected, the Chairman of BKPM or appointed official shall make a rejection letter no later than 2 (two) days.

(6) The form of Rejection Letter as referred to in paragraph (5) as contained in Appendix II constituting as an inseparable part of this Agency Regulations.

Part Three
Recommendation of Status Transfer
Visit Permit to become a Limited Stay Permit

Article 49

(1) The recommendation of status transfer from the visit permit to be a limited stay permit as referred to in Article 47 letter b is a requirement to obtain the approval of the status of visit permit to be a limited stay permit.

(2) The application for recommendation of the status transfer of visit permit to be a limited stay permit as referred to in paragraph (1) shall be submitted online to BKPM, using application form stated in Appendix LI which is an integral part of this Agency Regulations, by completing the requirements stated in Appendix III constituting as an inseparable part of this Agency Regulations.

(3) Recommendation of the status transfer from the visit permit to be a limited stay permit as referred to in paragraph (1) shall be issued no later than 3 (three) days since the acceptance of complete and correct application.

(4) The recommendation form of the status transfer from visit permit to be a limited stay permit as
referred to in paragraph (1) are as contained in Appendix LII which is an integral part of this Agency Regulations.

(5) If the request for recommendation of the status transfer from visit permit to be a limited stay permit as referred to in paragraph (2) is rejected, the Chairman of BKPM or appointed official shall make a rejection letter no later than 2 (two) days.

(6) The form of rejection letter as referred to in paragraph (5) as contained in Appendix II constituting as an inseparable part of this Agency Regulations.

Part Three

Recommendation of Status Transfer

The Limited Stay Permit becomes a Permanent Stay Permit

Article 50

(1) The recommendation of the status transfer of a limited stay permit to be a permanent stay permit as referred to in Article 42 letter c is a requirement to obtain an approval of the status transfer of a limited stay permit to be a permanent stay permit.
(2) The recommendation of the status transfer of a limited stay permit to be a permanent stay permit may be granted to a foreigner who meets the following criteria:

a. An Investor and serves as a manager of a company with a share ownership of at least Rp1,000,000,000,000.00 (one billion rupiah) or equivalent to the United States dollar currencies; or

b. Investor and not as a company manager with a share ownership of at least Rp10,000,000,000,000.00 (ten billion rupiah) or equivalent to the United States dollar currencies.

(3) The application for recommendation of the status transfer from limited stay permit to become permanent stay permit as referred to in paragraph (1) shall be filed online to BKPM, using application form stated in Appendix LII which is an integral part of this Agency Regulations, by completing the requirements stated in Appendix III constituting as an inseparable part of this Agency Regulations.
(4) The recommendation of the status transfer of a limited stay permit to be a permanent stay permit as referred to in paragraph (1) shall be issued no later than 3 (three) days after the acceptance of a complete and correct application.

(5) The form of recommendation of the status transfer of limited stay permit to become permanent stay permit as referred to in paragraph (1) as contained in Appendix LIV constituting as an inseparable part of this Agency Regulations.

(6) In the event that the application for recommendation of the status transfer of limited stay permit to become permanent stay permit as referred to in paragraph (3) is rejected, the Chairman of BKPM or the appointed official make a rejection letter no later than 2 (two) days.

(7) The form of rejection letter as referred to in paragraph (5) as contained in Appendix II constituting as an inseparable part of this Agency Regulations.

CHAPTER VIII
SUPERVISION FOR THE COMPLIANCE OF BUSINESS LICENSE COMMITMENTS
Article 51

(1) BKPM shall conduct monitoring and supervision on the fulfillment of commitments on Business License issued by the OSS Institution in accordance with the provisions of laws and regulations.

(2) In the case of monitoring and supervision results as referred to in paragraph (1) indicate discrepancies or irregularities, BKPM shall take action in accordance with the provisions of laws and regulations.

(3) The action as referred to in paragraph (2) may be:
    a. warning;
    b. temporary suspension of business activities;
    c. imposition of administrative penalties;
    and/or
    d. revocation of Business License, in accordance with the provisions of law and legislation.

(4) The action as referred to in paragraph (3) shall be conducted through the OSS system by BKPM.
(5) The implementation of action as referred to in paragraph (3) shall be further stipulated in the BKPM Regulation concerning the instruction on the implementation of the Business License in the OSS system.

