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Title: THE ACCELERATION OF DEVELOPMENT OF ELECTRICITY
INFRASTRUCTURE

BY THE GRACE OF THE ONE GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. whereas in the framework of increasing the fulfilment of need for electricity for the people in an equitable and evenly distributed manner as well as to stimulate economic growth, it is necessary to accelerate the development of electricity infrastructure including the construction of 35.000 MW power plants and 46.000 km transmission network by prioritizing the use of new and renewable energy in order to support the reduction of greenhouse gas emission;
- b. whereas in the framework of development of electricity infrastructure as referred to in letter a, the Central Government assigns PT PLN (Persero) by way of giving support in form of guarantee, acceleration of Licenses and Non-Licenses, providing primary energy, spatial layout, land and solving existing obstacles and problems, and legal problems;
- c. whereas based on the consideration as referred to in letter a and letter b, it is necessary to stipulate a Presidential Regulation regarding the Acceleration of Development of Electricity Infrastructure;

In view of:

1. Article 4 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number [19 Year 2003](#) regarding State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297);
3. Law Number [30 Year 2009](#) regarding Electricity (State Gazette of the Republic of Indonesia Year 2009 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5052);
4. Government Regulation No. [14/2012](#) regarding Electricity Supply Business Activities (State Gazette of the Republic of Indonesia Year 2012 Number 28, Supplement to the State Gazette of the Republic of Indonesia Number 5281) as amended by Government Regulation Number [23 Year 2014](#) regarding the Amendment to Government Regulation Number 14 Year 2012 concerning Electricity Supply Business Activities (State Gazette of the Republic of Indonesia

Year 2014 Number 75, Supplement to the State Gazette of the Republic of Indonesia Number 5530);

5. Government Regulation Number [79 Year 2014](#) regarding the National Energy Policy (State Gazette of the Republic of Indonesia Year 2014 Number 300, Supplement to the State Gazette of the Republic of Indonesia Number 5609);

HAS DECIDED:

To stipulate: PRESIDENTIAL REGULATION CONCERNING THE ACCELERATION OF DEVELOPMENT OF ELECTRICITY INFRASTRUCTURE.

CHAPTER I GENERAL PROVIIONS

Article 1

Referred to in this Presidential Regulation as:

1. Electricity Infrastructure shall be anything related to electricity power plant, electricity transmission, electricity distribution, substations, and other supporting facilities.
2. Development of Electricity Infrastructure hereinafter abbreviated to PIK shall be the activities of planning, procurement, and implementation in the framework of provision of Electricity Infrastructure.
3. PT Perusahaan Listrik Negara (Persero) hereinafter referred to as PT PLN (Persero) shall be a Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara.
4. Licenses shall be any forms of approval issued by the Central Government and Regional Governments which have authority in accordance with the provision of laws and regulations.
5. Non-licenses shall be any forms of services, fiscal facilities, data, and information in accordance with the provision of laws and regulations.
6. Central Government shall be the President of the Republic of Indonesia holding the government authority of the State of the Republic of Indonesia who is assisted by the Vice President and Ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
7. Regional Government shall be the regional head as the element of regional government administration that leads the management of government affairs which fall under the authority of the autonomous region.
8. Self-management shall be activities involving PIK the work of which is planned, undertaken /and/or controlled solely by PT PLN (Persero).
9. Power Plant Developer hereinafter abbreviated to PPL shall be a business entity engaged in electricity power supply in form of state-owned enterprise, regional-owned enterprise, cooperative, and private company which works together in

cooperation with PT PLN (Persero) through the signing of agreement of power sale and purchase/lease.

10. Primary Electricity Energy shall be a source of energy which is derived from fossil and renewable energy which are required in the production of electricity.
11. Single Window Integrated Service, hereinafter abbreviated to PTSP shall be services which are integrated in an integral part of process starting from the application stage to the stage of completion of service product through a single window.
12. Province Investment and Single Window Integrated Service Agency, hereinafter abbreviated to Province BPMPTSP shall be the organizer of PTSP at the province level.
13. Regency/Municipality Investment and Single Window Integrated Service Agency hereinafter abbreviated to Regency/Municipality Regency/Municipality BPMPTSP shall be the organizer of PTSP at the regency/municipality level.

CHAPTER II ORGANIZATION OF PIK

Part One General

Article 2

- (1) PIK shall be organized effectively, efficiently, transparently, fairly, and accountably.
- (2) PIK shall be implemented in accordance with the Electricity Power Supply Business Plan as stipulated by the minister in charge of handling government affairs in the energy and mineral resources sector.

Article 3

- (1) Central Government shall assign PT PLN (Persero) to organize PIK.
- (2) Technical guidance for the organization of PIK by PT PLN (Persero) as referred to in paragraph (1) shall be carried out by the minister in charge of handling government affairs in the energy and mineral resources sector.
- (3) The development of corporation and management of the organization of PIK by PT PLN (Persero) as referred to in paragraph (1) shall be carried out by the minister in charge of handling government affairs in the state-owned enterprises sector.

Article 4

- (1) The implementation of PIK by PT PLN (Persero) as referred to in Article 3 paragraph (1) shall be carried out through:
 - a. Self-management; and
 - b. cooperation in the electricity power supply.

