

# THE GUIDANCE AND PROCEDURE OF INVESTMENT APPLICATIONS

(Regulation of the Chairman of the Investment Coordinating Board No. 12/2009  
dated December 23, 2009)

BY THE GRACE OF GOD ALMIGHTY  
THE CHAIRMAN OF THE INVESTMENT  
COORDINATING BOARD,

## Considering:

- a. that to implement provisions in Article 2 and Article 44 of Presidential Decree No. 90/2007 on the Investment Coordinating Board;
- b. that to implement provisions in Article 9 paragraph (1) of Government Regulation No. 38/2007 on the Sharing of Administrative Affairs among the Government, Provincial Governments and Regency/Municipal Governments;
- c. that to implement provisions in Article 15 paragraph (1) of Presidential Regulation No. 27/2009 on One-Stop Services in the Field of Investment;
- d. that based on the considerations as referred to in letters a, b and c, it is necessary to stipulate Regulation of the Chairman of the Investment Coordinating Board on the Guidance and Procedure of Investment Applications;

## In view of:

1. Law No. 7/1983 (*BN No. 4009 pages 1A-3A and so on*) on Income Tax (Statute Book of 1983 No. 50, Supplement to Statute Book No. 3263), as has been several times amended the latest by Law No. 36/2008 (*BN No. 7723 pages 2A-15A and so on*) (Statute Book of 2008 No. 133, Supplement to Statute Book No. 4893);
2. Law No. 10/1995 (*BN No. 5812 pages 19A-20A and so on*) on Customs Affairs (Statute Book of 1995 No. 75, Supplement to Statute Book No. 3612), as has been amended by Law No. 17/2006 (*BN No. 7476 pages 23A-27A*) (Statute Book of 2006 No. 93, Supplement to Statute Book No. 4661);
3. Law No. 13/2003 (*BN No. 6905 pages 21A-28A and so on*) on Manpower (Statute Book of 2003 No. 39, Supplement to Statute Book No. 4279);
4. Law No. 32/2004 (*BN No. 7183 pages 1A-11A and so on*) on Regional Governments (Statute Book of 2004 No. 125, Supplement to Statute Book No. 4437), as has been several times amended the latest by Law No. 12/2008 (*BN No. 7676 pages 26A-32A and so on*) (Statute Book of 2008 No. 59, Supplement to Statute Book No. 4844);
5. Law No. 25/2007 (*BN No. 7509 pages 11A-27A*) (Statute Book of 2007 No. 67, Supplement to Statute Book No. 4724);
6. Law No. 40/2007 (*BN No. 7555 pages 1A-21A and so on*) on Limited Liability Company (Statute Book of 2007 No. 106, Supplement to Statute Book No. 4756);
7. Law No. 20/2008 (*BN No. 7749 pages 2A-18A*) on Micro, Small and Medium Businesses (Statute Book of 2008 No. 93, Supplement to Statute Book No. 4866);
8. Government Regulation No. 44/1997 (*BN No. 6158 pages 10A-18A*) on Partnership (Statute Book of 1997 No. 91, Supplement to Statute Book No. 3718);
9. Government Regulation No. 27/1999 (*BN No. 6442 pages 10A-12A and so on*) on Environmental Impact Analysis (Statute Book of 1999 No. 59, Supplement to Statute Book No. 3838);
10. Government.....

10. Government Regulation No. 65/2005 on the Guidance of Drawing up and Applying Minimum Service Standards (Statute Book of 2005 No. 150, Supplement to Statute Book No. 4585);
11. Government Regulation No. 1/2007 (*BN No. 7460 pages 20A-29A*) on Income Tax Facilities for Investment in Certain Business Fields and/or in Certain Regions (Statute Book of 2007 No. 1, Supplement to Statute Book No. 4675), as has been several times amended the latest by Government Regulation No. No. 62/2008 (*BN No. 7735 pages 12A-29A*) (Statute Book of 2007 No. 132, Supplement to Statute Book No. 4892);
12. Government Regulation No. 38/2007 on the Sharing of Administrative Affairs among the Government, Provincial Governments and Regency/Municipal Governments (Statute Book of 2007 No. 82, Supplement to Statute Book No. 4737);
13. Government Regulation No. 45/2008 (*BN No. 7820 pages 14A-19A*) on the Guidance of Granting Incentives and of Granting Privileges in Regions (Statute Book of 2008 No. 68, Supplement to Statute Book No. 4861);
14. Government Regulation No. 24/2009 (*BN No. 7825 pages 3A-14A*) on Industrial Estates (Statute Book of 2009 No. 47, Supplement to Statute Book No. 4987);
15. Presidential Decree No. 75/1995 on the Use of Expatriates;
16. Presidential Decree No. 90/2000 on the Representative Offices of Foreign Companies;
17. Presidential Regulation No. 76/2007 (*BN No. 7533 pages 15A-19A and so on*) on the Criteria and Requirements of Drawing up Closed Business Fields and Open Business Fields under Requirements in the Investment Field;
18. Presidential Regulation No. 77/2007 (*BN No. 7533 pages 2A-4A and so on*) on the List of Closed Business Fields and Open Business Fields under Requirements in the Investment Field as has been amended by Presidential Regulation No. 111/2007 (*BN No. 7637 pages 12A-21A*);
19. Presidential Regulation No. 90/2007 on the Investment Coordinating Board;
20. Presidential Regulation No. 27/2009 (*BN No. 7847 pages 8A-15A*) on Integrated One-Stop Services in the Investment Field;
21. Regulation of the Finance Minister No. 176/PMK.011/2009 (*BN No. 7896 pages 8A-15A*) on Duty-Free Facilities for the Import of Machinery as well as Goods and Materials for the Construction and Development of Industries within the Framework of Investment;
22. Regulation of the Chairman of the Investment Coordinating Board No. 11/2009 on the Procedures of Realizing, Developing and Reporting One-Stop Services in the Investment Field;

#### DECIDES :

To stipulate :

**REGULATION OF THE CHAIRMAN OF THE INVESTMENT COORDINATING BOARD ON THE GUIDANCE AND PROCEDURE OF INVESTMENT APPLICATIONS.**

#### CHAPTER I

#### GENERAL PROVISIONS

#### Article 1

Referred to in this Regulation as :

1. Investment is all sorts of investment made by domestic and foreign investors to do business in the territory of the Republic of Indonesia.

2. Foreign investment is the act of investing to do business in the territory of the Republic of Indonesia, carried out by foreign investors, either those fully using foreign capital or those establishing joint venture with domestic investors.
3. Domestic investment is the act of investing to do business in the territory of the Republic of Indonesia, carried out by domestic investors using domestic capital.
4. Investor is either individual or corporate body making investment in the form of domestic investment and foreign investment.
5. Integrated one-stop service, hereinafter referred to as PTSP, is the act of providing licencing and non-licencing services by receiving the delegation of authority from institutes or agencies having the licencing and non-licencing authority, ranging from the process of applying for licences to the process of issuing documents in one place.
6. Licencing is all sorts of approvals of investment, issued by the government and regional governments having the authority according to the law and regulation.
7. Non-licencing is all sorts of service facilities, fiscal facilities and information on investment, according to the law and regulation.
8. Investment company is a corporate body in the form of legal entity or non-legal entity that makes investment.
9. Investment expansion is the expansion of production capacity to exceed the permissible production capacity.
10. Application for the registration of investment is an application filed by an investor for the government's preliminary approval of investment plan.
11. Registration of investment, hereinafter referred to as registration, is a kind of the government's preliminary approval as the basis to start an investment plan.
12. Application for the registration of investment expansion is an application filed by an investor for the government's preliminary approval of investment expansion plan.
13. Registration of investment expansion is a kind of the government's preliminary approval as the basis to start an investment expansion plan.
14. Application for investment permit in principle is an application filed by a company for a permit from the government to start investment activity.
15. Investment permit in principle, hereinafter referred to as permit in principle, is a permit to start investment activity in the business field that deserves to receive fiscal facilities and requires fiscal facilities to realize investment.
16. Application for investment expansion permit in principle is an application filed by a company for a permit from the government to start an investment expansion plan.
17. Investment expansion permit in principle, hereinafter referred to as expansion permit in principle, is a permit to start an investment expansion plan in the business field that deserves to receive fiscal facilities and requires fiscal facilities to realize investment.
18. Application for permit in principle to make a change in investment is an application filed by a company for a permit from the government to make a change in provisions set in the permit in principle/expansion permit in principle.

19. Permit in principle for a change in investment, hereinafter referred to as permit in principle for change, is a permit to make a change in provisions set in the previous permit in principle/expansion permit in principle.
20. Application for a permit from the representative office of foreign company (KPPA) is an application filed by a foreign company for a permit from the government to set up a representative office in Indonesia.
21. Permit of the representative office of foreign company (KPPA) is a permit to set up the representative office of foreign company in Indonesia.
22. Application for business permit is an application filed by a company at the time it is ready to conduct commercial production/operation both the production of goods and services as the implementation of the registration/permit in principle/investment approval owned by the company, except otherwise stipulated by the sectoral law and regulation.
23. Business permit is a permit owned by a company to conduct commercial production/operation both the production of goods and services as the implementation of the registration/permit in principle/investment approval owned by the company, except otherwise stipulated by the sectoral law and regulation.
24. Application for expansion business permit is an application filed by a company at the time it is ready to conduct commercial production/operation in connection with the expansion of production capacity to exceed the permissible production capacity, as the implementation of expansion permit in principle/expansion approval owned by the company, except otherwise stipulated by the sectoral law and regulation.
25. Expansion business permit is a permit owned by a company to conduct commercial production/operation in connection with the expansion of production capacity to exceed the permissible production capacity, as the implementation of expansion permit in principle/expansion approval, except otherwise stipulated by the sectoral law and regulation.
26. Application for a business permit for the merger of investment companies is an application filed by a surviving company for a permit to conduct commercial production/operation after the merger.
27. Business permit for the merger of investment companies is a permit that must be owned by a surviving company after the merger to conduct commercial production/operation of the merged companies.
28. Application for a business permit for change is an application filed by a company for a permit from the government to make a change in provisions set in the business permit/expansion business permit.
29. Business permit for change is a permit owned by a company to make a change in provisions set in the previous business permit/expansion business permit as a result of change in investment.
30. Application for investment facilities is an application filed by a company requiring investment facilities.
31. Approval of the granting of investment facilities is approval given by the BKPM Chairman on behalf of the Finance Minister to grant customs facilities for the import of machinery, goods and materials.
32. Application.....

