



GOVERNMENT - REGULATIONS

10 REQUIREMENTS INVOLVING NATIONAL SHARE OWNERSHIP WITHIN FOREIGN INVESTMENT COMPANIES FOR THE GRANTING OF TREATMENTS EQUAL TO THOSE GIVEN TO DOMESTIC INVESTMENT COMPANIES (Presidential Decree No.17/1986 dated May 6, 1986)

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : that in order to further increase the interest in capital investments in general, and to further encourage bigger ownership of shares by the national private sector in companies established under foreign investment arrangements in particular, it is deemed necessary to adopt measures that can support the implementation of this objective.

In view of : 1. Article 4 paragraph (1) of the Constitution of 1945;
2. Law No.1/1967 on foreign capital investments (Statute Book of 1967 No.1, Supplement to Statute Book No.2818) as already amended by Law No.11/1970 (Statute Book of 1970 No. 46, Supplement to Statute Book No.2943);
3. Law No.6/1968 on domestic capital investments (Statute Book of 1968 No.33, Supplement to Statute Book No.2853) as already amended by Law No.12/1970 (Statute Book of 1970 No.47, Supplement to Statute Book No.2944);
4. Presidential Decree No.54/1977 on the procedure for capital investments;
5. Presidential Decree No.33/1981 on the Investment Coordinating Board as already amended by Presidential Decree No.78/1982;
6. Presidential Decree No.35/1985 on the status, tasks, functions and organisational structure of the Investment Coordinating Board;

DECIDES :

To stipulate : THE PRESIDENTIAL DECREE CONCERNING REQUIREMENTS INVOLVING NATIONAL SHARE OWNERSHIP WITHIN FOREIGN INVESTMENT COMPANIES FOR THE GRANTING OF TREATMENTS EQUAL TO THOSE GIVEN TO DOMESTIC INVESTMENT COMPANIES.

Article 1

Companies whose share capital constitutes a combination of foreign capital and national capital, shall abide by the provisions in Law No.1/1967 on foreign capital investments and have the status of foreign investment companies.

Article 2

Foreign investment companies whose shares are :

- a. at least 75% (seventy five percent) owned by the State and/or national private parties, or
- b. at least 51% (fifty-one percent) sold through the capital market, or.
- c. at least 51% (fifty-one percent) owned by the State and/or national private parties and sold through the capital market, with the provision that the shares offered for sales through the capital market are at least 20%(twenty percent).

shall receive treatments equal to those given to companies set up under Law No.6/1968 on domestic capital investments.

Article 3

Technical provisions that are required for the implementation of this government regulation shall be further stipulated by the relevant Ministers and Heads of other state agencies, jointly as well as separately according to their respective areas of authority.

Article 4

This presidential decree shall come into force as from the date of stipulation.

Stipulated in Jakarta
On May 6, 1986

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,
sgd.

S O E H A R T O . -