

**REGULATION OF THE MINISTER OF INVESTMENT AND DOWNSTREAM INDUSTRY/HEAD OF THE
INVESTMENT COORDINATING BOARD**

NUMBER 1 OF 2024

ON

**THE AMENDMENT TO REGULATION OF THE MINISTER OF INVESTMENT/HEAD OF THE INVESTMENT
COORDINATING BOARD NUMBER 6 OF 2023 ON GUIDELINES AND GOVERNANCE FOR THE GRANTING
OF INCENTIVES FOR IMPORT AND/OR DELIVERY OF FOUR-WHEELED BATTERY-POWERED ELECTRIC
VEHICLES IN THE CONTEXT OF INVESTMENT ACCELERATION**

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF INVESTMENT AND DOWNSTREAM INDUSTRY/HEAD OF THE INVESTMENT
COORDINATING BOARD,

Considering:

- a. that the provisions on guidelines and governance for the granting of incentives for import and/or delivery of four-wheeled battery-powered electric vehicles in the context of investment acceleration have been regulated under Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration;
- b. that in order to improve the competitiveness of national investment, it is necessary to adjust the governance of the granting of incentives based on an international agreement or contract as well as the dynamics of technology development of Four-Wheeled Battery-Powered Electric Vehicles, so that Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration needs to be amended;
- c. that based on the considerations as referred to in letter a and letter b, it has been deemed necessary to establish Regulation of the Minister of Investment and Downstream/Head of the Investment Coordinating Board on the Amendment to Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration.

Observing:

1. Article 17 paragraph (3) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
3. Law Number 39 of 2008 on State Ministries (State Gazette of the Republic of Indonesia of 2008 Number 166, Supplement to the State Gazette of the Republic of Indonesia Number 4916) as amended by Law Number 61 of 2024 on the Amendment to Law Number 39 of 2008 on State Ministries (State Gazette of the Republic of Indonesia of 2024 Number 225);
4. Regulation of the Government Number 28 of 2021 on the Organization of Industrial Sector (State Gazette of the Republic of Indonesia of 2021 Number 38, Supplement to the State Gazette Number 6640) as amended by Regulation of the Government Number 46 of 2023 on the Amendment to Regulation of the

Government Number 28 of 2021 on the Organization of Industrial Sector (State Gazette of the Republic of Indonesia of 2023 Number 119, Supplement to the State Gazette Number 6891);

5. Regulation of the President Number 184 of 2024 on the Ministry of Investment and Downstream (State Gazette of the Republic of Indonesia of 2024 Number 380);
6. Regulation of the President Number 185 of 2024 on Investment Coordinating Board (State Gazette of the Republic of Indonesia of 2024 Number 381);
7. Regulation of the President Number 55 of 2019 on the Acceleration of the Battery-Powered Electric Motor Vehicles for Road Transportation Program (State Gazette of the Republic of Indonesia of 2019 Number 146) as amended by Regulation of the President Number 79 of 2023 on the Amendment to Regulation of the President Number 55 of 2019 on the Acceleration of the Battery-Powered Electric Motor Vehicles for Road Transportation Program (State Gazette of the Republic of Indonesia of 2023 Number 154);
8. Regulation of the Investment Coordinating Board Number 3 of 2021 on the Electronically Integrated Risk-Based Business Licensing System (Official Gazette of the Republic of Indonesia of 2021 Number 271);
9. Regulation of the Investment Coordinating Board Number 4 of 2021 on Guidelines and Governance for Risk-Based Business Licensing Services and Investment Facilities (Official Gazette of the Republic of Indonesia of 2021 Number 272);
10. Regulation of the Investment Coordinating Board Number 5 of 2021 on Guidelines and Governance for the Supervision of Risk-Based Business Licensing (Official Gazette of the Republic of Indonesia of 2021 Number 273);
11. Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2021 on the Organization and Work Procedures of the Ministry of Investment/Investment Coordinating Board (Official Gazette of the Republic of Indonesia of 2021 Number 1137);
12. Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration (Official Gazette of the Republic of Indonesia of 2023 Number 1074).