32. Application for income tax facilities is an application filed by a company to benefit from facilities granted by the government.
33. Issuance of proposals/recommendations for the granting of income tax facilities is the proposals/recommendations issued by the BKPM Chairman to the Finance Minister through the Directorate General of Taxation for the granting of income tax facilities.
34. Application for Importer Producer's Identification Number (API-P) is an application filed by a company before importing machinery/equipment, goods and materials.
35. Importer Producer's Identification Number (API-P) is an identification number used as a permit to import machinery/equipment, goods and materials for own use in the production process of the relevant investment company.
36. Application for the planned use of expatriates (RITKA), recommendation on work visa (TA.01) and permit to employ expatriates (IMTA) is an application filed by a company to use expatriates to realize its investment.
37. Plan for the use of expatriates (RPTKA) is the endorsement of planned number, post and employment period of expatriates needed as the basis for the endorsement of expatriates employed and the issuance of permit to employ expatriates (IMTA).
38. Recommendation on work visa (TA.01) is a recommendation needed to obtain work visa for expatriates.
39. Permit to employ expatriates (IMTA) is a permit for a company to employ expatriates in certain numbers, posts and period.
40. Report on investment activities, hereinafter referred to as LKPM, is a periodic report on developments in the activities of a company and the obstacles faced by an investor.
41. Report on the results of project audit, hereinafter referred to as LHP, is a report on the results of field audit of investment activities as part of efforts to grant investment facilities, impose and cancel sanctions and control other activities.
42. Provincial apparatuses in the investment field, hereinafter referred to as PDPPM, are elements assisting the regional head in running provincial government, with the model according to the need of each province, tasked with coordinating the investment field in the provincial government.
43. Regency/municipal apparatuses in the investment field, hereinafter referred to as PDKPM, are elements assisting the regional head in running regency/municipal government, with the model according to the need of each regency/municipal government, tasked with coordinating the investment field in the regency/municipal government.
44. The delegation of authority is the handover of tasks, rights, obligations, and responsibilities in the licencing and non-licencing fields, including the signing of documents on behalf of the officials delegating the authority, as follows :
  - a. technical ministers/heads of non-ministerial government institutes (LPDN) to the BKPM Chairman as provided for in Article 26 paragraph (2) of Law No. 25/2007 on Investment;
  - b. governors to PDPPM heads;
  - c. regents/mayors to PDKPM heads, stipulated in clear description.
45. The delegation of authority is the handover of tasks, rights, obligations, and responsibilities in

the licencing and non-licencing fields, including the signing of documents on behalf of the officials delegating the authority, as follows :

- a. technical ministers/heads of non-ministerial government institutes (LPDN) to the BKPM Chairman as provided for in Article 26 paragraph (2) of Law No. 25/2007 on Investment; or
- b. the BKPM Chairman to governors as provided for in Article 30 paragraph (8) of Law No. 25/2007 on Investment, stipulated in clear description.

46. Assignment is the handover of tasks, rights, authority, obligations, and responsibilities, including the signing of documents on behalf of officials receiving the authority, from the BKPM Chairman to regency/municipal governments to run administrative affairs in the investment field that become the authority of the government based on the substitution rights as provided for in Article 30 paragraph (8) of Law No. 25/2007 on Investment, stipulated in clear description.

47. Liaison official is an official of ministry/LPND, provincial government, or regency/municipal government appointed to assist the settlement of licencing and non-licencing affairs, and give information, facilities and privileges in the investment field that become the authority of technical minister/head of LPND, governor or regent/mayor, with clear description of tasks, rights, authority, obligation and responsibilities.

48. Central government, hereinafter referred to as the government, is the President of the Republic of Indonesia holding the administrative power of the Republic of Indonesia as provided for in the Constitution of 1945.

49. Regional government is the governor, regents, mayors, and regional apparatuses as elements running the regional government.

50. Investment Coordinating Board, hereinafter referred to as BKPM, is a non-ministerial government agency responsible in the investment field, led by a chief seconded and responsible to the President.

51. Electronic System of Information and Investment Licencing Services, hereinafter referred to as SPIPISE, is an integrated electronic system of licencing and non-licencing services between BKPM and ministries/LPND having the licencing and non-licencing authority, PDPPM and PDKPM.

## CHAPTER II

### PURPOSE AND AIM

#### Article 2

- (1) The purpose of the Guidance of Investment Procedures is to give guidance to the officers of integrated one-stop services in the investment field, investors, and the public in understanding the procedure of filing and the process of settling applications for licencing and non-licencing services in the investment field.
- (2) The aim of the Guidance of Investment Procedures is to:
  - a. create similar and harmonious procedure and process of settling investment applications;
  - b. give common picture and certainty about the time of settling applications for licencing and non-licencing services in the investment field;
  - c. achieve easy, quick, proper and transparent services.

**CHAPTER III****THE AUTHORITY OF PROVIDING  
INVESTMENT SERVICES****Part One****The Provision of PTSP by the Government in  
the Investment Field****Article 3**

- (1) The provision of PTSP by the Government in the investment field is carried out by BKPM based on the delegation of authority from technical ministers/LPND heads having the authority over the affairs of the Government in the investment field that become the authority of the Government.
- (2) The affairs of the Government in the investment field that become the authority of the Government carried out through PTSP BKPM as referred to in paragraph (1) consist of :
  - a. investment with inter-provincial scope;
  - b. the affairs of the Government in the investment field covering :
    1. investment related to unrenovable natural resources with high risk of environmental destruction;
    2. investment in the industrial field of high priority on a national scale;
    3. investment related to the function of uniting and linking one area to another or having inter-provincial scope;
    4. investment related to national defense and security strategy;
    5. foreign investment and investors using foreign capital from governments of other countries, based on agreements signed by the Government and the governments of other countries; and

6. other investment fields that become the affairs of the Government according to the law.

- (3) The foreign investment and investor using foreign capital as referred to in paragraph (2) letter b point 5 cover :

- a. foreign investment made by governments of other countries;
- b. foreign investment made by foreign nationals or corporate bodies;
- c. investors using foreign capital from governments of other countries, based on agreements signed by the Government and governments of other countries.

- (4) The investment fields as referred to in paragraph (2) letter b, points 1, 2, 3, 4 and 6 accord with those set by technical ministers/LPND heads having the licencing and non-licencing authority that becomes the affairs of the Government in the investment field.

- (5) The BKPM Chairman shall coordinate with the relevant ministers/agency heads in making an inventory of agreements signed by the Government and governments of other countries in the investment field as referred to in paragraph (2) letter b point 5.

**Article 4**

- (1) The types of licencing and non-licencing needed to provide PTSP in the affairs of the Government in the investment field that become the authority of the Government, shall be set by technical ministers/LPND heads having the licencing and non-licencing authority.
- (2) Licencing and non-licencing procedures for each type of licencing and non-licencing referred to in paragraph (1) cover:

a. technical .....

- a. technical and non-technical requirements;
- b. phases of licencing and non-licencing; and
- c. mechanism of control and sanction.

#### **Part Two**

#### **The Provision of PTSP by Provincial Governments in the Investment Field**

##### **Article 5**

- (1) The provision of PTSP by provincial governments in the investment field is conducted by PDPPM.
- (2) To provide PTSP as referred to in paragraph (1), governors shall delegate the authority of licencing and non-licencing in the affairs of the Government in the investment field that become the authority of the provincial governments to PDPPM heads.

##### **Article 6**

The authority of the Government in the investment field as referred to in Article 3 paragraph (2) can be delegated partly or wholly to governors based on deconcentration principles with PTSP qualifications.

#### **Part Three**

#### **The Provision of PTSP by Regency/ Municipal Governments in the Investment Field**

##### **Article 7**

- (1) The provision of PTSP by regency/municipal governments in the investment field is carried out by PDKPM.
- (2) To provide PTSP as referred to in paragraph (1), regents/mayors shall delegate the authority of licencing and non-licencing in the affairs of the Government in the investment field that become the authority of the regency/municipal governments to PDKPM heads.

##### **Article 8**

The authority of the Government in the investment field can partly or wholly be assigned to regents/mayors based on assignment with PTSP qualifications.

#### **Part Four**

#### **The Provision of PTSP in the Investment Field in Free Trade Areas and Free Ports**

##### **Article 9**

The provision of PTSP in the investment field for investment companies located in free trade areas and free ports is carried out based on the law and regulation in the field of free trade areas and free ports.

### **CHAPTER IV**

#### **THE PROVISION OF INVESTMENT SERVICES**

##### **Part One**

#### **Business Fields and Models of Corporate Bodies**

##### **Article 10**

- (1) All business fields are open to investment, except business fields or types of businesses declared closed and open with conditions set by the law and regulation.
- (2) Investors who are to make investment shall observe the law and regulation declaring business fields or types of businesses closed and open with conditions.

##### **Article 11**

- (1) Foreign investment must be in the form of limited liability company under the Indonesian law and domiciled in the territory of the Republic of Indonesia, except the law stipulates otherwise.



- (2) Domestic investment can be in the form of corporate body in the form of legal entity, non-legal entity or individual business according to the law and regulation.

#### Article 12

Investors shall implement provisions and conditions applicable to investment activities set by technical agencies having the licencing and non-licencing authority.

#### Part Two

##### Scope of Investment Services

#### Article 13

- (1) The types of investment services are :
- licencing services;
  - non-licencing services;
- (2) The types of investment licencing include :
- registration of investment;
  - investment permit in principle;
  - investment expansion permit in principle;
  - permit in principle to make a change in investment;
  - business permit, expansion business permit, business permit for the merger of investment companies and business permit of change;
  - location permit;
  - approval of the use of space;
  - building construction permit (1MB);
  - nuisance act (UUG/HO);
  - permit to take ground water;
  - corporate registration number (TDP);
  - land titles;
  - other permits needed for investment.
- (3) The types of non-licencing services and other facilities include :
- Import duty facilities for the import of machinery;

- import duty facilities for the import of goods and materials;
- proposal to obtain corporate income tax (PPh) facilities;
- producer importer's identification number (API-P);
- plan for the use of expatriates (RPTKA);
- recommendation on work visa (TA. 01);
- permit to employ expatriates (IMTA);
- regional incentives;
- information services and complaint services.

#### Article 14

- (1) The scope of guidance on the procedure of applying for investment licencing and non-licencing referred to in this Regulation covers licencing as referred to in Article 13 paragraph (2) letters a, b, c, d, and e as well as non-licencing as referred to in paragraph (3) letters a, b, c, d, e, f, and g.
- (2) The guidance on the procedure of applying for investment licencing and non-licencing as referred to in Article 13 paragraph (2) letters f, g, h, i, j, k, " and m as well as paragraph (3) letter h shall follow provisions issued by the relevant technical agencies/LPND heads, governors and regents/mayors.

