

GUIDELINE AND PROCEDURE FOR CONTROLLING CAPITAL INVESTMENT OPERATION

(Regulation of the Head of Capital Investment Coordinating Board of R.I Number 17 Year 2015, dated September 29, 2015)

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

Considering:

- a. Whereas, to implement the provisions in Article 14, Article 15 and Article 28 paragraph (1) letter h of Law Number 25 Year 2007, concerning Capital Investment Regulation of the Head of Coordinating Board of Capital Investment Number 3 Year 2012 is stipulated, concerning Guideline and Procedure for exercising Capital Investment;
- b. Whereas, in improving realization of Capital Investment, it is deemed necessary to make improvement to Regulation of the Head of Coordinating Board of Capital Investment Number 3 Year 2012 concerning Guideline and Procedure Control and Implementation of Capital Investment;
- c. Whereas, based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation of the Head of Coordinating Board of Capital Investment on Guideline and Procedure for Controlling Implementation of Capital Investment;

In view of :

1. Law Number 7 Year 1983 concerning Pajak Penghasilan (Statute Book of the Republic of Indonesia Year 1983 Number 50, Supplement to Statute Book of the Republic of Indonesia Number 3263), as amended several times and most recently amended by Law Number 36 Year 2008 (Statute Book of the Republic of Indonesia Year 2008 Number 133, Supplement to Statute Book of the Republic of Indonesia Number 4893);

2. Law Number 10 Year 1995, concerning Customs (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);
3. Law Number 36 Year 2000 concerning stipulation of Government Regulation in Lieu of Law Number 1 Year 2000 concerning Free Trade Zone and Freeport to become Law (Statute Book of the Republic of Indonesia Year 2000 Number 251, Supplement to Statute Book of the Republic of Indonesia Number 4053), as amended by Law Number 44 Year 2007 (Statute Book of the Republic of Indonesia Year 2007 Number 130, Supplement to Statute Book of the Republic of Indonesia Number 4775);
4. Law Number 37 Year 2000, concerning stipulation of Government Regulation in Lieu of Law Number 2 Year 2000 concerning Free Trade Zone and Free Port Sabang to become Law (Statute Book of the Republic of Indonesia Year 2000 Number 252, Supplement to Statute Book of the Republic of Indonesia Number 4054);
5. Law Number 13 Year 2003, concerning Manpower (Statute Book of the Republic of Indonesia Year 2003 Number 39, Supplement to Statute Book of the Republic of Indonesia Number 4279);
6. Law Number 31 Year 2004, concerning Fishery (Statute Book of the Republic of Indonesia Year 2004 Number 118, Supplement to Statute Book of the Republic of Indonesia Number 4433) as most recently amended by Law Number 45 Year 2009 concerning Fishery (Statute Book of the Republic of Indonesia Year 2009 Number 154, Supplement to Statute Book of the Republic of Indonesia Number 5073);
7. 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);
8. Law Number 26 Year 2007, concerning Space Layout (Statute Book of the Republic of Indonesia Year 2007 Number 68, Supplement to Statute Book of the Republic of Indonesia Number 4725);

9. Law Number 40 Year 2007, concerning Limited Liability Company (Statute Book of the Republic of Indonesia Year 2007 Number 106, Supplement to Statute Book of the Republic of Indonesia Number 4756);
10. Law Number 11 Year 2008, concerning Electronic Information and Transaction (Statute Book of the Republic of Indonesia Year 2008 Number 58 Supplement to Statute Book of the Republic of Indonesia Number 4843);
11. Law Number 14 Year 2008, concerning Transparent Public Information (Statute Book of the Republic of Indonesia Year 2008 Number 61, Supplement to Statute Book of the Republic of Indonesia Number 4846);
12. Law Number 20 Year 2008, concerning Micro, Small, and Medium Businesses (Statute Book of the Republic of Indonesia Year 2008 Number 93, Supplement to Statute Book of the Republic of Indonesia Number 4866);
13. 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);
14. Law Number 32 Year 2009, concerning Living Environmental Protection and Management (Statute Book of the Republic of Indonesia Year 2009 Number 147, Supplement to Statute Book of the Republic of Indonesia Number 5059);
15. Law Number 39 Year 2009, concerning Special Economic Zone (Statute Book of the Republic of Indonesia Year 2009 Number 147, Supplement to Statute Book of the Republic of Indonesia Number 5066);
16. Law Number 3 Year 2014, concerning Industry (Statute Book of the Republic of Indonesia Year 2014 Number 44, Supplement to Statute Book of the Republic of Indonesia Number 5492);
17. Law Number 7 Year 2014, concerning Trade (Statute Book of the Republic of Indonesia Year 2014 Number 45, Supplement to Statute Book of the Republic of Indonesia Number 5512);

