NO. 8761-8762/YEAR-LVIII WEDNESDAY, OCTOBER 7, 2015

Business News

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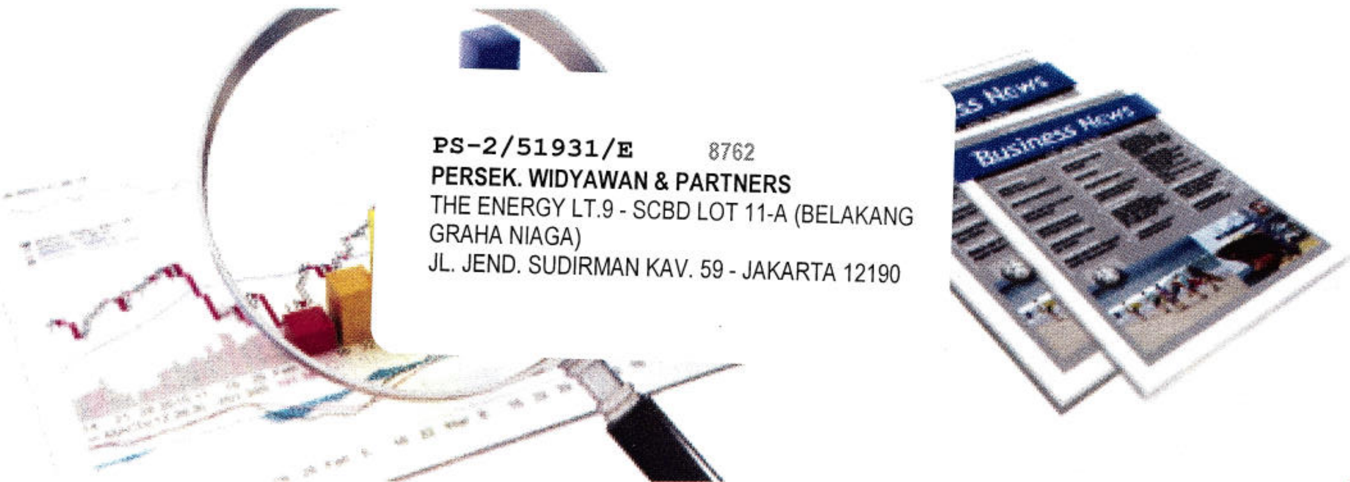

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DOMESTIC MARKET REFORMATION

The recommendation about domestic market reformation disclosed by Chairman of the Business Competition Supervision Commission (KPPU) Muhammad Syarkawi Rauf is attractive to observe. On an occasion recently, Rauf asked the government to reform domestic market promptly with a view of opening opportunities for the birth of new business people so that the market is not controlled by only several business communities. By the reformation, according to him, market is not only efficient but also justice-based efficient. He said the government has failed to reform the market since the reformation. He later differentiated market in the new order era from market in the reformation era. In the new order era, the market was controlled by only one business community (monopoly), while in the reformation era, the market is controlled by cartels consisting of business communities, called oligopoly (koran-jakarta.com, 2/10).

The reformation we enjoy now is an era wherein democracy becomes a marker. In this context, it is attractive to talk about market and here we should talk about democracy in relations to economy (general) and market (special). However, the recommendation about the domestic market reformation comes in the right moment. While striving to execute fundamental changes, surely it is better if the market issue is improved fundamentally. It is like proverb "once bending, two or three islands pass". In addition, the unfriendly issue in the market domain always comes when basic necessities, such as rice, beef, chicken, onion, salt and chili are scarce or soaring in price, which is attributable to games of major business communities establishing cartels. In fact, as disclosed by Rauf, combating cartel is any of the issues the government needs to overcome in realizing self-sufficiency in food.

From the legal perspective, Law Number 5 Year 1999 regarding Prohibition on Monopolistic and Unfair Business Competition Practices (Anti Monopoly Law) actually has determined the position of the state which is anti monopoly and practices of the same kind. In the point of consideration, it asserts implicitly democracy in economic sector that expects the equal opportunity for every citizen to participate in the production and marketing of goods and services. In the other section, it is also asserted that everybody running business in Indonesia must be in the state of fair and rational business competition thus not causing the centralization of economic forces in certain business communities. The point is that the law enacted at the beginning of reformation is deemed not adequate anymore to answer the present need and issues. Based on the recommendation, KPPU encourages the revision of the law.

IF We talk about economic organization (surely containing market element) and political organization in relations to democracy, it seems attractive to observe result of observation by Amy Chua, a professor in Yale University, USA. Even though the observation is rather focused on Latin AMerica, Africa and Russia, the conclusion saying that market system to organize economy cannot be combined with democracy system to organize politics (Wibowo, 2010), seems able to explain why the domestic market reformation is needed.

Actually, the market reformation has been clear and firm. Article 33 paragraph (4) of the Constitution of 1945 asserts that national economy is organized on the basis of economic democracy. The message is clear that democracy system should be used to organize economy, not market system.

Jakarta, October 6, 2015

PILKADA WITH SINGLE CANDIDATE

Most parties responded positively to the decision of the Constitution Court permitted regions with single candidate to participate in simultaneous regional executive elections (Pilkada). The Constitution Court approved the application for judicial review of Law Number 8 Year 2015 regarding Governor, Regent and Mayor Elections (Pilkada Law) submitted by Effendi Gazali and Yayan Sakti Suryandaru. The application for the judicial review complains about a provision in Law Number 8 Year 2015 stipulating that the minimal requirement for Pilkada must be attended by two pairs of candidates for heads of regions.

If we observe, the consideration of the Constitution Court is surely rational. The court argues that the elections of heads of regions constitute the implementation of the people's sovereignty to elect heads of regions directly and democratically. In this case, the organizer of the elections must assure the availability of space for people, which covers right to be elected and to elect. Therefore, the elections inside democratic contestation may not be abolished. In addition, the court also argues that the participation of only one pair of candidates cause legal vacuum thus making Pilkada that constitutes constitutional right of the people unable to execute.

The interesting one is a sentence disclosed by Constitution Judge Palguna saying that in the case of the postponement being justified, there is no guarantee that the right of the people to be elected and to elect could be fulfilled, namely provision ruling that at least two pairs of candidates is fulfilled following the delay. In the meantime, Constitution Judge Suhartoyo said that the right to be elected and to elect may not be detained by rule requiring at least two pairs of candidates. Following the issuance of the decision, simultaneous Pilkada is ascertained to take place in accordance with the plan, including in regions having only one pair of candidate (Tasikmalaya Regency, Blitar Regency and Timor Tengah Utara Regency).

Most of the parties support the decision by their respective arguments. Some argue that the decision makes simultaneous Pilkada efficient. Others think that having definitive head of region constitutes a right of the people. The decision is also deemed solving deadlock potential to affect simultaneous Pilkada already designed long before and so on.

We may say the opinions jump to result by using argument "constitutional right of the people" as the lunching instrument. Indeed it is true that the people have a right to be elected and elect as well as have leader through general election process. However, in the case of Pilkada being understood as a process-not only result--, inevitably we must ascertain the participation of at least two pairs of candidates as the main requirement for the implementation of Pilkada. More important, several questions may come here. For instance, how could the people be asked to elect while the available candidate is only one? What are about residents not having candidate to be elected ? If only one pair is available, doesn't it appoint, confirm and not election? Another issue is that presenting other pair to only fulfill the provision on two pairs of candidates is highly potential to result in doll candidate. And, wouldn't the decision of the Constitution Court create pair of candidate against empty box, another worry once coming to surface?

The argument "emergency' or special situation that the law fails to anticipate may accommodate the whole issues behind the one-pair of candidate incident. Now, too numerous issues encounter this nation and the people. As constitution guardian institution, the Constitution Court indeed must make decision. And, by the decision, the court apparently has solved the deadlock and eliminated worry once coming to surface. However, the Constitution Court has laid down a clear and binding rule for the possible repetition of the same incident in the future.

Jakarta, October 2, 2015

SOFT DRINK INDUSTRY GROWTH SLOWS DOWN

Jakarta, *Business News*

Soft Drink Industry Association (ASRIM) believes that a variety of government policies and world economic turmoil become a major factor of the slowing growth of the industry. General Chairman of ASRIM, Triyono, in Jakarta, Monday (October 5), stated that the government cuts fuel subsidies and diverst it to infrastructure cost. It was considered good, but would sacrifice people's purchasing power, and manufacturers are willing to cut their margins, the important thing is that volume of sales is maintained

Triyono revealed that last year the volume of soft drink production is recorded at 31,525 billion liters with the largest contribution from bottled drinking water as much as 25,606 billion liters, tea (2.13 billion liters), juices (1.16 billion liters) and others. Cumulatively, the growth performance of the industry last year reached double-digit or 11.3% compared with 2013. Triyono is pessimistic that the realization of growth in 2015 was able to reach double digits considering the performance of the first half of this year.

ASRIM recorded that soft drink industry growth is maximum 3% in line with the deterioration of people's purchasing power accompanied by rising production costs. He said that looking at the performance of various segments until the first half of 2015 that reaches a positive value, it is considered good. According to him, throughout the first half of 2015, the average performance of various types of soft drinks did not experience growth, only bottled water segment which grew double digit and tea which grew 2% -3%.

In line with the growth of the national economy, and with the support of purchasing power, the average industrial growth from 2005-2014 was approximately 12.5%. Total production in 2005 were 10.925 billion liters, while in 2014 increased to 20.599 billion liters. Triyono said due to the decline in purchasing power, many producers have chosen to hold prices, while production cost increases. As a secondary consumer product, it is reasonable that the soft drink industry is affected. In addition to bottled water and tea, other types of drinks decreased. For example, instant coffee, which is 2-digit minus.

Triyono added that with a slowdown in growth, the government is asked to quickly actualize infrastructure development plan, which until now its realization has not been evident. Slowing growth will affect 120,000 direct workers working in this sector. In addition, 60% of soft drink sales is sold by traditional retailers, including small and medium industries.

Based on these conditions, Triyono said that soft drink industry entrepreneurs strongly rejected the plan to impose excise tariff for soft (carbonated) drinks this year because it can threaten the performance of the domestic soft drink business. He said that the imposition of excise duty on soft drinks will erode the revenue of the industry. If the imposition of excise tariff reaches IDR 3,000 per liter, he said, it will increase soft drink price by 25%.

Triyono believes that soft drinks do not cause a negative impact, both in terms of moral and health, so that carbonated drinks need not be taxed. In addition, he said, the imposition of excise duty on soft drinks will kill large and small & medium beverage industries. According to him, the reason of the imposition of excise duty is to increase state revenue is not appropriate to be applied to fizzy drink products. The plan on imposition of excise tariff is based on Law No. 39/2007 which is an amendment to Law No. 11/1995 on Excise. (ST) (E)

TO PIN HOPE ON THE POSITIVE SIDE OF ECONOMY POLICY PACKAGE

Jakarta, *Business News*

The Government rated that the Economy Policy Package released was not effective enough to stabilize economy. For that matter the Government would release economy package Chapter III to complement the previous package.

President Joko Widodo stated that Phase 3 Economic Policy Package would be focused on restoring economy for the short term wherby to bring results in notably short time. Today incentives were being prepared for the people so their purchasing power would increased.

Besides labor-intensive projects would also be enhanced so more job opportunities would be open. The objective was to maintain people's purchasing power. To finance the projects, the Government would increase use of fund for infra-structure development at the Ministry of Public Works and Public Housing and from the Rural Fund.

Lastly, Pertamina was asked to re-evaluate price if oil. Hopefully there was still room for Pertamina to lower BBM price although only slightly. All Government's effort was being awaited for by the Government. Unlike Deregulation Package Phase 1, marketplayers were optimistic about Chapter III of package as it seemed more promising to investors.

As predicted, the National Stimulus Package Chapter 3 posed as "thirst quencher" amidst abnormal economic climate. The market responded positively to the Deregulation Package announced on Tuesday (29/9) last. Moreover BI had launched continuation of the package per September 9 last to stabilize Rupiah through Chapter Two of Policy Package.

During spot session on Wednesday (30/9) Ruoiah was closed at Rp14,653 per USD, strengthening by 38 points (0.26%) of Closing session on Tuesay (29/9) at Rp 14,690 per USD. This was way different from the time when ythe market responded to September I Package last. At that time Rupiah weakened by 63 points to become Rp 14,307 per USD.

Index of IHSG was also closed to strengthen by 45 points to 4,23.9 after being opened at 4,189.4. The sectors starting to enter the green zone led by finance & banking sectors strengthened by 2,15% while the mining sector rose by 1,46%. On th contrary the anufacturing sector was still at the red zone.

Beside postive sentiment of September Package II other positive sentiment was from window dressing done in Q III for next month which was responded quite positively by the market.

Strengthening of Rupiah was on account of BI's role to calm the market, Beside making intervenion at the spot market, BI also made intervention at the forward market to belance up supply and demand.