(2) The implementation of PIK by PT PLN (Persero) through cooperation in the electricity power supply as referred to in paragraph (1) letter b, shall be carried out with business entities engaging in the electricity power supply, namely:

- a. a subsidiary of PT PLN (Persero); or
- b. PPL

Part Two Implementation of PIK through Self-management

Article 5

(1) Implementation of PIK through Self-management as referred to in Article 4 paragraph (1) shall be conducted in the event as follows:

- a. PT PLN (Persero) has funding capabilities for equity and low-cost funding sources;
- b. low construction risk;
- c. availability of fuel supply;
- d. a peak load bearer power plant that functions to control the reliability of operations; /and/or
- e. development of isolated systems.

(2) Implementation of PIK through Self-management shall cover:

- a. power plant; and/or
- b. transmission.

Article 6

(1) In order to improve the funding capability of PT PLN (Persero) as referred to in Article 5 paragraph (1) letter a, the Central Government shall provide support for the availability of funding through:

- a. capital participation by the state;
- b. subsidiary loan from the Government borrowing derived from abroad and/or domestic;
- c. loan granted to PT PLN (Persero) by financial institutions;
- d. granting of income tax exemption facility in the event of asset revaluation; /and/or
- e. other funds in accordance with the provision of laws and regulations.

(2) PT PLN (Persero) shall, to improve its funding capability carry out as follows:

- a. restructuring of funding through optimization of financial assets of PT PLN (Persero);

- b. hedging in accordance with the risk exposure profile of liabilities of PT PLN (Persero) which are denominated in foreign currency;
- c. refinancing; and/or
- d. utilization of the company's operating profit by reducing the dividend payout ratio to a minimum.

Article 7

- (1) In the framework of execution of loan by PT PLN (Persero) as referred to in Article 6 paragraph (1) letter c, the Central Government shall provide Sovereign bond for the payment obligation of PT PLN (Persero).
- (2) The Sovereign bond as referred to in paragraph (1) shall constitute full guarantee for the payment obligation of PT PLN (Persero) to the lender.
- (3) Request for Sovereign bond as referred to in paragraph (1) shall be submitted by the President Director of PT PLN (Persero) to the Minister in charge of handling government affairs in the state finance sector.
- (4) With regard to the request for Sovereign bond as referred to in paragraph (3), the minister in charge of handling government affairs in the state finance sector shall grant a principle approval within 25 (twenty five) working days as from the receipt of application which is declared complete.
- (5) Further provisions concerning the management of the granting of Sovereign bond as referred to in paragraph (1) shall be regulated by the minister in charge of handling government affairs in the state finance sector.

Article 8

In the framework of loan of PT PLN (Persero) from financial institution as referred to in Article 6 paragraph (1) letter c in the form of loans from banks which are state owned enterprises, the minister in charge of handling government affairs in the field of state-owned enterprises may facilitate the formation of bank syndication.

Part Three

Implementation of PIK through Cooperation in Electricity Power Supply with the Subsidiary of PT PLN (Persero)

Article 9

- (1) The implementation of PIK through cooperation in electricity power supply with the subsidiary of PT PLN (Persero) as referred to in Article 4 paragraph (2) letter a shall be conducted in the event of cooperation between PT PLN (Persero) and a foreign state-owned enterprise.
- (2) Cooperation with a foreign state-owned enterprise as referred to in paragraph (1) shall be conducted in the event that the foreign state-owned enterprise has a strategic value for PT PLN (Persero) in PIK, which covers among others:
 - a. provision of funding required by PT PLN (Persero); /and/or

b. availability of energy to be used by PT PLN (Persero) in PIK.

- (3) The subsidiary of PT PLN (Persero) as referred to in paragraph (1) shall be the subsidiary of PT PLN (Persero) which at least 51% (fifty one percent) of its shares are owned by PT PLN (Persero), either directly /and/or through other subsidiary of PT PLN (Persero).

Article 10

- (1) Implementation of PIK through cooperation in electricity power supply with a subsidiary of PT PLN (Persero) shall qualify to receive Sovereign bond.
- (2) Sovereign bond as referred to in paragraph (1) shall constitute as guarantee for the business feasibility of PT PLN (Persero) on its financial obligations under a power sale and purchase agreement.
- (3) Request for Sovereign bond as referred to in paragraph (1) shall be submitted by the President Director of PT PLN (Persero) to the minister in charge of handling government affairs in the state finance sector.
- (4) The request for Sovereign bond as referred to in paragraph (3) shall be submitted prior to the procurement process of the relevant PIK .
- (5) With respect to the request for sovereign bond as referred to in paragraph (3), the minister in charge of handling government affairs in state finance sector shall grant a principle approval within a period of 25 (twenty five) working days from the receipt of application which is declared complete.
- (6) Further provisions concerning the management of the granting of Sovereign bonds as referred to in paragraph (1) shall be regulated by the minister in charge of handling government affairs in the state finance sector.