18. 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 most 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);
19. Government Regulation Number 79 Year 2005, concerning Management and Supervision of Regional Administration (Statute Book of the Republic of Indonesia Year 2005 Number 165, Supplement to Statute Book of the Republic of Indonesia Number 4593);
20. Government Regulation Number 3 Year 2007, concerning Report on Regional Administration to the Government, on accountability of the Head of Region to the Board of People's Representatives of Region, and information on the Report on the implementation of Regional Administration to the People (Statute Book of the Republic of Indonesia Year 2007 Number 19, Supplement to Statute Book of the Republic of Indonesia Number 4693);
21. Government Regulation Number 41 Year 2007, concerning Organization of Regional Appartus (Statute Book of the Republic of Indonesia Year 2007 Number 89, Supplement to Statute Book of the Republic of Indonesia Number 4741);
22. Government Regulation Number 46 Year 2007, concerning Free Trade Zone and Batam Freeport (Statute Book of the Republic of Indonesia Year 2007 Number 107, Supplement to Statute Book of the Republic of Indonesia Number 4757) as amended by Government Regulation Number 5 Year 2011 (Statute Book of the Year 2011 Number 16, Supplement to Statute Book of the Republic of Indonesia Number 5195);
23. Government Regulation Number 47 Year 2007, concerning Free Trade Zone and Bintan Freeport (Statute Book of the Republic of Indonesia Year 2007 Number 108, Supplement to Statute Book of the Republic of Indonesia Number 4758);
24. Government Regulation Number 48 Year 2007 concerning Free Trade Zone and Karimun Freeport (Statute Book of the Republic of Indonesia Year 2007 Number 109, Supplement to Statute Book of the Republic

of Indonesia Number 4759);

25. Government Regulation Number 45 Year 2008, concerning Guideline for Granting Incentive and Facilities for Capital Investment in the Region (Statute Book of the Republic of Indonesia Year 2008 Number 88, Supplement to Statute Book of the Republic of Indonesia Number 4861);
26. Government Regulation Number 24 Year 2009, concerning Industrial Zone (Statute Book of the Republic of Indonesia Year 2009 Number 47, Supplement to Statute Book of the Republic of Indonesia Number 4987);
27. Government Regulation Number 83 Year 2010, concerning Delegation of Regional Authority to the Board of Sabang Zone (Statute Book of the Republic of Indonesia Year 2010 Number 143, Supplement to Statute Book of the Republic of Indonesia Number 5175);
28. Government Regulation Number 2 Year 2011, concerning Implementation of Special Economic Zone (Statute Book of the Republic of Indonesia Year 2011 Number 2, Supplement to Statute Book of the Republic of Indonesia Number 5186);
29. Government Regulation Number 10 Year 2012, concerning Treatment by Customs, Taxes and Embarkation of Goods to and from and existing at the Zone that have been determined as Free Trade Zone and Freeport (Statute Book of the Republic of Indonesia Year 2012 Number 17, Supplement to Statute Book of the Republic of Indonesia Number 5277);
30. Government Regulation Number 26 Year 201, concerning Tanjung Lesung Special Economic Zone (Statute Book of the Republic of Indonesia Year 2012 Number 47, Supplement to Statute Book of the Republic of Indonesia Number 5284);
31. Government Regulation Number 27 Year 2012, concerning Environmental Permit (Statute Book of the Republic of Indonesia Year 2012 Number 48, Supplement to Statute Book of the Republic of Indonesia Number 5285);

32. Government Regulation Number 29 Year 2012 concerning Kawasan Ekonomi Khusus Sei Mangkei (Statute Book of the Republic of Indonesia Year 2012 Number 54, Supplement to Statute Book of the Republic of Indonesia Number 5287);
33. Government Regulation Number 31 Year 2014, concerning Palu Special Economic Zone (Statute Book of the Republic of Indonesia Year 2014 Number 105, Supplement to Statute Book of the Republic of Indonesia Number 5536);
34. Government Regulation Number 32 Year 2014, concerning Bitung Special Economic Zone (Statute Book of the Republic of Indonesia Year 2014 Number 106, Supplement to Statute Book of the Republic of Indonesia Number 5537);
35. Government Regulation Number 50 Year 2014, concerning Morotai Special Economic Zone (Statute Book of the Republic of Indonesia Year 2014 Number 144, Supplement to Statute Book of the Republic of Indonesia Number 5549);
36. Government Regulation Number 51 Year 2014, concerning Tanjung Api-Api Special Economic Zone (Statute Book of the Republic of Indonesia Year 2014 Number 145, Supplement to Statute Book of the Republic of Indonesia Number 5550);
37. Government Regulation Number 52 Year 2014 concerning Mandalika Special Economic Zone (Statute Book of the Republic of Indonesia Year 2014 Number 146, Supplement to Statute Book of the Republic of Indonesia Number 5551);
38. Government Regulation Number 85 Year 2014 concerning Maloy Batuta Trans Kalimantan Special Economic Zone (Statute Book of the Republic of Indonesia Year 2014 Number 306, Supplement to Statute Book of the Republic of Indonesia Number 5611);
39. Government Regulation Number 18 Year 2015, concerning Income Tax Facilities for Capital Investment in Certain Business fields and/or in Certain regions (Statute Book of the Republic of Indonesia Year 2015 Number 77, Supplement to Statute Book of the Republic of Indonesia Number 5688);

