

GUIDELINE AND PROCEDURE FOR PROVIDING SERVICE TO CAPITAL INVESTMENT (Regulation of the Head of Capital Investment Coordinating Board of R.I. Number 16 Year 2015, dated September 29, 2015)

WITH THE BLESSING OF THE ONE AND ONLY GOD
THE HEAD OF CAPITAL INVESTMENT COORDINATING BOARD,

Considering:

- a. That in the context of granting Exemption Facilities of Import Duty on Imported Machinery and Goods as well as Goods for and Material for Construction or Development of Industry pertaining to Capital Investment as governed in Regulation of the Minister of Finance Number 176/PMK.011/2009 as amended by Regulation of the Minister of Finance Number 76/PMK.011/2012, the Head of Capital Investment Coordinating Board issued Regulation of the Head of Capital Investment Coordinating Board Number 5 Year 2013, concerning Guideline and Procedure in applying Permits and Non-Permits for Capital Investment as amended by Regulation of the Head of Capital Investment Coordinating Board Number 12 Year 2013;
- b. That Regulation of the Head of Capital Investment Coordinating Board Number 5 Year 2013, concerning Guideline and Procedure for implementing Permits and Non-Permits for Capital Investment as amended by Regulation of the Head of Capital Investment Coordinating Board Number 12 Year 2013 fails to govern yet the Procedure for Granting Exemption and/or Dispensation of Import Duty and Exemption and/or Postponement of Value Added Tax on Imported Goods in the context of Work Contract and Work Agreement on Coal Exploitation and Mining based on Regulation of the Minister of Finance Number 110/PMK.010/2005, concerning Procedure for Granting Exemption and/or Dispensation of Import Duty and Exemption and/or Postponement on Value Added Tax on Imported Goods in the context of Work Agreement on Coal Exploitation and Mining and Exemption of Import Duty of Capital Goods in the context of Construction and Development of Electric Power Generating Industry for Public Interest based on Regulation of the Minister of Finance Number 66/PMK.010/2015, concerning Exemption of Import Duty on Capital Goods in the context of Construction and Development of Electric Power Generating Plant for Public Interest;

- c. That to support implementation of One Stop Integrated Service of the Head Office of Capital Investment Coordinating Board, it is necessary to re-govern the provisions on Exemption of Import Duty for Machinery / Goods / Capital Goods / Goods and Material pertaining to Capital Investment;
- d. That based on the considerations referred to in letter a, letter b and letter c, it is necessary to stipulate Regulation of the Head of Capital Investment Coordinating Board on Guideline and Procedure on Capital Investment Service Facilities;

In view of:

1. Law Number 10 Year 1995, concerning Customs matter (Statute Book of the Republic of Indonesia Year 1995 Number 75, Supplement to Statute Book of the Republic of Indonesia Number 3612) as amended by Law Number 17 Year 2006 (Statute Book of the Republic of Indonesia Year 2006 Number 93, Supplement to Statute Book of the Republic of Indonesia Number 4661);
2. Law Number 25 Year 2007. Concerning Capital Investment (Statute Book of the Republic of Indonesia Year 2007 Number 67, Supplement to Statute Book of the Republic of Indonesia Number 4724);
3. Law Number 25 Year 2009, concerning Public Service (Statute Book of the Republic of Indonesia Year 2009 Number 112, Supplement to Statute Book of the Republic of Indonesia Number 5038);
4. Law Number 23 Year 2014, concerning Regional Administration (Statute Book of the Republic of Indonesia Year 2014 Number 244, Supplement to Statute Book of the Republic of Indonesia Number 5587) as amended several times and recently amended by Law Number 9 Year 2015 (Statute Book of the Republic of Indonesia Year 2015 Number 58, Supplement to Statute Book of the Republic of Indonesia Number 5679);
5. Government Regulation Number 96 Year 2012, concerning Implementation of Law Number 25 Year 2009, concerning Public Service (Statute Book of the Republic of Indonesia Year 2012 Number 215, Supplement to Statute Book of the Republic of Indonesia Number 5357);

6. Presidential Regulation Number 90 Year 2007, concerning Capital Investment Coordinating Board as amended by Presidential Regulation Number 86 Year 2012 (Statute Book of the Republic of Indonesia Year 2012 Number 210);
7. Presidential Regulation Number 97 Year 2014 tentang One Stop Integrated Service di Bidang Capital Investment (Statute Book of the Republic of Indonesia Year 2014 Number 221);
8. Regulation of the Minister of Finance Number 110/PMK. 010/2005, concerning Procedure for Granting Exemption and/or Dispensation of Import Duty and Exemption and/or Postponement of Value Added Tax on Imported Goods in the context of Work Contract and Work Agreement on Coal Mining Exploitation;
9. Regulation of the Minister of Finance Number 176/PMK. 011/2009, concerning Exemption of Import Duty on Machinery, Goods and Material for Construction and Development of Industry with Capital Investment as amended by Regulation of the Minister of Finance Number 76/PMK.011/2012;
10. Regulation of the Minister of Industry Number 19/M-IND/PER/2/2010, concerning List of Machinery, Goods and Material of local products for Construction and Development of Industry in the context of Capital Investment as amended by Regulation of the Minister of Industry Number 106/M-IND/PER/10/2012;
11. Regulation of the Minister of Finance Number 258/PMK. 011/2014, concerning Implementation of One Stop Integrated Service on Finance within Capital Investment Coordinating Board;
12. Regulation of the Minister of Finance Number 66/PMK. 010/2015, concerning Exemption of Import Duty of Capital Goods for Construction and Development of Industry on Electric Power Generating Plant for Public Interest;
13. Regulation of the Head of Capital Investment Coordinating Board Number 90/SK/2007, concerning Structure of Capital Investment Coordinating Board as amended by Regulation Head of Capital Investment Coordinating Board Number 1 Year 2011;
14. Regulation of the Head of Capital Investment Coordinating Board Number 6 Year 2011, concerning Procedure

for Implementation, Management and Reporting of the One Stop Integrated Service on Capital Investment;

15. Regulation Head of Capital Investment Coordinating Board Number 4 Year 2014 tentang Sistem Pelayanan Informasi dan Permits Investasi Secara Elektronik;

16. Regulation Head of Capital Investment Coordinating Board Number 9 Year 2015 tentang Implementation of One Stop Integrated Service;

17. Regulation of the Head of Capital Investment Coordinating Board Number 14 Year 2015, concerning Guideline and Procedure for implementing Provisional Permit for Capital Investment;

18. Regulation of the Head of Capital Investment Coordinating Board Number 15 Year 2015, concerning Guideline and Procedure for implementing Permits and Non-Permits for Capital Investment;

DECIDES :

To stipulate:

REGULATION OF THE HEAD OF CAPITAL INVESTMENT COORDINATING BOARD ON GUIDELINE AND PROCEDURE FOR IMPLEMENTING SERVICE FACILITIES ON CAPITAL INVESTMENT.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Regulation by:

1. Capital Investment shall be all kinds of activities on capital investment, either by domestic capital investment or overseas capital investment to run business within the territory of the State of the Republic of Indonesia.
2. Construction shall establishment of a new company or new factory to produce goods or produce goods and/or service.