Part Four

Implementation of PIK through Cooperation of Electricity Supply with PPL

Article 11

The Implementation of PIK through Cooperation in Electricity Power Supply with PPL As referred to in Article 4 paragraph (2) letter b shall be carried out in the event as follows:

- a. significant funding is required;
- b. considerable construction risk is present, especially for new locations requiring land acquisition process;
- c. high risk of fuel supply or no certainty as to gas supply /and/or its infrastructure;
- d. power plant from new and renewable energy source;
- e. expansion of the existing PPL plant; /and/or
- f. there are several PPL that wish to develop power plants in certain area.

Article12

- (1) Implementation of PIK through cooperation in electricity power supply from PPL shall qualify for sovereign bond.
- (2) Sovereign bond as referred to in paragraph (1) shall constitute guarantee for the business feasibility of PT PLN (Persero) on its financial obligations under power sale and purchase agreement.
- (3) The request for Sovereign bond as referred to in paragraph (1) shall be submitted by the President Director of PT PLN (Persero) to the minister in charge of handling government affairs in the state finance sector.
- (4) The request for sovereign bond as referred to in paragraph (3) shall be submitted before the procurement process of the relevant PIK
- (5) With respect to the request for sovereign bond as referred to in paragraph (3), the minister in charge of handling government affairs in the state finances sector shall grant principle approval within a period of 25 (twenty five) working days as from the receipt of application which is declared complete.
- (6) Further provisions concerning the management of the granting of Sovereign bond as referred to in paragraph (1) shall be governed by the minister in charge of handling government affairs in the state finance sector.

CHAPTER III PROVISION OF ELECTRICITY PRIMARY ENERGY AND USE OF NEW AND RENEWABLE ENERGY

Article 13

In order to accelerate the implementation of PIK, the minister in charge of handling government affairs in the energy and mineral resources sector shall:

- a. give priority to the allocation of sources of Primary Electricity Energy for the operation of PIK; and
- b. stipulate the selling price of Primary Electricity Energy for the operation of electric power generation.

Article 14

- (1) The implementation of PIK shall be conducted by prioritizing the utilization of new and renewable energy in order to achieve the targeted proportion of new and renewable energy in energy diffusion in accordance with the provision of laws and regulations in the energy sector.
- (2) In the framework of the utilization of new and renewable energy as referred to in paragraph (1), the Central Government /and/or Regional Government may provide support in the form of:
 - a. fiscal incentive;
 - b. ease of Licenses and Non-Licenses;
 - c. determination of purchase price of electricity from each type of new and renewable energy sources;

- d. establishment of a separate business entity for the purpose of electricity power supply for sale to PT PLN (Persero); /and/or
 - e. subsidies.
- (3) The provision of support by the Central Government /and/or Regional Government as referred to in paragraph (2) shall be conducted with due regard of the feasibility and economies of PIK.

CHAPTER IV USE OF DOMESTIC GOODS/SERVICES

Article 15

- (1) The implementation of PIK shall give priority to the use of domestic goods/services while maintaining the level of availability, the best interests of PT PLN (Persero) business /and/or technical and financial feasibility.
- (2) The use of domestic goods/services as referred to in paragraph (1) shall be carried out through:
- a. application of *open book system*;
 - b. price preference; or
 - c. *reverse engineering*.
- (3) The use of domestic goods/services as referred to in paragraph (2) shall comply with the provision of laws and regulations.

Article 16

- (1) In order to increase the use of domestic goods/services, PT PLN (Persero), the subsidiary of PT PLN (Persero), /and/or PPL may cooperate with foreign business entities that are committed to the development of equipment and components of electricity, national human resources, and transfer of technology as required in the implementation of PIK.
- (2) The development of electrical equipment and components as intended in paragraph (1) shall be conducted domestically.
- (3) The implementation of cooperation as referred to in paragraph (1) shall use the bilateral cooperation scheme.

Article 17

In order to increase the use of domestic goods/services, the minister in charge of handling government affairs in the sector of industry shall stipulation the standard specification and standard price of electricity infrastructure component produced domestically.

CHAPTER V LICENSES AND NON-LICENSES

Article 18

The minister/head of institution, governor, and regent/mayor shall provide the Licenses and Non-Licenses required for the purpose of the implementation of PIK.