40. Presidential Regulation Number 90 Year 2007, concerning Coordinating Board of Capital Investment as amended by Presidential Regulation Number 86 Year 2012 (Statute Book of the Year 2012 Number 210);
41. Presidential Regulation Number 33 Year 2010, concerning Board of Nation and Board of Special Economic Zone as amended by Presidential Regulation Number 150 Year 2014;
42. Presidential Regulation Number 39 Year 2014, concerning List of Private Businesses and Public Businesses under Capital Investment (Statute Book of the Year 2014 Number 93);
43. Presidential Regulation Number 97 Year 2014, concerning Operation of One Stop Integrated Service (Statute Book of the Year 2014 Number 221);
44. Regulation of the Minister of Finance Number 176/PMK.011/2009, concerning Exemption of Import Duty on Impoted Machinery and Goods and Material in the context of Construction and Development based on Capital Investment as amended by Regulation Minister of Finance Number 76/PMK.011/2012;
45. Decision of the Head of Police Force of the Republic of Indonesia Number Skep/638/XII/2009, concerning Delegation of Authority for Granting Business License on Security Service for implementation of One Stop Integrated Service on Capital Investment to the Head of Coordinating Board of Capital Investment;
46. Regulation of the Minister of National Education Number 8 Year 2010, concerning Grant of Business License on Informal Education and Educational Supporting Service for implementation of One Stop Integrated Service on Capital Investment;
47. Regulation of the Minister of Trade Number 27/M-DAG/PER/5/2012, concerning Provision of Importer Identification Number (API) as amended by Regulation Minister of Finance 59/M-DAG/PER/9/2012;
48. Regulation of the Minister of Agrarian matters and Space Layout / the Head of National Agrarian matter Number 15 Year 2014, concerning Appointmnet of Official of the Ministry of Agraria and Space Layout / Head of National Agraria to take charge on One Stop Integrated Service Coordinating Body on Capital Investment;

49. Regulation of the Minister of Public Works and People's Housing Number 22 Year 2014, concerning Delegation of Authority to Grant Business License on Public Works and People's Housing in the context of One Stop Integrated Service at the Coordinating Body of Capital Investment;
50. Regulation of the Minister of Manpower Number 25 Year 2014, concerning implementation of One Stop Integrated Service on Manpower at the Coordinating Body of Capital Investment;
51. Regulation of the Minister of Energy and Mineral Resource Number 35 Year 2014, concerning Delegation of Authority for Granting Business License on Electric Power in the implementation of One Stop Integrated Service on Capital Investment to the Head of Coordinating Board of Capital Investment;
52. Regulation of the Minister of Communications and Information Number 40 Year 2014, concerning Delegation of Authority to exercise One Stop Integrated Service on Communications and Information to the Head of Coordinating Board of Capital Investment;
53. Regulation of the Minister of Education and Culture Number 69 Year 2014, concerning Permit for exercising Informal Education with Foreign Capital;
54. Regulation Minister Kesehatan Number 93 Year 2014 concerning Pelaksanaan One Stop Integrated Service on Health at the Coordinating Board of Capital Investment;
55. Regulation Minister Perdagangan Number 96/M-DAG/PER/12/2014, concerning Delegation of Authority on Trade in the context of One Stop Integrated Service to the Head of Coordinating Board of Capital Investment as amended by Regulation of the Minister of Trade Number 10/M-DAG/PER/1/2015;
56. Regulation of the Minister of Living Environment and Forestry Number P.97/MENHUT-II/2014, concerning Delegation of Authority for Granting Permits and Non-Permits on Living Environment and Forestry in exercising One Stop Integrated Service to the Head of Coordinating Board of Capital Investment as amended by Regulation of the Minister of Living Environment and Forestry Number P.1/Menhut-II/2015;

57. Regulation of the Minister of Industry Number 122/M-IND/PER/12/2014, concerning Delegation of Authority for Granting Permits on Industry in exercising One Stop Integrated Service to the Head of Coordinating Board of Capital Investment;
58. Regulation Minister of Finance Number 258/PMK.011/2014, concerning implementation of One Stop Integrated Service on Finance at the Coordinating Body on Capital Investment;
59. Regulation of the Minister of Agriculture Number 70/Permentan/PD.200/6/2014, concerning Guideline for Granting Permits for Horticulture Cultivation Business.
60. Decision of the Minister of Agriculture Number 1312/Kpts/ KP.340/12/2014, concerning Delegation of Authority for Granting Business License on Agriculture in the context of Capital Investment to the Head of Coordinating Board of Capital Investment;
61. Regulation Minister of Tourism Number 1 Year 2015, concerning Amendment to Regulation of the Minister of Tourism Number 2 Year 2014, concerning implementation of PTSP on Tourism and Creative Economy at the Coordinating Body on Capital Investment;
62. Regulation of the Minister of Communications Number PM. 03 Year 2015, concerning One Stop Integrated Service on Communications at the Coordinating Body on Capital Investment;
63. Regulation of the Minister of Marine and Fishery Number 3/PERMEN-KP/2015, concerning Delegation of Authority for Granting Business License on Fishery in the context of implementing One Stop Integrated Service to the Head of Coordinating Board of Capital Investment;
64. Regulation of the Minister of Manpower Number 16 Year 2015, concerning Procedure for Utilizing Foreign Manpower;
65. Regulation of the Minister of Energy and Mineral Resource Number 23 Year 2015, concerning Delegation of Authority for Granting Permits on natural oil and gas in exercising One Stop Integrated Service to the Head of Coordinating Board of Capital Investment;