About tax incentive draw forex-from-export (DHE), BI estimated BI envisaged the potential of capital inflow to forex reserves might come to Rp 1 billion per month. Although the policy was regarded as appropriate for strengthening Rupiah, not all exporters choosed to deposit their fund at home. Local businesspeople preferred to make financial transactions abroad was because loan from abroad was more attractive. The Government was was also considering to offer Tax Amnesty.

The Economy Policy Package II was focused more on accelerating investments and facilitaing tax exemptions. The Coordinating Minister of Economy Darmin Nasution said that investors who intended to build factories at the Industrial Complex only needed to undergo permit application procedure which lasted only around 3 hours.

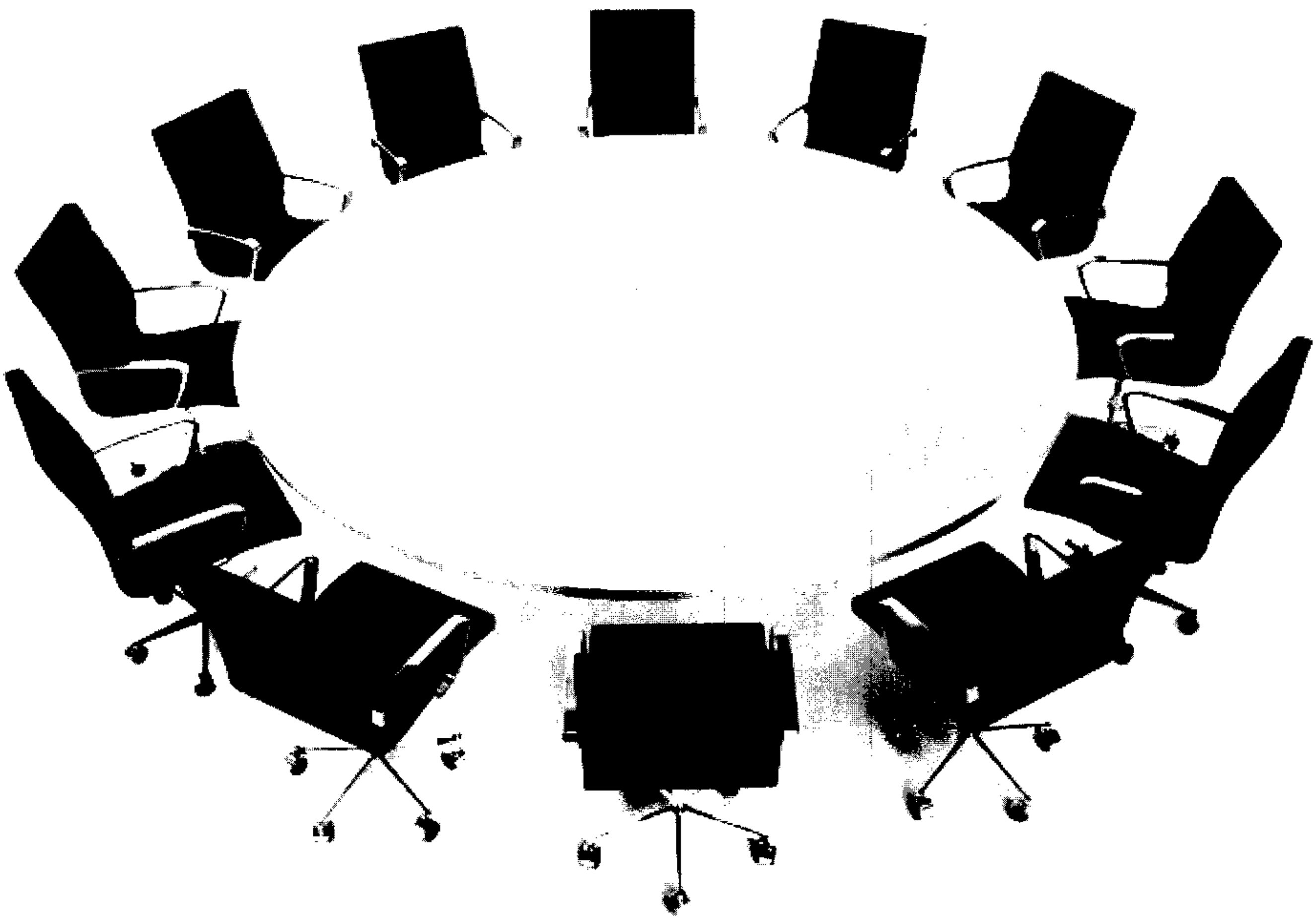
The environmental permit was already given to the industrial complex so applicants needed not apply for it. Hence the applicants could obtain permit faster, only 3 hours.

The investment permit which could be completed in 3 hours included Principle Permit, Company's Deed and Taxpayers ID Number (NPWP). Investents to be permitted was worth at least Rp100 billion which accommodated 1,000 Indonesian workers. The Industrial complex already had Environmental Impact Analysis (AMDAL) but investors must still build their water treatment system.

By applying permit which lasted only for 3 hours, the investors could choose the industrial location permit and immediately plan and build the factory. The Government also planned to draw exporter's forex reserves which was today parked in overseas banks. For that matter the Government offered tax exemptions for foreign currency deposit as much as 0%.

Today the Deposit Tax (DHE) imposed on money deposited in national banks came to 20%. With issuance of Economy Package Phase II, the amount was now axed. The precentage of deposit tax was as follows: 1 month deposit 10% tax, 3 months 7,5%; 6 months 2.5% and above 6 months 0%.

In Rupiah, the size of tax was as follows: 2 month deposit 7,5% tax; 3 month 5%; 6 month 0%. It was expected that exporters exporting nature-based commodities would deposit their money in domestic banks. Report to BI was mandatory, tax cuts



would be given only to those who already reported.

Not being less responsive, BI announced their policy package to support the Government in sustaining macro-stability. BI set 3 objectives to it, i.e. to stabilize Rupiah value, to strengthen management of Rupiah liquidity, and to manage supply-demand of demand for foreign currency.

To maintain stability of currency exchange rate, BI would make forward market intervention beside maintaining balance of the spot market. To objective was to increase supply of foreign currency at the security exchange. Intervention could be done bilaterally or by auction as needed.

To maintain Rupiah liquidity, BI would release BI Certificate Bond (SDBI) of 3 month tenure and reverse repo over SBN state bond of 2 weeks repo. Thereby BI could expect to minimize the risk of excessive Rupiah liquidity, especially in activities sensitive to pressures on Rupiah.

Release of 3 month SDBI and 2 week RR-SDBN would be done by done by auction and to be adjusted to the condition of liquidity. To manage supply and demand of foreign currency, some measures had been taken:

Firstly, by managing supply- demand at the forward market by way of enhancing forward transaction and sales of foreign currency or Rupiah and to underscore buying of foreign currency or Rupiah.

Secondly by issuing Bank Indonesia bond (SBBI) in forex reserve. Issuance of SBBI would support deepening of the moneymarket especially foreign exchange.

Thirdly, lowering of holding period of SBI from one month to one week to enable foreign capital to enter.

Fourthly to give incentives through reduction of deposit interest taxes to exporters who deposited forex-from-export in domestic banks. The Government run this policy in collaboration with BI.

Fifthly and lastly to enhance transparence and increase information on use of forex reserves was by enhancing report on traffic of foreign exchange.

The Government and BI's effort was worthy of appreciation. It was right indeed for the Government to inject positive sentiment to the market to build marketplayer's trust and calm the panicked

market.

It was advisable for the Government to run Economic Policy Package Chapter I and II to generate direct impact on the real sector.

The Moneymarket

Bloomberg Dollar Index disclosed that during opening last week end (2/10) Rupiah weakened by 9 points or 0.06% to Rp14,700 per USD.

Amidt the still adverse global economic condition, USD seemed to be the only currency regarded by marketplayers as safe haven. External sentiments seemed to be the obstacle to Rupiah to be appreciated once more.

China's manufacturing data which was downturning and their economic projection which was still slowing down this year posed as sentiment to Rupiah. At home, Indonesia's economy which was still slowing down posed as extra-pressures on Rupiah, while some business sectors were not performing well like mining and manufacturing.

The Economic Policy Package launced by the Government and BI was predicted to show their impact on the middle and long term so they were not responded well by the market. The positive sentiment and economic data released by BPS that there would be deflation of 0.05% in September was also not responded by the market.

Such was already visible in transaction on Thursday (1/10) when Rupiah strengthened to Rp14,654 per USD against the previous position at Rp14,657 per USD. Previously Rupiah happened to touch Rp14,800 per USD, the lowest level since 1998.

As from now on Rupiah's destiny would depend on the positive sentiment from Economic Policy Package Chapter I and II as well as BI's policy. The Ministry of Finance contributed positve sentiment to the market by saying that budget abssorption had come to 60% and was on the way up higher in the near future.

All the Government's and BI's effort would correct the preditions of some investors at the moneymarket that Rupiah would nose dive to the position of Rp 15,000.- and lower. However the Forex-reserve-from-export policy it was believed that liquidity of USD at the domestic market would be higher and supply of USD would be abundant.

Today BI was constantly chasing exporters' money not being transferred to domestic banks. If exporters refused to pay fine, the Monetary Authority threatened they would blockade all company's export by coordinating with the Customs Dept. If the company was disobedient, BI would put administrative sanction in the form of 0.5% fine of nominal DHE not received or Rp100 million at the most.

By the above picture Rupiah was predicted to be closed in the range of Rp14,600 - Rp14,650 per USD with tendency to strengthen. This week Rupiah was still continuing strengthening in the range of Rp14,500 - Rp14,600 per USD this projection was inclusive of the probability of the Fed increasing FFR.

The Capital Market

Last Thursday (1/10) IHSG index was up by 30.1 points thanks to strengthening of commodity based shares. Domestic investors were chasing shares agressively. To gein session IHSDG inchedup by 7.502 points (0.18%) to the level of 4,231.410. Foreign investors used the momentum for profit –taking.

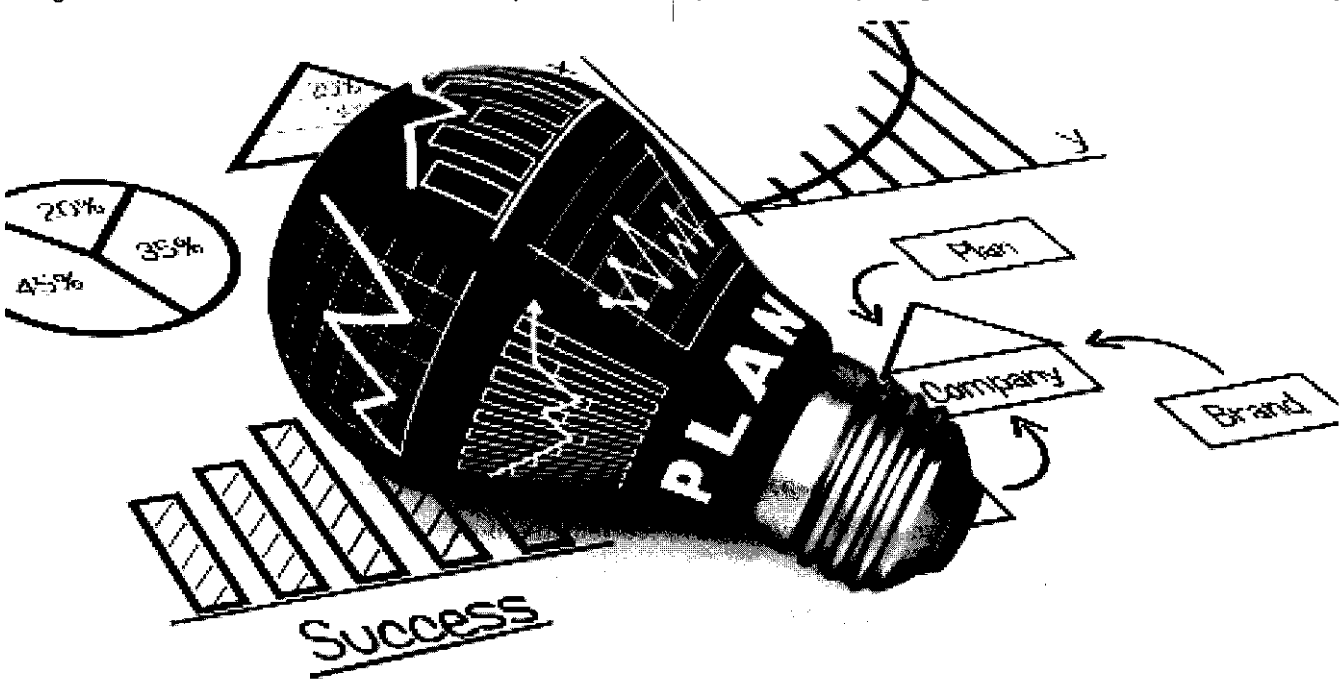
Some investors responded positively tp BPS data which announced that in September 2015 there was deflation of 0.05%. Meanwhile inflation of August-September2015 was accummulatively 2.24%.