Article 19

- (1) PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall propose the settlement of Licenses and Non-Licenses required to initiate the implementation of PIK to the Central PTSP at the Capital Investment Coordinating Board.
- (2) Licenses and Non-Licenses as referred to in paragraph (1) required to initiate the implementation of PIK which are submitted to the Central PTSP shall be:
 - a. electric power supply business license;
 - b. designation of location;
 - c. environmental license;
 - d. forest area borrow and use permit; /and/or
 - e. building construction permit.
- (3) Chairman of Capital Investment Coordinating Board shall issue the Licenses and Non-Licenses as referred to in paragraph (2) which have been delegated or mandated by the minister or head of institution to the Chairman of the Capital Investment Coordinating Board by no later than 3 (three) working days as from the receipt of the complete and correct Licenses document except such period is regulated in law or government regulation.
- (4) With regard to the Licenses and Non-Licenses as referred to in paragraph (2) which fall under the authority of the minister or the head of institution and have not been delegated to the Chairman of Capital Investment Coordinating Board, the Central PTSP shall submit the settlement of such Licenses and Non-Licenses to the minister or head of institution.
- (5) With regard to the Licenses and Non-Licenses as referred to in paragraph (2) that fall under the authority of Regional Government, the Chairman of Capital Investment Coordinating Board through the Central PTSP shall submit the settlement of Licenses and Non-Licenses to the governor through the Province BPMPTSP or regent/mayor through Regency/Municipal Regency/Municipality BPMPTSP.
- (6) The Minister, head of institution, governor, /and/or regent/ mayor shall provide the necessary recommendations in the granting of Licenses and Non-Licenses as referred to in paragraph (2) no later than 5 (five) working days as from the receipt of the complete and correct Licenses document.
- (7) The Central PTSP shall settle Licenses and Non-Licenses as referred to in paragraph (2) no later than 5 (five) working days as from the complete and correct submission to the Central PTSP.
- (8) In case that the application for the settlement of Licenses and Non-Licenses as referred to in paragraph (2) is incomplete and incorrect, Central PTSP shall

return the application of principle license to PT PLN (Persero), the subsidiary of PT PLN (Persero) or PPL not later than 3 (three) workings as of its acceptance.

- (9) Time for the settlement of Licenses and Non-Licenses as referred to in paragraph (7) shall be exempted for:
- a. environmental license which will be completed within 60 (sixty) working days, at the latest;
 - b. forest area borrow and use permit, within a maximum period of 30 (thirty) working days;
 - c. Non-licenses for tax facility (Income Tax and/or Value Added Tax), within a maximum period of 28 (twenty eight) working days; or

which will be governed in law and/or government regulation.

Article 20

- (1) The Minister/head of institution, governor and regent/mayor shall stipulate Licenses and Non-Licenses that would not harm the environment namely Licenses and Non-Licenses in the form of checklist for the compliance of requirements in accordance with their authority.
- (2) Licenses and Non- Licenses granted in form of checklist for the compliance of requirements as referred to in paragraph (1), shall at least apply to:
 - a. building construction permit;
 - b. disturbance permit; and
 - c. approval of building construction technical plan.
- (3) Licenses and Non-Licenses in form of checklist as referred to in paragraph (1), shall contain a list of technical requirements that must be fulfilled independently and the commitment of the applicant of Licenses and Non-Licenses to fulfil the technical requirements.
- (4) Commitment of the applicant as referred to in paragraph (3) shall be submitted and registered to Central PTSP, Provincial BPMPTSP, or /Regency/Municipality BPMPTSP in accordance with its authority.
- (5) Commitment of the registered applicant as referred to in paragraph (4) shall be a license approved by the Central PTSP, Provincial BPMPTSP or /Regency/Municipality BPMPTSP in accordance with its authority.
- (6) The Central Government or Regional Government shall supervise the implementation of licenses and non-Licenses in the form of checklist for the fulfilment of requirement and in the event of any deviations in its implementation, sanctions shall be imposed in accordance with the provision of laws and regulations.
- (7) The Minister/head of institution, governor and regent/mayor shall stipulate an implementing regulation or technical guidance on the implementation of checklist for the fulfilment of requirement in accordance with their respective duties and

authorities no later than 30 (thirty) days as of the enactment of this Presidential Regulation

Article 21

- (1) Determination of location or location permit for PIK shall be provided by Central PTSP, Provincial BPMPTSP, or /Regency/Municipality BPMPTSP in accordance with their authority based on technical consideration on the land.
- (2) In the event that PT PLN (Persero) or PPL has acquired right to land /and/or forest area borrow and use permit, PT PLN (Persero) or the relevant business entity shall not be required to obtain location permit.
- (3) Technical consideration of the land as referred to in paragraph (1) shall be provided by the Land Office according to the project location.

Article 22

- (1) In the event that technical consideration of the land as referred to in Article 21 paragraph (3) has been granted, the process of determination of the location or location permit shall be conducted after PT PLN (Persero) or PPL submit the applicant's commitment to the Licenses and Non-licenses for the fulfilment of technical requirements as referred to in Article 20 paragraph (5).
- (2) In the event that the technical consideration on land as referred to in Article 21 paragraph (3) has been given and the minister/head of institution, governor and regent/mayor have not established Licenses and Non-Licenses in form of Licenses and Non-Licenses of checklist of the fulfilment of requirements as referred to in Article 20 paragraph (1), the process of determination of location or location permit shall be conducted at the same time with the process of issuance of environmental license, building permit, nuisance permit and approval of technical plan of building construction through the use of *data sharing*

Article 23

- (1) In the event that PIK are located in several locations within a regency/municipality but it forms an integral part of PIK, Licenses and Non-Licenses shall be provided 1 (one) time only for all PIK locations by Regency/Municipality BPMPTSP.
- (2) In the event that PIK is located in several districts/municipalities within a provincial area, but forms an integral part of PIK, Licenses and Non-Licenses shall be provided 1 (one) time only for all PIK locations by Province BPMPTSP.
- (3) In the event that PIK is located inter-province, but forms an integral unit of PIK, Licenses and Non-Licenses shall be provided 1 (one) time only for all PIK locations by Central PTSP.