66. Regulation of the Minister of Energy and Mineral Resource Number 25 Year 2015, concerning Delegation of Authority for Granting Permits on Mineral and Coal Mining in exercising the One Stop Integrated Service to the Head of Coordinating Board of Capital Investment;
67. Regulation of the Minister of Finance of the Republic of Indonesia Number 66/PMK.010/2015, concerning Exemption of Import Duty on Imported Capital Goods in the context of Construction and Development of Electric Power Generating Plant for Public Interest;
68. Regulation of the Minister of Finance of the Republic of Indonesia Number 89/PMK.010/2015, concerning Procedure for Granting Facilities for Capital Investment on Certain Businesses and/or Certain Businesses in certain regions and transfer of assets and imposition of penalty on domestic Obligatory Taxpayer Entity which is granted exemption of Income Tax facilities;
69. Regulation of the Minister of Finance of the Republic of Indonesia Number 159/PMK.010/2015, concerning Grant of facilities in the form of Reduction of Entity's Income Tax;
70. Regulation of the Head of Coordinating Board of Capital Investment Number 90/SK/2007, concerning Organization and Working Procedure of Coordinating Body on Capital Investment as amended several times and most recently amended by Regulation of the Head of Coordinating Board of Capital Investment Number 1 Year 2011;
71. Regulation of the Head of Coordinating Board of Capital Investment Number 6 Year 2011, concerning Procedure for Implementation, Management, and Reporting of One Stop Integrated Service on Capital Investment;
72. Regulation of the Head of Coordinating Board of Capital Investment Number 1 Year 2014, concerning Delegation of Authority for Granting Provisional Permit on Capital Investment to the Head Administrator of Sei Mangkei Special Economic Zone;
73. Regulation of the Head of Coordinating Board of Capital Investment Number 2 Year 2014, concerning Delegation of Authority for Granting Business License for Capital Investment to the Head Administrator of

Sei Mangkei Special Economic Zone;

74. Regulation Head of Coordinating Board of Penanaman Number 4 Year 2014 concerning Sistem Pelayanan Informasi dan Permits Investasi Secara Elektronik;
75. Regulation Head of Coordinating Board of Capital Investment Number 1 Year 2015 concerning Pelimpahan Wewenang Pemberian Izin Prinsip Capital Investment kepada Kepala Administrator Kawasan Ekonomi Khusus Tanjung Lesung;
76. Regulation Head of Coordinating Board of Capital Investment Number 2 Year 2015 concerning Pelimpahan Wewenang Pemberian Business License Capital Investment kepada Kepala Administrator Kawasan Ekonomi Khusus Tanjung Lesung;
77. Regulation Head of Coordinating Board of Capital Investment Number 14 Year 2015 concerning Pedoman Tata Cara Permohonan Izin Prinsip Capital Investment;
78. Regulation Head of Coordinating Board of Capital Investment Number 15 Year 2015 concerning Pedoman Tata Cara Permohonan Permits dan NonPermits Capital Investment;
79. Regulation Head of Coordinating Board of Capital Investment Number 16 Year 2015 concerning Pedoman Tata Cara Pelayanan Fasilitas Capital Investment;

DECIDES :

To stipulate :

REGULATION HEAD OF COORDINATING BOARD OF CAPITAL INVESTMENT CONCERNING GUIDELINE AND PROCEDURE FOR CONTROLLING IMPLEMENTATION OF CAPITAL INVESTMENT.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Regulation of the Head of BKPM by:

1. Capital Investment shall be all types of activities on capital investment, either by Domestic Capital Investor or Foreign Capital Investor, to run businesses in all sectors within the territories of the State of the Republic of Indonesia.
2. Domestic Capital Investment hereinafter referred to as PMDN shall be activity for capital investment to run business within the territories of the State of the Republic of Indonesia run by Domestic Capital Investor utilizing domestic capital.
3. Foreign Capital Investment hereinafter referred to as PMA shall be activity on capital investment to run business within the territories of the State of the Republic of Indonesia exercised by Foreign Capital Investor, either utilizing foreign capital or entering into joint operation with Domestic Capital Investor.
4. Capital Investor shall be individual or business entity exercising Capital Investment that may be in the form of Domestic Capital Investor and Foreign Capital Investor.
5. Domestic Capital Investor shall be Indonesian individual citizen, Indonesian business entity, the State of the Republic of Indonesia, or region exercising Capital Investment within the territories of the State of the Republic of Indonesia.
6. Foreign Capital Investor shall be individual foreign citizen, foreign business entity, and/or foreign government exercising Capital Investment within the territories of the State of the Republic of Indonesia.
7. Permits shall be all types of approvals to run Capital Investment issued by the Central Government, Regional Government, Free Trade Zone and Freeport Exploitation Body and Administrator of Special Economic Zone, having the authority based on the provisions in the statutory regulation.
8. Non-Permits shall be all types of facilities of services, fiscal facility, and information on Capital Investment, based on the provisions in the statutory regulation.

9. Provisional Permit for Capital Investment, hereinafter referred to as Provisions Permit shall be permit that business entity shall be obliged to hold before starting business operation.
10. Provisional Permit for Expansion of Capital Investment, hereinafter referred to as Provisional Permit for Expansion, shall be Provisional Permit that a company shall be obliged to hold before starting business expansion.
11. Provisional Permit for Amendment to Capital Investment, hereinafter referred to as Provisional Permit for Amendment, shall be Provisional Permit that a company is obliged to hold for legalization of amendment to plan or accomplishment of Capital Investment that has been stipulated previously.
12. Provisional Permit for Capital Investment Company Merger hereinafter referred to as Provisional Permit for Company Merger shall be Provisional Permit that a company resulting from company merger is obliged to hold before starting business activity.
13. Permit for Investment shall be Provisional Permit that a company holds with certain criteria as governed in the Regulation of the BKPM.
14. Business License adalah izin yang wajib dimiliki perusahaan untuk memulai pelaksanaan kegiatan produksi/ operasi yang menghasilkan barang atau jasa, kecuali ditentukan lain oleh Regulation PerLawan.
15. Business License Perluasan adalah izin yang wajib dimiliki perusahaan untuk memulai pelaksanaan kegiatan produksi/operasi yang menghasilkan barang atau jasa atas pelaksanaan perluasan usaha, kecuali ditentukan lain oleh Regulation PerLawan.
16. Permit for Expansion shall be Business License that a company is obliged to hold before starting business activity to produce goods and services from the implementation of business expansion, particularly in industrial sector.
17. Business License for Amendment shall be permit that a company is obliged to hold for legalization of amendment to accomplishment of Capital Investment as stipulated previously.