Finally during closing of Session I IHSG soared up by 35.728 points (0.85%) to the level of 4,259.636 driven by selective buying By domestic investors. Nearly all sectoral index turned green. Act of buying by domestic investiors heightened until closing session.

On Thursday (1/10) IHSG closed session to inch up by 30.968 points (0.73%) to 4,254,876. Meanwile index of LQ 45 was closed to increase by 6.793 points (0.96%) to the level of 711.769. This afternoon foreign investors posted foreign net sell of Rp167.155 billion in all markets.

Trading was running moderately with 255,820 transaction frequency at the volume of 5.414 billion shares worth Rp4.63 trillion. 160 shares went up, 103 shares went down, and 83 shares stagnated.

In other countries : China's stockmarket and Hong Kong was closed in commemmoration of independence day. Regional stockmarkets stayed strong.



Index of Nikkei 225 soared up by 334.27 points (1.92%) to 17,7222.42. Index of Straits Times rose by 12.25 points (0.44%) to the level of 2,803.14.

Wall street was also closed to inch up during transaction on Thursday (1/10). Only index of Dow Jones inched down by 0.08%. Investors were waiting for report of monthly labor and also report of Q III of companies. Through the sessions the curve line moved up and down.

US employment data could serve as clue to investors whether or not US economy would justify the Fed to increase FFR this month. Index of Dow Jones inched down by 12,69 points (0.08%) to 16,272.01. Index of S&P 500 increased by 3,7 points (0.2%) to 1.923.82. Index of Nasdaq rose by 6.92 points (0.15%) to 4,627.08%.

Last week end (2/10) IHSG strengthened to around 4,275 – 4,325 being sustained by positive domestic economic data, One of them was BPS's data on inflation at 0,05%. With such betterment BI's inflation target of 4% + 1% in 2015 would most likely be attained. This week IHSG was still continuing strengthening in the range of 4.325 – 4.375 in line with positive response of marketplayers to the Economic Policy Package,

Moreover IHSG stood a chance to once again to strengthen in the medium and long term. Not to be ignored was the plan of BPJS Labor (ex Jamsostek) which was reported to increase investment portion at the stockmarket at 12% to 18%.

According to BPJS Labor, now was the time to enter the stockmarket as they were undervalued. BPJS Labor was today managing fund of around Rp200 trillion. Today BUMN investment at the stockmarket had come to Rp40 trillion. The Ministry of Energy changed the policy to help jack up IHSG.

The Ministry of Energy and Mineral Resoureces had a discourse to change policy for the mining and industry sector. The change was to create an investmet climate which was condusive to growth. The change would be at legal and Regulation stage.

In this case Law No. 4/2009 on Mineral and Coal was included in National Legislation Program 2015 and PP No 77/2014 on The Third Change of Mineral and Coal Mining had been revised and now in the process of discussion.

According to the Ministry of Energy PP No. 77/2014 was not sensible. In that Regulation, Miners could only apply for extention of contract or change their business status at least two years before the contract expired. Investment in mineral and coal mining needed vast amount of capital so they needed long preparation and feasibility study. Such rules was not sensible, now the Government wished to make things sensible.

While revising the PP, the Government would re-evaluate the Minerba Law. Some points to be reviewed was application for contract extention which was to be specified further, and also divestation to the Government. For the time being, to prevent violations the Government could propose a Regulation as Substitute to Law (PERPU) for legal assurance to investors.

The Ministry of Energy had also revised policies, i.e. as per mid-year of 2015 the number of required permits had been axed from 62 to 18 permits 11 of which was passed on to the Coordinating Board of investment (BKPM).

Since January 2015 permit in the electricity and mining sector had been put under the One Stop Service system at BKPM. For the oil gas sector, as per October 1 2015 there were 12 permits which were put under BKPM. At that time the energy sector permit were all under BKPM.

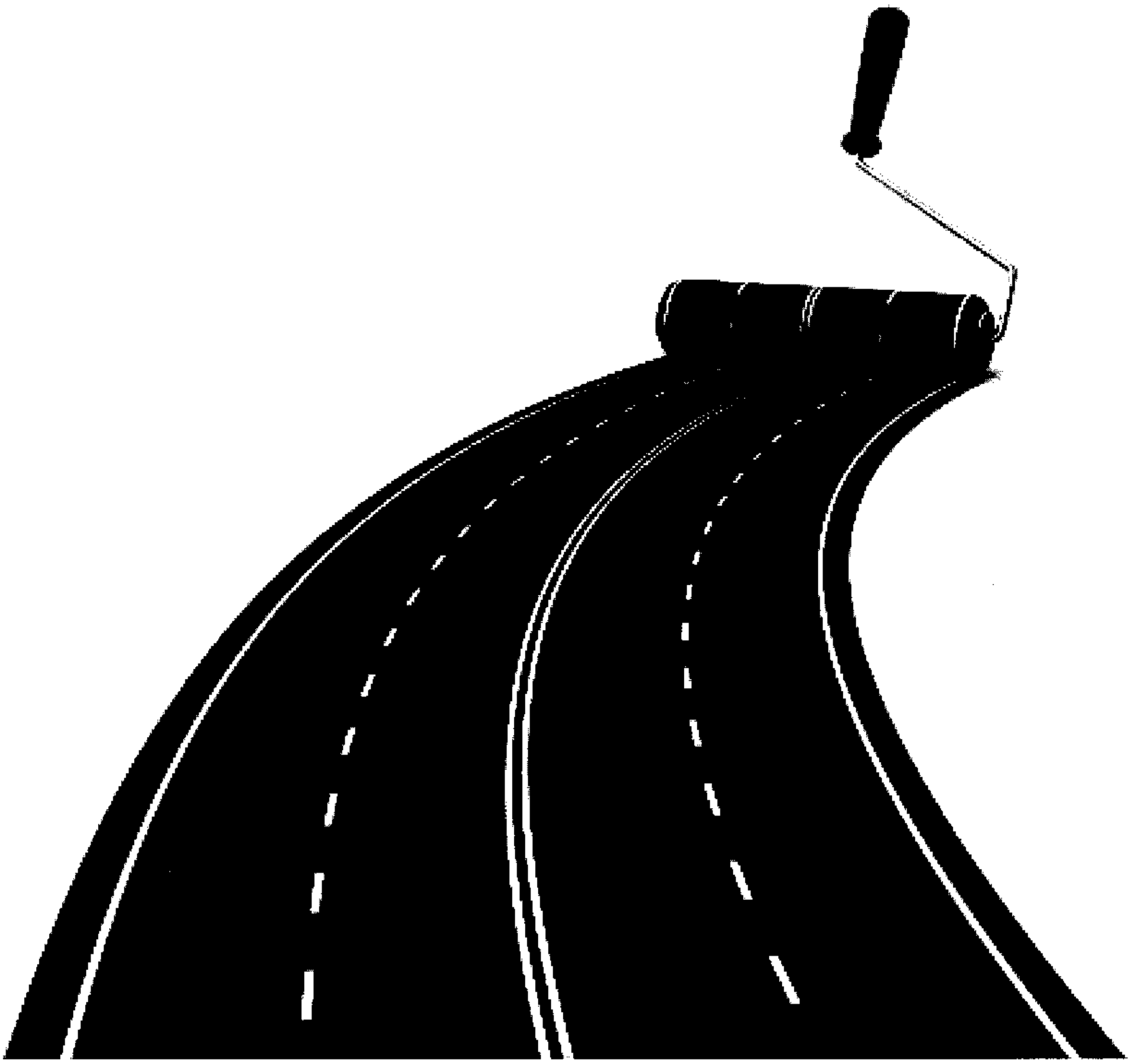
The Government would not issue permit to export raw materials if there was no commitment from the company to build smelters. In the Minerba Law which was today effective, smelters needed not to be built by every company, the companies could build smelters collectively on joint venture basis.

By July 2015 last, 97 permit holders had made progress of 5% at feasibilility study stage; 12 permit holders had accomplished 6% - 10% (environmental impact analysis), 18 permit holders were already at initial construction stage, 18 permit holders had their smelter construction underway, 9 permit holders had their smelter building near completion and 28 permit holders had arrived at commissioning stage.

The Government would allow tax holiday or tax allowance and tax free facilities for import of capital goods. The Government would also exempt Value Added tax for gold buying at home to motivate pernit holders build smelters at home.

Downstreaming had been a strengthening topic lately. The Government had extended deadline for downstreaming in the nature sector to 2017. However, some circles urged that 2017 should not be absolute deadline.

Businesspeople had limited financing capability amidst adverse global economic condition. Moreover minery goods were now priced low at the global market so miners had to recalculate their business. Perhaps Government's policy in the minerba sector should be the attention of investors at the stockmarket. (SS)



WAITING FOR THE TURBULENCE TO SUBSIDE

Jakarta, *Business News*

With suspension of FFR increase by the Fed on 16 – 17 September last, the world's economy had to face longer uncertainty and there was growing speculations among the emerging economies including Indonesia.

What's more USD strengthened all year through causing Asian currencies to slump. Moreover when Govenor of the Fed New Yorlk William C, Dudley stated that the policy might be executed gradually. This means that soon or late increase of FFR would be realized.

President of the Fed San Francisco John Williams also expected FFR would be increased gradually and reminded there would be increase of house price. Strategists of foreign currencies predicted USD and US yields would increase when the Fed increase FFR this year.

Janet Yellen stated on September 24 last that she believed the Fed would increase FFR this year for the first time in one decade.

To Indonesia, it was known that weakening of Rupiah would mean a strong blow to national economy. As known strengthening of USD would injure economy and more and more people were losing their jobs.

If economic slowdown continued it was not impossible that Indonesia would again fall to become a poor country. Increasing unemployment, crumbling businessworld and capital outflow would mean bad mark of the Government's report card. The Government's answer to the problem was that classical "wait for the storm to subside."

The storm would be over, tackled or not, because it was external factor. But how much loss must be borne by the business world Workers dismissals was more than just a threat, it had become reality. Now producers could not buy components which were mostly imported.

Many companies had to reduce the number of employees due to reduced procuction output. Many companies had even run out of business.

Chairman of APINDO Haryadi Sukamdani stated that through September 2014 there had been 27,000 cases of workers dismissals due to various causes among others Rupiah weakening and domestic economic slowdown.

Data of BPJS Labor Insurance had ir there had been mire than 724,000 employees who had liquidated their pension fund through January-September 2015. Of that number, 210, workers took their fund in September 2015.

The Government argued that dismissals was due to various reasons, among others weakening of Rupiah. Companies had to maintain efficiency as production cost increased. An many of them were dismissed by not extending the contract.

There were 3 categories of dimissals: company totally closed and all workers must resign, company reduced the number of workers and the potential of workers being dismissed.

Broadly speaking business was really hard today. Many truck rentals had to dismiss their workers. For example in Tanjung Priok Harbor, many container carrier trailers were parked at the garage as there were no cargo to be carried and truck rentals had to return their armada to the creditors as they were unable to pay installments.

This Indonesia's busiest harbor was now quiet. There were stacks of containers but were empty containers. Large scale dismissals was also going to happen at the loading and unloading sector, in flowing goods were contnuing to decline. Soon or late dismissals was bound to happen.

Compared to other countries the effect of global economic crisis on Indonesia was the gravest. This was because competitiveness of national products was low.

To minimize cases of dismissals, the Government must strive hard to propel economic growth time after time especially in times when infra structure projects were well underway. It was heartening to know that at least data of cement sales was positive which indicated that some of Government infra structure projects were underway.

In Q II/2015 BPS announced Indonesia's economic growth was 4.67% (y o y), lower that Q I at 4.7%. The Government felt sure that growth precentage in Q III and IV would be higher because data of ASI showed cement consumption in August 2015 rose by 11%. In September 2015 growth was 6% against same period last year.

Based on data of cement consumption, economic circles predicted Indonesia's economic growth in Q III and IV woul be around 4.8% - 5.1%. By end of year, economists predicted Indonesia's economic growth would be around 4.8% - 5.0%.

Indonesia's economic growth getting close to 5% by year end was also precicted by some international agencies. Recently ADB axed Indonesia's growth prediction this year from 5,5% to 4.9%.

Although Indonesia's economic growth was predicted not to reach 5% by year end, the attainment was rated as notably satisfactory compared to other countries being in deeper recession. Beside expenditure, propeller of Indonesia's economic growth was people's consumption which was still thankfully high.

People's consumption improved in line with multiplier effect from infra-structure projects. Infra structure projects increased job opportunities which increased people's purchasibg power.

In this respect the Government responded well to businesspeople's request by issuing economic package in September 9 last followed by chapter II on Septembet 29. The Economy Policy Package might not show their fruits instantly as they were designed for the medium and long term.

The Government's deregulation package was no instant remedy for Rupiah which desperately weakened. It was the task of BI and OJK to act and synchronize to implement the policy.

The Economy Policy Package part 2 was rated as more applicable, businesspeople were highly expectant the result would be felt. For example allowing tax discount to exporters who deposited their forex-from-export in domestic banks; or the permit application procedure for investors that lasted for not more than 3 hours.