3. Development shall be development of existing company or factory covering addition, modernization, rehabilitation, and/or restructuring tools for producing including machinery for the purpose of adding the number, type, and/or quality of production result.
4. Company shall be company exercising construction or development of industry pertaining to Capital Investment and specifically for Foreign Capital Investment must in the form of Limited Liability as governed in Regulation of the Minister of Finance Number 176/PMK.011/2009 as amended by Regulation of the Minister of Finance Number 76/PMK.011/2012.
5. Machinery shall be any machine, machinery, supporting equipment for factory installation, equipment or tools, in installed condition or in loose condition used for construction or development of industry as governed in Regulation of the Minister of Finance Number 176/PMK.011/2009 as amended by Regulation of the Minister of Finance Number 76/PMK.011/2012.
6. Goods and material shall be goods or material, irrespective of the type and composition thereof, used as material or component to produce end product.
7. Electric power generating industry shall be activity to produce and supply electric power for public interest by Business Entity, excluding transmission, distribution, and supporting business on electric power.
8. Business Entity shall be any legal entity that may be in the form of State-owned Business Entity, Regional-owned Business Entity, Business Entity private company in the form Indonesian legal entity, and cooperatives, running business, duly established based on the prevailing statutory regulation, running permanent business and continuously, operating and domiciled within the territory of the Unitary State of the Republic of Indonesia as governed in Regulation of the Minister of Finance Number 66/PMK.010/2015.
9. Capital Goods shall be machinery, tools, and factory equipment, either in installed or non-installed condition, excluding spareparts used for maintenance in operational activity Business Entity as governed in Regulation of the Minister of Finance Number 66/PMK.010/2015.

10. Import shall be activity to import goods into the customs area in Indonesia.
11. Assignment shall be assignment of rights, transfer of asset, change in the use of Capital Goods or Machinery for other activities other than business activities such as export, or scrap-off of asset of the company.
12. Force majeure shall be conditions such as fire, natural disaster, riots, war or other mishaps beyond control of human being.
13. One Stop Integrated Service on Capital Investment, hereinafter referred to as PTSP, shall be Implementation of Permits and Non Permits based on delegation of authority from the institution or agency having authority over the Permits and Non-Permits which process thereof starts from submitting application up to the issue of the document processed in one stop.
14. PTSP Center shall be service pertaining to Capital Investment constituting authority of Central Government, implemented integrately in one processing unit starting from submitting application up to completion of service through one stop system at BKPM, which is implemented as follows :
 - a. delegation of authority from the Minister / Head of LPNK to the Head BKPM; and/or
 - b. Assignment of Official of the Ministry / LPNK at BKPM.
15. Service facilities shall be service provided on fiscal facilities such as, in the form of customs and taxes facilities for Capital Investment at PTSP Center at the Capital Investment Coordinating Board.
16. Provisional Permit for Capital Investment, hereinafter referred to as Provisional Permit shall be permit that a company is obliged to hold before commencing its business activity.
17. Provisional Permit for Expansion of Capital Investment, hereinafter referred to as Provisional Permit for Expansion shall be Provisional Permit that a company is obliged to hold before starting expansion of its business.

18. Investment Permit shall be Provisional Permit that a company with specific criteria is obliged to hold as governed in Regulation of the Head of BKPM.
19. Business License shall be license that a company is obliged to hold before starting to produce goods or services, unless stipulated otherwise in the statutory regulation.
20. Permit for Expansion shall be permit that a company is obliged to hold before starting to produce goods or services for making business expansion, specifically in industrial sector.
21. Business License for Supply of Electric Power, hereinafter referred to as IUPTL shall be permit to supply electric power for public interest, issued by the Ministry of Energy and Mineral Resource of Provincial government, based on the statutory regulation on Electric Power.
22. Decision for granting import duty facilities for Import of machinery/goods/capital goods/goods and material for Capital Investment and exemption and/or postponement of Value Added Tax (specifically for Imported Goods for Work Contract and Work Agreement for Coal Mining Exploitation), hereinafter referred to as Decision shall be approval of the Head of Capital Investment Coordinating Board on behalf of the Minister of Finance on grant of facilities for Imported Machinery / Capital Goods / Goods and Material as well goods and material and exemption and/or postponement of Value Added Tax.
23. Management of Company or Business Entity shall be Board of Directors / Management of Company as set forth in the Articles of Association / Deed of Establishment of Company or amendments thereof that have obtained ratification / approval / notification from the Minister of Law and Human Rights (Minister of Law and HAM) for Limited Liability legal entity and based on the provisions in the statutory regulation for other than Limited Liability legal entity.
24. Capital Investment Coordinating Board, hereinafter referred to as BKPM, shall be Non-Ministry Government Institution (LPNK) responsible on Capital Investment, led by a Head that is directly responsible to the President.
25. Report on Capital Investment activity, hereinafter referred to as LKPM, shall be report on the progress of

realization of Capital Investment and any obstacle encountered by the capital investor that must be submitted periodically.

26. Electronic System of Information and Permits on Investment, hereinafter referred to as integrated service of Permits and Non-Permits between the Central Government holding the authority over Permits and Non-Permits and the Regional Administration.
27. Capital Investment Coordinating Board and One Stop Integrated Service of Province, or apparatus of provincial government coordinating Capital Investment matters and other organizations based on the prevailing statutory regulation, hereinafter referred to as BPMPTSP of Province, shall be element assisting the Head of Region in the implementation of Provincial Administration of the Region, carrying out the main function in coordinating Capital Investment at Provincial Government.
28. Capital Investment Agency and One Stop Integrated Service Regency/Municipality, or apparatus of Administration of Regency/Municipality carrying out Capital Investment affairs with other parties based on the prevailing statutory regulation, hereinafter referred to as BPMPTSP of Regency/Municipality, shall be element assisting the Head of Region in the coordinating administration of Regency/Municipality, exercising the main function in coordinating Capital Investment within the Regency/Municipality Administration.
29. Free Trade Zone and Free Port, hereinafter referred to as KPBPB, shall be any zone located within the territories of law of the Unitary State of the Republic of Indonesia that is being separated from regional customs area so that it is free from import duty, Value Added Tax, sales tax on luxurious goods, and excise.
30. Special Economic Zone, hereinafter referred to as KEK, shall be zone with specific borders within the territory of the Unitary State of the Republic of Indonesia as stipulated to carry out economical function and obtain special facilities.

CHAPTER II

PURPOSES

Article 2

- (1) Guideline and Procedure for Service facilities on Capital Investment shall act as guideline to carrying out the

service facilities on Capital Investment constituting procedure for submitting application and compliance with the requirements for application for facilities for Capital Investment submitted for Officials of PTSP Center at BKPM and the business players as well as other public society.

(2) Capital Investment facilities referred to in paragraph (1) cover:

a. exemption of import duty as governed in:

1. Regulation of the Minister of Finance Number 110/PMK.010/2005, concerning Procedure Grant, Exemption and/or Dispensation of Import Duty and/or Postponement of Value Added Tax On Imported Goods in the context of Work Contract and Work Agreement for Coal Mining Exploitation.
2. Regulation of the Minister of Finance Number 176/PMK.011/2009, concerning Exemption of Import Duty on Imported Machinery, Goods and Material for Construction or Development of Industry in the context of Capital Investment shall be as amended by Regulation of the Minister of Finance Number 76/PMK.011/2012; and
3. Regulation Minister of Finance Number 66/PMK.010/2015, concerning Exemption of Import Duty for Capital Goods for Construction or Development of Electric Power Generating Plant for Public Interest;

b. Exemption and/or postponemnet of Value Added Tax as governed in Regulation of the Minister of Finance Number 110/PMK.010/2005, concerning Procedure Grant, Exemption and/or Dispensation of Import Duty Exemption and/or Postponement of Value Added Tax on Imported Goods on Work Contract and Work Agreement for Coal Mining Exploitation.