Article 24

- (1) In the event that the requirements for Licenses and Non-Licenses submitted to the regent/mayor have been fulfilled and Licenses and Non-licenses are not granted within the specified period, the Chairman of Capital Investment Coordinating Board through Central PTSP shall convey such matter to governor for imposition of administrative sanction in accordance with the provision of laws and regulations in regional government sector.

- (2) In the event administrative sanction has been imposed and Licenses and Non-Licenses are not issued by the regent/mayor as referred to in paragraph (1), the governor shall take over the granting of such Licenses and Non-Licenses.

Article 25

- (1) In the event that the requirements for the licenses and non-licenses submitted to governor have been fulfilled and the Licenses and Non-licenses are not granted within the specified period, the Chairman of the Capital Investment Coordinating Board through Central PTSP shall convey such matter to the minister in charge of handling government affairs in the field of home affairs for imposition of administrative sanction in accordance with the provision of laws and regulations on regional governments.
- (2) In the event that administrative sanction has been imposed and the Licenses and Non-Licenses are not issued by the governor as referred to in paragraph (1), the minister in charge of handling government affairs in the field of home affairs shall take over the granting of such Licenses and Non-Licenses.

Article 26

- (1) Development/construction of PIK shall commence after at least after the following Licenses are obtained:
- location determination or location permit;
 - environmental permit; and
 - building construction permit.
- (2) In the event that PIK is located in a forest area, in addition to obtaining the Licenses as referred to in paragraph (1), it shall also require forest area borrow and use permit.
- (3) Central PTSP shall issue development/ construction principle license to PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL which has obtained the Licenses as referred to in paragraph (1).

Article 27

- (1) In the event that the acceleration of the implementation of PIK requires extension of time for the implementation of development, the process of applying for the extension of licenses and non-licenses shall not affect the implementation of development.
- (2) Extension of Licenses and Non-Licenses as referred to in paragraph (1) shall be submitted to Central PTSP, Provincial BPMPTSP, or Regency/Municipality BPMPTSP in accordance with their authority.
- (3) The Central PTSP, Provincial BPMPTSP, or Regency/Municipality BPMPTSP as referred to in paragraph (2) shall grant the extension of Licenses and Non-Licenses not later than 5 (five) working days as from the receipt of complete and correct application.

- (4) In the event that the Central PTSP, the Provincial BPMPTSP, or Regency/Municipality BPMPTSP does not issue Licenses and Non-Licenses within the period as referred to in paragraph (3), the extension of Licenses and Non-licenses shall be deemed as granted.

Article 28

- (1) The Minister/Head of the institution shall be obligated to delegate the authority to grant Licenses and Non-Licenses related to the implementation of PIK to Central PTSP through the Chairman of the Capital Investment Coordinating Board.
- (2) Governor or regent/mayor shall delegate the authority to grant Licenses and Non-Licenses related to the acceleration of the implementation of PIK to the Head of the Provincial BPMPTSP or the Head of Regency/Municipality BPMPTSP.
- (3) Licenses and Non-licenses as referred to in paragraph (1) and paragraph (2) may not be delegated under the provisions of laws and regulations and/or technical considerations that it is not possible for such licenses and non-licenses to be delegated.
- (4) Chairman of Capital Investment Coordinating Board shall implement the Licenses and Non-Licenses as referred to in paragraph (1) in accordance with the procedures, criteria and time for the completion of Licenses and Non-Licenses as stipulated by the minister/head of the institution.
- (5) Head of the Provincial BPMPTSP or Head of Regency/Municipality BPMPTSP shall implement Licenses and Non-Licenses as referred to in paragraph (2) in accordance with the procedures, criteria and time for the completion of Licenses and Non-Licenses as stipulated by the governor or regent/mayor.
- (6) Technical considerations as referred to in paragraph (3) shall include:
- a. complexity;
 - b. certain skills; and
 - c. efficiency and effectiveness,
- in granting Licenses and Non-Licenses.
- (7) With regard to the licenses and non-Licenses that cannot be delegated as referred to in paragraph (3), minister/head of institution and governor or regent/mayor shall:
- a. stipulate the procedure, criteria and time for the completion of Licenses and Non-Licenses; and
 - b. assign officials at PTSP.
- (8) For the purpose of the stipulation of the procedure, and criteria of Licenses and Non-Licenses as referred to in paragraph (4), paragraph (5), and paragraph (7), minister/head of institution, governor and regent/mayor shall combine the Licenses, lessen the procedure and/or the requirements of Licenses and Non-Licenses.

- (9) The period for the completion of Licenses and Non-Licenses so delegated as referred to in paragraph (4) and paragraph (5) shall be stipulated no later than 3 (three) working days as from the acceptance of complete and correct Licenses and Non-Licenses documents.
- (10) The period for the completion of Licenses and Non-Licenses which could not be delegated as referred to in paragraph (7) shall be stipulated not later than 30 (thirty) working days as from the acceptance of complete and correct Licenses and Non-Licenses documents.