It must be appreciated that the Government never felt that the two Economy Policy Package was enough for stabilizing economy. Therefore President Jokjo Widodo would release Phase 3 Economy Policy Package to complement the earlier two packages, aimed at restoring economy for the short and medium term.

To produce quick result, the Government was giving incentives to strengthen people's purchasing power, among others by lowering bank interest. Banks must enhance efficiency that they could lower bank interest.

Lastly, Pertamina was asked to re evaluate price of oil. The Government hoped there was still room for Pertamina to lower oil price no matter how small. By such policy the Government hoped the economic storm would soon subside whereby the people could look forward to a better future.(SS)

EMPLOYERS AND WORKERS MUST SIT TOGETHER TO PREVENT MASS DISMISSALS

Jakarta, *Business News*

Indonesia's worsening economy had been followed by mass dismissal of workers. Tens of thousands of workers lost their Jobs in the past seven month. Businesspeople put the blame on adverse economic condition and the Ministry of Labor confirmed it.

In view of the codition the Ministry of Labor asked businesspeople and workers to unite and enhance efficiency. Sahat Sinurat, Director of Workers Dispute stated on Friday (2/10) that employers and workers must sit together to find solutions.

According to Sahat, the key solution was not the Government but with the said two parties. The efficiency to be attained by The company was among others to cut employees' work hours and working days so production cost would be reduced.

The same was expressed by Ekson Silaban, Director of Labor Institute Indonesia, who said that axing of work hours was a smart solution to sustain company's financial resilience in hard times.

Beside the above scenario, he also recommended execution of Minumum Wages until next year. Ekson said that the Government must support the scenario so the businessworld could survive. In the Circular Letter of the Ministry of Labor No.90/2004 on Prevention of mass dismissals, the Government could reduce salary of the middle and top management executives. Beside reducing wages and fringe benefits the circular letter also proposed reduction of working days, limitation of overtime, reducing work hours, to increase homestay, to pay pension, and not to extend contracts.

To quota Apindo's data, through September 2015 there had been 27,000 cases of dismissals which was due to various reasons among others weakening of Rupiah value against USD, and national economic slowdown. Data of the Social Insurance Board (BPJS) had it there were more than 724,000 people who liquidated their pension fund through January-September 2015. Of that number, 210 workers liquidated their retirement fund in September 2015. Some workers lost their jobs because the company was no longer operating, and some liquidated ther pension fund because they resigned.

Many circles suspected there were large scale dismissals done by small industries but they were not reported. The real figure could be much bigger than the data submitted to the Government because the official data was only obtained from companies or Labior Unions reporting to the Ministry of Labor.

Meanwhile if the problem could be solved peacfully between employers and employees, dismissals was not necessary. Cases of dimissals mostly happened in labor intensive industry like mining, textile, footwear, coal mines, oil and gas. The Government was asked to take sound measures to troubleshoot problems. (SS)

THE PRESIDENT LAUNCHES RICE MARKET OPERATION TO LOWER PRICE TO IDR 500-800 PER KG

Jakarta, *Business News*

President Jokowi accompanied by Minister of State Owned Enterprises, Rini Soemarno, and Managing Director of State Logistics Agency (Bulog), Djarot Kusumayakti, launched Rice Market Operation on 1,034 tons of rice for five provinces, i.e. Jakarta, Medan (North Sumatra), Bandung (West Java), Semarang (Central Java) and Surabaya (East Java).

Djarot, in his report, stated that the market operation is done simultaneously in Jakarta, Medan, Bandung, and Surabaya, with a total of 300,000 tons of rice. However, at the same time distribution of 1,034 tons of rice for the five provinces is also done, with details: 110 tons of rice by 11 trucks to Medan, 480 tons of rice by 60 trucks to Jakarta, 144 tons of rice by 18 trucks to Bandung, 130 tons of rice by 12 trucks to Semarang, and 170 tons of rice by 17 trucks to Surabaya.

Djarot said that the market operation is intended to stabilize food prices and to show that the government is always ready and available, as well as helping to lessen people's burden during this difficult time. In addition, Bulog's market operation is also intended to prevent room for speculation during the declining panen gadu (harvest at the beginning of the rainy season).

Bulog's stock today is as much as 1.7 million tons. This position for now is still quite safe. Bulog also continues to optimize rice absorption which is intended to accumulate the existing stock, so that people do not need to worry.

In the Market Operations, premium rice is sold at a price of IDR 8,700-9,700 / kg. Market operation is carried out by a Task Force which has been designated, then distributed to the market to be sold directly or through traders.

Along with the launch of the Rice Operation, Bulog also distributes or pours additional allocation of restra or raskin (rice for the poor). With this additional

allocation, there will be an additional supply of rice to the public a minimum of 464 million tons, which is expected to help create stabilization of rice prices.

"We should be grateful that the BPS survey results announced yesterday stated that farmer exchange rate rose nearly close to 2%. It means that farmers benefit from rising prices in the market. Farmers are happy. But on the other hand, BPS report yesterday mentioned that there is a price increase of 2%. Well, this is what we want to stabilize this morning with market operation, so that the increase did not continue and the bias is controlled in reasonable prices which is affordable, "said the President after releasing the trucks transporting rice from Bulog's warehouse, in Kelapa Gading, North Jakarta, on Friday (October 2).

As stated by heads of regional divisions in Jakarta, Medan, Bandung, Semarang and Surabaya, the target of the rice operation could lower the price of rice to approximately IDR 300-500 per kg. Although the President saw that in two days there have been traders who lower rice prices by IDR 100-200 per kg. But he wanted to keep the price of rice affordable in addition to it being available in the market, the stock is also available.

"We also want to show, so that later not only in this warehouse, but also in other warehouses, that our stock is available. There must be no rumors that there is no stock. And we will do more absorption from farmers and from traders in some regions where there is still no harvest, like in Karawang, Central Java, and East Java. This continues to be absorbed by Bulog, and we expect that in the future there will be a little extra stock of Bulog," the President explained. (E)

General Manager/Business Manager : Taufik Sumawinata
Editor in Chief : Taufik Sumawinata
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Correspondents : Expert from Business & Scientific world
Published/Printed by : PT. Business News, Member of SPS/SGP
Address : Komplek P & K Jl. Pendidikan 3 No. 12 Terogong - Cilandak Barat Jakarta Selatan 12430
Press Publication License (SIUPP) No. 012/SK/MENPEN/SIUPP/F.5/1985, November 19, 1985
www.businessnews.co.id

English Edition : Wednesday and Friday, Except holidays
Indonesia Edition : Monday, Wednesday and Friday, Except holiday
Circulation : 759 20 118
Fax : 758 19 268
New subscriber : Minimally 3 (three) months, without restitution

ISSN 1410 - 2501

IN 2016 DRAFT STATE BUDGET, CENTRAL GOVERNMENT SPENDING BUDGET IS PLANNED AT 10.5 PERCENT OF GDP

Jakarta, *Business News*

The allocation of central government spending in the draft state budget 2016 is planned at IDR 1,339,084.4 billion (10.5% of GDP). The allocation of central government expenditure in the draft state budget (RAPBN) 2016 will be used primarily to fund development programs implemented by ministries/institutions, corresponding to their duties and functions, as well as programs which are cross-sectoral or allocated through the Ministry of Finance as the State Treasurer (non-ministry/institution). Such is the Financial Memorandum data and RAPBN 2016 (October 1).

In the draft state budget 2016, the allocation of central government budget is still dominated by public service function at 57.1% of total central government expenditure, and 42.9% is spent on other functions. The relatively high portion of budget allocation to public service function is a consequence of government's policy to maintain purchasing power and to support food security program through the distribution of energy and non-energy subsidies, supporting national health insurance program (JKN) through budget allocation for the contribution for premium health care beneficiaries (PBI), and improving services to the community through continued bureaucratic reform.

Central Government Spending according to the Functions, 2015-2016
(Billion Rupiah)

No.	Function	2015		2016	
		Revised State Budget	% of Central Govt. Spending	Draft State Budget	% of Central Govt. Spending
1.	Public Services	695,286.3	52.7	764,030.4	57.1
2,	Defense	102,278.6	7.8	95,811.2	7.2
3,	Order and Security	54,681.0	4.1	56,852.0	4.2
4,	Economy	216,290.6	16.4	189,490.3	14.2
5,	Environment	11,728.1	0.9	13,205.2	1.0
6,	Housing and Public Facilities	25,587.2	1.9	23,098.1	1.7
7,	Health	24,208.5	1.8	18,685.3	1.4
8,	Tourism and Creative Economy	3,765.5	0.3	7,878.4	0.6

9,	Religion	6,920.5	0.5	7,682.2	0.6
10.	Education	156,186.9	11.8	146,127.5	10.9
11.	Social Protection	22,615.8	1.7	16,223.8	1.2
	Total	1,319,549.0	100.0	1,339,084.4	100.0

Source: Ministry of Finance

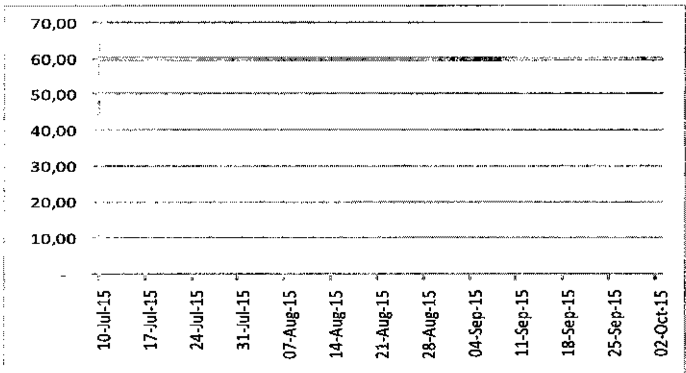
General policy on central government expenditure in the draft state budget 2016 will be directed at:

1. Maintaining the level of welfare of government officials by taking into account the inflation rate to boost productivity and improve public services, through the provision of holiday allowance which amount is equal to the basic salary of civil servants/ military / police officers and 50% of basic pensions for retirees.
2. Supporting the implementation of various development programs and targets, among others in the fields of:
   a. Education, health, and housing provision (dimensions of human development).
   b. Food sovereignty, energy sovereignty and electricity, maritime, tourism and industry (dimensions of development of leading sectors).
   c. Equal distribution and reduction of gaps between social classes, income and between regions.
3. Strengthening legal certainty and law enforcement, defense and security stability, politics and democracy.
4. Continuing the subsidy efficiency policy which is right on target and sharpening / expansion of smallholder business credit program.
5. Continuing and strengthening infrastructure development to improve the quality of development.
6. Improving the effectiveness of services and the sustainability of Social Security program in the field of health (both in terms of demand and supply) and manpower.
7. Harmonizing fiscal decentralization efforts by transferring some of ministries/agencies spending (including deconcentration / co-administration fund) to special allocation fund (DAK).
8. Supporting efforts to fulfill health budget at 5% of the state budget.
9. Providing support to the implementation of the One Million Houses Program for low income people.