18. Business License for consolidated company shall be permit that a company is obliged to hold before starting business activity in producing goods and services.
19. Permit for Representative Office shall be permit for foreign company overseas having its representative in Indonesia.
20. Representative Office of Foreign Company, hereinafter referred to as KPPA shall be office led by one or more individual foreign citizens or Indonesian citizens appointed by the company or consolidated foreign company overseas constituting its representative in Indonesia.
21. Representative Office of Foreign Trading Company, hereinafter referred to as KP3A shall be office led by Indonesian or foreign individual citizen appointed by Foreign Company or Consolidated Foreign Company overseas constituting its representative in Indonesia.
22. Monitor shall be activity exercised to monitor and evaluate progresss in the implementation of Capital Investment that has obtained Permit for Capital Investment.
23. Management shall be management Capital Investor to accomplish Capital Investment thereof and facilities for settlement of any issue to the implementation of Capital Investment.
24. Supervision shall be effort or activity exercised to prevent and minimize occurrence of deviation to the terms and conditions in the implementation of Capital Investment and utilization of facilities for Capital Investment.
25. Control shall be activity in monitoring, management, and supervising of implementation of Capital Investment based on the provisions in the statutory regulation.
26. One Stop Integrated Service, hereinafter referred to as PTSP, shall be services integrated into one process unit, starting from application phase through completion of service product by one stop service.

27. Apparatus of PTSP shall be Central Government, Regional Administration, Free Trade Zone and Freeport Exploitation Body and Administrator of Special Economic Zone.
28. Central Government shall be President of the Republic of Indonesia holding the power of administration of the State of the Republic of Indonesia assisted by Vice President and Ministers as referred to in the 1945 Constitution of the Unitary State of the Republic of Indonesia Year 1945.
29. Regional Administration shall be Head of Region constituting apparatus of regional administration leading the implementation of administration affair constituting the authority of autonomous region.
30. Investment Coordinating Board, hereinafter abbreviated BKPM, is a non-ministerial government institution responsible in the field of Investment headed by a chief who is directly responsible to the President.
31. Capital Investment Board and One Stop Integrated Service of Province, or apparatus of Regional Administration exercising Capital Investment under other classification according to the provisions in the statutory regulation hereinafter referred to as BPMPTSP of Province shall be Assistant to the Head of Region in the context of exercising the main function in coordinating Capital Investment within Provincial Government.
32. Capital Investment Board and One Stop Integrated Service Regency/Municipality, or Regional Administration apparatus of Regency/Municipality exercising Capital Investment in other classification based on the statutory regulation hereinafter referred to as BPMPTSP of Regency/Municipality shall be apparatus assisting the Head of Region on regional administration of Regency/Municipality, carrying out the main function in coordinating Capital Investment activity in the Administration of Regency/Municipality.
33. Free Trade Zone and Freeport, hereinafter referred to as KPBPB, shall be any zone within the lawful territory of the Unitary State of the Republic of Indonesia located far from the customs area causing it to be free from import duty, value added tax, sales tax on luxurious goods, and excise.
34. Free Trade Zone and Freeport Operating Board hereinafter referred to as KPBPB Operating Body, shall be institution of Central Government duly established by the Board of Zone that is assigned the duty and authority to control, manage, and develop KPBPB.

35. Special Economic Zone, yang hereinafter referred to as KEK, shall be zone with certain borders within the lawful territory of the Unitary State of the Republic of Indonesia duly stipulated to carry out economic function and to obtain certain facilities.
36. Administrator Special Economic Zone hereinafter referred to as KEK Administrator, shall be division of the Board of Zone duly established for each KEK to provide assistance to the Board of Zone in exercising KEK.
37. Project shall be business activity exercised by Capital Investor that has obtained Permits for Capital Investment from BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, One Stop Integrated Service (PTSP) KPBPB, PTSP KEK, or the competent authority.
38. Report on Capital Investment activity hereinafter referred to as LKPM, shall be report on the progress of Capital Investment accomplishment and any issue encountered by Capital Investor that must be prepared and submitted periodically.
39. Minutes on Supervision, hereinafter referred to as BAP, shall be report on the result of field inspection on the implementation of Capital Investment.
40. Real Activity shall be activity exercised by the company in exercising Capital Investment, both administratively and physically.
41. Limitation shall be administrative actions exercised by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator according to their respective authority to limit business activity of the company.
42. Freezing shall be administrative action exercised by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator according to their respective authority causing the business activity and/or facilities for Capital Investment to cease temporarily.