CHAPTER III

OBJECTIVES

Article 3

The Guideline and Procedure for Service facilities on Capital Investment are intended to:

- a. provide information on the requirements and the time that application for facilities for Capital Investment is ready;

- b. provide easy, speedy, appropriate, and accurate, transparent and accountable services.

CHAPTER IV

GUIDELINE AND REQUIREMENTS FOR GRANTING EXEMPTION FACILITIES ON IMPORT DUTY ON IMPORTED MACHINERY AND GOODS AND MATERIAL FOR CONSTRUCTION AND DEVELOPMENT OF INDUSTRY WITH CAPITAL INVESTMENT

Part One

Guideline for Granting Exemption Facilities of Import Duty on Imported Machinery and Goods and Material for Construction or Development of Industry with Capital Investment

Paragraph 1

General

Article 4

- (1) Capital Investment Company holding Provisional Permit / Permit for Investment, and is in the form of legal entity or holds valid Business License may obtain fiscal facilities based on the provisions in the statutory regulation.
- (2) The fiscal facilities referred to in paragraph (1) shall be as governed in this Regulation of the Head of BKPM covering:
 - a. import duty facilities on imported machinery excluding spareparts; and
 - b. import duty facilities on imported goods and material.

Article 5

- (1) Application for facilities referred to in Article 4 paragraph (2) must be submitted to PTSP Center at BKPM.
- (2) Guideline and Procedure for submitting application for facilities for company located within KPBPB and KEK will be governed separately by Regulation of KPBPB Managing Board and KEK Coordinator, based on the provisions in the statutory regulation.

Paragraph 2

Facilities of Import Duty on Imported Machinery

Article 6

- (1) Facilities of Import Duty on Imported Machinery as referred to in Article 4 paragraph (2) will be granted to construction and development projects.
- (2) The development referred to in paragraph (1) shall be addition to producing capacity from 30% (thirty percent) is classified as business expansion.
- (3) The development referred to in paragraph (1) exercised by the company that holds Business License / Permit for Expansion but not causing change of producing capacity exceeding 30% (thirty percent) is classified as restructure / modernization / rehabilitation. .

Article 7

- (1) Facilities in the form of Exemption of Import Duty on imported machinery provided to company that holds Provisional Permit / Permit for Investment / Provisional Permit for Expansion and amendments thereof.
- (2) Company in carrying out Capital Investment activity may use local made and/or imported machinery for producing activity.
- (3) Company holding Provisional Permit / Permit for Investment / Provisional Permit for Expansion and amendments thereof as referred in paragraph (1):
 - a. for field of industry producing goods may be granted facilities in the form of Exemption of Import Duty on imported machinery and goods and material; and/or
 - b. for field of industry producing services may be granted facilities in the form of Exemption of Import Duty on imported machinery.
- (4) The grant of facilities referred to paragraph (3) shall refer to Regulation of the Minister of Finance that governs Exemption of Import Duty on imported machinery and goods and material for construction or development of industry in the context of Capital Investment.

- (5) The facilities of import duty on imported machinery referred to in paragraph (1), will be granted so long the imported machinery:
- are not yet produced domestically;
 - have been produced domestically but fails to comply with the required specification; or
 - are produced locally but the number thereof still fail to fulfill the need of industry,
- based on the list of machinery stipulated by the Minister responsible on industry.
- (6) For machinery that fails to comply with the provision referred in paragraph (5) may be granted facilities of import duty as soon as it obtains technical recommendation from the Ministry of Industry.
- (7) The grant of facilities in the form of Exemption of Import Duty on imported machinery expires effective as of the date of issue of Business License/ Permit for Expansion on the implementation of Provisional Permit / Permit for Investment / Provisional Permit for Expansion as referred to in paragraph (1).

Article 8

- (1) Imported machinery may be new and/or used machinery.
- (2) Import of used machinery comply with the provision as governed in Regulation of the Minister of Trade and Regulation of the Minister of Industry.

Article 9

- (1) Company holding Business License / Permit for Expansion and intending to exercise restructure / modernization / rehabilitation that may cause a change to production capacity not exceeding 30% (thirty percent) of permitted production capacity as stipulated in the Business License / Permit for Expansion, may be granted facilities in the form of Exemption of Import Duty for imported machinery..
- (2) Fasilitas Exemption of Import Duty on imported machinery as referred to in paragraph (1) excluding goods and material.
- (3) Company which Business License is issued by the Ministry / LPNK /BPMPTSP of Province / BPMPTSP of Regency or Municipality / PTSP KPBPB/PTSP KEK may apply for facilities on imported machinery in the

context of resstructure / modernization / rehabilitation..

- (4) Company submitting application for facilities on imported machinery for restructure / modernization / rehabilitation will be examined / inspected directly to the project location.

Paragraph 3

Amendment to Decision for Grant of Facilities of Import Duty on Imported Machinery

Article 10

- (1) The Decision for grant of facilities in the form of exemption of import duty as referred to in Article 7 and Article 9 may be made in the form of amendment to decision.
- (2) Amendment to the Decision referred to in paragraph (1) covers:
- a. amendment, replacement and/or additional machinery;
 - b. amendment, replacement of HS Code of the machinery;
 - c. amendment, replacement of technical specification of machinery;
 - d. amendment to the value of machinery;
 - e. amendment, replacement of machinery units;
 - f. amendment, replacement and/or additional details of machinery;
 - g. amendmnet, replacement and addition to port of disembarkation;
 - h. amendment, replacement and/or additional load belonging to the State;
 - i. amendment, replacement and/or addition to project locations; and/or
 - j. amendment to data of company / entity.
- (3) Amendment to Decision for Grant of Facilities referred to in paragraph (2) may be made only in the case that:
- a. machinery is not imported yet, namely not yet obtained Registration Number (Nopen) on Notification of Imported Goods (PIB); and
 - b. still within the period of exemption.

- (4) Application for amendment to stipulation on grant of facilities of import duty on imported machinery may be submitted three (3) months after stipulation for grant of facilities of import duty on imported machinery is issued.
- (5) Application for amendment to stipulation on the grant of facilities of import duty on imported machinery may be submitted three (3) months before stipulation for grant of facilities on imported machinery is issued supported by compliance with the requirements:
- a. Bill of Lading (B/L) or Air Waybill (AWB);
 - b. Packing list;
 - c. Invoice;
 - d. Contract; and/or
 - e. Technical clarification.

Paragraph 4

Validity of Facilities of Import Duty on Imported Machinery

Article 11

- (1) Validity of grant of facilities of import duty on imported machinery shall be two (2) years as of the date Decision is issued.
- (2) The term referred to in paragraph (1) may be extended every year at the longest according to the term of completion of the project as set forth in the original Provisional Permit / I Permit for Investment / Amendment to Provisional Permit.
- (3) The application for extension of term of facilities referred to in paragraph (2) must be submitted within 30 (thirty) days prior to expiry of the validity of the facilities of import duty on Imported Machinery.
- (4) If the application for period extension for grant of facilities of import duty on Imported Machinery is submitted after the validity of facilities expires, the import duty facilities on Imported Machinery may be granted effective as of the date it is stipulated and is valid for:
- a. one (1) year less the number of days elapsed for submitting application; or

- b. the period of project completion as set forth in Provisional Permit / Permit for Investment / Permit for Expansion / Permit for Amendment to Principles less the number of days delayed for submitting application.

(5) Validity of import duty facilities on imported machinery for development in the context restructuring, modernization, rehabilitation is granted for two (2) years as of the date of issue of Decision but it is non-renewable.

(6) The period of project completion as set forth in the Provisional Permit / Investment Period / Provisional Permit for Expansion / Provisional Permit for Amendment at submitting application for facilities on import survives so that it may accommodate the term of facilities on import as referred to in paragraph (4).