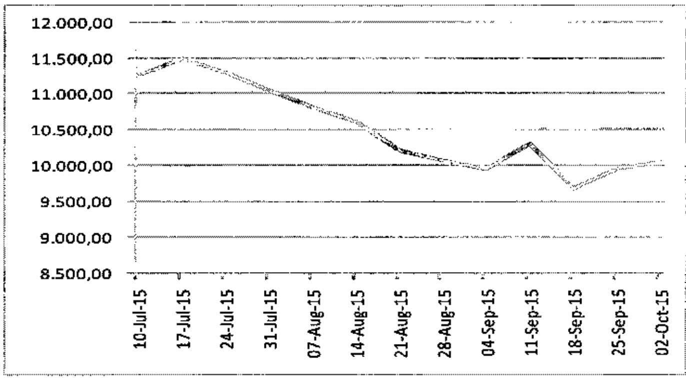
(E)

COMMODITY PRICES
DATED JULY 10, 2015 - OCTOBER 2, 2015

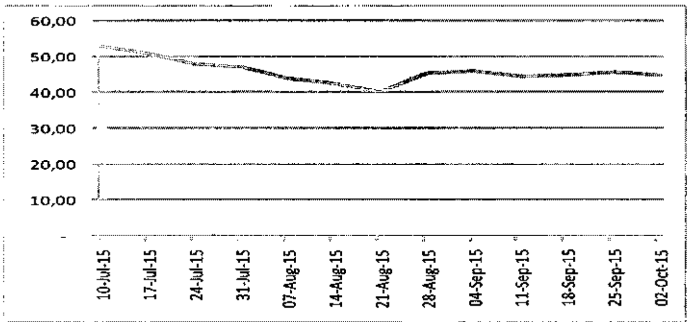
EUCRBREN Index (USD)



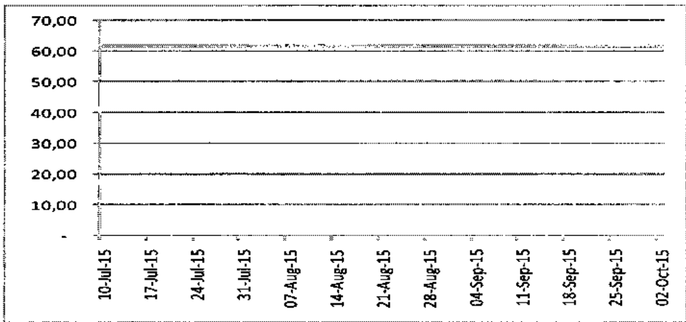
LMNIDS03 Nickel (USD)



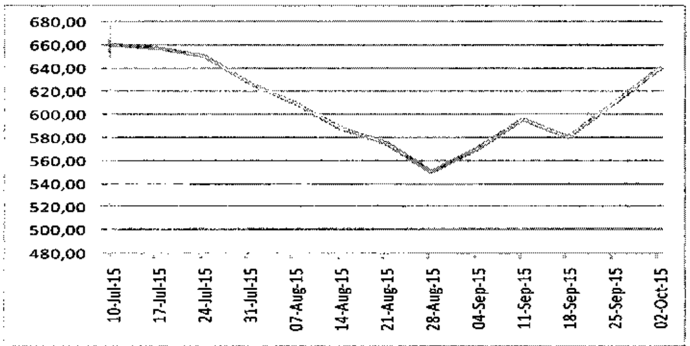
USCRWTIC Index (USD)



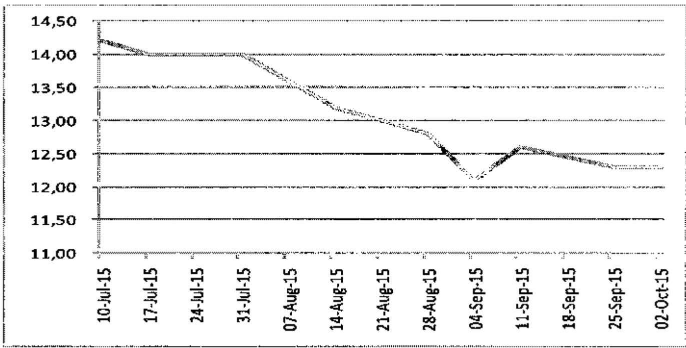
CLSPAUNE Index Coal (USD)



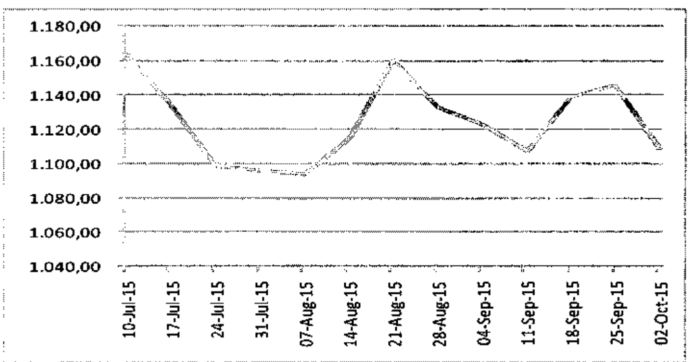
PALMROTT Index CPO



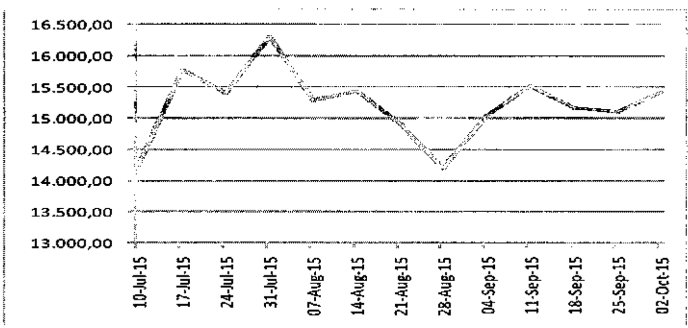
IDRUSR20 Index Rubber US/kg



GOLDS Cmdty (USD)



LMSNDS03 TIN (USD)



FOREIGN EXCHANGE RATES

Jakarta, *Business News*

EXCHANGE RATES ON TRANSACTION

CURRENCY	VALUE	OCTOBER 6, 2015			OCTOBER 5, 2015			OCTOBER 2, 2015		
		BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING
AUD (Australia)	1,-	10,137.20	10,191.10	10,245.00	10,282.14	10,334.53	10,386.91	10,300.11	10,355.89	10,411.67
BND (Brunei)	1,-	10,057.63	10,111.45	10,165.27	10,145.22	10,196.91	10,248.59	10,202.87	10,256.26	10,309.65
CAD (Canada)	1,-	10,932.84	10,990.38	11,047.92	11,053.55	11,109.51	11,165.46	11,059.47	11,117.08	11,174.69
CHF (Switzerland)	1,-	14,661.89	14,738.70	14,815.50	14,974.24	15,054.15	15,134.05	14,976.46	15,054.51	15,132.56
CNY (China Yuan)	1,-	2,249.54	2,260.86	2,272.18	2,284.28	2,295.76	2,307.23	2,300.63	2,312.27	2,323.90
DKK (Denmark)	1,-	2,146.01	2,156.97	2,167.93	2,189.95	2,201.22	2,212.49	2,195.44	2,206.71	2,217.97
GBP (United Kingdom)	1,-	21,699.68	21,811.76	21,923.83	22,103.10	22,218.55	22,333.99	22,158.85	22,275.33	22,391.81
HKD (Hong Kong)	1,-	1,846.40	1,855.73	1,865.06	1,874.80	1,884.34	1,893.88	1,888.34	1,897.93	1,907.51
JPY (Japan)	100,-	11,879.46	11,941.73	12,003.99	12,113.20	12,175.59	12,237.97	12,191.77	12,254.44	12,317.11
KRW (Korean)	1,-	12.29	12.36	12.42	12.39	12.46	12.52	12.39	12.46	12.52
KWD (Kuwaiti Dinar)	1,-	47,305.79	47,575.44	47,845.08	48,036.36	48,309.81	48,583.25	48,380.17	48,632.88	48,885.58
MYR (Malaysia)	1,-	3,272.73	3,291.09	3,309.44	3,298.75	3,317.22	3,335.68	3,288.76	3,308.01	3,327.26
NOK (Norway)	1,-	1,702.09	1,711.56	1,721.02	1,736.18	1,745.61	1,755.03	1,733.82	1,743.41	1,752.99
NZD (New Zealand)	1,-	9,302.93	9,354.08	9,405.22	9,398.65	9,446.60	9,494.55	9,369.33	9,421.14	9,472.95
PGK (Papua New Guinea)	1,-	4,858.25	4,991.10	5,123.94	4,933.27	5,068.14	5,203.00	4,968.58	5,104.58	5,240.57
PHP (The Philippines)	1,-	308.74	310.33	311.91	311.69	313.33	314.96	312.58	314.20	315.81
SAR (Saudi Arabian Riyal)	1,-	3,814.88	3,834.85	3,854.81	3,874.42	3,894.15	3,913.87	3,902.15	3,922.14	3,942.13
SEK (Sweden)	1,-	1,718.07	1,727.03	1,735.99	1,741.20	1,750.27	1,759.33	1,748.34	1,757.66	1,766.97
SGD (Singapore)	1,-	10,057.63	10,111.45	10,165.27	10,145.22	10,196.91	10,248.59	10,202.87	10,256.26	10,309.65
THB (Thailand)	1,-	393.89	395.98	398.07	398.87	400.99	403.10	399.86	401.94	404.02
USD (United States)	1,-	14,310.00	14,382.00	14,454.00	14,531.00	14,604.00	14,677.00	14,635.00	14,709.00	14,783.00
EUR (Europe)	1,-	16,011.46	16,093.47	16,175.47	16,338.66	16,422.21	16,505.75	16,375.10	16,460.86	16,546.61

NOTE : The middle rate is based on Business News calculation

PROVISION FOR ISSUING RECOMMENDATION ON IMPORT OF USED CAPITAL GOODS

(Regulation of the Minister of Industry of R.I Number 09/M-IND/PER/2/2014, dated February 13, 2014)

WITH THE BLESSING OF THE ONE AND ONLY GOD

MINISTER OF INDUSTRY OF

THE REPUBLIC OF INDONESIA

Considering:

a. Whereas, one of the requirements of the Company for re-conditioning, and re-manufacturing, and Company as direct User importing used capital goods in the form of recommendation of the Ministry of Industry.;

b. Whereas, to provide facilities, soooth operation and transparency in issuing recommendation as referred to in letter a, it is necessary to govern provision on issuing recommendation;

c. Whereas, based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation of the Minister of Industry on Provision for Issuing Recommendation on Import of Used Capital Goods;

In view of:

1. Law Number 3 Year 2014, concerning Industry (Statute Book of the Republic of Indonesia Year 2014 Number 4, Supplement to Statute Book of the Republic of Indonesia Number 5492);

2. Government Regulation Number 17 Year 1986, concerning Authority to Govern, Manage, and Develop Industry (Statute Book of the Republic of Indonesia Year 1986 Number 23, Supplement to Statute Book of the Republic of Indonesia Number 3596);

3. Presidential Regulation Number 47 Year 2009, concerning Establishment and Organization of the State Ministry as lately amended by Presidential Regulation Number 91 Year 2011;

4. Presidential Regulation Number 24 Year 2010, concerning Capacity, Duty and Function of State Ministry and Organizational Structure, Duty and Function of Echelon I of State Ministry as lately amended by Presidential Regulation Number 92 2011;

5. Presidential Decree Number 84/P Year 2009, concerning Establishment of Kabinet Indonesia Bersatu II for Period Year 2009-2014 as lately amended by Presidential Decree Number 59 /P Year 2011;

6. Regulation of the Minister of Industry Number 105/M-IND/PER/10/2010, concerning Organization and Work Procedure of Ministry of Industry;

7. Regulation of the Minister of Industry Number 64/M-IND/PER/7/2011, concerning Types of Industry in the Management of the Directorate General and Agency within the Ministry of Industry;

8. Regulation of the Minister of Trade Number 75/M- DAG/PER/12/2013, concerning Provision on Import of Used Capital Goods;

DECIDED:

To stipulate :

REGULATION OF MINISTER OF INDUSTRY ON PROVISION FOR ISSUING RECOMMENDATION FOR IMPORT OF USED CAPITAL GOODS.

Article 1

What is meant in this Regulation of Minister by:

1. Company constituting Re-conditioning company shall be company that holds Business License on Industry for processing Import of Used Goods to constitute as End Product for export and/or to fulfill order of local Company as Direct User.

2. Company constituting Re-Manufacturing Company shall be company that holds Business License on Industrial re-manufacturing (that is covered in KBLI 28240) for processing component of used heavy equipment to constitute as End Product that justify with technical specification equivalent to new product and guaranteed by the Brand/Mark Holder for the purpose of expot and/or to fulfill orders from local Company as Direct User.

3. Company as Direct User shall be company that holds business lincense to import Used Capital Goods for the purpose of processing or for own use by the company concerned and other purposes of production, but not for sale and buy and assigned the right therein.

4. Used Capital Goods shall be goods, machinery, andor equipment used as business capital or to produce anything still useable, or to be re-conditioned, re-manucatered, re-funcioned and for scrap.

5. Business License for Industry shall be license granted to industrial company conducting industrial activity, issued by authorized agency in accordance with the statutory regulation.

6. Recommendation shall be technical consideration on import of Used Capital Goods.

7. Export development shall be improvement of industrial company's capability in exporting its production product.

8. Investment shall be all types of investment activities conducted by local and/or foreign investors for business operation within the territory of the Unitary State of the Republic of Indonesia.

9. Industrial relocation shall be relocation of part of or the entire mchinery and equipment from factory overseas to the territory of the Unitary State of the Republic of Indonesia to be re-functioned in production activity.

10. Construction of infrastructure shall be construction of physical system pertaining to provision of transportation, water, building, and other public facilities that required the fulfill human basic need both economically and socially.

11. Capability for re-conditionaing shall be capability of the Company as Re-Conditioning Company including facilities for machinery and its accessories based on the result of reasonable technical assessment and capable to provide services of recovery and repair, and capable to process Used Capital Goods to constitute as End Product, including capability to provide after sale service.

12. Capability to re-manufacture shall be capabiliyt of the Company to re-manufacture, including facilities facilities for machinery and its accessories based on the reasonable technical result and capable to ignore / bi-pass of recovery and repair service company and is capable to process components for used heavy equipment to change into End Product based on technical specification and equivalent to new product and guaranteed by the Mark Holder, including capability to provide after sale service..

13. Capability to provide After Sale Service shall be capability of Company constituting Re-Conditioning company or Re-manufacturing company to provide:
    a. after sale service during the course of guanrantee in the form of guaranteed inspection, repair and/or replacement in case the goods being reconditioned / remanufactured fail to function properly; and

    b. after sale service during the course of guarantee in the form of periodical maintenance, repair, replacement, and provision of available components and product of re-conditioning and re-manufacturing.