#### Part Three

##### The Mechanism of Investment Services

#### Article 15

- (1) Investors can apply for investment ilicencing and non-licencing as referred to in Article 13 paragraphs (2) and (3) on a manual basis or through SPIPISE to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

- (2) In connection with the investment licencing as referred to in paragraph (1) applications for investment licencing as referred to in Article 13 paragraph (2) letters f, g, h, i, j, k, l, and m, shall be filed to each of PTSP-PDPPM or PTSP PDKPM according to the location of their projects.
- (3) Investors can apply in parallel for various licencing and non-licencing only by filing one application through SPIPISE.
- (4) Investors who file applications through SPIPISE as referred to in paragraph (1) shall submit application forms, agreements among shareholders recorded by notary public (waarmerking), letters of statement and original power of attorney at the time they:
  - a. send the applications through SPIPISE, or
  - b. take licencing and non-licencing issued by PTSP.
- (5) The guidance on the procedure of applying for licencing and non-licencing on an electronic basis as referred to in paragraph (1) is to be provided for in the regulation of the BKPM Chairman.
- (3) Registration that are not followed up as referred to in paragraph (2) no later than 6 (six) months after the issuance date of registration shall be declared canceled for the sake of the law.
- (4) If before the period of 6 (six) months as referred to in paragraph (3) there is a change in provisions related to business field, the registration that has been issued shall be declared canceled for the sake of the law if it contradicts the new provisions.
- (5) Registration filed after the limited liability company's articles of corporation has been made or after the status of limited liability company has been obtained, shall be valid until the company holds a permit in principle or is ready to conduct commercial production/operation.
- (6) Domestic investment companies can apply for registration to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority if needed in taking care of licencing to realize their investment.

#### Article 17

- Paragraph 1
- Registration, Permit In Principle, and Business Permit
- Article 16
- (1) Foreign investors that are to invest in Indonesia shall apply for registration to PTSP BKPM before or after they have obtained the status of limited liability company.
- (2) Registration filed before obtaining the status of limited liability company shall be followed up by making the limited liability company's articles of corporation.
- (1) Foreign investment companies that have obtained the status of limited liability company whose business fields can obtain fiscal facilities and require fiscal facilities to realize their investment, shall hold investment permits in principle.
- (2) Foreign investment companies as referred to in paragraph (1) that have not made registration can directly apply for permits in principle.
- (3) Foreign investment companies whose business fields do not obtain fiscal facilities and/or do not require fiscal facilities to realize their investment are not required to hold permits in principle.

- (4) Applications for permits in principle as referred to in paragraphs (1) and (2) shall be filed to PTSP BKPM.

#### Article 18

- (1) Fiscal facilities as referred to in Article 17 paragraph (1) include :
- import duty facilities for the import of machinery;
  - import duty facilities for the import of goods and materials;
  - proposal to obtain corporate income tax (PPh) facilities;
- (2) Foreign investment companies as referred to in Article 17 paragraphs (1) and (3) can obtain non-fiscal facilities.
- (3) Non-fiscal facilities as referred to in paragraph (2) include :
- producer importer's identification number (API-P);
  - plan for the use of expatriates (RPTKA);
  - recommendation on work visa (TA. 01);
  - permit to employ expatriates (IMTA).

#### Article 19

- (1) Domestic investment companies whose business fields can obtain fiscal facilities and require fiscal facilities to realize their investment shall hold permits in principle.
- (2) Domestic investment companies whose business fields do not obtain fiscal facilities and/or do not require fiscal facilities to realize their investment are not required to have permits in principle.
- (3) Applications for permits in principle as referred to in paragraph (1) shall be filed to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

- (4) Domestic investment companies as referred to in paragraph (2) in taking care of licencing to realize their investment shall hold:

- certificate of the endorsement of the articles of corporation or residence identification card (KTP) for individual company; and
- taxpayer code number (NPWP).

- (5) Domestic investment companies as referred to in paragraph (4) can make registration if required in taking care of licencing to realize their investment.

#### Article 20

Investment companies which in realizing their investment are ready to conduct commercial activity/production shall apply for business permits to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

#### Paragraph 2

#### Business Development

#### Article 21

- (1) Investment companies can develop businesses in the business fields according to the law and regulation.
- (2) The development of businesses as referred to in paragraph (1) can be the expansion of businesses or the addition of business fields.
- (3) Companies whose initial business activities have permits in principle can expand their businesses by securing expansion permits in principle.
- (4) Companies whose initial business activities do not have permits in principle can expand their businesses by applying for registration of expansion, if required.

(5) Companies.....

- (5) Companies whose initial business activities have or do not have permits in principle can increase the number of business fields or the types of production,
- a. in the business fields that can obtain fiscal facilities by holding permits in principle over the addition of business fields/types of production;
  - b. in the business fields that do not obtain fiscal facilities by applying for registration of the addition of business fields/types of production, if required.

#### Article 22

- (1) Investment companies that are to expand businesses in the fields that can obtain fiscal facilities and are located in the same location as the previous businesses, shall first hold business permits for the previous business activities.
- (2) If the investment companies as referred to in paragraph (1) expand businesses in the location which is different from that of the previous businesses, applications for expansion can be filed without having to hold prior business permits for the previous business activities.
- (3) In connection with a plan for expansion as referred to in paragraphs (1) and (2), applications for expansion permits in principle shall be filed to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

#### Paragraph 3

##### The Transfer of Foreign Share Ownership

#### Article 23

- (1) If domestic investment companies that do not have permits in principle and have not held business permits nor permits in principle are to change participation in the capital of the

companies due to the inflow of foreign capital that turns the whole/part of the capital of the companies into foreign capital, they shall make the registration of their investment as a result of the change to PTS BKPM.

- (2) If domestic investment companies that have held permits in principle or business permits are to change participation in the capital of the companies due to the inflow of foreign capital that turns the whole/part of the capital of the companies into foreign capital, they shall apply for permits in principle or business permits for their investment as a result of the change to PTSP BKPM.
- (3) Domestic investment companies as referred to in paragraph (2) whose business fields constitute the authority of provincial governments and/or regency/municipal governments, before applying for permits in principle or business permits to PTSP BKPM, are required to enclose an introductory letter from PTSP PDPPM or PTSP PDKPM on the planned inflow of foreign capital as referred to in Attachment VIIA.
- (4) If the introductory letter from PTSP PDPPM or PTSP PDKPM has not been issued within a period of 10 (ten) working days at the most, the companies can attach the receipt of the said applications.
- (5) In connection with the applications for registration as referred to in paragraph (1) PTSP BKPM shall issue :
  - a. a statement of registration if the business field and percentage of foreign share ownership meet the law and regulation;
  - b. a letter of rejection if the business field and percentage of foreign share ownership do not meet the law and regulation as referred to in Attachment VIIB.

**Article 24**

- (1) Foreign investment companies that hold a certificate of registration and will change participation in the capital of the companies due to the outflow of the entire foreign capital that changes the entire capital of the companies into domestic capital, shall make the registration of their investment as a result of the change to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to the respective authority.
- (2) Foreign investment companies that hold permits in principle or business permits and will change participation in the capital of the companies due to the outflow of the entire foreign capital that changes the entire capital of the companies into domestic capital, shall apply for permits in principle or business permits of their investment as a result of the change to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.
- (3) Foreign investment companies as referred to in paragraphs (1) and (2) whose business fields constitute the authority of provincial governments and/or regency/municipal governments, before making the registration or applying for permits in principle or business permits to PTSP PDPPM, PTSP PDKPM, are required to attach an introductory letter from PTSP BKPM on the planned outflow of the entire foreign capital.

**Paragraph 4****The Merger of Investment Companies****Article 25**

Companies that are to merge their businesses shall comply with the law on anti monopoly and un-sound business competition and the law on limited liability company.

**Article 26**

- (1) The merger of companies can be the merger of foreign investment companies, the merger of domestic investment companies, or the merger of foreign investment companies and domestic investment companies.
- (2) Investment companies that are to merge their businesses shall hold business permits.
- (3) If companies that merge their businesses do not have business activities still under construction, the surviving company shall hold a business permit for the merger of investment companies before starting commercial production/operation.
- (4) If companies that merge their businesses have more than 1 (one) business activities and one of the business activities is still under construction :
  - a. for activities that have business permits, the surviving company shall apply for a business permit for the merger of investment companies;
  - b. for activities still under construction, if the said activities are found in :
    1. the surviving company, the realization of its activities only uses a permit in principle/ expansion permit in principle already owned by the surviving company;
    2. the merging company, to carry out its activities the surviving company shall apply for a permit in principle/expansion permit in principle.
  - c. for activities that are still under construction but do not require fiscal facilities, the surviving company can make registration or directly apply for a business permit/expansion business permit if it is ready for commercial production/operation.

**Paragraph 5.....**

**Paragraph 5**  
**Fiscal/Non-fiscal Facilities and**  
**Regional Incentives**

**Article 27**

- (1) Applications for fiscal facilities as referred to in Article 18 paragraph (1) for investment shall be filed to PTSP BKPM.**
- (2) New applications for non-fiscal facilities as referred to in Article 18 paragraph (3) for investment shall be filed to PTSP BKPM.**
- (3) Applications for a change in/extension of non-fiscal facilities to:**
  - a. PTSP BKPM cover:**
    - 1. change in RPTKA;**
    - 2. extension of IMTA for expatriates whose work location covers more than 1 (one) province;**
    - 3. change in/extension of APIT.**
  - b. PTSP PDPPM cover:**
    - 1. extension of RPTKA;**
    - 2. extension of IMTA for expatriates whose work location covers more than 1 (one) regencies/municipalities.**
  - c. PTSP PDKPM cover:**  
**extension of IMTA for expatriates whose work location covers 1 (one) regency/municipality.**

**Article 28**

- (1) Applications for regional incentives and/or regional investment facilities for investment shall be filed to PTSP PDPPM or PTSP PDKPM according to their respective authority.**
- (2) Provisions on the granting of regional incentives and/or facilities are based on the law and regulation in the granting of regional investment incentives and facilities.**

**Paragraph 6**  
**Licencing and Non-licencing**  
**of Relevant Ministries/Agencies**  
**at the Central Government**

**Article 29**

- (1) Investment companies can file applications for licencing and non-licencing that still become the authority of technical ministries/agencies at the Central Government through PTSP BKPM.**
- (2) The settlement of the applications as referred to in paragraph (1) is facilitated by the liaison officers of technical ministries/agencies stationed at PTSP BKPM.**

**Part Four**

**The Issuance of Licencing and Non-licencing**

**Article 30**

- (1) The issuance of licencing and non-licencing obtained based on the delegation of authority as referred to in Article 3 paragraphs (2) and (3) is signed by the BKPM Chairman or the appointed official on behalf of the minister/LPND head.**
- (2) The issuance of licencing and non-licencing obtained based on the delegation of authority as referred to in Article 3 paragraphs (2) and (3) is signed by the BKPM Chairman or the appointed official.**

**Article 31**

**The issuance of licencing and non-licencing obtained based on the delegation of authority as referred to in Article 5 paragraph (2) and the delegation of authority as referred to in Article 6 is signed by the PDPPM Chairman or the appointed official on behalf of the governor.**

### Article 32

The issuance of licencing and non-licencing obtained based on the delegation of authority as referred to in Article 7 paragraph (2) and the assignment as as referred to in Article 8 is signed by the PDKPM Chairman or the appointed official on behalf of the regent/mayor.