Paragraph 5

Transfer of Right to Machinery and Change of Location for Imported

Machinery with Facilities

Article 12

- (1) Machinery granted facilities in the form of exemption of import duty as referred to in Article 7 and Article 9, must be utilized based on the purpose of import thereof by the Company concerned at the location set forth in Decision of the Minister of Finance concerning Decision on Grant of Facilities in the form of Exemption of Import Duty on Imported Machinery.
- (2) The right to the machinery referred to in paragraph (1) may be transferred using mechanism as governed in Regulation of the Director General of Customs and Excise.
- (3) Recommendation for transfer of the right as governed in Regulation of Director General of Customs and Excise will be issued by PTSP Center at BKPM through the Deputy of Service on Capital Investment.
- (4) The right to the machinery referred to in paragraph (1) may be transferred from the location set forth in the Decision of the Minister of Finance concerning Stipulation on Grant of Facilities in the form of Exemption of import duty on imported machinery to a new location.

- (5) The new location referred to in paragraph (4) must justify the project location as set forth in the Provisional Permit / Investment Permit / Provisional Permit for Expansion / Business License / Permit for Expansion and Amendments thereof.
- (6) The application for movement of location of the imported machinery as referred to in paragraph (4) must be submitted to PTSP Center at BKPM through the Deputy of Service on Capital Investment.

Paragraph 6

Facilities of Import Duty on Imported Goods and Material

Article 13

- (1) Company holding Business License, may be granted facilities of import duty on Imported Goods and Material for two (2) years production requirements on the use of machinery that has obtained facilities in the form of exemption of import duty from the Minister of Finance.
- (2) The application for facilities of import duty on Imported Goods and Material referred to in paragraph (1) may be submitted within two (2) years at the latest as of the date the Business License / Permit for Expansion is issued.
- (3) Company holding Business License and utilizing machinery using at least 30% (thirty percent) local component as declared by the Minister responsible for Industry or the Official appointed, will be granted facilities of import duty on Imported Goods and Material constituting basic material for four (4) year production requirements.
- (4) The application for facilities as referred to in paragraph (3) must be submitted within three (3) years as of the date the Business License / Permit for Expansion is issued.
- (5) With respect to the company submitting application for facilities of import duty on imported goods and material the project location thereof must be inspected.

Paragraph 7**Amendment to Decision of Facilities of Import Duty for
Imported Goods and Material****Article 14**

- (1) Amendment to the Decision for granting facilities in the form of exemption of import duty on Imported Goods and Material as referred to in Article 13 may be made.
- (2) The amendment to Decision referred to paragraph (1) covers:
 - a. change / replacement to goods and material;
 - b. change / replacement to HS Code on goods and material;
 - c. change / replacement to technical specification of goods and material;
 - d. amendment to the value of goods and material;
 - e. change / replacement of and/or addition to port of disembarkation; and/or
 - f. change / replacement of and/or addition to country of embarkation.
- (3) Amendment to Decision for granting facilities as referred to in paragraph (2) may be made only if:
 - a. goods and material are not imported yet, such as, not obtaining yet Registration Number (Nopen) for Notification of Imported Goods (PIB); and
 - b. are still within exemption period.
- (4) Amendment to Decision as referred to in paragraph (2) may not change the total number of goods and material that have been approved.
- (5) The application for amendment to / replacement of facilities of imported goods and material be reviewed and inspected in the field.

Paragraph 8**Validity of Facilities of Import Duty on Imported Goods and Material****Article 15**

- (1) Period granted for importing goods with facilities of import duty on Imported Goods and Material is granted

for two (2) years.

- (2) Extension may be granted for exemption facilities of import duty for Company not completing its import yet within two (2) years.
- (3) Extension of period for import as referred to in paragraph (2), may be granted once or one (1) time for one (1) year importing period effective as of the term of import expires and no extension thereto is made.
- (4) Company utilizing local made machinery with local component of at least 30% (thirty percent) as referred to in Article 13 paragraph (3) with a term for importing goods and material is granted all at once for four (4) years effective as of the date of the Decision on facilities of import duty on Imported Goods and Material.
- (5) The Permit for Import of Goods by the Company referred to in paragraph (4) exercising special import of goods and material as governed in the provision on procedure for commercial import still not completed within four (4) years may be extended once (for one (1) time term of import based on Regulation of the Minister responsible for Trade, effective as of the issue of Decision Letter for Extension of Term of Import and is not extenable.
- (6) Application for Extension of Permit for importing goods as referred to in paragraph (3) and (5) must be submitted within 30 (thirty) days prior to expiry of facilities of import duty on Imported Goods and Material granted.
- (7) If application for extension of period of facilities of import duty on Imported Goods and Material as referred to in paragraph (3) is submitted after expiry of the facilities, such facilities of import duty on Imported Goods and Material may be granted effective as of the date it is stipulated and is valid for one (1) year less the number of days of delay in submitting application.

Part Two

Requirements for Granting Facilities on Exemption of Import Duty on imported Machinery and Goods and Material for Construction and Development of Industry

In the context of Capital Investment

Paragraph 1

Requirements for Application for Facilities of Import Duty
on Imported Machinery

Article 16

Requirements for application for facilities of Import Duty on Imported Machinery as referred to in Article 7 and Article 9, namely:

- a. Application for facilities of imported machinery for construction and development (expansion) or imported machinery for restructuring, modernization and rehabilitation must be signed over duty stamp by the Board of Directors / Management of Company and affixed with the seal of the company as set forth in Attachment I constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not coordinated directly by the Board of Directors / Management of Company, as governed in this Regulation Head of BKPM;
- c. Copy of Deed of Establishment of Company;
- d. Copy of Provisional Permit / Investment Permit / Provisional Permit and amendment thereof;
- e. Copy of Business License (specifically for application intended for restructuring, modernization and rehabilitation);
- f. Copy of Customer Identification Number (NIK);
- g. Copy of Obligatory Taxpayer Identification Number (NPWP);
- h. Copy of Importer – Producer Identification Number (API-P);
- i. List of Machinery covering, among other things, HS Code, technical specification, country of embarkation, total number and estimated price in details for each port of import;

- j. Definition of producing process covering the type of raw material supported by flow chart specifically for processing industry or brief description of business pertaining to service business;
- k. Calculated capacity of producing machinery as justified with the type of production referred to in Provisional Permit / Investment Permit / Provisional Permit for Expansion and Amendment thereof or Business License (specifically for application for restructuring, modernization and rehabilitation;
- l. Chart on site plan of factory machinery or technical drawing of the building / construction providing services;
- m. Technical data or brochure of machinery;
- n. LKPM at the latest period; and
- o. Permit or Recommendation for:
 - 1. integrated oilpalm plantation company with the processing thereof must be supported by technical recommendation of the Minister of Agriculture cq. the Director General of Plantation possessed by such company;
 - 2. rubber industrial company processing rubber into sheet, thick latex, crumb rubber, must be supported by technical recommendation of the Minister of Agriculture cq. The Director General of Agriculture possessed by such company;
 - 3. sugarcane plantation company integrated with the company processing the produce thereof must be supported by technical recommendation of the Minister of Agriculture cq. Director General of Plantation possessed by such company;
 - 4. Provisional Permit specifically intended for mining company must be supported by Business License for Mining (IUP) and for service company on mining must be supported by Business License for Mining Service (IUJP) and Work Contract entered into with the owner of IUP;

5. The IUP referred to in figure 4 must hold clean and clear status from the Ministry of Energy and Mineral Resource (ESDM); and/or;
6. The relevant Ministry on other technical matters.