14. Survey of Capability of Re-conditioning Company and Re-manufacturing Company shall be assessment activity of the capability of Re-conditioning and Re-manufacturing Companies, including Capability to provide After Sale Service.

15. Director General shall be Director General of High Technology-Based Best Industry.

16. Managing Director of Industry shall be Director of Industry of Land Transportation, Director of Industry of Marine, Air Space, and Defence Apparatus, Director of Industry on Electronics and Telematics, Director of Industry on Machinery and Agricultural Machinery, and Managing Director of Industry on Environment of Ministry of Industry.

Article 2

(1) Company intending to import Capital Goods that must obtain recommendation from the Ministry of Industry shall be as follows:
    a. Re-conditioning Company shall be company importing Used Capital Goods as specified in Attachment to Regulation of the Minister of Trade Number 75/M-DAG/PER/12/2013, other than Post Tariff/Hs 8901, 8902, 8903, 8904, and 8905;

b. Re-manufacturing Company shall be company importing Used Capital Goods as specified in the Attachment to Regulation of the Minister of Trade Number 75/M-DAG/PER/12/2013, other than Post Tariff/HS 8901, 8902, 8903, 8904, and 8905;

c. Company as Direct User intending to import Used Capital Goods under Post Tariff/HS 84, 85, 8901, 8902, 8903, 8904, ad 8905 with an age of above 20 (twenty) years as specified in the Attacment to Regulation of the Minister of Trade Number 75/M-DAG/PER/12/2013;

d. Company as Direct User intending to import Used Capital Goods not specified in the Attachment to Regulation of the Minister of Trade Number 75/M-DAG/PER/12/2013 with the objective for:
   1. developing Export and Investment;
   2. relocation of Industry; or
   3. development of infrastructure.

e. Re-conditioning Company intending to import Used Capital Goods under Post Tariff 8701.20, 8704, 8705, 8706, 8707, 8708, 8716 for otomotive needs not specified in the Attachment to Regulation of the Minister of Trade Number 75/M-DAG/PER/12/2013 based on consideration of capability of local industry.

(2) The recommedation referred to in paragraph (1) is valid for six (6) months as of the date it is issued.

(3) Further specification on issue of recommendation referred to in paragraph (1) shall be governed in Regulation of Director General.

Article 3

Used Capital Goods as referred to in Article 2 paragraph (1) letter a, letter b under Post Tariff/HS 84 dan 85, and letter c must be of an age of maximum 20 (twenty) years, except for Post Tariff/HS 8471.41.10.00 and 8471.50.10.00 with specification of at least Core 2 Duo or equivalent, and Post Tariff/HS 8528.51.20.00 only for monitor type LCD or LED with an age of maximum five (5) years and located within bonded warehouse.

Article 4

(1) Capability for re-conditioning and re-manufacturing as referred to in Article 2 paragraph (1) letter a and letter b, shall assessed by independant surveyor that holds business license for survey and is member of International Federation of Inspection Agency (IFIA).

(2) The recommendation referred to in Article 2 paragraph (1) will be issued by:

a. the Director General for: :

1. Company constituting Direct User as referred to in Article 2 paragraph (1) letter c and letter d;

2. Re-conditioning Company as referred to in Article 2 paragraph (1) letter e;

b. Managing Director of Industry for Re-conditioning Company and/or Re-manufacturing Company as referred to in Article 2 paragraph (1) letter a and letter b.

Article 5

The application for recommendation referred to in Article 2 must be submitted to the Director General or Managing Director of Industry through Public Service Unit of the Ministry of Industry on the provisions that:

a. Re-conditioning Company provides the document below:

1. photocopy of Business License on Industry which business activity is exercising re-conditioning;

2. photocopy of Import Identification Number (API);

3. photocopy of Obligatory Taxpayer Identification Number (NPWP);

4. import plan of Used Capital Goods covering the total number, type, technical specification, ten digit Post Tariff/HS Number, year of make, port of loading, and port of destination;

5. survey result of capability of Re-conditioning Company issued by Surveyor as referred to in Article 4 paragraph (1);

6. photocopy of the latest Control / Import Card; and

7. evidencial proof of ownership of workshop for re-conditioning work.

b. Re-manufacturing Company must provide the documents below:

1. photocopy of Business License on Industry which business activity is conducting re-manufacturing;

2. import plan of Used Capital Goods covering the total number, type, technical specification, ten digit Post Tariff/HS Number, Year of make, port of loading, and port of destination;

3. survey result of capability of Re-manufacturing Company issued by Surveyor as referred to in Article 4 paragraph (1);

4. photocopy of the latest Import Control / Realization; and

5. proof of ownership of re-manufacting workshop.

c. Company constituting Direct User importing Used Capital Goods under Post Tariff/Hs 84, 85, 8901, 8902, 8903, 8904, and 8905 of age above 20 (twenty) years must provide the documents below:
   1. photocopy of business license issued by the authorized agency based on the statutory regulation;
   2. photocopy of Import Identification Number (API);
   3. photocopy of Obligatory Taxpayer Identification Number (NPWP);
   4. import plan of Used Capital Goods covering total number, type, function, technical specification, ten digit Post Tariff/HS Number, Year of make, port of loading, port of destination, and production report of Used Capital Goods duirng the last two (2) years; and
   5. statement letter duly duty stamped clarifying that the Used Capital Goods to be imported will be used for either of the purposes as referred to in Article 2 paragraph (1) letter c but not to be made as scrap.

d. Company constituting Direct User as referred to in Article 2 paragraph (1) letter d importing Used Capital Goods not specified in Regulation of Minister of Trade Number 75/M-DAG/PER/12/2013 must provided the documents below:
   1. photocopy of Business License on Industry issued by the authorized agency based on statutory regulation;
   2. photocopy of Import Identification Number (API);
   3. photocopy of Obligatory Taxpayer Identification Number (NPWP);
   4. import plan of Used Capital Goods covering total number, type, technical specification, ten digit Post Tariff/HS Number, Year of Make, Port of Loading, Port of Destination of Used Capital Goods; and
   5. statement letter duly duty stamped clarifying that Used Capital Goods to be imported for either of port of destinations as referred to in Article 2 letter c but not to be made as scrap provided with supporting document.

e. Re-conditioning Company importing Used Capital Goods under Post Tariff 8701.20, 8704, 8705, 8706, 8707, 8708, 8716 for otomotive necessity not specified in Regulation of Minister of Trade Number 75/M-DAG/PER/12/2013 must provided the documents below:

1. photocopy of Business License on Industry issued by the authorized agency based on the statutory regulation;
2. photocopy of Import Identification Number (API);
3. photocopy of Obligatory Taxpayer Identification Number (NPWP);
4. import plan of Used Capital Goods covering the total number, type, technical specification, ten digit Post Tariff/HS Number, Year of Make, Port of Loading and Port of Destination of Used Capital Goods;
5. survey result on capability of Re-conditioning Company issued by Independant Surveyor as referred to in Article 4 paragraph (1);
6. photocopy of the latest Import Control / Realization Card; and
7. proof of ownership of re-conditioning workshop.

Article 6

The Director General or Managing Director of Industry shall issue recommendation or reject application for recommendation within at the latest five (5) working days as of receipt of the complete and correct application referred to in Article 5.

Article 7

The Directorate of Industrial Management shall monitor and evaluate Re-conditioning Company andor Re-manufacturing Company or the Company constituting Direct User that obtained recommendation.

Article 8

Further specification on technical guideline for evaluation of capability for re-conditioning and capability for re-manufacturing as referred to in Article 4 paragraph (1) shall be governed in Regulation of Director General.

Article 9

This Regulation of the Minister takes effect on the date it is enacted and expires dated December 31, 2016.

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

Stipulated in Jakarta

Dated February 13, 2014

MINISTER OF INDUSTRY

OF THE REPUBLIC INDONESIA,

sgd .

MOHAMAD S. HIDAYAT

Enacted in Jakarta

Dated February 17, 2013

MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

sgd.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

YEAR 2014 NUMBER 228

(MA)

THE FIFTEENTH ROUND OF AMENDMENT TO DECREE OF THE FINANCE MINISTER NO. 89/KMK.04/2002 ON THE PROCEDURE OF GRANTING CUSTOMS DUTY AND EXCISE EXEMPTIONS TO THE IMPORT OF GOODS IN THE INTERESTS OF INTERNATIONAL BODIES AND THEIR OFFICIALS ASSIGNED IN INDONESIA

(Regulation of the Finance Minister of the Republic of Indonesia No. 68/PMK.011/2014, dated April 22, 2014)

BY THE GRACE OF GOD ALMIGHTY

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

Considering :

a. that provisions on the granting of customs duty and excise exemptions to the import of goods in the interests of international bodies and their officials assigned in Indonesia have been provided for in Decree of the Finance Minister No. 89/KMK.04/2002 on the Procedure of Granting Customs Duty and Excise Exemptions to the Import of Goods in the Interests of International Bodies and Their Officials Assigned in Indonesia as already several times amended the latest by Regulation of the Finance Minister No. 123/PMK.04/2011;

b. that based on Presidential Decree No. 51/1969 on the Endorsement of Convention On The Privileges And Immunities Of The United Nations, 1946; Convention On The Privileges And Immunities On The Specialized Agencies, 1974; Agreement On The Privileges And Immunities Of The International Atomic Energy Agencies, 1959, the Government of the Republic of Indonesia has ratified Convention On The Privileges And Immunities Of The United Nations, 1946; Convention On The Privileges And Immunities On The Specialized Agencies, 1974; Agreement On The Privileges And Immunities Of The International Atomic Energy Agencies, 1959;

c. that based on Presidential Decree No. 5/1975 on Endorsing Agreement Establishing The Islamic Development Bank in Jeddah, the Government of the Republic of Indonesia has ratified Agreement Establishing The Islamic Development Bank;

d. that based on Presidential Decree No. 75/2002 on the Endorsement of Agreement Establishing The Islamic

Corporation For The Development Of The Private Sector, the Government of the Republic of Indonesia has ratified Agreement Establishing The Islamic Corporation For The Development Of The Private Sector;

e. that based on letter of the Head of Foreign Technical Cooperation on behalf of the Secretary of the Ministry/State Secretariat No.: B-15625/Kemsetneg/Setmen/KTLN/KL.05/08/2012 dated August 27, 2012, the State Secretariat has recommended the inclusion of Islamic Development Bank (IDB) and Islamic Corporation for Development (ICD) in the list of international bodies receiving customs duty exemptions within the framework of import;

f. that based on Letter of the Head of Foreign Technical Cooperation Bureau on behalf of the Secretary of the Ministry/State Secretariat No. B-22325/Kemsetneg/Setmen/KTLN/KL.05/11/2012 dated November 2, 2012, the State Secretariat has recommended the inclusion of United Nations Office for REDD+ Coordination in Indonesia (UNORCID) in the list of international bodies receiving customs duty exemption facilities within the framework of import;

g. that based on the results of a research conducted by the Directorate General of Customs and Excise, the international bodies proposed by the State Secretariat as referred to in letters e and f, have met qualifications to receive customs duty exemptions according to provisions in the customs sector;

h. that based on the considerations as referred to in letters a, b, c, d, e, f, and g, it is necessary to stipulate Regulation of the Finance Minister on the Fifteenth Round of Amendment to Decree of the Finance Minister No. 89/KMK.04/2002 on the Procedure of Granting Customs Duty and Excise Exemptions to the Import of Goods in the Interests of International Bodies and their Officials Assigned in Indonesia;

In view of :

Decree of the Finance Minister No. 89/KMK.04/2002 on the Procedure of Granting Customs Duty and Excise Exemptions to the Import of Goods in the Interests of International Bodies and their Officials Assigned in Indonesia as already several times amended the latest by Regulation of the Finance Minister No. 123/PMK.04/2011;

DECIDES :

To stipulate :

REGULATION OF THE FINANCE MINISTER ON THE FIFTEENTH ROUND OF AMENDMENT TO DECREE OF THE FINANCE MINISTER NO. 89/KMK.04/2002 ON THE PROCEDURE OF GRANTING CUSTOMS DUTY AND

EXCISE EXEMPTIONS TO THE IMPORT OF GOODS IN THE INTERESTS OF INTERNATIONAL BODIES AND THEIR OFFICIALS ASSIGNED IN INDONESIA.