CHAPTER IX
PRIORITY SERVICES

Part One
General

Article 52

(1) Priority Service is the acceleration of Business License granted to PMA and PMDN companies whose licenses fulfill the following requirements:

a. investment value of at least Rp100,000,000,000.00 (one hundred billion rupiah); or

b. Indonesian employment recruitment of at least 1,000 (one thousand) persons.

(2) The requirements as referred to in paragraph (1) are exempted for:

a. certain industries, regions or places that obtain free trade facilities in the home country (inland free trade arrangement), in
accordance with the rules stipulated by the minister in charge of industry;

b. companies in certain industrial businesses that are part of the supply chain, with the requirement of delivering a statement or a memorandum of understanding as a supplier of the user of the product to be produced;

c. a company that follows a tax amnesty program, with the requirement to attach a tax assessment certificate issued by the Minister of Finance or an officer appointed on the name of the Minister of Finance; and

d. infrastructure projects and/or national strategic projects established in the law and legislation;

(3) For tax amnesty program on a new project may also be granted to an individual, with the requirement to attach a tax assessment certificate issued by the Minister of Finance or an officer appointed on behalf of the Minister of Finance.

(4) The tax amnesty program for an expansion project may also be granted to an individual
possessing individual business of a PMDN as referred to in paragraph (3) with the requirement to attach a tax assessment certificate issued by the Minister of Finance or an officer appointed on the name of the Minister of Finance.

(5) The application for granting priority service as referred to in paragraph (1) shall be submitted directly by the Company’s Management to the PTSP Center in BKPM completed by the requirements in accordance with the laws and regulations.

Part Two

Terms and Procedures for Priority Services related to the Infrastructure in the Energy and Mineral Resources Sectors

Article 53

(1) Priority services related to infrastructure in the energy and mineral resources sector shall be granted to applicants for business licenses authorized by the ministers who are responsible for energy and mineral resources.

(2) Priority services related to infrastructure in the energy and mineral resources sector as referred
to in paragraph (1) shall be the downstream temporary permit for oil and natural gas consisting of:

a. temporary storage permits for natural oil/fuel/processing results/liquid petroleum gas (LPG)/composed natural gas (CNG)/liquid natural gas (LNG) storage;

b. temporary Business License for petroleum processing with refinery capacity above 20,000 (twenty thousand) barrels of oil per day/temporary operating license for natural gas processing/processing business licenses while processing; and

c. temporary business license of commercial/general trading of petroleum/fuel oil (BBM)/processed products.

Article 54

(1) The application for priority services related to infrastructure in the energy and mineral resources sector as referred to in Article 53 shall be submitted directly by the Company’s Management
to PTSP Center in BKPM completed with administrative and technical requirements.

(2) Application for priority service delivery as referred to in paragraph (1), using priority service application form with administrative requirements as contained in Appendix LV which is an integral part of this Agency Regulations.

(3) The fulfillment of administrative requirements and technical requirements as referred to in paragraph (1) in the form of written statement/commitment shall be fulfilled independently from the applicant with the form as contained in Appendix LVI constituting as an inseparable part of this Agency Regulations with the term of settlement of the regulated commitment in ministerial regulations on energy and mineral resources.

(4) Priority services related to infrastructure in the energy and mineral resources sector as referred to in paragraph (1) shall be issued by PTSP Center in BKPM.

(5) The form of permit as referred to in paragraph (6) as contained in Appendix LVII which is an integral part of this Agency Regulations.
CHAPTER X

MISCELLANEOUS

Part One

Application Notification

Article 55

(1) Applications made online through SPIPISE that have been verified and there is still lack of data will be automatically sent via electronic mail to the applicant and detailed records of verification results can be seen in the application system online through SPIPISE.

(2) The Application made online and there is still a lack of data, the officer at BKPM will immediately make a return of the application along with a detailed record of the verification results.

(3) In the event that the notification as referred to in paragraph (1) and the returned application as referred to in paragraph (2) has been made at most 3 (three) times on different Days and the application is still unacceptable, the officer at BKPM may request attendance of the Company’s Management and the power of application to
provide explanation directly with the provisions cannot be represented.

(4) In case the application made online through SPIPISE is declared complete and correct, the notification shall be sent automatically by electronic mail to the applicant.

(5) If the application submitted online is declared complete and correct, the PTSP Center at BKPM shall issue a receipt of the application.