Paragraph 2

Requirements for Application for Amendment to Decision on Facilities of Import Duty on Imported Machinery

Article 17

The requirements for application for Amendment to Decision on facilities of Import Duty on imported machinery as referred to in Article 10, are namely:

- a. Application form for Amendment to facilities of import duty on imported machinery supported by reasons for Amendment must be signed over duty stamp by the Board of Directors / Management of Company and affixed with the Company's seal according to the format as set forth in Attachment II constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not directly processed by the Board of Directors / Management of Company, as governed in this Regulation of the Head of BKPM;
- c. List of Machinery covering among other things, the types of HS Code, technical specification, country of embarkation, units, total number and estimated price in details in each port of import;
- d. Copy of Provisional Permit / Investment Permit / Provisional Permit for Expansion and/or Amendment thereto;
- e. Copy of Decision of the Minister of Finance concerning exemption of import duty on imported mesin and / or Amendment thereto;
- f. Definition of production process covering the type of basic material supported by flow chart, specifically for processing industry or brief definition of service provision business;

- g. Calculated capacity of production machinery must justify with the type and capacity of production as specified in the Provisional Permit or Amendment to Capital Investment, if any Amendment is made to the capacity;
- h. Chart on the site of factory machinery or technical drawing of the building / construction for industry providing service;
- i. Technical data (Invoice, Packing List, Bill of Lading (B/L) or Airway Bill / AWB, Contract) or brochure of machinery;
- j. Permit or Recommendation from the Ministry on technical matter as required;
- k. Recapitulation of realization of imported machinery; and
- l. LKPM at the latest period.

Paragraph 3

Requirements for Application for Extension of Term of Facilities of Import Duty on Imported Machinery

Article 18

Requirements for application for Extension of Term of facilities of Import Duty on Imported Machinery as referred to in Article 11, are:

- a. Application form for Extension of Term of facilities of import duty on imported machinery supported by clarification on the reason as to why no realization is yet made on imported machinery, signed on duty stamp by Board of Directors / Management of Company and affixed with the company's seal according to the format as set forth in Attachment III constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer the application not exercised directly by the Board of Directors / Management of Company, as governed in this Regulation of the Head of BKPM;

- c. Copy of Decision of the Minister of Finance concerning exemption of import duty on imported mesin and/ or Amendment thereto;
- d. Salinan Provisional Permit / Investment Permit / Permit for Expansion and/or Amendment thereto;
- e. Recapitulation of realization of imported machinery; and
- f. LKPM during the last period.

Paragraph 4

Requirements for application for moving location of Machinery with facilities on Imported Machinery

Article 19

The requirements for application for moving location of imported machinery with facilities as referred to in Article 12 paragraph (4), namely:

- a. Application for moving location of machinery with facilities supported by valid reason for moving location of the machinery, signed on duty stamp by the Board of Directors / Management of Company and seal of the company according to the format as set forth in Attachment IV constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer the application not directly administered by the Board of Directors / Management of Company, as governed in this Regulation of the Head of BKPM;
- c. List of machinery covering among other things, the type, technical specification, total number and unit as detailed for each project location encountering Amendment thereto; and
- d. Copy of Decision Minister of Finance concerning exemption of import duty on imported machinery possessing the machinery.

Paragraph 5

to be continued

(MA)

GUIDELINE AND PROCEDURE FOR PROVIDING SERVICE TO CAPITAL INVESTMENT

**(Regulation of the Head of Capital Investment
Coordinating Board of R.I. Number 16 Year 2015,
dated September 29, 2015)**

**[Continued from Business News No. 8827-8828
pages 26-48]**

Paragraph 5

**Requirements for Application for Facilities of
Import Duty on Imported Goods**

And Material

Article 20

Requirements for application for facilities of
Import Duty on Imported Goods and Material as re-
ferred to in Article 13, shall be:

- a. Application form for facilities of Import Duty on Imported Goods and Material, must be signed over duty stamp by the Board of Directors / Management of Company and affixed with the company's seal, according to the format as set forth in Attachment V constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duty stamped to administer application not exercised directly by the Board of Directors / Management of Company, as governed in this Regulation of the Head of BKPM;

- c. Copy of Business License;
- d. Copy of Customs Identification Number (NIK);
- e. Copy of Obligatory Taxpayer Identification Number (NPWP);
- f. Copy of Importer – Producer Identification Number (API-P);
- g. List of Goods and Material covering among other things, the type, HS Code, technical specification, country of embarkation, total number and estimated price in details for each port of import;
- h. Copy of Decision of the Minister of Finance concerning exemption of import duty on imported mesin held by company;

- i. Definition of production process specifying the type of basic material supported by flow chart specifically for processing industry or brief definition of business that provides services;
- j. Calculation of the needs for goods and material (balance material) for production as adjusted to the type of production specified in the Business License / Permit for Expansion;
- k. Technical data or brochure on the Goods and Material;
- l. Recommendation of the Ministry on relevant technical and Report of Accomplishment of Level of Local Component (TKDN) of least 30% (thirty percent) from independent surveyor, specifically for application for facilities of import duty on imported basic material for a term of four (4) years;
- m. Report on imported machinery realized by submitting evidential proofs in the form of Notification on Imported Goods (PIB) setting forth the Decision of the Minister of Finance concerning Exemption of import duty on imported machinery and has obtained approval for disembarkation of the goods from the Directorate General of Customs and Excise;
- n. LKPM in the last period; and
- o. Statement Letter over duty stamp signed by the company management stating that the machinery to be requested facilities on goods and material that are not being placed under security, not being in litigation with other parties and are still under the control of the owner / company according to the format as set forth in Attachment VI constituting inseparable part of this Regulation of the Head of BKPM.

Paragraph 6

Requirements for Application for Amendment to Decision on Facilities of

Import Duty on Imported Goods and Material

Article 21

Requirements for application for Amendment to Decision on facilities of Import Duty on Imported Goods and Material as referred to in Article 14, such as:

- a. Application form for Amendment to facilities on Imported Goods and Material supported by reasons for Amendment to facilities on goods and material, signed on duty stamp by the Board of Directors /

Management of Company and affixed with the company's seal in accordance with the format as set forth in Attachment VII constituting inseparable part of this Regulation of the Head of BKPM;

- b. Power of Attorney duly stamped to administer application not exercised directly by the Board of Directors / Management of Company, as governed in this Regulation of the Head of BKPM;
- c. List of goods and Material covering among other things, the type, HS Code, technical specification, country of embarkation, total number and estimated price in details in each port of import;
- d. Copy of Decision of the Minister of Finance on exemption of Import Duty on Imported Goods and Material the company possesses;
- e. Definition of production process specifying the type of basic material supported by flow chart specifically for processing industry or brief definition of business on service provision;
- f. Calculated needs for goods and material (balance material) for production adjusted to the type of production specified in the Business License / Permit for Expansion;
- g. Controlling Card on Goods and Material (as required);
- h. Technical data or brochure of Goods and Material;
- i. Report on accomplished Imported Goods and Material supported by evidential proofs in the form of Notification of Imported Goods (PIB) mentioning Decision of the Minister of Finance concerning Exemption of Import Duty on Imported Goods and Material and approval is obtained on expenditures on the goods from the Directorate General of Customs and Excise or recommendation from the Ministry of Industry on the level of local component;
- j. Recapitulation of accomplished Imported Goods and Material; and
- k. LKPM during the last period.