Article I

1 (one) point, namely point 9 is added to Roman figure I and 2 (two) points, namely point 14 and point 15 are added to Roman figure III in Attachment I to Decree of the Finance Minister No. 89/KMK.04/2002 on the Procedure of Granting Customs Duty and Excise Exemptions to the Import of Goods in the Interests of International Bodies and their Officials Assigned in Indonesia as already several times amended by :

1. Regulation of the Finance Minister No. 201/KMK.04/2003;
2. Regulation of the Finance Minister No. 389/KMK.04/2003;
3. Regulation of the Finance Minister No. 8/KMK.04/2003;
4. Regulation of the Finance Minister No. 539/KMK.04/2003;
5. Regulation of the Finance Minister No. 01/PMK.04/2005;
6. Regulation of the Finance Minister No. 69/PMK.04/2005;
7. Regulation of the Finance Minister No. 114/PMK.04/2005;
8. Regulation of the Finance Minister No. 12/PMK.04/2006;
9. Regulation of the Finance Minister No. 25/PMK.04/2006;
10. Regulation of the Finance Minister No. 64/PMK.04/2006;
11. Regulation of the Finance Minister No. 82/PMK.04/2006;
12. Regulation of the Finance Minister No. 13/PMK.04/2009;
13. Regulation of the Finance Minister No.135/PMK.04/2010; and
14. Regulation of the Finance Minister No. 123/PMK.04/2011,

So that Roman figure I and Roman figure III in Attachment I read as follows:

I. INTERNATIONAL BODIES WITH THE FRAMEWORK OF UNITED NATIONS TECHNICAL COOPERATION :
   1. FAO (Food and Agriculture Organization)
   2. ILO (International Labour Organization)
   3. UNDP (United Nations Development Programme), meliputi:
      a. ESCAP (Economic and Social Commission for Asia and Pacific)
      b. GATT (Government Agreement on Tariffs and Trade)

c. IAEA (International Atomic Energy Agency)

d. ICAO (International Civil Aviation Organization)

e. IFAD (International Fund for Agriculture Organization)

f. IMO (International Maritime Organization)

g. ITU (International Telecommunication Union)

h. UNCHS (United Nations Center for Human Settlement)

i. UNCTAD (United Nations Conference on Trade and Development)

j. UNEP (United Nations Environment Programme)

k. UNFPA (United Nations Fund for Population Activities)

l. UNIDO (United Nations Industrial Development Organization)

m. UNV (United Nations Volunteer)

n. UPU (Universal Postal Union)

o. WFP (World Food Programme)

p. WIPO (World Intellectual Property Organization)

q. WMO (World Meteorological Organization)

r. WTO (World Tourism Organization)

4. UNESCO (United Nations Educational, Scientific, and Cultural Organization)
5. UNIC (United Nations Information Centre)
6. UNHCR (United Nations High Commissioner for Refugees)
7. UNICEF (United Nations Children's Fund)
8. WHO (World Health Organization)
9. UNORCID (United Nations Office for REDD+ Coordination in Indonesia)

III. INTERNATIONAL BODIES WITHIN THE FRAMEWORK OF MULTILATERAL TECHNICAL COOPERATION :

1. ADB (Asian Development Bank)
2. APCC (Asian and Pacific Coconut Community)
3. APT (Asia Pacific Telecommunity)
4. CIFOR (The Center of International Forestry Research)
5. European Union (Delegation of the European Commission)
6. IBRD (International Bank for Reconstruction and Development)/World Bank
7. ICRAF (The International Centre for Research and Agroforestry)

8. ICRC (The International Committee of Red Cross)
9. IFC (International Finance of Corporation)
10. IMF (International Monetary Fund)
11. IOM (International Organisation for Migration)
12. IPC (The International Pepper Community)
13. IRRI (International Rice Research Institute)
14. IDB (Islamic Development Bank)
15. ICD (Islamic Corporation for Development)

Article II

This Ministerial Regulation shall come into force as from the date of promulgation.

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

Stipulated in Jakarta
On April 22, 2014
THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,
sgd.
MUHAMAD CHATIB BASRI

Promulgated in Jakarta
On April 23, 2014
THE LAW AND HUMAN RIGHTS MINISTER OF
THE REPUBLIC OF INDONESIA,
sgd.
AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
OF 2014 NO. 534

(S)

PROCEDURE OF POSTDATED DUTY STAMPING
(Regulation of the Finance Minister of the Republic of Indonesia No. 70/PMK.03/2014, dated April 25, 2014)

BY THE GRACE OF GOD ALMIGHTY

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

Considering :

a. that provisions on the payment of stamp duty through postdated duty stamping have been provided for in Decree of the Finance Minister No. 476/KMK.03/2002 on the Payment of Stamp Duty through Postdated Duty Stamping;

b. that to improve legal certainty, administrative services, supervision and to implement provisions in Article 10 of Law No. 13/1985 on Stamp Duty, it is necessary to revise the procedure of postdated duty stamping;

c. that based on the considerations as referred to in letters a and b, it is necessary to stipulate Regulation of the Finance Minister on Procedure of Postdated Duty Stamping;

In view of :

1. Law No. 6/1983 on General Provisions and Taxation Procedures (Statute Book of 1983 No. 49, Supplement to Statute Book No. 3262) as already several times amended the latest by Law No. 16/2009 (Statute Book of 2009 No. 62, Supplement to Statute Book No. 4999);
2. Law No. 13/1985 on Stamp Duty (Statute Book of 1985 No. 69, Supplement to Statute Book No. 3313);
3. Government Regulation No. 5/1995 on the Transformation of Post and Giro Public Service Company (Perum) into Limited Liability Company (Persero) (Statute Book of 1995 No. 11);
4. Government Regulation No. 24/2000 on A Change In the Tariffs of Stamp Duty and the Ceiling of Nominal Value Subjected to Stamp Duty (Statute Book of 2000 No. 51, Supplement to Statute Book No. 3950);
5. Presidential Regulation No. 24/2010 on the Position, Task and Function of State Ministry and the Organizational Structure, Task and Function of Echelon I Officials of State Ministry as already several times amended the latest by Presidential Regulation No. 56/2013;

DECIDES:

To stipulate :

REGULATION OF THE FINANCE MINISTER ON THE PROCEDURE OF POSTDATED DUTY STAMPING.

Article 1

Referred to in this Ministerial Regulation as :

1. Law on General Provisions and Taxation Procedures, hereinafter called KUP Law, is Law No. 6/1983 on General Provisions and Taxation Procedures as already several times amended the latest by Law No. 16/2009.
2. Stamp Duty Law is Law No. 13/1985 on Stamp Duty.
3. Document is a paper containing writing having meaning and purpose on act, condition or fact for an interested person and/or parties.
4. Post official is the official of PT. Pos Indonesia (Persero) assigned to serve demand for postdated duty stamp.
5. Postdated duty stamping is the settlement of stamp duty by post official at the request of document holder whose stamp duty has not been settled as expected.
6. Document holder is a party that owes stamp duty as referred to in Article 6 of the Stamp Duty Law.
7. Document issuer is the party issuing documents constituting the object of stamp duty as referred to in Article 2 of the Stamp Duty Law.
8. Tax Service Office for Document Owners, hereinafter called KPP for Document Owners, is a Tax Service Office where document owners are registered as taxpayers.
9. Tax Service Office for Document Issuers, hereinafter called KPP for Document Issuers, is a Tax Service Office where document issuers are registered as taxpayers.
10. Tax Service Office for Foreign Document Users, hereinafter called KPP for Foreign Document Users, is a Tax Service Office where parties who will use foreign documents made in Indonesia are registered as taxpayers.
11. Tax Payment Form (SSP) is evidence of tax payment made using a form or done through other method to the State Treasury through the place of payment appointed by the Finance Minister.
12. State Receipt Transaction Number (NTPN) is a number of receipt transaction issued through State Receipt Module.

Article 2

Postdated duty stamping is done to :

a. Documents which will be used as a means of authentication before the court

b. Documents whose stamp duty is not paid or is underpaid as expected; and/or

c. Documents which is made abroad and will be used in Indonesia.

Article 3

(1) The postdated duty stamping as referred to in Article 2 is done by document holder.

(2) The document holder as referred to in paragraph (1) is :

   a. party that will use a document as a mean of authentication before court, for the document as referred to in Article 2 letter a;

   b. document owner, for the document as referred to in Article 2 letter b; or

   c. party that will use a document in Indonesia, for the document as referred to in Article 2 letter c. .

(3) postdated duty stamping shall be endorsed by post official.

(4) The endorsement by post official as referred to in paragraph (3) is done after document holder has settled stamp duty using stamp duty or tax payment form (SSP).

(5) The settlement of stamp duty through postdated duty stamping is done using stamp duty or tax payment form (SSP), while the settlement of administrative fines is done using tax payment form (SSP).

Article 4

Stamp duty that must be settled as referred to in Article 3 paragraph (5) is equal to :

a. stamp duty due according to the law and regulation prevailing at the time of postdated duty stamping, for the document as referred to in Article 2 letter a;

b. unpaid or underpaid stamp duty according to the law and regulation prevailing at the time of postdated duty stamping, plus an administrative fine of 200% (two hundred percent) of unpaid or underpaid stamp duty, for the document as referred to in Article 2 letter b;

c. stamp duty due according to the law and regulation prevailing at the time of postdated duty stamping, for the document as referred to in Article 2 letter c if postdated duty stamping is done before the document is used in Indonesia;

d. Stamp duty due according to the law and regulation prevailing at the time of postdated duty stamping, plus an administrative fine of 200% (two hundred percent) of underpaid stamp duty, for the document as referred to in Article 2 letter c if postdated duty stamping is done after the document is used in Indonesia.

Article 5

(1) The settlement of stamp duty done using stamp duty and the settlement of fines as referred to in Article 3 paragraph (5) is done on condition:

a. document holder settles stamp duty by sticking stamp duty as much as unpaid or underpaid stamp duty in the document to which postdated duty stamping is to be done;

b. document holder shall hand over document whose stamp duty will be settled through postdated duty stamping to post official at the post office;

c. document holder shall pay fines as much as 200% (two hundred percent) of unpaid or underpaid stamp duty using a tax payment form (SSP) with a tax account code 411611 and payment code 512, in case of fines as referred to in Article 4 paragraph (2) letters b and d;

d. post official puts a stamp "TELAH DILAKUKAN PEMETERAIAN KEMUDIAN SESUAI DENGAN PERATURAN MENTERI KEUANGAN NOMOR /PMK.03/2014" , accompanied by name, NIPPOS, and signature of the relevant post official, in the document having stamp duty and tax payment form (SSP) bearing state receipt state receipt transaction number (NTPN).

(2) The settlement of stamp duty done using tax payment form (SSP), along with the settlement of fines as referred to in Article 3 paragraph (5) is done on condition:

a. document holder makes and submits a list of documents to which postdated duty stamping is to be done, to the post official at the post office;

b. document holder settles unpaid or underpaid stamp duty based on the list of documents as referred to in letter a using tax payment form (SSP) with tax account code 411611 and payment code 100;

c. document holder pays a fine of 200% (two hundred percent) of unpaid or underpaid stamp duty using tax payment form (SSP) with tax account code 411611 and payment code 512, in case of fines as referred to in Article 4 letters b and d;

d. post official puts a stamp "TELAH DILAKUKAN PEMETERAIAN KEMUDIAN SESUAI DENGAN PERATURAN MENTERI KEUANGAN NOMOR /PMK.03/2014" along with name, NIPPOS, and signature of the post official, on the list of documents and tax payment form (SSP) already stamped with state receipt transaction number (NTPN).

Article 6

Document owner is held responsible for paying stamp duty due.

Article 7

(1) KPP for Document Owners can issue underpaid tax assessment form (SKPKB) as referred to in Article 13 paragraph (1) letter a of KUP Law to document owner to collect stamp duty that still has to be settled as referred to in Article 4 letters b and d, if the document owner does not conduct postdated duty stamping for document whose stamp duty is not paid or is underpaid.

(2) The amount of stamp duty set with underpaid tax assessment form (SKPKB) as referred to in paragraph (1) is equal to that of unpaid or underpaid stamp duty, plus an administrative fine of 200% (two hundred percent) of unpaid or underpaid stamp duty.

(3) Document owner pays stamp duty as set in the underpaid tax assessment form (SKPKB) to the State Treasury using tax payment form (SSP) with tax account code 411611 and payment code 310.

(4) KPP for Document Owners can issue tax collection form (STP) as referred to in Article 14 paragraph (1) letter c of KUP Law, if document owner has settled unpaid or underpaid stamp duty but has not settled administrative fines as expected.

(5) The administrative fine collected with the tax collection form (STP) as referred to in paragraph (3) is equal to 200% (two hundred percent) of unpaid or underpaid stamp duty.

(6) Document owner pays the administrative fine collected in the tax collection form (STP) as referred to in paragraph (5) to the State Treasury using tax payment form (SSP) with tax account code 411611 and payment code 300.

Article 8

(1) Exception to provisions as referred to in Article 6, if document whose stamp duty is unpaid or underpaid, is the document issued by document issuer responsible for settling unpaid or underpaid stamp duty is document issuer.

(2) If the Head of Tax Service Office finds document issued by document issuer whose stamp duty is not paid or is underpaid as referred to in paragraph (1), the Head of Tax Service Office shall issue notification to the Head of KPP for Document Issuers to take a follow-up action according to the taxation law and regulation.