43. Revocation shall be administrative action exercised by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator KEK according to their respective authority causing the validity of the Permits on Capital Investment not yet accomplished in Real Acity to be revoked.
44. Revocation shall be administrative action exercised by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator according to their respective authority causing the Permits on Capital Investment which Real Activity and facilities have been accomplished, to be revoked.
45. The Ministry / Non-Government Technical Ministry Institution shall be Ministry / Non-Government Technical Ministry shall be managing the sector concerned.

CHAPTER II

PURPOSES, OBJECTIVE AND TARGET

Article 2

- (1) The purpose in controlling implementation of Capital Investment shall be to Monitor, Manage, and Supervise the implementation of Capital Investment according to the right, obligation, and responsibility of Capital Investor and the provisions in the statutory regulation.
- (2) The objectives of controlling the implementation of Capital Investment shall be to:
- a. obtain data on the progress of Capital Investment accomplished and information on any issue encountered by the company;
 - b. manage and provide facilities for settlement of issue encountered by the company; and
 - c. exercise supervision on the implementation of Capital Investment, use of fiscal facilities and non-fiscal facilities and take further action on the result of field inspection to the company.
- (3) Target of control of the implementation of Capital Investment shall be accomplishment of Capital Investment in accordance with the provisions in the statutory regulation.

CHAPTER III

S C O P E

Article 3

- (1) Scope of control of implementation of Capital Investment shall cover activity on:
- a. monitoring of the implementation of Capital Investment;
 - b. management in the implementation of Capital Investment; and
 - c. supervision of the implementation of Capital Investment.
- (2) Scope of Permits on Capital Investment constituting the basis for exercising control on the implementation of Capital Investment shall cover:
- a. Provisional Permit, Investment Permit, Provisional Permit for Expansion, Provisional Permit for Amendment to Capital Investment, Provisional Permit for Company Merger;
 - b. Business License, Business License for Expansion, Business License for Company Merger, and Business License for Amendment;
 - c. KPPA Permit;
 - d. KP3A Permit; and
 - e. Others Permits relating to implementation of Capital Investment in accordance with the statutory regulation.
- (3) Scope of Non-Permits on Capital Investment constituting the basis for implementation and control of implementation of Capital Investment covers:
- a. Decision for granting facilities of exemption of import duty on imported machinery and/or goods and material;
 - b. Report on import accomplished by the Importer under Importer's Identification Number (API);
 - c. Permit for Foreign Manpower (IMTA); and

- d. Other Non-Permits relating to implementation of Capital Investment in accordance with the statutory regulation.

CHAPTER IV

RIGHT, OBLIGATION, AND RESPONSIBILITY OF CAPITAL INVESTOR

Article 4

Every Capital Investor has the right to obtain:

- a. certainty of the right, law, and protection;
- b. transparent information on the business to be carried out;
- c. right to service; and
- d. various types of facilities based on the provisions in the statutory regulation.

Article 5

Every Capital Investor shall be obliged to:

- a. improve competence of Indonesian manpower by providing work training in accordance with the provisions in the statutory regulation;
- b. provide training and initiate transfer of technology to Indonesian manpower in accordance with the provisions in the statutory regulation for company hiring expatriates;
- c. apply the principle of good governance of the company;
- d. exercise social responsibility of the company;
- e. prepare and submit LKPM;
- f. submit report on accomplished imported machinery and/or goods and material;
- g. submit report on accomplished import based on API;

- h. honor the tradition and culture of the people around the location of business activity of Capital Investment;
- i. comply with all provisions in the statutory regulation; and
- j. allocate fund in phases for recovery of the location that complies with the standard feasibility of living environment for company exploiting non-renewable natural resource, the implementation of which must be in accordance with the provisions in the statutory regulation.

Article 6

Each Capital Investor shall be obliged to:

- a. guarantee available capital originating from resource that does not contravene the provisions in the statutory regulation;
- b. is responsible to fulfill and settle all obligations and loss if Capital Investor cease or abandon its business activity;
- c. create business healthy competition climate and prevent practising business monopoly;
- d. maintain preservice of living environment;
- e. create safety, health, harmony and welfare of the workers, and
- f. comply with all provisions in the statutory regulation.

CHAPTER V

to be continued

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**GUIDELINE AND PROCEDURE FOR CONTROLLING
CAPITAL INVESTMENT OPERATION**
**(Regulation of the Head of Capital Investment Coordinating
Board of R.I Number 17 Year 2015,
dated September 29, 2015)**
[Continued from Business News No. 8831 page 29-48]

CHAPTER V

OPERATION, CONTROL, IMPLEMENTATION OF CAPITAL INVESTMENT

Part One

Monitoring

Article 7

- (1) Implementation of Capital Investment as referred to in Article 3 paragraph (1) letter a will be monitored by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator according to their respective authority.
- (2) If Central Government needs data on accomplished Capital Investment in a certain area, BKPM may immediately monitor Capital Investment constituting authority of Provincial Administration, Regency/Municipality Administration, KPBPB Operating Body or KEK Administrator.
- (3) The Head of BKPM may delegate authority to exercise monitoring activity constituting the authority of Central Government to the Governor by means of d-concentration.
- (4) The authority referred to in paragraph (3) may be delegated by Regulation of the Head of BKPM.

Part Two

Management

Article 8

- (1) Capital Investment as referred to in Article 3 paragraph (1) letter b shall be managed by BKPM, BPMPTSP

of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or according to their respective authority.