HAS DECIDED:

To establish:

REGULATION OF THE MINISTER OF INVESTMENT AND DOWNSTREAM INDUSTRY/HEAD OF THE INVESTMENT COORDINATING BOARD ON THE AMENDMENT TO REGULATION OF THE MINISTER OF INVESTMENT/HEAD OF THE INVESTMENT COORDINATING BOARD NUMBER 6 OF 2023 ON GUIDELINES AND GOVERNANCE FOR THE GRANTING OF INCENTIVES FOR IMPORT AND/OR DELIVERY OF FOUR-WHEELED BATTERY-POWERED ELECTRIC VEHICLES IN THE CONTEXT OF INVESTMENT ACCELERATION

Article I

Several provisions in Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration (Official Gazette of the Republic of Indonesia of 2023 Number 1074) have been amended as follows:

1. The provisions of paragraph (1), paragraph (2), and paragraph (3) of Article 2 have been amended and

between paragraph (2) and paragraph (3) are inserted 3 (three) paragraphs, namely paragraph (2a), paragraph (2b), and paragraph (2c), therefore Article 2 reads as follows:

“Article 2

- (1) Business Actor may be granted incentives for the import of CBU Four-Wheeled Battery-Powered KBL, in a certain amount, within the incentive utilization period, in the form of:
 - a. 0% (zero percent) import duty tariff and PPnBM borne by the government; or
 - b. PPnBM borne by the government.
- (2) Business Actor may be granted incentives for CKD Four-Wheeled Battery-Powered KBL, in a certain amount to be assembled in Indonesia with a minimum TKDN achievement of 20% (twenty percent) and a maximum of less than 40% (forty percent), within the incentive utilization period, in the form of:
 - a. 0% (zero percent) import duty tariff on the import of CKD Four-Wheeled Battery-Powered KBL and PPnBM borne by the government for the delivery of Four-Wheeled Battery-Powered KBL that are produced from CKD Four-Wheeled Battery-Powered KBL that are granted with 0% (zero percent) import duty tariff incentives for imports of CKD Four-Wheeled Battery-Powered KBL; or
 - b. PPnBM borne by the government for the delivery of Four-Wheeled Battery-Powered KBL that are produced.
- (2a) The incentives as referred to in paragraph (1) letter b and paragraph (2) letter b may only be granted to Business Actor who carries out import from countries that have an international agreement or a contract with Indonesia.
- (2b) Business Actor as referred to in paragraph (2a) may apply for preferential tariff import duty.
- (2c) The preferential tariff as referred to in paragraph (2b) is an import duty tariff based on an international agreement or a contract, the amount of which is determined in Regulation of the Minister of Finance on the determination of import duty tariff based on an international agreement or a contract.
- (3) Incentives as referred to in paragraph (1), paragraph (2), and paragraph (2a) shall be implemented in accordance with regulation of the minister who organizes government affairs in the state finance sector.
- (4) In order to obtain incentives as referred to in paragraph (1) and paragraph (2), Business Actor must be committed in producing Four-Wheeled Battery-Powered KBL in Indonesia that fulfils the technical specifications as regulated in regulation of the minister who organizes government affairs in the industrial sector.
- (5) Business Actor as referred to in paragraph (1) and paragraph (2) shall fulfil the following investment criteria:
 - a. an industrial company that will build manufacturing facilities of Four-Wheeled Battery-Powered KBL in Indonesia;
 - b. an industrial company that has invested in manufacturing facilities for four-wheeled internal combustion engine-based vehicle in Indonesia which will transfer the production into Four-Wheeled Battery-Powered KBL, either partially or completely; and/or
 - c. an industrial company that has invested in manufacturing facilities for Four-Wheeled Battery-Powered KBL in Indonesia in order to introduce new products by way of improving the production plan and/or capacity, excluding in the context of product diversification without increasing the production plan and/or capacity.

- (6) The period for the utilization of incentives as referred to in paragraph (1) and paragraph (2) shall be valid from the date of the promulgation of this regulation until 31 December 2025.”