Part Two

Power of Attorney in the Application

Article 56

(1) The application for licensing as referred to in Article 4 paragraph (2) letter f, filed by and constituting as the Central Government authority, shall be submitted online through SPIPISE by one of the prospective shareholders or other authorized parties.

(2) The application for licensing as referred to in Article 4 paragraph (2) submitted after the status of an Indonesian legal entity shall be conducted by the Head of Company or other party authorized by the BKPM.
(3) The other party authorized as referred to in paragraph (1) and paragraph (2) must have a power of attorney and have the competence and ability to provide complete and accurate information and be responsible for all submitted information.

Article 57

(1) The power of attorney as referred to in Article 56 paragraph (3) shall use the format/form of power of attorney as stipulated in the Agency Regulations is completed with stamp duty, company’s seal, recording of identity of the Authorizer and the Attorney in fact.

(2) The form of power of attorney for the application shall be stated in Appendix LVIII constituting as an inseparable part of this Agency Regulations.

Part Three

Signatures

Article 58

(1) The Decision Letter of Licensing and/or Investment Facilities shall be signed by the official in accordance with their authority by:

a. electronic signatures; or
b. wet signature.

(2) Electronic signatures as referred to in paragraph (1) letter a shall have the same legal force as the documents issued by the relevant official in the form of a wet signature.

Article 59

The issuance of Licensing and Investment Facilities as referred to in Article 4 paragraph (2) shall be signed by the Chairman of BKPM or Senior High-Level Officer in BKPM on the name of the Chairman of BKPM or Senior High Officials Officer in charge of Investment Services on behalf of the Chairman of BKPM.

Part Four

Numbering License and Investment Facility

Article 60

(1) Numbering on License and Investment Facility as referred to in Article 4 paragraph (2), processed online and issued by PTSP Center in BKPM shall follow the provisions of BKPM regulations related to electronic documentary code.

(2) Online Company numbering is automatically provided through SPIPISE.
Part Five

Copies

Article 61

PTSP Center at BKPM in issuing licenses and the decisions to deliver facilities shall be accompanied by a copy to:

1. ministries/non-ministerial government agencies of supervisory sectors in accordance with the applicant's business field;

2. The Director General of Taxes of the Ministry of Finance;

3. DPMPTSP Province and DPMPTSP Regency/Municipality in accordance with the project location of the applicant; and/or

4. related agencies.

Part Six

Document Original Assurance

Article 62

Prospective shareholders, Company’s Management and/or Licensing applicants, must understand the statement contained in the Licensing and Investment Facility application form, which states, warrants and is responsible for:
a. authenticity of all submitted documents;
b. the suitability of all records/photocopies of data submitted with the original document; and
c. authenticity of all signatures contained in the application.

Part Seven

LKPM

Article 63

The Companies that have obtained the licenses as referred to in Article 4 shall submit LKPM as regulated in the laws and regulations.

Part Eight

Sanctions

Article 64

(1) The Chairman of the Company and/or the attorney of the applicant providing false information and/or proxy may not conduct the Licensing and Investment Facility in BKPM for at least 1 (one) year and shall be publicly announced.

(2) The Chairman of the Company and/or the attorney of the Licensing and Investment Facility who provide proven information and/or false data
in the application submitted to BKPM shall subject to criminal sanctions in accordance with the provisions of the law.

CHAPTER XI

TRANSITIONAL PROVISIONS

Article 65

The Companies that has already a principle license/investment registration/investment permit may apply for permits and Investment Facilities without mentioning NIB no later than 6 (six) months since Government Regulation Number 24 Of 2018 on Electronically Integrated Business License Service is enacted.

CHAPTER XII

CONCLUDING PROVISIONS

Article 66

At the time these Regulations come into force, the Regulation of the Investment Coordinating Board Number 13 of 2017 concerning Guidelines and Procedures for Licensing and Investment Facilities (State Gazette of the Republic of Indonesia Year 2017 Number 1767) is revoked and declared null and void.
Article 67

These Regulations shall come into force on the date of promulgation.

For public cognizance, these Regulation shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta on 19 July 2018

CHAIRMAN OF INVESTMENT COORDINATING BOARD OF THE REPUBLIC OF INDONESIA,

Signed.

THOMAS TRIKASIH LEMBONG

Enacted in Jakarta on 20 July 2018

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

Signed.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2018 NUMBER 934
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, 31st July 2018

Drs. Sularno Popomaruto

Marginal Popomaruto