## CHAPTER V

### INVESTMENT LICENCING SERVICES

#### Part One

#### Registration of Investment

### Article 33

(1) Applications for registration shall be filed to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

(2) Applications for registration can be filed by :

- a. governments of other countries and/or foreign nationals and/or foreign corporate bodies;
- b. governments of other countries and/or foreign nationals and/or foreign corporate bodies, along with Indonesian nationals and/or Indonesian legal entities;
- c. other individual Indonesian nationals and/or Indonesian corporate bodies.

(3) The applications for registration as referred to in paragraph (1) shall use registration form as referred to in Attachment I in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by the personal identity of the applicants:

- a. letters from the government agencies of the relevant countries or letters issued by embassies/diplomatic missions of the relevant

countries in Indonesia for applicants are governments of other countries;

- b. copies of valid passports for applicants are foreign individuals;
  - c. copies of articles of association in English or their translation version in Indonesian language from a sworn translator for applicants are foreign corporate bodies;
  - d. copies of of valid resident identification card (KTP for applicants are Indonesian individuals;
  - e. copies of articles of association and amendment as well as endorsement from the Minister of Law and Human Rights for applicants are Indonesian corporate bodies;
  - f. copies of taxpayer code number (NPWP) for applicants are either Indonesian individuals or Indonesian corporate bodies;
  - g. applications for registration with adequate duty stamp are signed by all applicants (if the company is not yet in the form of legal entity) or by the board of directors (if the company is already in the form of legal entity);
  - h. power of attorney with adequate duty stamp for the applications that are not directly taken care of by the applicants/the board of directors;
  - i. provisions on power of attorney as referred to in letter h are provided for in Article 63 of this Regulation.
- (4) Registration is issued in 1 (one) work day after the applications have been received in a complete and correct way.
- (5) The model of registration is contained in Attachment II.

## Part Two

### Investment Permit In Principle

#### Article 34

- (1) Applications for permits in principle for foreign investment companies which have business fields as referred to in Article 3 paragraphs (2) and (3) shall be filed to PTSP BKPM using the forms of permit in principle as referred to in Attachment III in the form of hardcopy or softcopy based on the BKPM investor module.
- (2) The applications for permits in principle as referred to in paragraph (1) shall be accompanied by :
  - a. identity of the applicants
    1. registration, for corporate bodies that have made registration;
    2. copies of deeds of corporation and deeds of amendment;
    3. copies of the endorsement of articles of association by the Minister of Law and Human Rights;
    4. copies of taxpayer code number (NPWP).
  - b. explanations on plan of activity in the form of:
    1. description of production process containing the types of raw materials, complete with flow chart;
    2. description of business activities in the service sector.
  - c. recommendations from the relevant government agencies, if required;
  - d. applications for permits in principle shall be filed by the board of directors to PTSP BKPM;
  - e. applications that are not directly filed by the board of directors to PTSP BKPM shall be accompanied by original power of attorney;
  - f. provisions on the power of attorney as referred to in letter e are provided for in Article 63 of this Regulation.
- (3) In connection with the applications as referred to in paragraph (1), permits in principle shall be issued with copies addressed to :
  - a. the Home Affairs Minister;
  - b. the Finance Minister;
  - c. the Law and Human Rights Minister attn. the Director General of Public Law Administration;
  - d. the minister nurturing the business field of the relevant investment;
  - e. the State Minister for the Environment, for companies required to conduct environmental impact analysis (AMDAL) or environmental management effort (UKL)/environment monitoring effort (UPL);
  - f. the State Minister for Cooperatives and Small Businesses (for business fields required to establish partnership);
  - g. the Governor of Bank Indonesia;
  - h. the Head of the National Agrarian Board (for investment that will have plots of land) ;
  - i. Indonesian ambassadors to the countries from which foreign investors came;
  - j. the Director General of Taxation;
  - k. the Director General of Customs and Excise;
  - l. the Director General of Technical Matters concerned;
  - m. the relevant governor;
  - n. the relevant regent/mayor;
  - o. the PDPPM head;
  - p. the PDKPM head.
- (4) Permits in principle shall be issued no later than 3 (three) work days after the applications have been received in a complete and correct way.



(5) The model of permits in principle as referred to in paragraph (4) is contained in Attachment IV.

#### Article 35

(1) Applications for permits in principle for domestic investment companies shall be filed by :

- a. individual Indonesian nationals;
- b. limited liability companies (PT) and/or national companies whose shares are entirely owned by Indonesian nationals;
- c. partnership (CV), or firms (fa), or individual businesses;
- d. cooperatives;
- e. foundations established by Indonesian nationals/national companies whose shares are entirely owned by Indonesian nationals; or
- f. state-owned companies (BUMN), or regional government-owned companies (BUMD).

(2) The applications for permits in principle as referred to in paragraph (1) shall be filed by the applicants to PTSP BKPM, PTSP PDPPM or PTSP PDKPM according to their respective authority using the form of permit in principle as referred to in Attachment III in the form of hardcopy or softcopy based on the BKPM Investor module.

(3) The applications for permits in principle as referred to in paragraph (1) shall be accompanied by :

- a. identity of the applicants
  1. registration, for corporate bodies that have made registration;
  2. copies of articles of corporation and amendments for limited liability companies (PT), partnerships (CV), firms (Fa) or records of articles of association for cooperatives;

3. copies of the endorsement of articles of association of companies by the Minister of Law and Human Rights or the endorsement of articles of association of cooperatives by the authorized agency;

4. copies of resident identification card (KTP for individuals

5. copies of taxpayer code number (NPWP).

b. explanations on plan of activity in the form of:

1. description of production process containing the types of raw materials, complete with flow chart;

2. description of business activities in the service sector.

c. recommendations from the relevant government agencies, if required;

d. applications that are not directly filed by the applicant to PTSP as referred to in paragraph (1) shall be accompanied by original power of attorney;

e. provisions on the power of attorney as referred to in letter d are provided for in Article 63 of this Regulation.

(4) In connection with the applications as referred to in paragraph (1), permits in principle shall be issued with copies addressed to :

- a. the Home Affairs Minister;
- b. the Finance Minister;
- c. the Law and Human Rights Minister attn. the Director General of Public Law Administration;
- d. the minister nurturing the business field of the relevant investment;
- e. the State Minister for the Environment, for companies required to conduct environmental impact analysis (AMDAL) or environmental management effort (UKL)/environment monitoring effort (UPL);

f. the.....

- f. the State Minister for Cooperatives and Small Businesses (for business fields required to establish partnership);
  - g. the Governor of Bank Indonesia;
  - h. the Head of the National Agrarian Board (for investment that will have plots of land) ;
  - i. the Director General of Taxation;
  - j. the Director General of Customs and Excise;
  - k. the Director General of Technical Matters concerned;
  - l. the relevant governor;
  - m. the relevant regent/mayor;
  - n. the BKPM Chairman (especially for investment permits in principle issued by PTSP PDPPM and PTSP PDKPM);
  - o. the PDPPM head (especially for investment permits in principle issued by PTSP BKPM and PTSP PDKPM); and/or
  - p. the PDKPM head (especially for investment permits in principle issued by PTSP BKPM and PTSP PDPPM).
- (5) Permits in principle are issued no later than 3 (three) work days after the applications have been received in a complete and correct way.
- (6) The model of permit in principle as referred to in paragraph is contained in Attachment IV.

### Part Three

#### Investment Expansion Permits in Principle

##### Article 36

- (1) Applications for expansion permits in principle shall be filed using the forms of expansion permit in principle as contained in Attachment V in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by :
- a. copies of business permit, if required;
  - b. copies of deeds of corporation and deeds of

amendment, accompanied by deeds of endorsement from the Law and Human Rights Ministry;

- c. explanations on plan of activity in the form of:
  - 1. description of production process containing the types of raw materials, complete with flow chart;
  - 2. description of business activities in the service sector.
- d. copies of permit in principle and/or its amendment.
- e. in the event of a change in participation in the capital of the company leading to a change in the percentage of shares owned by foreign parties and Indonesian parties in the capital of the company or a change in the name and country of origin of shareholders, the company shall submit :
  - 1. an agreement on the change in the composition of shares owned by foreign parties and Indonesian parties in the capital of the company put in the records of summary of a general shareholders meeting (RUPS)/circular decision signed by all shareholders and recorded by a notary public or records of the statement of decision reached at a meeting in the form of notarial document, which meet provisions in Article 21 and Chapter VI of Law No. 40/2007 on Limited Liability Company, accompanied by the identity of new shareholders;
  - 2. the chronology of participation in the capital of the company starting from the establishment of the company until the last application.

- f. Report on investment activities (LKPM);
- g. Applications for expansion permit in principle:
  - 1. shall be filed by the board of directors of the company to PTSP BKPM, PTSP-PDPPM, or PTSP PDKPM according to their respective authority;
  - 2. applications that are not directly filed by the board of directors of the company to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM shall be accompanied by a power of attorney;
  - 3. provisions on power of attorney as referred to in point 2 are provided for in Article 63.
- (2) In connection with the applications as referred to in paragraph (1), expansion permits in principle shall be issued with copies addressed to the officials of the agencies as referred to in Article 34 paragraph (3) for foreign investment and Article 35 paragraph (4) for domestic investment.
- (3) Expansion permits in principle as referred to in paragraph (2) are issued no later than 3 (three) work days after the applications have been received in a complete and correct way.
- (4) The model of expansion permit in principle as referred to in paragraph (3) is contained in Attachment VI.