2. The provisions of paragraph (1), paragraph (2), and paragraph (3) of Article 3 have been amended and 1 (one) paragraph has been inserted, namely paragraph (4), therefore Article 3 reads as follows:

“Article 3

- (1) In order to obtain incentives as referred to in Article 2 paragraph (1) and paragraph (2), Business Actor shall submit an application through the OSS System for:
- proposal letter for the granting of incentives;
 - approval letter for the utilization of incentives;
 - amendment to approval letter for the utilization of incentives, import and/or delivery of Four-Wheeled Battery-Powered KBL.
- (2) Incentives as referred to in paragraph (1) shall be implemented under the following conditions:
- an application for proposal letter as referred to in paragraph (1) letter (a) shall be submitted by no later than 31 March 2025;
 - an application for approval letter as referred to in paragraph (1) letter b may be conducted gradually every 6 (six) months since the issuance of the first approval letter;
 - an application for approval letter in the second stage of and so forth shall be submitted no later than 3 (three) months before the expiry of the previous approval letter; dan
 - an application for amendment to approval letter as referred to in paragraph (1) letter c shall be submitted by no later than 15 (fifteen) Days before the expiry of approval letter.
- (3) The application for approval letter in second stage and so on as referred to in paragraph (2) letter c may be accompanied by adjustments to the details of Four-Wheeled Battery-Powered KBL.
- (4) The application for amendment to approval letter as referred to in paragraph (2) letter d and adjustment to the details as referred to in paragraph (3) shall be conducted under the following conditions:
- does not change the details of Four-Wheeled Battery-Powered KBL which is granted an incentive per importation period as follows:
 - total number of units;
 - types of goods;
 - HS Code;
 - technical specifications which include brand and number of units per technical specification;
 - country of origin;
 - destination port;
 - the estimated price of CIF/unit (US\$/unit) for Import; and
 - estimated selling price in Indonesia (Rp/unit),
 - may change technical specifications including adjustment to type name, model name, electric motor power (kW), and battery capacity (kWh); and

- c. The Four-Wheeled Battery-Powered KBL has not been released from a customs zone in accordance with provisions of laws and regulations.”

- 3. The provisions of paragraph (1) and paragraph (3) of Article 4 have been amended, therefore Article 4 reads as follows:

“Article 4

- (1) Business Actor shall submit the application as referred to in Article 3 paragraph (1) letter a for the granting of incentives as referred to in Article 2 paragraph (1) and paragraph (2) by completing the following requirements documents:
 - a. NIB valid as producer import identification number (API-P);
 - b. Business Licensing in the four or more wheeled motor vehicles industry sector;
 - c. investment plan;
 - d. the total number of Four-Wheeled Battery-Powered KBL units for which incentives are applied;
 - e. details relating to Four-Wheeled Battery-Powered KBL that are being applied for to be granted incentives per import period shall include:
 - 1. estimated total number of units;
 - 2. types of goods;
 - 3. HS Code;
 - 4
 - a) technical specifications at least include the brand, type, model, electric motor power (kW) and battery capacity (kWh); and
 - b) number of units per technical specification;
 - 5. country of origin;
 - 6. destination port;
 - 7. estimated cost, insurance and freight (CIF) (US\$/unit) prices for imports; and/or
 - 8. estimated selling price in Indonesia (Rp/unit);
 - f. commitment letter to:
 - 1. produce Four-Wheeled Battery-Powered KBL in Indonesia at least with an amount and technical specifications which is at least equal to the import and/or delivery of Four-Wheeled Battery-Powered KBL that are realized, provided that:
 - a) ready for commercial production by no later than 1 January 2026;
 - b) produced by no later than 31 December 2027; and
 - c) fulfil the minimum target of TKDN achievement as stipulated in regulation of the president on the acceleration program of battery electric vehicles for road transportation;
 - 2. submit industrial verification to the minister who organizes government affairs in the industrial sector; and
 - 3. pay the sanction if unable to fulfil the commitment as referred to in number 1.