- (2) The management referred to in paragraph (1) shall be implemented in coordination with the competent authority.
- (3) If the policy on management of Capital Investment is stipulated by the Central Government, BKPM may automatically exercise management over the Capital Investor.
- (3) If the policy on management of Capital Investment stipulated by Government of Province, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator may automatically exercise management over Capital Investor according to their respective authority.
- (5) Technical management shall manage competent technical agency that manages business sector in accordance with the provisions in the statutory regulation.

Part Three

Supervision

Article 9

- (1) The supervision referred to in Article 3 paragraph (1) letter c shall be exercised by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator according to their respective authority.
- (2) BKPM in carrying out the activity referred to in paragraph (1) shall coordinate with BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, KEK Administrator, and the competent technical agency.
- (3) BPMPTSP of Province in carrying the activity referred to in paragraph (1) shall coordinate with BPMPTSP of Regency/Municipality, KPBPB Operating Body, KEK Administrator, and the competent technical agency.

- (4) BPMPTSP of Regency/Municipality in carrying out the activity referred to in paragraph (1) shall coordinate with the competent technical agency.
- (5) KPBPB Operating Body in carrying out the activity referred to in paragraph (1) shall coordinate with BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, and the competent technical agency.
- (6) KEK Administrator in carrying the activity referred to in paragraph (1) may coordinate with BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, and the competent technical agency.

Part Four

Implementation of Control

Article 10

- (1) In certain matter, BKPM may automatically Monitor, Manage, and Supervise Capital Investment activity that constitutes authority of the Government of Province, Administration of Regency/Municipality, KPBPB Operating Body or KEK Administrator.
- (2) In certain matter, BPMPTSP of Province may automatically Monitor, Manage, Supervise activity of Capital Investment constituting the authority of Administration of Regency/Municipality, KPBPB Operating Body or KEK Administrator.
- (3) Certain matters as referred to in paragraph (1) and paragraph (2) such as:
 - a. request from the authorized Ministry / Institution;
 - b. request for assistance from regional administration in the context of management, supervision, and consultation on the implementation of administration affair concerning Capital Investment;
 - c. occurrence of environmental pollution that endangers the people's safety;
 - d. complain from the people; or
 - e. complain from the Capital Investor.

CHAPTER VI

PROCEDURE FOR MONITORING

Article 11

- (1) Monitoring over Capital Investment as referred to in Article 3 paragraph (1) letter a will be exercised either

still under construction or Capital Investment that has been producing commercially under Business License).

- (2) Monitoring shall be exercised by collecting, verifying, and evaluating data on Capital Investment accomplishment as set forth in the LKPM submitted by the company.
- (3) LKPM as referred to in paragraph (2) must be submitted based on the Permits for Capital Investment held by the company.

Article 12

- (1) Any company that obtained Permits for Capital Investment, shall be obliged to prepare and submit LKPM periodically as referred to in Article 11 paragraph (2) and submit it to BKPM, BPMPTSP of Province, BPMPTSP or Regency/Municipality, and to KPBPB Operating Body if the project is located within the KPBPB area or to KEK Administrator if the project is located within the KEK area.
- (2) The LKPM must be submitted by the company as referred to in paragraph (1) on the provisions below:
 - a. company that is still under construction stage shall be obliged to submit LKPM once in three (3) months (quarterly) using LKPM Form as set forth in Attachment I constituting inseparable part of this Regulation of the Head of BKPM, with the reporting period as follows :
 1. First (1st) Quarter Report must be submitted on April 10th of the year concerned at the latest;
 2. Second (2nd) Quarter Report must be submitted on July 10th at the latest of the year concerned;
 3. Third (3rd) Quarter Report must be submitted on October 10th in the current year; and
 4. Fourth (4th) Quarter Report must be submitted on January 10th the following year.
 - b. Company at the stage of producing commercially (holding Business License) shall be obliged to prepare and submit LKPM once every six (6) months (Semester) using the LKPM Form as set forth in Attachment II constituting inseparable part of this Regulation of the Head of BKPM with the reporting period as follow:

1. First (1st) Quarter Report must be submitted by July 10th in the current year at the latest; and
 2. Second (2nd) Quarter Report must be submitted by January 10th the following year at the latest.
- (3) Company that is obliged to prepare and submit LKPM for the first time on the implementation of Capital Investment in the following quarterly period as of the date the Permits for Capital Investment is issued.
- (4) Company possessing more than one (1) businesses and/or located in more than one (1) Regency/Municipality in one (1) Permit for Capital Investment, shall be obliged to prepare and submit LKPM for each field of business and/or project location (the respective Regency/Municipality).
- (5) LKPM to BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator as referred to in paragraph (1) must be submitted on-line through SPIISE (<http://nswi.bkpm.go.id>) or manually if no on-line is yet available..
- (6) In submitting LKPM on-line, the company shall be obliged to apply for right to access to BKPM through SPIISE, if the company has no right to access yet.

Article 13

- (1) KPPA shall be obliged to submit report on its activities at the end of each year to BKPM using the Report Form as set forth in Attachment III constituting inseparable part of this Regulation of the Head of BKPM.
- (2) KP3A shall be obliged to submit report on its activities once in six (6) months to BKPM as set forth in Attachment III constituting inseparable part of this Regulation of the Head of BKPM.
- (3) The report referred to in paragraph (1) and paragraph (2) must be submitted to BKPM by on-line through the SPIISE (<http://nswi.bkpm.go.id>) or manually if no on-line is available yet.