Article 9

(1) KPP for Document Issuers can issue underpaid tax assessment form (SKPKB) as referred to in Article 13 paragraph (1) letter a of the KUP Law if :

a. document issuer does not take responsibility for the settlement of stamp duty as referred to in Article 8 paragraph (1); and/or

b. document issuer conducts duty stamping through other way based on ministerial decree on the settlement of stamp duty using other way for a number of documents exceeding the payment of stamp duty in advance (deposit).

(2) The amount of stamp duty set with underpaid tax assessment form (SKPKB) as referred to in paragraph (1) is equal to that of unpaid or underpaid stamp duty, plus administrative fines as much as 200% (two hundred percent) of unpaid or underpaid stamp duty.

(3) KPP for Document Issuers can issue tax collection form (STP) as referred to in Article 14 paragraph (1) letter c of KUP Law, if document issuer has settled unpaid or underpaid stamp duty but has not settled administrative fines as expected.

(4) Administrative fine due in tax collection form (STP) as referred to in paragraph (3) amounts to 200% (two hundred percent) of unpaid or underpaid stamp duty.

(5) Document issuer pays the amount of stamp duty set with underpaid tax assessment form (SKPKB) as referred to in paragraph (2) to the State Treasury using tax payment form (SSP) with tax account code 411611 and payment code 310.

(6) Document issuers pays fine due with tax collection form (STP) as referred to in paragraph (4) to the State Treasury using tax payment form (SSP) with tax account code 411611 and payment code 300.

Article 10

(1) The Head of KPP for Foreign Document Users can issue underpaid tax assessment form (SKPKB) as referred to in Article 13 paragraph (1) letter a of KUP Law to collect stamp duty that still has to be settled as referred to in Article 4 letter d, if the party that will use foreign document in Indonesia does not conduct postdated duty stamping for document whose stamp duty is unpaid or underpaid.

(2) The amount of stamp duty set with underpaid tax assessment form (SKPKB) as referred to in paragraph (1) is equal to that of unpaid or underpaid stamp duty, plus a fine of 200% (two hundred percent) of unpaid or underpaid stamp duty.

(3) Party that will use foreign document in Indonesia settles stamp duty as set in the underpaid tax assessment

form (SKPKB) to the State Treasury using tax payment form (SSP) with tax account code 411611 and payment code 310.

(4) The Head of KPP for Foreign Document Users can issue tax collection form (STP) as referred to in Article 14 paragraph (1) letter c of KUP Law, if the party that will use foreign document in Indonesia has settled unpaid or underpaid stamp duty, but has not paid fine as expected,

(5) Fine collected with tax collection form (STP) as referred to in paragraph (4) is equal to 200% (two hundred percent) of unpaid or underpaid stamp duty.

(6) The party that will use foreign document in Indonesia pays fines collected in the tax collection form (STP) as referred to in paragraph (5) to the State Treasury using tax payment form (SSP) with tax account code 411611 and payment code 300.

Article 11

(1) Document whose stamp duty is set with underpaid tax assessment form (SKPKB) or collected with tax collection form (STP), is considered to have undergone postdated duty stamping if the underpaid tax assessment form (SKPKB) or tax collection form (STP) has been paid to the State Treasury using tax payment form (SSP) already stamped with state receipt transaction number (NTPN), and has been endorsed by post official.

(2) The settlement of stamp duty done using tax payment form (SSP) and the settlement of fines as referred to in paragraph (1) is done on condition :

   a. document holder submits a document and/or a list of documents to be endorsed by post official at the post office by enclosing the original of underpaid tax assessment form (SKPKB) or tax collection form (STP) and the original of the first sheet of tax payment form (SSP) already stamped with state receipt transaction number (NTPN);

   b. Post official checks whether the amount of stamp duty set with underpaid tax assessment form (SKPKB) or collected with tax collection form (STP) matches the payment value in tax payment form (SSP) already stamped with state receipt transaction number (NTPN), and tax account code and payment code;

   c. If they match, post official puts stamp "TELAH DILAKUKAN PEMETERAIAN KEMUDIAN SESUAI DENGAN PERATURAN MENTERI KEUANGAN NOMOR /PMK.03/2014" along with name, NIPPOS, and signature of the post official, on the document, underpaid tax assessment form (SKPKB) or tax collection form (STP), and tax payment form (SSP) already stamped with state receipt transaction number (NTPN).

Article 12

Stamp format as referred to in Article 5 paragraph (1) letter d, paragraph (2) letter d, and Article 11 paragraph (2) letter c is contained in the attachment which is an integral part of this Ministerial Regulation.

Article 13

When this Ministerial Regulation begins to take effect, Decree of the Finance Minister No. 476/ KMK.03/2002 on the Settlement of Stamp Duty through Postdated Duty Stamping shall be revoked and declared null and void. .

Article 14

This Ministerial Regulation shall come into force as from the date of promulgation.

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

Stipulated in Jakarta

On April 25, l 2014

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

MUHAMAD CHATIB BASRI

Promulgated in Jakarta

On April 25, 2014

THE LAW AND HUMAN RIGHTS MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

OF 2014 NO. 568

ATTACHMENT

STAMP FORMAT

POSTDATED DUTY STAMPING HAS BEEN DONE ACCORDING TO REGULATION OF THE FINANCE MINISTER NO. /PMK.03/

Date of Payment	: ....
SKPKB/STP No. (if any)	: ....
Name	: ....
NIPPOS	: ....
Signature	: ....

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

MUHAMAD CHATIB BASRI

(S)

AMENDMENT TO REGULATION OF THE FINANCE MINISTER NO. 202/PMK.07/2013 ON THE ESTIMATE OF ALLOCATION OF TAX SHARING FUND IN THE BUDGET YEAR 2014

(Regulation of the Finance Minister of the Republic of Indonesia No. 77/PMK.07/2014, dated April 29, 2014)

BY THE GRACE OF GOD ALMIGHTY

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

Considering :

a. that to implement provisions in Article 9 of Government Regulation No. 55/2005 on Balanced Fund, Regulation of the Finance Minister No.202/PMK.07/2013 on the Estimate of Allocation of Tax Sharing Fund for the Budget Year 2014 which among others deals with the estimate of allocation of land and building tax sharing fund for the budget year 2014 has been stipulated;

b. that in line with the planned receipt of land and building tax for the budget year 2014, it is necessary to alter the estimate of allocation of land and building tax sharing fund for the budget year 2014;

c. that based on the considerations as referred to in letters a and b, it is necessary to stipulate Regulation of the Finance Minister on Amendment to Regulation of the Finance Minister No. 202/PMK.07/2013 on the Estimate of Allocation of Tax Sharing Fund for the Budget Year 2014;

In view of :

Regulation of the Finance Minister No. 202/PMK.07/2013 on the Estimate of Allocation of Tax Sharing Fund for the Budget Year 2014;

DECIDES:

To stipulate :

REGULATION OF THE FINANCE MINISTER ON AMENDMENT TI REGULATION OF THE FINANCE MINISTER NO. 202/PMK.07/2013 ON THE ESTIMATE OF ALLOCATION OF TAX SHARING FUND FOR THE BUDGET YEAR 2014.

Article I

Provisions in Article 5 of Regulation of the Finance Minister No. 202/PMK.07/2013 on the Estimate of Allocation of Tax Sharing Fund of the Budget Year 2014 shall be amended so that the article reads as follows:

Article 5

(1) The estimate of allocation of land and building tax sharing fund (DBH PBB) for the budget year 2014 is Rp14,401,535,304,056.00 (fourteen trillion, four hundred and one billion, five hundred and thirty five million, three hundred and four thousand, fifty six) , with the following breakdown:
  a. Portion of the Central Government distributed among all regencies/municipalities amounting to Rp1,036,900,061,398.00 (one trillion, thirty six billion, nine hundred million, sixty one thousand, three hundred and ninty eight rupiah);
  b. Portion of provinces and regencies/municipalities amounting to Rp12,921,370,000,696.00 (twelve trillion, nine hundred and twenty one billion, three hundred and seventy million, six hundred ninty sixrupiah);
  c. Portion of land and building tax collection fees of provinces and regencies/municipalities amounting to Rp443,265,241,962.00 (four hundred and forty three billion, two hundred and sixty five million, two hundred and forty one thousand, nine hundred and sixty two rupiah).

(2) The breakdown of the estimate of allocation of DBH PBB of the Central Government's portion distributed among regencies/municipalities is contained in Attachment I which is an integral part of this Ministerial Regulation.

(3) The breakdown of the estimate of allocation of DBH PBB of provinces' and regencies'/municipalities' portion is contained in Attachment II which is an integral part of this Ministerial Regulation. .

(4) The breakdown of the estimate of allocation of PBB collection fees of provinces' and regencies'/municipalities' portion is contain in Attachment III which is an integral part of this Ministerial Regulation.

(5) The estimste of allocation of DBH PBB of provinces' and regencies'/municipalities' portion and the estimate of allocation of PBB collection fees of provinces' and regencies'/municipalities' portion as referred to in paragraphs (3) and (4) are broken down according to the plantation, forestry, oil and gas mining, geothermal mining, and other non-oil and gas mining sectors.

Article II

This Ministerial Regulation shall come into force as from the date of promulgation.

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

Stipulated in Jakarta

On April 29, I 2014

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

MUHAMAD CHATIB BASRI

Promulgated in Jakarta

On April 29, 2014

THE LAW AND HUMAN RIGHTS MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

OF 2014 NO. 577

Editor's Notes :

- Attachments are not carried for technical reason.

(S)

INCOME TAX FACILITIES FOR CAPITAL INVESTMENT IN SPECIFIED BUSINESS LICENSES AND/OR CERTAIN REGIONS

(Government Regulation Number 18 Year 2015, dated April 6, 2015)

[Continued from Business News No. 8760 page 44-48]

51.	Textile machine industry	28263	The whole scope of product coming into this KBLIi.	Executing the transfer of technology i.
52.	Industry of machine for other special purpose not classified elsewhere	28299	*Injection Moulding Machine.*	
53.	MOTORIZED VHEICLE, TRAILER AND SEMI-TRAILER INDUSTRY Industry of motorized vehicle having four wheel or more	29100	Public transport with capacity above 42 persons and/or truck.	
54.	Assembly industry of motorized vehicle having four wheels or more and trailer and semi trailer industry	29200	The group covers the manufacturing of parts of vehicle or assemble of motorized vehicle, such as truck body, bus body, pick up body, body for passenger vehicle and motorized vehicle for special use, such as container, *caravan and* tanker, including the manufacturing of trailer, semi trailer and parts thereof.	

55.	Industry of spare parts and accessories of motorized vehicle having four wheels or more	29300	- *Engine* and *engine part* (the whole engine completely, including components thereof such as carburator and parts thereof, *cylinder block, cylinder liner, cylinder head, and head cover, piston, ring piston,* and *crank case, crank shaft, connecting rod and others*) - *Brake system, axle & propeller sharft, transmission/clutch system, steering system* - *Injector, water pump, oil pump, fuel pump* - *Forging component, die casting component, stamping part*	
	OTHER TRANSPORT INDUSTRY			
56.	Ship and boat industry	30111	Manufacturing or assemble of commercial ships and boat, made of steel , *fibre glass, wood or ferro cement, motorized or not*, such as passenger ship, ferry, cargo ship, tanker ship, tug boat, sailing boat for commercial, war ship, ship for research, fishing ship and ship for fish processing factory.	
57.	Industry of equipment, appliance and parts of ship	30113	The group covers the manufacturing of appliance, equipment and parts of ship, such as: side appliance, work accommodation of deck machine, steering machine, propeller, ship chain, anchor and loading and unloading tool.	
58.	Industry of component and appliance of two and three-wheel motorized vehicle	30912	- *Engine and engine part* - *Die casting component, brake system* - *Transmission system*	

59.	MACHINE AND EQUIPMENT REPAIRING AND INSTALLING SERVICE Ship, boat and floating structure repairing service	33151	Repairing and maintenance service for transport in category 301, such as repairing and maintenance service for ship, boat, cruise or boat for recreational and sport purpose and the like, including repairing, maintenance and modification service for offshore structure	
60.	PROVISION OF ELECTRICITY, GAS, STEAM/HOT WATER AND COOL AIR Power plant	35101	Conversion of new energy power (hydrogen, CBM, liquefied coal or gasified coal) and renewable energy (hydro power and water fall; solar energy, wind or sea current) into electricity.	
61.	Provision of natural and man-made gas	35201	- Re-gasification of LNG to become gas by using *Floating Storage Regasification Unit* (FSRU). - *Coalbed Methane* (Non PSC)/coal bed methane, *shale gas, tight gas sand and methane hydrate.*	
62.	WATER SUPPLY Collection, purification and distribution of drinking water	36001	The group covers the intake of drinking water directly from water spring and groundwater as well as purification of surface water from water source and distribution of water directly through pipe network from water terminal, water tanker (as long as the tanker remains in the same administrative management of the drinking water company) to be sold to consumers or customers.	Serving low income communities (MBR).

63 LAND TRANSPORT
to be continued

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