- (2) The industrial verification as referred to in paragraph (1) letter f number 2 is as regulated in regulation of the minister who organizes government affairs in the industrial sector.
 - (3) Details regarding the Four-Wheeled Battery-Powered KBL as referred to in paragraph (1) letter e shall use the format as set out in Appendix I which constitutes an integral part of this Regulation of the Minister.
 - (4) The commitment letter as referred to in paragraph (1) letter f shall use the format as set out in Appendix II which constitutes an integral part of this Regulation of the Minister.
 - (5) The commitment letter as referred to in paragraph (4) shall be signed by the chairman of the company and shall be validated by a notary.”
4. The provisions of paragraph (2), paragraph (3), and paragraph (11) of Article 6 have been amended, therefore Article 6 reads as follows:

“Article 6

- (1) Business Actor that has received the proposal letter for the granting of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL as referred to in Article 5 paragraph (6) may proceed with an application for the issuance of approval letter for the utilization of incentives for the import of Four-Wheeled Battery-Powered KBL by submitting a guarantee of fulfilment of commitment in the form of a Bank Guarantee.
- (2) Bank Guarantee as referred to in paragraph (1) shall comply with the following provisions:
 - a. issued by an issuing bank included in the bank group based on core capital 4 in the form of scrip;
 - b. addressed to the Beneficiary;
 - c. stating the commitment of the Business Actor based on the proposal letter for the granting of incentives for the import and/or delivery of Four-Wheeled Battery-Powered KBL;
 - d. stating the value of guarantee amounting to at least the incentives granted per utilization period based on:
 1. for the first stage: a proposal letter for the granting of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL; and
 2. for the second stage and onwards: a proposal letter for the granting of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL and the results of field inspections;
 - e. stating the validity period of Bank Guarantee until 30 June 2028;
 - f. stating the Bank Guarantee claim period of 30 (thirty) calendar days from the end of the Bank Guarantee period;
 - g. stating that if the Applicant has fulfilled the commitment before the Bank Guarantee validity period expires, the Applicant may apply for cancellation of Bank Guarantee by submitting a Bank Guarantee cancellation recommendation letter from the Minister; and
 - h. In the event that the Business Actor as the Applicant fails to fulfil the commitments based on the proposal letter for the granting of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL, the Beneficiary may submit a Bank Guarantee disbursement to the state treasury account by submitting a recommendation letter for disbursement of Bank Guarantee.

- (3) Calculation of the guarantee value as referred to in paragraph (2) letter d in the framework of application for incentives as referred to in:
 - a. Article 2 paragraph (1) letter a and paragraph (2) letter a, in the amount of import duty incentives and PPnBM that are granted by using the Most Favored Nation (MFN) as reference; and
 - b. Article 2 paragraph (2a) shall be equivalent to PPnBM incentives granted by using the Most Favored Nation (MFN) import duty tariff reference,
using the HS Code reference tariff as set out in Appendix IV which constitutes an integral part of this Regulation of the Minister.
- (4) Provisions relating to the group of banks based on core capital 4 as referred to in paragraph (2) letter a shall be in accordance with the provisions in Regulation of the Financial Services Authority on commercial banks.
- (5) The Ministry that organizes government affairs in the investment sector with the issuing bank of Bank Guarantees shall verify the Bank Guarantee documents submitted by the Business Actor as referred to in paragraph (2).
- (6) The result of verification as referred to in paragraph (5) shall be in the form of:
 - a. Bank Guarantee documents is in complete and correct manner in accordance with the provisions;
 - b. Bank Guarantee documents need to be completed and/or corrected for any deficiencies and/or errors in accordance with the verification results; or
 - c. the application is rejected because it does not comply with the provisions.
- (7) In the event that the verification result of Bank Guarantee document is as referred to in paragraph (6) letter a, the application for the issuance of approval letter for the utilization of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL may be further processed.
- (8) In the event that the result of Bank Guarantee document verification is as referred to in paragraph (6) letter b, the application for the issuance of approval letter for the utilization of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL may not be further processed and returned to the Business Actors as referred to in Article 5 paragraph (4) letter b.
- (9) The OSS System shall send notifications to the Business Actors on verification result of Bank Guarantee documents that are complete and correct as referred to in paragraph (6) letter a.
- (10) Within 5 (five) Days of the notification as referred to in paragraph (9), the OSS System will issue an approval letter for the utilization of incentives for import and/or delivery of the Four-Wheeled Battery-Powered KBL.
- (11) In the event that the Business Actors fails to submit the Bank Guarantee as referred to in paragraph (1) within a period of 15 (fifteen) Days since the proposal letter is issued, the proposal letter shall be annulled automatically."