#### **Part Four**

#### **Permit in Principle for Change in Investment**

#### **Article 37**

- (1) Foreign investors and domestic investors can change :
  - a. provisions on business field including type and production capacity; and/or

- b. capital participation in the company;
- c. a period of time for the completion of projects, contained in the permits in principle or expansion permits in principle.
- (2) In connection with the change as referred to in paragraph (1) the company shall hold a permit in principle for change.
- (3) Applications for permits in principle for change as referred to in paragraph (2) shall be filed to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

#### **Article 38**

- (1) A change in the participation in the capital of the company required to hold a permit in principle for change covers a change in the percentage of share ownership by foreign parties and a change in the name and country of origin of the owners of foreign capital.
- (2) In publicly-listed company (Tbk):
  - a. it is required to hold a permit in principle for change if the change happens to founder/controller shares owned for at least 2 (two) years and is made in the domestic capital market;
  - b. it is not required to hold a permit in principle for change if the change happens to shares in the group of public shares.

#### **Article 39**

- (1) The period of time for the completion of project is set at a maximum of 5 (five) years since the issuance of investment permit in principle.
- (2) If required, the period of time as referred to in paragraph (1) can be extended to complete the project.

#### **Article 40.....**

#### Article 40

- (1) Investment companies that already hold permits in principle and have or have not realized fiscal/non-fiscal facilities or already have business permits, can change the location of their investment projects.
- (2) In connection with the change as referred to in paragraph (1), the companies shall file applications for permits in principle for change to PTSP in the new location, accompanied by a letter of recommendation on a change in the location from PTSP issuing their investment permits in principle.
- (3) Companies whose business fields constitute the authority of the Government and which will change the location of their investment projects shall report the change in the location of the projects to PTSP BKPM.

#### Article 41

- (1) Companies shall report a change in provisions contained in the registrations or permits in principle other than those referred to in Article 37 paragraph (1) to PTSP issuing the registrations/ permits in principle using the form as contained in Attachment VIIIA.
- (2) Based on the report on the change as referred to in paragraph (1) PTSP issuing the investment permits in principle or registration of investment shall issue a letter that it has recorded the change as contained in Attachment VIIIB.

#### Article 42

- (1) Applications for permits in principle for a change in investment as referred to in Article 37 paragraph (1) shall be filed using the forms of permit in principle for change as contained in At-

tachment IX in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by:

- a. copies of investment permit in principle of which amendment is applied for;
- b. copies of deeds of corporation and deeds of amendment, accompanied by the deeds of endorsement from the Law and Human Rights Ministry;
- c. a change in business fields (type/production capacity) shall be accompanied by:
  1. explanations on plan of activity in the form of description of production process containing the types of raw materials, complete with flow chart;
  2. recommendations from the relevant government agencies, if required.
- d. in the event of a change in participation in the capital of the company (the percentage of shares owned by foreign parties), accompanied by :
  1. an agreement among shareholders on the change in the change in the percentage of shares owned by foreign parties and Indonesian parties in the company put in the records of summary of a general shareholders meeting (RUPS)/circular decision signed by all shareholders and recorded by a notary public or records of the statement of decision reached at a meeting in the form of notarial document, which meet provisions in Article 21 and Chapter VI of Law No. 40/2007 on Limited Liability Company, accompanied by the identity of new shareholders;
  2. the chronology of participation in the capital of the company starting from the

- establishment of the company until the last application;
3. especially for publicly listed companies (Tbk), the applications shall be accompanied by required documents according to the capital market law.
  - e. a change in the period of time for the completion of projects shall be accompanied by reasons for the change;
  - f. report on investment activities (LKPM) for the last period;
  - g. applications for permits in principle for a change in investment:
    1. shall be filed by the board of directors of the companies to PTSP BKPM, PTSP-PDPPM, or PTSP PDKPM according to their respective authority;
    2. applications that are not directly filed by the board of directors of the companies to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM shall be accompanied by power of attorney;
    3. provisions on the power of attorney as referred to in paragraph (2) are provided for in Article 63.
- (2) In connection with the applications as referred to in paragraph (1) permits in principle for a change in investment shall be issued with copies addressed to the officials of agencies as referred to in Article 34 paragraph (3) for foreign investment and Article 35 paragraph (4) for domestic investment.
- (3) Permits in principle for a change in investment are issued no later than 5 (five) work days after the applications have been received in a complete and correct way.

- (4) The model of permit in principle for a change in investment as referred to in paragraph (3) is contained in Attachment X.

#### Part Five

#### Permits of the Representative Offices of Foreign Companies

#### Article 43

- (1) The activities of the representative offices of foreign companies (KPPA) outside the financial sector shall be equipped with permits from PTSP BKPM.
- (2) Applications for permits as referred to in paragraph (1) shall be filed to PTSP BKPM using the KPPA Model forms as referred to in Attachment XI.
- (3) Permits of KPPA are issued in other form signed by the BKPM Chairman or the appointed official, with copies addressed to :
  - a. the Finance Minister;
  - b. the Trade Minister;
  - c. the Manpower and Transmigration Minister;
  - d. Heads of the Indonesian Missions in the countries of origin of foreign companies;
  - e. Governors/regents/mayors.
- (4) The permits as referred to in paragraph (3) are issued no later than 5 (five) work days after the applications have been received in a complete and correct way.
- (5) The model of permit of KPPA as referred to in paragraph (4) is contained in Attachment XII.

#### Part Six

#### Business Permit

#### Article 44

- (1) Investment companies that hold registrations/ permits in principle/investment approvals shall

secure business permits to start commercial operation/production, except the sectoral law and regulation stipulate otherwise.

- (2) Investment companies that hold expansion permits in principle/investment expansion approvals shall secure business expansion permits to start the commercial operation/production of their expansion projects, except the sectoral law and regulation stipulate otherwise.
- (3) Domestic investment companies that neither need facilities nor hold registration of investment shall apply for business permits at the time of starting commercial production.
- (4) Investment companies that respectively hold business permits and later merge their businesses shall directly apply for a business permit for the merger of the investment companies.
- (5) Investment companies that hold business permits can change provisions in their business permits, including a change in the location of projects, the type of production/the diversification of products without the addition of machines/equipment within the scope of the same Business Field Standard Classification, participation in the capital of the companies, the extension of business permits by filing applications for business permits for change.
- (6) Business permits are valid as long as companies still carry out business activities, except the sectoral law and regulation stipulate otherwise.

#### Article 45

- (1) Applications for business permits as referred to in Article 44 paragraphs (1), (2), (3), (4) and (5) shall be filed to PTSP issuing registrations/permits in principle/expansion permits in principle/business permits.

- (2) In the event of approvals or investment expansion approvals given by BKPM before this Regulation is put into force, applications for business permits shall be filed to PTSP BKPM, PTSP-PDPPM, or PTSP PDKPM according to their respective authority.

- (3) Applications for business permits as referred to in Article 44 paragraphs (1), (2) and (3) shall be filed using business permit forms as referred to in Attachment VIII for those located outside industrial estates and Attachment XIV for those located inside industrial estates in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by :

- a. report on the results of project audit (LHP), for applications for business permits or expansion business permits as referred to in Article 44 paragraphs (1) and (2) whose business activities need customs facilities for the import of goods and materials;
- b. copies of deeds of corporation and deeds of endorsement as well as deeds of change and deeds of endorsement from the Law and Human Rights Ministry;
- c. copies of registrations/permits in principle/expansion permits in principle/investment approvals/business permits and/or investment expansion approvals/expansion business permits they hold;
- d. copies of taxpayer code number (NPWP);
- e. evidence of land control/use under the name:
  1. copies of land titles or land sales purchase deeds issued by the conveyancer of land titles (PPAT), or
  2. copies of land lease agreement.
- f. evidence of the control/use of buildings:

1. copies of building construction permit (IMB), or
  2. copies of building sales purchase agreement/lease contract.
  - g. copies of nuisance act (UUG/HO) or copies of business site permit (SITU) for companies located outside industrial estates;
  - h. copies of report on investment activities (LKPM) in the last period;
  - i. copies of approval/endorsement of environmental impact analysis (AMDAL) or copies of approval/endorsement of environment management plan (UKL) and environment monitoring plan (UPL);
  - j. other requirements provided for in the regulations of relevant technical agencies and/or regional regulations;
  - k. applications shall be signed by the board of directors with adequate duty stamp;
  - l. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - m. provisions on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (4) Applications for business permits as referred to in Article 44 paragraph (4) shall be filed using the forms of business permit for the merger of investment companies as contained in Attachment XV in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by :
- a. copies of deeds of corporation of the companies and amendment endorsed by the Law and Human Rights Ministry for each of the companies;
  - b. agreement from all shareholders of the surviving company and the merging company on the merger of the companies in the form of a decision reached at a general shareholders meeting that meets provisions in Chapter VI of Law No. 40/2007 on Limited Liability Company;
  - c. agreement from all shareholders of the surviving company and the merging company on the merger plan in the form of deeds of merger approved by the Law and Human Rights Minister;
  - d. copies of business permit, permit in principle/ investment approval and their changes from each of the companies;
  - e. copies of report on investment activities (LKPM) in the last period for the surviving company;
  - f. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - g. provisions on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (5) Applications for business permit for change as referred to in Article 44 paragraph (5) shall be filed using application forms accompanied by supporting data related to the change.
- (6) Companies shall report a change in provisions contained in the business permits other than those referred to in Article 44 paragraph (5) using notification forms. Based on the report PTSP shall issue a letter confirming that it has recorded the change.
- (7) In connection with the applications as referred to in paragraphs (1), (2), (3), and (5), business permits, expansion business permits or business

permits for the merger of investment companies or business permits for change shall be issued with copies addressed to:

- a. the Minister nurturing business fields of the relevant investment;
  - b. the BKPM Chairman (for business permits issued by PTSP at PDPPM or PTSP at PDKPM);
  - c. the relevant technical Director General;
  - d. the Director General of Taxation;
  - e. the relevant Governor;
  - f. the PDPPM Head (for business permits issued by PTSP at BKPM or PTSP at PDKPM);
  - g. the PDKPM Head (for business permits issued by PTSP at BKPM or PTSP at PDPPM).
- (8) Business permits, expansion business permits or business permits for the merger of investment companies are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (9) Business permits for change are issued no later than 5 (five) work days after the applications have been received in a complete and correct way.
- (10) The model of business permit or expansion business permit as referred to in paragraph (7) is contained in Attachment XVIA.
- (11) The model of business permit for the merger of investment companies as referred to in paragraph (7) is contained in Attachment XVIB.
- (12) The model of business permit for change as referred to in paragraph (7) is contained in Attachment XVIC.