Paragraph 7

Requirements for Application for Extension
of Term of the Facilities of Import Duty
on Imported Goods and Material

Article 22

Requirements for application for Extension of Term of facilities of Import Duty on Imported Goods and material as referred to in Article 15, namely:

- a. Application for Extension of Term of facilities of Import Duty on Imported Goods and Material supported by statement stating that Imported Goods and Material are not completed yet and signed on duty stamped by the Board of Directors / Management of Company and sealed by the company in accordance with the format as set forth in Attachment VIII constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duty stamped to coordinate application not directly exercised by the Board of Directors / Management of Company, as governed in this Regulation Head of BKPM;
- c. Copy of Decision of the Minister of Finance concerning exemption of Import Duty on Imported Goods and Material held;
- d. copy of Business License / Permit for Extension;
- e. recapitulation of realization of Imported Goods and Material; and
- f. LKPM during the latest period.

CHAPTER V

GUIDELINE AND REQUIREMENTS FOR EXEMPTION OF
IMPORT DUTY ON IMPORTED CAPITAL GOODS FOR CONSTRUCTION OR DEVELOPMENT OF
ELECTRIC POWER GENERATING PLANT FOR PUBLIC INTEREST

Part One

Guideline for Exemption of Import Duty on Imported Capital Goods for Construction and Development of
Electric Power Generating Plant for Public Interest

Paragraph 1

General

Article 23

Business Entity operating Business Entity on Electric Power Generating Plant for public interest that holds Provisional Permit / Permit for Investment / and IUPTL may submit application to obtain facilities in the form of exemption of Import Duty on Imported Capital Goods.

Paragraph 2

Facilities of Import Duty on Imported Capital Goods

Article 24

- (1) Application for exemption of Import Duty on Imported Capital goods as referred to in Article 23 must be submitted to PTSP Center at BKPM.
- (2) Exemption of Import Duty for Electric Power Generating Plant as referred to in Article 23, may be granted to the Business Entity below :
 - a. PT. Perusahaan Listrik Negara (Persero) (PT. PLN (Persero)); or
 - b. holder of IUPTL.
- (3) The holder of IUPTL as referred to in paragraph (2) letter b namely are:
 - a. holder of IUPTL holding business area;
 - b. holder of IUPTL for electric power generating plant holding Electric Power Sale and Purchase Agreement (Power Purchase Agreement (PPA)) with PT. PLN (Persero) that declares the entire electric power produced will be purchased by PT. PLN (Persero);
 - c. holder of IUPTL for electric power generating plant holding Finance Lease Agreement (FLA)) with PT. PLN (Persero); or
 - d. holder of IUPTL for Electric Power Generating Plant holding Electric Power Sale and Purchase Agreement with the holder of IUPTL which business area declares that the entire electric power produced will be purchased by the holder of IUPTL that owns business area.

- (4) The application referred to in paragraph (1) must be supported by Plan for Imported Goods (RIB) as required by the project that has been approved and signed by the Director General of Electric Power, Ministry of Energy and Mineral Resource.

Paragraph 3

Amendment to Decision on Facilities of Import Duty on Imported Goods Modal

Article 25

- (1) The Decision on facilities of exemption of import duty referred to in Article 23 may be amended.
- (2) Amendment to Decision as referred to in paragraph (1) covering:
- a. Amendment to, replacement and/or additional capital goods;
 - b. Amendment to, replacement of HS Code of capital goods;
 - c. Amendment to, replacement technical specification of capital goods;
 - d. Amendment to, replacement and/or additional port of import;
 - e. Amendment to, replacement and/or additional country of embarkation;
 - f. Amendment to the value of capital goods;
 - g. Amendment to, replacement capital goods units;
 - h. Amendment to, replacement and/or additional details of capital goods;
 - i. Amendment to, replacement and/or additional project location; and/or
 - j. Amendment to data of company.
- (3) Amendment to Decision for granting facilities as referred to in paragraph (2) may be made only if:
- a. machinery is not yet imported; and
 - b. is still within the term of exemption.
- (4) Proposal for amendment to import duty facilities as referred to in paragraph (2) must be submitted to PTSP Center at BKPM supported by a Plan for Amendment to Imported Goods (Rencana Imported Goods Perubahan (RIBP)) as required by the project that has been approved and ratified by the Director General of Electric Power and Minister of Energy and Mineral Resource.

Paragraph 4

Term of Import Duty Facilities on Imported Capital Goods

Article 26

- (1) The term of import of capital goods that is granted facilities as referred to in Article 23, will be two (2) years effective as of the issue of Decision on the grant of exemption of import duty on imported capital goods.
- (2) The term of imported capital goods as referred to in paragraph (1) may be extended for another 12 (twelve) months at the longest effective as of expiry of import accomplishment 14 (fourteen) days prior to expiry of the term of the Decision on exemption of import duty.

Paragraph 5

Transfer of Right to Capital Goods

Article 27

- (1) The right to capital goods that may be granted facilities as referred to in Article 23 may be transferred according to the mechanism as governed in Regulation of the Minister of Finance concerning Exemption of Import Duty on Imported Goods for the purpose of construction or development of electric power generating plan for public interest and the implementing regulation thereof.
- (2) Transfer of right to capital goods as referred to in paragraph (1) may be made after obtaining permit from the Director General of Customs and Excise on behalf of the Minister, by virtue of recommendation of the Head of BKPM.

Part One

Requirements for Exemption of Import Duty on Imported Capital Goods for construction and development of
Electric Power Generating Plant for Public Interest

Paragraph 1

Requirements for Application for Facilities of Import Duty on Imported Capital Goods
for Construction of Electric Power Generating Plan

Article 28

Requirements for application for facilities of Import Duty on Imported Capital Goods as referred to in Article 23, shall be:

- a. Application form for facilities of import duty on imported capital goods, must be signed over duty stamp by the Board of Directors / Management of Company and affixed with the Company's official seal according to the format as set forth in Attachment IX constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not administered directly by the Board of Directors / Management of Company, as governed in Regulation of the Head of BKPM;
- c. Copy of Provisional Permit / Permit for Investment;
- d. Copy of Customs Identification Number (NIK);
- e. Copy of Obligatory Taxpayer Identification Number (NPWP);
- f. Copy of Importer – Producer Identification Number (API-P);
- g. List of Capital Goods covering among other things, the type, HS Code, technical specification, country of embarkation, total number, and estimated price in detail at each port of import;
- h. Recommendation supported by Plan on Imported Goods (RIB) constituting requirement of the project as has been approved and ratified by the Director General of Electric Power, Minister of Energy, and Mineral Resource;
- i. Business License for supply of Electric Power (IUPTL) issued by the Minister of Energy and Mineral Resource or Government of Province, according to the statutory regulation on electric power;
- j. If the application for facilities is submitted by Business Entity as referred to in Article 24 paragraph (3) letter b and c, such application must be supported by Electric Power Sales and Purchase Agreement (PPA) or Financing Lease Agreement (FLA) entered into with PT. PLN (Persero).

- k. If the application for facilities is submitted by Business Entity as referred to in Article 24 paragraph (3) letter d, such application must be supported by Electric Power Sales and Purchase Agreement (PPA) entered into with the holder of IUPTL possessing business area.
- l. Computed capacity of machinery for production is justified with the type of production specified in the Provisional Permit / Permit for Investment;
- m. Technical data or brochure of the machinery; and
- n. LKPM during the last period.