Article 29

- (1) Licenses granted in prior to this Presidential Regulation is promulgated shall remain in effect as long as their activities are in accordance with the licenses granted.
- (2) Supervision of the implementation of licenses as referred to in paragraph (1) shall be conducted in accordance with the provision of laws and regulations.

Article 30

Chairman of Capital Investment Coordinating Board shall report the development of the implementation of Licenses and Non-Licenses in order to accelerate the implementation of PIK to the minister in charge of handling government affairs in coordinating the economic sector once in 3 (three) months and at any time if necessary.

CHAPTER VI SPATIAL LAYOUT

Article 31

- (1) The implementation of PIK shall comply with the Regional Spatial Plan, the Detail Spatial Plan Regional Detail Spatial Plan, or the Zoning Plan for Coastal Areas and Small Islands.
- (2) In the event that the location of PIK is different from that stated in the Regional Spatial Plan, the Regional Detail Spatial Plan, or the Zoning Plan for Coastal Areas and Small Islands, and technically it is impossible to relocate it from the proposed location, technical measures shall be taken by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL together with the ministries/institutions /and/or local Regional Government.
- (3) The technical measures referred to in paragraph (2) shall be in the form of changes in the Regional Spatial Plan, Regional Detail Spatial Plan, or Zoning Plan for Coastal Areas and Small Islands in accordance with the provisions of laws and regulations.
- (4) In the event of changes to the Regional Spatial Plan, the Detail Spatial Plan Regional Detail Spatial Plan or the Zoning Plan for Coastal Areas and Small Islands as referred to in paragraph (3), PT PLN (Persero), the subsidiary of PT PLN (Persero) or PPL shall submit the proposed changes to the relevant ministries/institutions /and/or Regional Government.
- (5) The ministries/institutions /and/or Regional Government as referred to in paragraph (4) shall change the Regional Spatial Plan, the Regional Detail

Spatial Plan, or the Zoning Plan for Coastal Areas and Small Islands in accordance with the provisions of laws and Regulations.

Article 32

- (1) In order to accelerate the implementation of PIK, the Central Government and Regional Government shall finalize the determination of the Spatial Layout Plan, Regional Detail Spatial Plan, or Plan of Zoning of Coastal Areas and Small Islands.
- (2) In the event that the determination of the Spatial Layout Plan, the Regional Detail Spatial Plan, or the Zoning Plan for Coastal Area and Small Islands as referred to in paragraph (1) could not be completed because approval for the change of designation and function of the forest area has not been granted by the minister in charge of handling government affairs in the sector of environment and forestry, it shall be completed through the Designation of Areas which Change of Space Allotment Has Not Been Stipulated (*Holding Zone*).
- (3) The implementation of PIK which is originally located in a non-forest location but then the location is converted into forest area shall continue with the granting of forest area borrow and use permit.
- (4) PIK in the form of utilization of water, heat, and wind energy shall be implemented in Natural Reserve Area and Natural Conservation Area in accordance with the provisions of laws and regulations.
- (5) PIK as referred to in paragraph (4) shall include transmission.

CHAPTER VII PROVISION OF LAND

Article 33

- (1) Land for the implementation of PIK shall be provided by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL in the framework of the implementation of PIK.
- (2) The land as referred to in paragraph (1) shall be provided through the procurement of land under the provisions of laws and regulations in the sector of land acquisition for the development for public interest using the minimum period.
- (3) Land for PIK which location has been determined by the governor shall not be transferred to the other party except by the National Land Agency.

Article 34

- (1) In the framework of efficiency and effectiveness, procurement of land for PIK on an area up to 5 (five) hectares shall be conducted directly by PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL with the holder of right to land by means of sale and purchase or exchange or other methods as agreed by both parties.

- (2) The determination of the value of sale or purchase or exchange or other means as agreed by both parties as referred to in paragraph (1) shall be based on the result of valuation by the Appraiser or Public Appraiser.
- (3) In the event that the holder of right to land as referred to in paragraph (1) does not approve the amount resulting from the valuation of the appraiser or public service as referred to in paragraph (2), PT PLN (Persero), the subsidiary of PT PLN (Persero) or PPL may determine the value of sale and purchase or exchange or other means agreed by both parties based on cost and benefit analysis by taking into consideration good governance.

Article 35

In the event that the provision of land required for transmission /and/or substation which procurement is not feasible as referred to in Article 34, the provision of land by PT PLN (Persero), the subsidiary of PT PLN (Persero) or PPL shall be carried out through lease, borrow and use or in cooperation with the holder of right to land based on the agreement of both parties.

Article 36

- (1) In the event that the location of procurement of land for PIK which is under the control of the community is located in a forest area, PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall request the National Land Agency to provide information on the ownership of the land.
- (2) The National Land Agency shall, for the purpose of providing information on land ownership as referred to in paragraph (1) coordinate with the minister in charge of handling government affairs in the sector of environment and forestry.
- (3) In the event that the National Land Agency declares that the community has no right to the land located in a forest area, PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall settle such matter through forest area borrow and use permit.
- (4) With regard to the community residing in the forest area as referred to in paragraph (2) whose land is used for PIK, technical settlement shall be conducted by PT PLN (Persero), the subsidiary of PT PLN (Persero) or PPL together with the ministries/agencies and Regional Government by taking into account the social needs and social impacts of the community.
- (5) The provisions of technical settlement as referred to in paragraph (4) shall be regulated in a regulation of the minister in charge of handling governmental affairs in the sector of energy and mineral resources.