## CHAPTER VI

### NON-LICENCING SERVICES OF INVESTMENT

#### Part One

Import Duty Facilities for the Import of Machines, Goods and Materials Paragraph 1 Applications for Import Duty Facilities for the Import of Machines  
Article 46

- (1) Applications for import duty facilities for the

import of machines for investment companies holding investment permits in principle from PTSP-BKPM, PTSP-PDPPM, or PTSP-PDKPM are filed to PTSP BKPM by using application forms and filling a list of machines as contained in Attachment XVII, accompanied by :

- a. list of machines on diskette (softcopy) or list of machines (based on BKPM investor module);
- b. articles of corporation;
- c. taxpayer code number (NPWP);
- d. customs number (NIK);
- e. importer's identification number (API/APIIT/API-P);
- f. taxable company declaration number;
- g. description of production process containing the type of raw materials equipped with a flow chart especially for processing industries;
- h. calculation of the capacity need of production machines adjusted to the type of production in the investment permit in principle;
- i. the sketch of plant and the layout of machines/equipment or the technical picture of buildings (including those for hotel/office complex);
- j. recommendations from :
  1. the Director General of Mineral, Coal and Geothermal Sources, for mining companies in the form of contract of work (KK)/work agreement of coal mining company (PKP2B);
  2. the Director General of Mineral, Coal and Geothermal Sources/the local mining office, for mining supporting companies in the form of operational permit to place machines/equipment;
  3. the Head of Asahan Authority for machines of PT. Indonesia Asahan Aluminium (INALUM).
- k. technical data or machine brochures;



- l. investment permit in principle, especially for mining supporting companies contract of work (KP) with mining concessionaires is needed, accompanied by copies of mining concession document (KP);
  - m. report on investment activities in the last period;
  - n. applications are signed by the board of directors with adequate duty stamp;
  - o. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - p. provisions on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (2) The import duty facilities for the import of machines are valid for 2 (two) years since the date of issuance and can be extended according to the provisions.
- (3) PTSP BKPM issues decisions on the granting of facilities for the applications as referred to in paragraph (1) in the form of import duty facility approvals complete with the list of machines, with copies addressed to :
- a. the Finance Minister;
  - b. the Director General of Customs and Excise;
  - c. the Director General of Taxation;
  - d. the relevant Director Generals;
  - e. the PDPPM head;
  - f. the PDKPM head;
  - g. the head of the local customs and excise office.
- (4) The approvals as referred to in paragraph (3) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.

- (5) The model of approvals as referred to in paragraph (4) is contained in Attachment XVIII.

## Paragraph 2

### Change/Addition of Import Duty Facilities for the Import of Machines

#### Article 47

- (1) Applications for a change/addition of import duty facilities for the import of machines for investment companies holding import duty facility approvals as referred to in Article 46 paragraph (3) are filed to PTSP BKPM by using the forms of application for change/addition of import duty facilities for the import of machines and filling a list of machines as contained in Attachment XIX, accompanied by :
- a. reasons for the change/addition of facilities for the import of machines;
  - b. list of machines and diskette (soft copy) of list of machines (based on the BKPM investor module);
  - c. taxpayer code number (NPWP);
  - d. taxable company declaration number;
  - e. customs number (NIK importer's);
  - f. identification number (API/API-T/API-P);
  - g. description of production process containing the type of raw materials equipped with a flow chart especially for processing industries;
  - h. calculation of the capacity need of production machines adjusted to the type of production in the investment permit in principle;
  - i. technical data or machine brochures;
  - j. investment permit in principle, especially for mining supporting companies contract of work (KP) with mining concessionaires is needed, accompanied by copies of mining concession document (KP);

k. report.....

- k. report on investment activities in the last period;
  - l. copies of import-duty free facility approval for the import of machines;
  - m. report on the realized import of machines by submitting documents in the form of import notification (PIB) approved by the Directorate General of Customs and Excise to release goods;
  - n. applications shall be signed by the board of directors with adequate duty stamp;
  - o. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - p. provisions on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (2) PTSP-BKPM issues decisions on the granting of facilities for the change/addition as referred to in paragraph (1) in the form of approvals for the change/addition of customs facilities for the import of machines, accompanied by a list of machines, with copies addressed to the officials as referred to in Article 46 paragraph (3).
- (3) The approvals as referred to in paragraph (2) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (4) The model of approvals as referred to in paragraph (3) is contained in Attachment XX.

### Paragraph 3

#### The Extension of the Import of Machines

#### Article 48

- (1) Applications for the extension of the import of machines for investment companies obtaining

import duty facility approvals shall be filed to PTSP BKPM using the forms of application for the extension of the import of machines as contained in Attachment XXI, accompanied by:

- a. report on investment activities (LKPM) in the last period;
  - b. copies of Import duty facility approvals;
  - c. reasons for the extension of the import;
  - d. copies of Import notification (PIB) approved by the Directorate General of Customs and Excise to release goods;
  - e. applications signed by the board of directors with adequate duty stamp;
  - f. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - g. provisions on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (2) PTSP BKPM issues decisions on the extension of the import of machines for the applications as referred to in paragraph (1) in the form of approvals with copies addressed to the officials as referred to in Article 46 paragraph (3).
- (3) The approvals as referred to in paragraph (2) are issued no later than 4 (four) work days after the applications have been received in a complete and correct way.
- (4) The model of approvals as referred to in paragraph (3) is contained in Attachment XXII.

### Paragraph 4.....

( To be continued )

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# GOVERNMENT REGULATIONS

## THE GUIDANCE AND PROCEDURE OF INVESTMENT APPLICATIONS

(Regulation of the Chairman of the Investment Coordinating Board No. 12/2009

dated December 23, 2009)

[Continued from Business News No. 7924-7925 pages 7A-32A]

### Paragraph 4

#### The Transfer of Capital Goods to Other Parties

#### Article 49

The procedure of transferring machines and/or goods and materials to other parties is to be provided for in Regulation of the Director General of Customs and Excise.

### Part Two

#### Import Duty Facilities for the Import of Goods and Materials

#### Paragraph 1

#### Article 50

(1) Applications for import duty facilities for the import of goods and materials for investment companies obtaining import duty-free facility approvals for the import of machines are filed to PTSP-BKPM using the forms of application for facility approval for the import of goods and materials as contained in Attachment XXII.

(2) Companies holding business permits are given import duty facilities for the import of goods and materials to meet production needs for 2 (two) years with the import period of 2 (two) years that can be extended to another year after the expiry of the approvals for the import of goods and materials.

(3) Companies using locally-made machines with local content reaching at least 30% (thirty percent) are given import duty facilities for the import of goods and materials to meet production needs for 4 (four) years with the import period of 4 (four) years since the issuance date of import duty facilities for the import of goods and materials and the import period cannot be extended.

(4) Applications for approvals of import duty facilities for the import of goods and materials for investment companies shall be accompanied by:

- list of goods and materials and diskette (soft copy) of list of goods and materials (based on the BKPM investor module);
- taxpayer code number (NPWP);
- taxable company declaration number;
- customs number (NIK);
- importer's identification number (API/APIT/API-P);
- description of production process containing the type of raw materials equipped with a flow chart especially for processing industries;
- calculation of the use of goods and materials according to the type of production from main machines;
- the sketch of plant and the layout of machines/equipment or the technical picture of buildings;

- i. copies of import notification (PIB) for the import of machines or invoice of the purchase of locally-made machines;
  - j. recommendations from the Head of the Asahan Authority for raw materials/auxiliary materials for PT. Indonesia Asahan Aluminium (INALUM);
  - k. technical data or brochures of goods and materials;
  - l. copies of approvals of import duty relief/free facilities for the import of machines and business permits;
  - m. report on investment activities (LKPM) in the last period;
  - n. applications are signed by the board of directors with adequate duty stamp;
  - o. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - p. provisions on power of attorney as referred to in point m are provided for in Article 63 of this Regulation.
- (5) PTSP-BKPM issues decisions on the granting of facilities for the applications as referred to in paragraph (4) in the form of approvals of import duty facilities for the import of goods and materials accompanied by lists of goods and materials, with copies addressed to the officials as referred to in Article 46 paragraph (3).
- (6) The approvals as referred to in paragraph (5) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (7) The model of approvals as referred to in paragraph (6) is contained in Attachment XXIV.

## Paragraph 2

### The Change/Addition of Import Duty Facilities for the Import of Goods and Materials

#### Article 51

- (1) Applications for the change/addition of import duty facilities for the import of goods and materials for investment companies obtaining approvals of facilities are filed to PTSP BKPM using the forms of application for the change/addition of approvals of facilities for the import of goods and materials as contained in Attachment XXV, accompanied by :
- a. reasons for the change/addition of import duty facilities for the import of goods and materials;
  - b. copies of import notification (PIB) for the realized import of goods and materials or invoice of the purchase of locally-made machines;
  - c. copies of approvals of import duty facilities for the import of machines;
  - d. report on investment activities (LKPM) in the last period;
  - e. applications are signed by the board of directors with adequate duty stamp;
  - f. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - g. provisions on power of attorney as referred to in point m are provided for in Article 63 of this Regulation.
- (2) PTSP BKPM issues decisions on the granting of facilities to the applications for change/addition of import duty facilities as referred to in paragraph (1) in the form of approval of the change/

addition of import duty facilities for the import of goods and materials, with copies addressed to the officials as referred to in Article 46 paragraph (3).

- (3) The approvals as referred to in paragraph (2) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (4) The model of approvals as referred to in paragraph (3) is contained in Attachment XXVI.

### Paragraph 3

#### The Extension of the Import of Goods and Materials Article 52

- (1) Companies that have obtained import duty facilities for the import of goods and materials but have not realized the import of goods and materials within 2 (two) years are given another 1 (one) year after the expiry of the import duty facilities to import goods and materials.
- (2) Applications for approval of the extension of the import of goods and materials for investment companies obtaining approvals of investment facilities are filed to PTSP BKPM using the forms of application for the extension of the import of goods and materials as contained in Attachment XXVII, accompanied by :
  - a. report on investment activities (LKPM) for the last period;
  - b. copies of approvals of import duty facilities for the import of goods and materials;
  - c. reasons for the extension of the import of goods and materials;
  - d. copies of import notification (PIB) for goods and materials or invoice of the purchase of locally-made machines;

- e. applications are signed by the board of directors with adequate duty stamp;
- f. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
- g. provisions on power of attorney as referred to in point f are provided for in Article 63 of this Regulation.

- (3) PTSP BKPM issues decisions on the extension of the import of goods and materials for the applications as referred to in paragraph (2) in the form of approvals with copies addressed to the officials as referred to in Article 46 paragraph (3).
- (4) The approvals as referred to in paragraph (3) are issued no later than 4 (four) work days after the applications have been received in a complete and correct way.
- (5) The model of approvals as referred to in paragraph (4) is contained in Attachment XXVIII.