Paragraph 2

Requirements for Application for Amendment to Decision on Facilities of Import Duty on Imported Capital Goods for Electric Power Generating Plant

Article 29

Requirements for application for amendment to Decision on facilities of Import Duty on Imported Capital Goods as referred to in Article 25, shall as follows:

- a. Form of application for Amendment to Decision on facilities of import duty on imported capital goods must be supported by reason for amendment to the Decision on facilities on imported capital goods signed over duty stamp by the Board of Directors / Management of Company and affixed with the Company's seal, in accordance with the format as set forth in Attachment X constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not directly administered by the Board of Directors / Management of Company, as governed in Regulation of the Head of BKPM;
- c. List of Capital Goods covering among other things, type, HS Code, technical specification, country of embarkation, total number and estimated price in details at each port of import;
- d. Copy of Decision of the Minister of Finance concerning Exemption of Import Duty on imported capital goods held by the company;

- e. Plan on Amendment to Imported Goods (RIBP) as required by the project that has been approved and ratified by the Director General of Electric Power, Minister of Energy, and Mineral Resource;
- f. Computed capacity of capital goods for production as justified with the type and production capacity in the Provisional Permit / Permit for Investment;
- g. Technical data or brochure of machinery; and
- h. LKPM during the last period.

Paragraph 3

Requirements for Application for Extension of Term of Facilities of Import Duty on Imported Capital Goods for Electric Power Generating Plant

Article 30

Requirements for Application for Extension of Term of facilities of Import Duty on Imported Capital Goods as referred to in Article 26 shall be:

- a. Application for for extension of term of facilities of import duty on imported capital goods must be supported by reason stating that import of capital goods are not yet realized, must be signed on duly duty stamp by the Board of Directors / Management of Company and affixed with the Company's seal, according to the format as set forth in Attachment XI constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly duty stamped untuk to administer application yang tidak dilakukan secara langsung oleh Board of Directors / Management of Company, sebagaimana diatur dalam Regulation of the Head of BKPM;
- c. Copy of Decision Minister of Finance on Exemption of Import Duty on Imported Capital Goods held by the Company;
- d. Report on import realization; and

- e. LKPM during the last period.

CHAPTER VI

GUIDELINE AND REQUIREMENTS FOR GRANTING

EXEMPTION AND/OR DISPENSATION ON IMPORT DUTY AND EXEMPTION AND/OR POSTPONEMENT OF VALUE ADDED TAX ON IMPORTED GOODS

Part One

Guideline for Granting Exemption and/or Dispensation

of Import Duty and Exemption and/or Postponement of Value Added Tax on Imported Goods in the context
of Work Contract and Employment Agreement on Coal Mining Exploitation

Paragraph 1

Facilities of Exemption and/or Dispensation Import Duty and Exemption and/or Postponement of
Value Added Tax on Imported Goods

Article 31

- (1) Imported Goods in the context of Work Contract (KK) and Employment Agreement Coal Mining Exploitation (PKP2B) shall be granted Exemption and/or Dispensation of Import Duty according to the Contract held by the company concerned.
- (2) Exemption or Postponement of PPN on Imported Goods in the context of KK and PKP2B may be granted to contractor which contract specifies Exemption or Postponement of PPN on Imported Goods in the context of KK and PKP2B.
- (3) Application for Exemption and/or Dispensation on Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods in the context of KK and PKP2B as referred to in paragraph (1) and paragraph (2) must be submitted by the holder of KK and PKP2B to PTSP Center at BKPM.
- (4) The application referred to in paragraph (3) must be submitted as supported by Masterlist as recommended by the Director General of Mineral and Coal, Minister of Energy, and Mineral Resource.

Paragraph 2

Amendment to Decision of Facilities of Exemption and/or Dispensation on Import Duty and/or

Exemption and/or

Postponement of Value Added Tax on Imported Goods

Article 32

- (1) Based on the Decision on facilities of Exemption of Import Duty on Imported Goods and/or Exemption or Postponement of PPN on Imported Goods in the context of KK and PKP2B to contractor which contract specifies Exemption or Postponement of PPN on Imported Goods in the context of KK and PKP2B as referred to in Article 31 amendment may be made thereto.
- (2) The amendmnet to Decision referred to in paragraph (1) shall cover:
 - a. amendment, replacement and/or additin to the goods;
 - b. amendmnet, replacement of the goods' HS Code;
 - c. amendment, replacement of technical specification of the goods;
 - d. amendment, replacement and/or addition to port of disembarkaction;
 - e. amendment, replacement and/or addition to country of embarkation;
 - f. amendmnet to value of goods;
 - g. amendment, replacement to unit of goods;
 - h. amendment, replacement and/or addition to details of goods; and/or
 - i. amendment, replacement and/or addition to project location.
- (3) The amendment referred to in paragraph (2) may be made only if:
 - a. goods are not imported yet; and
 - b. is still within the term of Exemption.
- (4) The amendment referred to in paragraph (2) must be submitted to PTSP Center at BKPM supported by Recommendation Letter that has been approved and ratified by the Director General of Mineral and Coal, Minister of Energy and Mineral Resource.

Paragraph 3

Term of Facilities of Exemption and/or

Dispensation of Import Duty and/or Exemption
and/or Postponement of Value Added Tax on Imported Goods

Article 33

- (1) The term of facilities of Exemption and/or Dispensation of Import Duty and/or Exemption and/or Postponement of Value Added Tax shall refer to the provisions in KK and PKP2B.
- (2) The term of facilities as referred to in paragraph (1) will be determined each year and expire on on December 31, in the current year.
- (3) The term of facilities as referred to in paragraph (2) may be extended based on recommendation of the Director General of Mineral and Coal, Minister of Energy, and Mineral Resource.

Paragraph 4

Transfer of Right to Goods

Article 34

- (1) The right to imported goods referred to in Article 31 on may be transferred after obtaining approval from the Director General of Customs and Excise on behalf of the Minister of Finance
- (2) The transfer of right referred to in paragraph (1) shall be based on mechanism as governed in Regulation of the Director General of Customs and Excise.

Part Two

Requirements for Granting Exemption and/or Dispensation
Of Import Duty and Exemption and/or Postponement of Value Added Tax on Imported Goods in the context
of Work Contract and Employment Agreement on Coal Mining Exploitation

Paragraph 1

Requirements for Application for Facilities of Exemption and/or Dispensation of Import Duty and/or Exemption
and/or Postponement of Value Added Tax on Imported Goods In the context of Work Contract and
Employment Agreement on Coal Mining Exploitation

Article 35

Requirements for application for Exemption and/or Dispensation of Import Duty and/or Exemption and/

or Postponement of Value Added Tax as referred to in Article 31 paragraph (3), are:

- a. Application form for facilities of Imported Goods, signed over duty stamp by the Board of Directors / Management of Company and affixed with Company's official seal, according to the format as set forth in Attachment XII constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not yet administered directly by the Board of Directors / Management of Company, as governed in Regulation of the Head of BKPM;
- c. Copy of Provisional Permit / Permit for Investment;
- d. Copy of Customs Identification Number (NIK);
- e. Copy of Obligatory Taxpayer Identification Number (NPWP);
- f. Copy of Importer – Producer Identification Number (API-P);
- g. List of machinery covering, among other things, the type, HS Code, technical specification, country of embarkation, and estimated price in details at the port of import.
- h. Recommendation Letter on the Masterlist from the Director General of Mineral and Coal, Minister of Energy and Mineral Resource; and
- i. LKPM during the last period.