Article 37

- (1) The Central Government /and/or the Regional Government shall give support to PT PLN (Persero), the subsidiary of PT PLN (Persero) or PPL in the land acquisition process in accordance with the provisions of laws and regulations.
- (2) The support as referred to in paragraph (1) can be in form of:
 - a. priority in the provision of land;

- b. cooperation in the utilization of State/Regional Property in form of land; /and/or
- c. cooperation in the provision of infrastructure for State/Regional Property in the form of land,

In accordance with the provisions of laws and regulations

CHAPTER VIII SETTLEMENT OF PROBLEMS AND OBSTACLES

Article 38

- (1) The Minister/Head of institution or the Regional Government shall be obligated to settle any obstacles and problems found in the sector that they are in charge of in the implementation of PIK.
- (2) In the event that the settlement of obstacles and problems as referred to in paragraph (1) is urgent for public interests and benefit, minister/head of institution or Regional Government shall use their discretion in accordance with the Principles of Good Governance, for objective reasons, shall not cause conflict of interest, and shall be carried out in good faith by taking into consideration the provisions of laws and regulations in the sector of government administration.
- (3) The use of discretion as referred to in paragraph (2) shall be included in the framework of handling impact arising from the implementation of PIK.
- (4) In certain cases the use of discretion as referred to in paragraph (2) shall be conducted based on coordination and discussion with ministries/institutions /and/or Regional Government.
- (5) In the event that the use of discretion as referred to in paragraph (2), there is a legal issue related to government administration, the settlement shall be done through the provisions of laws and regulations in the sector of government administration.

Article 39

In the event that the existing laws and regulations have not regulated or have not clearly governed the authority to settle obstacles and problems in the implementation of PIK, minister/head of institution /and/or Regional Government shall have the authority to establish /and/or make decisions /and/or actions required in the context of settling such obstacles and problems in accordance with the Principles of Good Governance.

Article 40

- (1) The management of PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall make efforts for the settlement of PIK and shall take steps to settle any obstacles and problems faced in accelerating the implementation of PIK in accordance with its authority.
- (2) The settlement of obstacles and problems by the managements of PT PLN (Persero) as referred to in paragraph (1) shall include efforts of settlement for the implementation of the affected contract.

- (3) In the event that the completion of the implementation of the affected contract as referred to in paragraph (2) incurs additional cost, the management of PT PLN (Persero) may request the Financial and Development Supervisory Board to calculate the amount of additional cost.
- (4) In the event that steps taken to settle obstacles and problems as referred to in paragraph (1) encounter legal issue, such issue shall be settled by prioritizing the implementation of the provisions of laws and regulations on limited liability company.

CHAPTER IX SETTLEMENT OF LEGAL ISSUES IN THE IMPLEMENTATION OF PIK

Article 41

- (1) The management of PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall be obligated to examine and follow up any reports and/or complaints from the public in relation to the implementation of PIK.
- (2) In the event that the reports /and/or complaints from the public as referred to in paragraph (1) are concerned with the authority of government administration, the management of PT PLN (Persero), the subsidiary of PT PLN (Persero), or PPL shall forward or submit such report from the public to:
 - a. minister in charge of handling government affairs in the sector of energy and mineral resources as the technical administrator of the implementation of PIK as referred to in Article 3 paragraph (2) in the event that such report are related to technical implementation of PIK; or
 - b. minister in charge of handling government affairs in the sector of state-owned enterprises as corporate and management administrator for the implementation of PIK as referred to in Article 3 paragraph (3) in the event that such report is concerned with the implementation of corporation and management of the implementation of PIK.

Article 42

- (1) In the event that the report /and/or complaint from the public filed to the Attorney General or the National Police of the Republic of Indonesia is concerned with the deviation or misuse of authorities in the implementation of PIK, it shall be settled by prioritizing the administration process in accordance with the provisions of laws and regulations in government administration.
- (2) In the event that the report /and/or complaint from the public as referred to in paragraph (1) are filed to the Attorney General or the National Police of the Republic of Indonesia, the Attorney General or the National Police of the Republic of Indonesia shall forward/submit such public report to:
 - a. minister in charge of handling government affairs in the sector of energy and mineral resources as technical administrator of the implementation of PIK as referred to in Article 3 paragraph (2) in the event that the report is related to the technical implementation of PIK; or

- b. minister in charge of handling government affairs in the sector of state-owned enterprises in the event that such report is concerned with the implementation of corporation and management of the implementation of PIK.