### Part Three

#### Proposal for Corporate Income Tax (PPh) Facilities Article 53

- (1) Investment companies engaged in certain business fields and/or operating in certain regions can be proposed to obtain corporate income tax facilities.
- (2) Proposals for corporate income tax facilities for investment companies, resident limited liability company and cooperative taxpayers are filed to PTSP BKPM using the forms of proposals of corporate income tax (PPh) as contained in Attachment XXIX, accompanied by :
  - a. copies of articles of corporation and amendments;

- b. copies of taxpayer code number (NPWP);
- c. copies of investment permit in principle on business activity or other similar licencing from the authorized agencies based on the law and regulation;
- d. applications are signed by the board of directors with adequate duty stamp;
- e. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
- f. provisions on power of attorney as referred to in point e are provided for in Article 63 of this Regulation.

(3) In connection with the applications as referred to in paragraph (2), the BKPM Chairman or the appointed official issues proposals for corporate income tax (PPh) facilities to the Finance Minister through the Director General of Taxation to obtain tax facilities according to the law and regulation.

(4) Proposals for corporate income tax facilities as referred to in paragraph (3) are issued no later than 5 (five) work days after the applications have been received in a complete and correct way.

(5) The model of proposals for corporate income tax facilities is contained in Attachment XXX.

#### Part Five

#### Producer Importer's Identification Number (API-P)

#### Article 54

(1) Investment companies that will import machines/equipment and goods and materials themselves for own use and/or in support of production process shall hold producer importer's identification numbers (API-P).

(2) Applications for API-P as referred to in paragraph (1) are filed to PTSP BKPM using API-P forms and API-P cards as contained in Attachment XXXI for API-P forms and Attachment XXXIII for API-P cards.

(3) Applications for API-P as referred to in paragraph (2) shall be accompanied by :

- a. copies of articles of corporation and amendment related to the latest lineup of the board of directors and certificates of endorsement from the Law and Human Rights Ministry;
- b. copies of valid certificate of domicile of the head office from the village head/photocopies of lease agreement/contract of business site;
- c. copies of registration/investment permit in principle/approval;
- d. copies of business permit ;
- e. copies of taxpayer code number (NPWP) of the companies according to their domicile/ copies of taxpayer code number (NPWP) of the management/board of directors of the companies;
- f. copies of corporate registration number (TDP);
- g. the latest photographs with red background from each members of the management or the board of directors of the companies signing API-P as many as 2 (two) pieces measuring 3x4 cm;
- h. copies of valid permit to employ expatriates (IMTA) if those signing API-P are foreign nationals and copies of resident identity card if those signing API-P are Indonesian nationals;
- i. power of attorney (from the board of directors) if those signing import documents (API-P cards) are not the board of directors;

- j. applications are signed by the board of directors with adequate duty stamp;
- k. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
- l. provisions on power of attorney as referred to in point h are provided for in Article 61 of this Regulation.

(4) In connection with the applications for API-P as referred to in paragraph (2), producer importer's identification numbers are issued, and signed by the BKPM Chairman or the appointed official on behalf of the Trade Minister, with copies addressed to :

- a. the Director General of Foreign Trade attn. the Director of Imports;
- b. Bank Indonesia/UIN;
- c. the Technical Director of Customs and Excise;
- d. the PDPPM Head;
- e. the PDKPM Head.

(5) API-P as referred to in paragraph (4) are issued no later than 4 (four) work days after the applications have been received in a complete and correct way.

(6) The model of API-P as referred to in paragraph (4) is contained in Attachment XXXII;

(7) API-P are valid since the date of issuance and are valid for the entire territory of the Republic of Indonesia provided the companies still carry out their business activities;

(8) Companies holding API-P shall make repeat registration with PTSP BKPM every 5 (five) years since the date of issuance;

(9) The repeat registration as referred to in paragraph (8) shall be made no later than 30 (thirty) work days after the 5-year period.

## Article 55

(1) Any change in provisions set forth in API-P shall be made by filing applications for change in API.

(2) The applications for a change in API-P as referred to in paragraph (1) shall be filed to PTSP BKPM using API-P forms and API-P cards, as contained in Attachment XXXI and Attachment XXXII.

(3) Applications for a change in API-P shall be accompanied by :

- a. the old original API-P;
- b. statement of loss from the police if the old API-P card is lost;
- c. copies of articles of corporation and amendment related to the latest lineup of the board of directors and certificates of endorsement from the Law and Human Rights Ministry;
- d. copies of valid certificate of domicile of the head office from the village head/photocopies of lease agreement/contract of business site;
- e. copies of registration/investment permit in principle/approval;
- f. copies of business permit;
- g. copies of taxpayer code number (NPWP) according to domicile;
- h. copies of corporate registration number (TDP);
- i. the latest photographs with red background from each members of the management or the board of directors of the companies signing API-P as many as 2 (two) pieces measuring 3x4 cm;
- j. letter of appointment of Indonesian workers as counterpart of expatriates employed;
- k. copies of valid document of manpower compulsory report based on Law No. 7/1981 on Manpower Compulsory Report;

- l. recommendations from the relevant Directors General, especially for the posts in the subsectors of oil and gas, general mining (contract of work/KK), work agreement on the exploitation of coal mining (PKP2B) and mining concession (KP) and electricity and medical services;
  - m. applications are signed by the board of directors;
  - n. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
  - o. provisions on power of attorney as referred to in point i are provided for in Article 63 of this Regulation.
- (3) In connection with the applications for RPTKA as referred to in paragraph (2), certificates of endorsement of RPTKA are issued and signed by the official of the Manpower and Transmigration Ministry posted at PTSP BKPM in the form of approval of RPTKA, with copies addressed to :
- a. the Manpower and Transmigration Minister;
  - b. the BKPM Chairman;
  - c. the Director General of Manpower Development and Control;
  - d. the Director General of Labour Placement Development;
  - e. the Heads of Provincial Manpower and Transmigration Offices;
  - f. the PDPPM Head.
- (4) Decisions on the endorsement of RPTKA are issued no later than 3 (three) work days after the applications have been received in a complete and correct way.
- (5) The model of decisions on the endorsement of RPTKA as referred to in paragraph (4) is contained in Attachment XXXIV.

#### Article 57

- (1) Any change and extension of RPTKA shall secure approval of RPTKA.
- (2) The change of RPTKA as referred to in paragraph (1) covering a change in posts, location and the number of expatriates shall be proposed to PTSP-BKPM using RPTKA forms as referred to in Attachment XXXIII.
- (3) Applications for the extension of RPTKA as referred to in paragraph (1) are filed to PTSP-BKPM if their work locations are found in more than one provinces or PTSP-PDPPM if their work locations are found in 1 (one) province using RPTKA forms as contained in Attachment XXXIII.
- (4) Applications for the change and/or extension of RPTKA are accompanied by statements as referred to in Article 54 paragraph (2) and copies of decisions on the endorsement of RPTKA.
- (5) In connection with the applications for the change of RPTKA as referred to in paragraph (2) decisions on the change of RPTKA are issued after being signed by the officials of the Manpower and Transmigration Ministry stationed at PTSP BKPM.
- (6) In connection with the applications for the extension of RPTKA as referred to in paragraph (3) decisions on the extension of RPTKA are issued after being signed by the officials of the Manpower and Transmigration Ministry stationed at PTSP BKPM if their work locations are found in more than one provinces or by the Head of PTSP BKPM if their work locations are found in 1 (one) province.
- (7) Decisions on the change and/or extension of RPTKA as referred to in paragraphs (5) and (6) are issued with copies as referred to in Article 56 paragraph (3).



- (8) Decisions on the change and/or extension of RPTKA are issued no later than 3 (three) work days after the applications have been received in a complete and correct way.
- (9) The model of decisions on the endorsement of RPTKA as referred to in paragraph (6) is contained in Attachment XXXIV.

**Part Seven**  
**Work Visa**  
**Article 58**

- (1) TKA that work for investment companies and KPPA that are ready to come to Indonesia shall hold work visas issued by the Representative Offices of the Republic of Indonesia abroad.
- (2) To obtain work visas as referred to in paragraph (1) companies employing TKA shall get recommendations to obtain work visas (Recommendations TA.01) from PTSP BKPM by adhering to provisions imposed by the agency having the authority in the manpower and immigration sector.
- (3) Applications for Recommendations TA.01 as referred to in paragraph (2) are filed to PTSP-BKPM using TA.01 forms as contained in Attachment XXXV, accompanied by :
- a. copies of decisions on the endorsement of RPTKA;
  - b. copies of the valid passports of the relevant TKA;
  - c. latest curriculum vitae (original) signed by the relevant parties;
  - d. copies of educational diplomas and/or certificates as well as documents of work experience in English or Indonesian version translated by sworn translators;

- e. copies of deeds or minutes of general shareholders meeting (RUPS) on the appointment/promotion to the posts of the boards of directors and commissioners;
  - f. copies of the letter of appointment of counterpart TKI;
  - g. color photograph of the relevant TKA measuring 4x6 cm as many as 1 (one) piece;
  - h. applications are signed by the board of directors of the company;
  - i. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
  - j. provisions on power of attorney as referred to in point i are provided for in Article 63 of this Regulation.
- (4) Recommendations TA.01 as referred to in paragraph (3) are issued no later than 1 (one) work day after the applications are received in a complete and correct way.
- (5) Recommendations TA.01 as referred to in paragraph (4) are valid for 2 (two) months after the date of issuance.
- (6) The model of Recommendations TA.01 as referred to in paragraph (4) is contained in Attachment XXXVI.
- (7) Recommendations TA.01 as referred to in paragraph (4) are later submitted to immigration officers stationed at PTSP BKPM.
- (8) If applications for work visas based on Recommendations TA.01 are approved the immigration officers stationed at PTSP BKPM shall issue notifications on the approval of the granting of visas and send them by telex to the Representative Offices of the Republic of Indonesia in the countries where the TKA come from.