5. 1 (one) Article has been inserted between Article 7 and Article 8, namely Article 7A, therefore it reads as follows:

"Article 7A

- (1) In the event that there is an amendment to the issued approval letter as referred to in Article 6 paragraph (10), Business Actor may submit an application for the amendment by following the provisions as referred to in Article 3 paragraph (4).

- (2) Business Actor that submits an application for amendment to the approval letter as referred to in paragraph (1) must submit the reasons for the amendment and report on import realization on the incentive utilization approval letter signed by the chairman of the company.
 - (3) The format of report on import realization on the incentive utilization approval letter as referred to in paragraph (2) is set out in Appendix IVA which constitutes an integral part of this Regulation of the Minister.
 - (4) The Ministry that organizes government affairs in the investment and downstream sector shall verify the application for amendment as referred to in paragraph (1) with the result as follows:
 - a. application is complete and correct in accordance with the provisions;
 - b. the application needs to be completed and/or corrected for any deficiencies and/or errors in accordance with the verification result; or
 - c. the application is rejected because it fails to comply with the provisions.
 - (5) In the event that the verification result is as referred to in paragraph (4) letter a, the OSS System shall issue the amendment to approval letter for the utilization of incentives for import and/or delivery of Four-Wheeled Battery-Powered KBL within 5 (five) Days.
 - (6) In the event that the result of verification is as referred to in paragraph (4) letter b, the application for the issuance of amendment to the approval letter for the utilization of incentives for import and/or delivery of the Four-Wheeled Battery-Powered KBL may not be further processed and returned to the Business Actor.
 - (7) The approval letter as referred to in Article 6 paragraph (10) and the amendment to approval letter as referred to in paragraph (5) shall be the requirements documents in the submission of import certificate for completely built up battery-powered electric motor vehicle for the purpose of market test in the framework of investment and its amendment in accordance with the provisions of regulation of the minister who organizes government affairs in the trade sector.
 - (8) The format of the amendment to the approval letter for the utilization of incentives for Four-Wheeled Battery-Powered KBL as referred to in paragraph (5) is set out in Appendix VA which constitutes an integral part of this Regulation of the Minister.”
6. The provisions in Appendix IV to Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration have been amended, thus it becomes as set out in Appendix IV which constitutes an integral part of this Regulation of the Minister.
7. Between Appendix IV and Appendix V to Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration, 1 (one) Appendix has been inserted namely Appendix IVA, thus it becomes as set out in Appendix IVA which constitutes an integral part of this Regulation of the Minister.
8. Between Appendix V and Appendix VI to Regulation of the Minister of Investment/Head of the Investment Coordinating Board Number 6 of 2023 on Guidelines and Governance for the Granting of Incentives for Import and/or Delivery of Four-Wheeled Battery-Powered Electric Vehicles in the Context of Investment Acceleration, 1 (one) Appendix has been inserted namely Appendix VA, thus it becomes as set out in

Appendix VA which constitutes an integral part of this Regulation of the Minister.

Article II

This Regulation of the Minister comes into force after 15 (fifteen) Days from the date of its promulgation.

For public cognizance, it is hereby ordered that this Regulation of the Minister be promulgated in the Official Gazette of the Republic of Indonesia.

Established in Jakarta,

On 8 November 2024

THE MINISTER OF INVESTMENT AND DOWNSTREAM INDUSTRY/HEAD OF THE INVESTMENT
COORDINATING BOARD OF THE REPUBLIC OF INDONESIA,

Signed.

ROSAN PERKASA ROESLANI

Promulgated in Jakarta,

On 12 November 2024

ACTING AS DIRECTOR-GENERAL OF LAWS AND REGULATIONS OF THE MINISTRY OF LAW OF THE
REPUBLIC OF INDONESIA,

Signed.

ASEP N. MULYANA

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA OF 2024 NUMBER 830

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