Paragraph 2

Requirements for Application for Amendment to Decision

On Exemption and/or Dispensation of Import Duty and/or

Exemption and/or Postponement of Value Added Tax on Imported Goods in the context of Contract and
Employment Agreement on Coal Mining Exploitation

Article 36

Requirements for application for Amendmnet to Decision on Exemption and/or Dispensation of Import
Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods as referred to in Article

32 paragraph (1), namely:

- a. Application form for Amendment to Decision on Exemption and/or Dispensation of Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods supported by valid reason for such amendment to facilities of Imported Goods signed over duty stamp by the Board of Directors / Management of Company and affixed with the Company's official seal according to the format as set forth in Attachment XIII constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not yet administered directly by the Board of Directors / Management of Company, as governed in Regulation of the Head of BKPM;
- c. List of machinery covering, among other things, the type, HS Code, technical specification, country of embarkation, total number and estimated price in details at the port of import;
- d. Copy of Decision of the Minister of Finance concerning Exemption of Import Duty on Imported Goods held by the company;
- e. Recommendation Letter from the Director General of Mineral and Coal, Minister of Energy and Mineral Resource;
- f. Report on realization of Imported Goods in the current year; and
- g. LKPM during the last period.

Paragraph 3

Requirements for Application for Extension of Term of Exemption and/or Dispensation of Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods

Article 37

Requirements for application for extension of term of Exemption and/or Dispensation of Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods as referred to in Article 33 paragraph (3), namely:

- a. Application form for extension of the term of exemption of Imported Goods supported by valid reason stating that realization of Imported Goods is not accomplished yet, signed over duty stamp by the Board of Directors / Management of Company and affixed with the Company's official seal according to the format as set forth in Attachment XIV constituting inseparable part of this Regulation of the Head of BKPM;
- b. Power of Attorney duly stamped to administer application not yet administered directly by the Board of Directors / Management of Company, as governed in Regulation of the Head of BKPM;
- c. Copy of Decision Minister of Finance concerning Exemption of Import Duty on Imported Goods held by the company;
- d. Recommendation Letter from the Director General of Mineral and Coal, Minister of Energy and Mineral Resource;
- e. Report on realization of Imported Goods in the current year; and
- f. LKPM during the last period.

CHAPTER VII

PROCEDURE FOR SUBMITTING APPLICATION FOR FACILITIES

Article 38

Procedure for submitting application for facilities by any Company / Business Entity as referred to in Article 5 paragraph (1), Article 12 paragraph (6), Article 24 paragraph (1), and Article 31 paragraph (3), is as follows:

- a. Company / Business Entity must have the right to access to submitting application for facilities to PTSP Center by online (online) through SPIPISE.
- b. Any company / business entity intending to submit application for facilities shall be obliged to download the required document.

- c. Any company/ business entity shall be obliged to provide company folder possessed by the company possessing up-to-date data.
- d. Any company / business entity shall be obliged to fill in and submit application form and list of machinery / goods and material by online through the SPIPISE media.
- e. The application referred to in letter d will be verified administratively by the officer in charge.
- f. If the application verified by the officer in charge is incomplete and incorrect the application will be returned to the company/business entity by online through the SPIPISE media.
- g. Application deemed as complete and correct will be technically clarified in a Technical Meeting and/or by inspecting the project location.
- h. The result of Technical Clarification must:
 - 1. issued stating that the application may be processed according to the provisions.
 - 2. returned to the company/business entity by online through SPIPISE if it fails to be processed according to the provisions thereto.
 - 3. application is rejected due to inconsistent with the provisions thereto.
- i. The result of technical clarification referred to in letter h figure 2, the company/business entity will be notified within five (5) working days at the latest to complete and re-submit the document by online to PTSP Center at BKPM.
- j. If the company/business entity complied with the requirements as referred to in letter i receipt will be issued thereof.
- k. If the company / business entity fails to comply with the provisions as referred to in letter i, the application of the company / business entity will be rejected.

- l. The application for facilities will be settled within five (5) working days as of receipt of the receipt referred to in letter h figure 1 and letter j.
- m. Rejection to application referred to in letter h figure 3 and letter k will be made within three (3) working days.

CHAPTER VIII

Issue of Decision for Facilities

Article 39

- (1) If the application for facilities as referred to in Article 7, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 24, Article 25, Article 26, Article 31, Article 32, Article 33, is approved, the Head of BKPM on behalf of the Minister of Finance shall issue Decision Letter for Grant of Facilities.
- (2) The nature of Decision Letter for Grant of Facilities as referred to in Article 7, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 24, Article 25, Article 26, Article 31, Article 32, Article 33 shall be as specified in Attachment XV, Attachment XVI, Attachment XVII, Attachment XVIII, Attachment XIX, Attachment XX, Attachment XXI, Attachment XXII, Attachment XXIII, Attachment XXIV, Attachment XXV, Attachment XXVI, Attachment XXVII constituting inseparable part of this Regulation of the Head of BKPM.
- (3) If the application is rejected, the Head of BKPM on behalf of the Minister of Finance shall issue Letter of Rejection for Grant of Facilities by stating the reason for rejection thereof.
- (4) The nature of Letter of Rejection for Granting Facilities as referred to in paragraph (3) shall be as specified in Attachment XXVIII constituting inseparable part of this Regulation of the Head of BKPM.

CHAPTER IX

REPORTING AND ADMINISTRATIVE PENALTY

Article 40

- (1) The company that has obtained facilities of Exemption of Import Duty on imported machinery / goods / capital goods and material as set forth in Article 39 paragraph (1) shall be obliged to submit report on re-

alization of import to the Head of Coordinating Board of Capital Investment within seven (7) working days after import is realized.

- (2) If the company fails to comply with the provision concerning submission of report on import realization as referred to in paragraph (1), the company is subject to administrative penalty which provisions thereof are as governed in Regulation of the Head of BKPM concerning Guideline and Procedure for Control of Capital Investment operation.
- (3) Type of report on import realization as set forth in Attachment Regulation of the Head of BKPM concerning Guideline and Procedure for Control of Capital Investment operation.

CHAPTER X

TRANSITIONAL PROVISION

Article 41

- (1) Decision of the Minister of Finance concerning Exemption of Import Duty on Imported capital goods in the context of Construction and Development of Electric Power Generating Plant for Public Interest issued based on Regulation Minister of Finance Number 154/PMK.011/2008 concerning Exemption of Import Duty on Imported capital goods for Construction and Development of Electric Power Generating Plant for Public Interest as amended several times and lately amended by Regulation Minister of Finance Number 154/PMK.011/2012, survives until it expires.
- (2) Application and Amendment to Decision Letter to be made by business entity to Decision Letter as referred to in paragraph (1), shall further comply with the provisions on procedure for submitting application as governed in this Regulation of the Head of BKPM.

CHAPTER XI

CLOSING PROVISION

Article 42

With this Regulation of the Head of BKPM comes to force, Regulation of the Head of Coordinating Board Capital Investment Number 5 Year 2013 concerning Guideline and Procedure for applying for Permits and Non-Permits for Capital Investment as amended by Regulation Head of Coordinating Board Capital Investment

Number 12 Year 2013, is declared null and void.

Article 43

This Regulation of the Head of BKPM takes effect on PTSP Center at BKPM dated October 26, 2015.

For public cognizance, this Regulation of the Head of BKPM will be announced by placing it in the State Gazette Republic of Indonesia.

Stipulated in Jakarta

Dated September 29, 2015

HEAD OF SUPERVISORY COORDINATING BOARD
OF CAPITAL INVESTMENT OF THE REPUBLIC OF INDONESIA

sgd.

FRANKY SIBARANI

Enacted in Jakarta

Dated October 8, 2015

DIRECTOR GENERAL OF STATUTORY REGULATION
MINISTRY OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA

sgd.

WIDODO EKATJAHJANA

STATE GAZETTED OF THE REPUBLIC OF INDONESIA
YEAR 2015 NUMBER 1480

Note from Editor:

Due to technical reason no Attachment is provided herein.

(MA)