## Part Eight

### Permits To Employ Expatriates

#### Article 59

- (1) Companies employing expatriates shall hold permits to employ expatriates (IMTA).
- (2) Investment companies and KPPA can apply for IMTA for TKA that already hold work visas.
- (3) Applications for IMTA are filed to PTSP-BKPM using IMTA forms as contained in Attachment XXXV, accompanied by :
  - a. copies of work contract with the companies employing them;
  - b. evidence of payment of compensation fund to employ TKA from the banks appointed by the Manpower and Transmigration Minister;
  - c. copies of insurance policy;
  - d. copies of notification on the approval of the granting of visas;
  - e. color photographs measuring 4x6 cm as many as 2 (two) pieces;
  - f. applications signed by the board of directors of the company;
  - g. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
  - h. provisions on power of attorney as referred to in point g are provided for in Article 63 of this Regulation.
- (4) In connection with the applications for IMTA as referred to in paragraph (3), IMTA approvals are issued after being signed by the officials of the Manpower and Transmigration Ministry stationed at PTSP BKPM in the form of decisions on IMTA, with copies addressed to :
  - a. the Manpower and Transmigration Minister;
  - b. the BKPM Chairman;

- c. the Director General of Manpower Development and Control;
  - d. the Director General of Labour Placement Development;
  - e. the Director General of Immigration;
  - f. the Director General of Taxation;
  - g. the Head of the Provincial Manpower and Transmigration Office;
  - h. the Head of PDPPM;
  - i. the Head of the Regency/Municipal Manpower and Transmigration Office;
  - j. the Head of PDKPM.
- (5) Decisions on IMTA as referred to in paragraph (4) are issued no later than 3 (three) work days after the applications have been received in a complete and correct manner.
  - (6) Decisions on IMTA as referred to in paragraph (4) are valid for 1 (one) year and can be extended.
  - (7) The model of decisions on IMTA as referred to in paragraph (4) is contained in Attachment XXXVII.

#### Article 60

- (1) Investment companies and KPPA that are to extend IMTA shall file applications for the extension of IMTA using IMTA forms to :
  - a. PTSP-BKPM for TKA whose work locations are found in more than 1 (one) provinces and PTKA working at KPPA;
  - b. PTSP-PDPPM for TKA whose work locations are found in more than 1 (one) regencies/ municipalities in 1 (one) province;
  - c. PTSP-PDKPM for TKA whose work locations are found in 1 (one) regency/municipality;
- (2) The applications as referred to in paragraph (1) shall be filed no later than 30 (thirty) days

before decisions on IMTA from the relevant TKA expire, using IMTA forms as contained in Attachment XXXV, accompanied by :

- a. copies of decisions on the previous IMTA to be extended;
- b. evidence of payment of compensation funds to employ expatriates from the banks appointed by the Manpower and Transmigration Minister;
- c. copies of insurance policy;
- d. education and training programs for counterpart TKI;
- e. copies of the valid decision on RPTKA;
- f. color photographs measuring 4 x 6 cm as many as 2 (two) pieces;
- g. applications are signed by the board of directors of the company;
- h. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
- i. provisions on power of attorney as referred to in point h are provided for in Article 63 of this Regulation.

(3) In connection with the applications as referred to in paragraph (2) the official of the Manpower and Transmigration Ministry stationed at PTSP BKPM or the Head of PTSP PDPPM or the Head of PTSP PDKPM shall issue decisions on the extension of IMTA with copies addressed to the relevant agencies as referred to in Article 59 paragraph (4).

(4) The decisions on the extension of IMTA shall be issued no later than 3 (three) work days after the applications have been received in a complete and correct manner.

(5) The model of the decisions on the extension of IMTA as referred to in paragraph (3) is contained in Attachment XXXVII.

## Part Nine

### INFORMATION SERVICES AND

### COMPLAINT SERVICES

#### Paragraph One

#### Information Services

##### Article 61

- (1) Information services related to investment are provided by PTSP BKPM, PTSP PDPPM or PTSP PDKPM to investors.
- (2) Information services as referred to in paragraph (1) are also provided by PTSP BKPM to the operator of PTSP PDPPM and PTSP PDKPM as well as by PTSP PDPPM to the operator of PTSP PDKPM.
- (3) The scope of information services covers information and guidance including on :
  - a. the realization of investment licencing and non licencing services at PTSP;
  - b. process/mechanism flow in the issuance of licencing and non-licencing approvals;
  - c. the filling of applications for licencing and non-licencing;
  - d. requirements, regulations and provisions related to the process of issuing licencing and non-licencing.

#### Paragraph Two

#### Complaint Services

##### Article 62

- (1) PTSP BKPM, PTSP PDPPM or PTSP PDKPM shall provide complaint services in connection with the provision of investment services for investors.

- (2) Complaints about investment services as referred to in paragraph (1) can be lodged directly to PTSP BKPM or PTSP PDPPM or PTSP PDKPM and indirectly to SPIPISE.

**CHAPTER VII**  
**OTHER PROVISIONS**  
**Power of Attorney**

**Article 63**

- (1) The signing and taking care of investment applications to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM can be done by the applicants themselves or other parties given mandate by the applicants through original power of attorney with adequate duty stamp, accompanied by the clear identity of the recipients of power of attorney.
- (2) The granting of mandate as referred to in paragraph (1) can be accompanied by substitution rights.
- (3) The recipients of power of attorney as referred to in paragraph (1), with prior approval in writing from the applicants, can give mandate without substitution rights to other parties.
- (4) The model of power of attorney as referred to in paragraphs (1) and (2) is contained in Attachment XXXVIII for Bahasa Indonesia and Attachment XXXIX for English.
- (5) The model of power of attorney as referred to in paragraph (3) is contained in Attachment XL for Bahasa Indonesia and Attachment XLI for English.
- (6) The model of written approval as referred to in paragraph (3) is contained in Attachment XLII for Bahasa Indonesia and Attachment XLIII for English.

**Article 64**

Power of attorney made overseas shall be made before notary public or recorded by notary public in the countries of origin or delegated by the representatives of the Republic of Indonesia overseas or the representatives of the countries of origin of the applicants in Indonesia.

**Article 65**

- (1) In harmonizing the numbering of investment licencing and non-licencing issued by PTSP BKPM, PTSP PDPPM and PTSP PDKPM it is necessary to regulate the format of numbering.
- (2) The format of numbering as referred to in paragraph (1) covers the numbering of companies and the numbering of licencing and non-licencing products.
- (3) The numbering of companies, hereinafter referred to as corporate numbers, is given automatically by SPIPISE to companies with the status of legal entities.
- (4) The numbering of licencing and non-licencing products covers such components as :
  - a. sequence numbers of letters;
  - b. territorial codes of PTSP issuing licencing and non-licencing;
  - c. codes of licencing and non-licencing issued;
  - d. codes of capital participation of investment companies;
  - e. issuance year of licencing and non-licencing.The components are separated from one another using lines.
- (5) Especially for the format of numbering for business permits, the codes of licencing and non-licencing are followed by business sectors of the business permits issued.

- (6) The territorial codes of PTSP as referred to in paragraph (2) point b are governed as follows:
- territorial code of PTSP BKPM is 1 (one);
  - territorial code of PTSP PDPPM and PTSP PDKPM refers to provisions on territorial codes set by the Central Statistics Board (BPS);
  - territorial code of PTSP PDKPM is started by territorial code of PDPPM followed by territorial code of PDKPM;
- (7) Codes of licencing and non-licencing as referred to in paragraph (2) point c are governed as follows:
- code for the registration of investment is PPM;
  - code for investment permits in principle is:
    - Investment permit in principle IP/I;
    - Investment expansion permit in principle is IP/II;
    - Permit in principle for a change in investment is IP/III.
  - code for investment permit is :
    - investment permit is IU/I;
    - investment expansion permit is IU/II;
    - permit for a change in investment is IU/III.
- (8) Code of capital participation of investment companies as referred to in paragraph (2) point d is :
- code for investment containing foreign capital is PMA;
  - code for investment entirely constituting domestic investment is PMDN.
- (9) Examples of writing the format of licencing and non-licencing numbering are contained in Attachment XLIV.
- (10) Provisions on the sequence numbers and the format of numbering other letters related to licencing and non-licencing refer to Regulation of the BKPM Chairman No. 6/2009 on Guidance on Official Text Administration at the Investment Coordinating Board.

## CHAPTER VIII

### TRANSITIONAL PROVISIONS

#### Article 66

- All investment licencing and non licencing issued before this Regulation shall be declared valid until the expiry of the licencing and non licencing.
- All applications for investment licencing and non licencing received and declared complete and correct and still in the process of settlement until December 31, 2009 shall be processed according to this law.

#### Article 67

- The affairs of the government in the investment sector that become the authority of the provincial governments and regency/municipal governments based on Article 11 paragraph (3) letter a and Article 12 paragraph (3) letter a of Presidential Regulation No. 27/2009 on Integrated One-Stop Services in the Investment Sector are carried out by the provincial governments and regency/municipal governments.
- To preserve the continuity of investment services, PTSP BKPM can process applications for licencing and non-licencing in connection with the affairs of the government in the investment sector that become the authority of the provincial governments or regency/municipal governments as referred to in paragraph (1).

- (3) PTSP-BKPM can process applications for licencing and non-licencing as referred to in paragraph (2) no later than 2 (two) years since Presidential Regulation No. 27/2009 was stipulated.
- (4) PTSP BKPM will not process applications for licencing and non-licencing as referred to in paragraph (3) if the provincial governments or regency/municipal governments have expressed readiness to process the applications for licencing and non licencing through the letters of the governors or regents/mayors to the BKPM Chairman, with the format of the letters as referred to in Attachment XLV.

## CHAPTER IX

### CONCLUSION

#### Article 68

- (1) Guidance for the evaluation of applications up to the issuance of permits as referred to in Article 13 paragraph (2) letters a, b, c, d and e as well as non-licencing as referred to in Article 13 paragraph (3) letters d, e, f and g is to be provided for in the Regulation of the BKPM Chairman on Guidance for the Evaluation of Licencing and Non-licencing.
- (2) Guidance for the evaluation of applications up to the issuance of non-licencing as referred to in Article 13 paragraph (3) letters a, b, and c is to be provided for in Regulation of the BKPM Chairman on Technical Guidance for the Provision of Fiscal Facility Services in the Investment Sector.

#### Article 69

When this Regulation takes effect :

- a. Decision of the Chairman of the Investment Coordinating Board No. 57/SK/2004 on Guidance and Procedure of Application for Investment Made within the Framework of Domestic Investment and Foreign Investment, as has been several times amended the latest by Regulation of the Chairman of the Investment Coordinating Board No. 1/P/2008;

- b. Regulation of the Chairman of the Investment Coordinating Board No. 89/SK/2007 on Guidance and Procedure of Application for Income Tax Facilities for Investment Companies Engaged in Certain Business Fields and/or Operating in Certain Regions, as has been amended by Regulation of the Chairman of the Investment Coordinating Board No. 2/P/ZOOS, shall be declared null and void.

#### Article 70

This Regulation shall come into force as from January 2, 2010.

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

Stipulated in Jakarta  
on December 23, 2009

THE INVESTMENT COORDINATING BOARD  
CHAIRMAN,  
sgd.  
GITA WIRJAWAN

Promulgated in Jakarta  
on December 23, 2009

THE LAW AND HUMAN RIGHTS MINISTER,  
sgd.  
PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF  
2009 NO. 508

#### Editor's Notes :

- The attachments are not carried for technical reasons.

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