Article 43

- (1) The Minister in charge of handling government affairs in the sector of energy and mineral resources or minister in charge of handling government affairs in the sector of state-owned enterprises shall examine and follow-up the settlement of the report /and/or complaints from the public as referred to in Article 40 paragraph (2) and Article 41 paragraph (2) within a maximum period of 5 (five) working days as from the receipt of such report /and/or public complaint..
- (2) In the event that the initial examination as referred to in paragraph (1) finds an indication of misuse of authority, the minister in charge of handling government affairs in the sector of energy and mineral resources or minister in charge of handling government affairs in the sector of state-owned enterprises shall request the Government Internal Supervisory Apparatus to conduct further examination/audit within 30 (thirty) working days.
- (3) The results of examination by the Government Internal Supervisory Apparatus as referred to in paragraph (2) shall be in form of:
 - a. administrative errors that do not incur losses to the state;
 - b. administrative errors that cause losses to the state; or
 - c. non-administrative criminal acts.
- (4) In the event that the result of audit by the Government Internal Supervisory Apparatus shows administrative error that does not cause the state losses as referred to in paragraph (3) letter a, it shall be settled through administrative improvement not later than 10 (ten) working days as from the submission of the result of audit by the Government Internal Supervisory Apparatus.
- (5) In the event that the result of audit by the Government Internal Supervisory Apparatus shows administrative error that causes the state losses as referred to in paragraph (3) letter b, it shall be settled through administrative improvement and the repayment of state loss by no later than 10 (ten) working days as from the submission of the result of audit by the Government Internal Supervisory Apparatus.
- (6) The settlement of the result of audit by the Government Internal Supervisory Apparatus as referred to in paragraph (4) and paragraph (5) shall be submitted by the minister in charge of government affairs in the sector of energy and mineral resources or the minister in charge of handling government affairs in the sector of state-owned enterprises to the Attorney General or the National Police of the Republic of Indonesia as intended in paragraph (2) not later than 5 (five) working days.
- (7) In the event that the result of audit by the Government Internal Supervisory Apparatus shows non-administrative criminal offense as referred to in paragraph (3) letter c, the minister in charge of handling government affairs in the sector of energy and mineral resources or minister in charge of handling government

affairs in the sector of state-owned enterprises shall, within a maximum period of 5 (five) working days submit the same to the Attorney General or the National Police of Republic of Indonesia as referred to in paragraph (2), for follow up in accordance with the provisions of laws and regulations.

CHAPTER X OTHER PROVISIONS

Article 44

- (1) With the enforcement of this Presidential Regulation:
 - a. Presidential Decree Number 59 Year 1972 on Acceptance of Foreign Loans; /and/or
 - b. Presidential Decree Number 39 Year 1991 on the Coordination of Foreign Commercial Loan Management,

shall be exempted for the execution of borrowings by PT PLN (Persero) for the purpose of the assignment as referred to in Article 3

- (2) In the framework of the implementation of foreign commercial loan, PT PLN (Persero) shall submit its report to the minister who coordinates government affairs in the sector of economy and minister in charge of handling government affairs in the sector of state-owned enterprises.

Article 45

- (1) To support the implementation of PIK, Coordination Team for the Implementation of PIK, hereinafter referred to as Coordination Team shall be established.
- (2) The Coordinating Team as referred to in paragraph (1) shall be established by a minister in charge of coordinating government affairs in the sector of economic, with membership consisting of representatives of the ministry coordinating government affairs in the sector of maritime, ministry in charge of handling government affairs in the sector of national development planning, ministry in charge of handling government affairs in domestic affairs, ministry in charge of handling government affairs in the sector of state finance, ministry in charge of handling government affairs in the sector of energy and mineral resources, ministry in charge of handling government affairs in the sector of state-owned enterprises, ministry handling government affairs in the sector of industry, ministry in charge of handling government affairs in the sector of agrarian and spatial layout planning, ministry in charge of handling government affairs in the sector of environment and forestry, institutions handling government affairs in the sector of capital investment coordination, the agency that administers government affairs in the sector of financial and development supervision, and the Cabinet Secretariat, as well as other related institutions..
- (3) The Coordination Team as referred to in paragraph (1) shall have the duty to coordinate and provide necessary assistance for the smooth implementation of PIK.
- (4) Further provisions regarding the Coordination Team as referred to in paragraph (1) shall be stipulated by the minister in charge of the coordination of government affairs in the economic sector.

Article 46

PT PLN (Persero) shall be obligated to submit report periodically every 6 (six) months and at any time if necessary in the context of implementation of PIK to the Coordination Team.

CHAPTER XI
CLOSING PROVISION

Article 47

This Presidential Regulation shall come into effect on the date of its promulgation.

For public cognizance hereby ordering that the promulgation of this Presidential Regulation by publishing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On January 8, 2016
PRESIDENT OF REPUBLIC OF INDONESIA,
Signed
JOKO WIDODO

Promulgated in Jakarta
On January 19, 2016
MINISTER OF LAW AND HUMAN RIGHTS OF
REPUBLIC OF INDONESIA,
Signed

YASONNA H. LAOLY

STATE GAZETTE OF REPUBLIC OF INDONESIA YEAR 2016 NUMBER 8

Issued as a true copy
SECRETARIAT OF THE CABINET OF THE REPUBLIC OF INDONESIA
Deputy of Maritime Sector,
Signed and stamped
Ratih Nurdianti

NOTE

Source: LOOSE LEAF OF STATE SECRETARIAT YEAR 2016