Article 14

- (1) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator shall verify and evaluate the data on accomplished Capital Investment as set forth in LKPM on the

Permit for Capital Investment.

- (2) The verification and evaluation of LKPM as referred to in paragraph (1) cover:
 - a. data of the company;
 - b. Permit and Non-Permit it holds;
 - c. accomplished investment and capitalization;
 - d. accomplished imported machinery and/or goods and material;
 - e. use of manpower;
 - f. production and marketing;
 - g. export value for company exercising sale to overseas;
 - h. obligation of the company as set forth in the Permit for Capital Investment or the provisions in the statutory regulation;
 - i. issue encountered by the company.
- (3) In exercising verification and evaluation LKPM as referred to in paragraph (2), BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator may require clarification from the company or ask for amendment to the LKPM if there is any error or uncertainty on the data submitted.
- (4) The result of verification and evaluation of data on Capital Investment accomplishment set forth in LKPM that has been approved as referred to in paragraph (1) must be filed in the SPIPISE database (<http://nswi.bkpm.go.id>);
- (5) The data on LKPM by on-line as referred to in paragraph (4) by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator, must be filed in accordance with the provisions in the statutory regulation.
 - a. LKPM in construction phase submitted by the company as referred to in Article 12 paragraph (2) letter a, must be filed at the latest by:
 1. April 15th in the current year for First (1st) Quarterly Report;
 2. July 15th in the current year for Second (2nd) Quarterly Report;
 3. October 15th in the current year for Thrid (3rd) Quarterly Report; and

4. January 15th in the current year for Fourth (4th) Quarterly Report.
- b. LKPM in commercial producing phase (holding Business License) submitted by the company as referred to in Article 12 paragraph (2) letter b, must be filed at the latest by:
 1. July 15th in the current year for First (1st) Semester Report; and
 2. January 15th the following year for Second (2nd) Semester Report.
- (6) BKPM shall compile the data on accomplished Capital Investment nationwide based on the data on the result of recording of LKPM by on-line as referred to in paragraph (5).
- (7) The result of compilation referred to in paragraph (6) must be submitted to public at the latest:
- a. April 30th in the current year for First (1st) Quarterly Report;
 - b. July 31 in the current year for Second (2nd) Quarterly Report;
 - c. October 31 in the current year for Third (3rd) Quarterly Report; and
 - d. January 31 in the current year for Fourth (4th) Quarterly and 2nd Semester Reports.
- (8) For BPMPTSP of Regency/Municipality not filing LKPM yet by on-line as referred to in paragraph (3), may:
- a. coordinate with BPMPTSP of Province to obtain assistance; and/or
 - b. compile data on Capital Investment accomplishment in Regency/Municipality areas, and submit the result of thereof and record of LKPM submitted by the company to BPMPTSP of Province, within two (2) working days at the latest after the deadline for submission of LKPM by the company expires.
- (9) For KPBPB Operating Body or KEK Administrator not verifying and evaluating yet it LKPM as referred to in paragraph (4), may:
- a. coordinate with BKPM to obtain assistance; and/or
 - b. compile data on Capital Investment accomplishment for KPBPB and KEK areas, and submit the result of the compiled data to BKPM, within two (2) working days at the latest as of the deadline for submitting LKPM by the company.

- (10) BPMPTSP of Province shall file the report by on-line for Capital Investment constituting authority of the Government of Province and data on Capital Investment accomplishment resulting from compilation exercised by BPMPTSP of Regency/Municipality as referred to in paragraph (8) letter b.
- (11) The assistance referred to in paragraph (8) letter a and paragraph (9) letter a may be granted by providing management and consultation on the implementation, verification and evaluation and recording of LKPM by on-line.
- (12) In filing LKPM on-line as referred to in paragraph (4), BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator shall apply for right to access to BKPM.

Article 15

- (1) Company that obtains facilities of exemption of import duty on imported machinery and/or goods and material as referred to in Article 3 paragraph (3) letter a, shall be obliged to submit report on accomplished import to BKPM within seven (7) days as of the date import is accomplished.
- (2) Limit of seven (7) days after import is accomplished as referred to in paragraph (1) shall be seven (7) days after obtaining Notification on Imported Goods (PIB) stating Approval Letter for Goods Embarkation by the official / officer of the local Director General of Customs and Excise.
- (3) Submission of report on accomplished import as referred to in paragraph (1) must use the Form as set forth in Attachment IV constituting inseparable part of this Regulation of the Head of BKPM.
- (4) Report on accomplished import submitted to BKPM as referred to in paragraph (1) must be filed on-line through the SPIPISE (<http://nswi.bkpm.go.id>) or manually if no on-line is available yet.

Article 16

- (1) Company that obtains Importer Identification Number (API) from BKPM as referred to in Article 3 paragraph (3) letter b, is obliged to submit report on accomplished import to BKPM both for accomplished import and non-accomplished import with the reporting period as cited below.

- a. First (1st) Quarterly Report must be submitted by April 10th at the current year at the latest;
 - b. Second (2nd) Quarterly Report must be submitted by July 10th in the current year at the latest;
 - c. Third (3rd) Quarterly Report must be submitted by October 10th in the current year at the latest; and
 - d. Fourth (4th) Quarterly Report must be submitted by January 10th in the current year at the latest.
- (2) Report on accomplished import as referred to in paragraph (1) will be submitted using the form as set forth in Attachment V constituting inseparable part of this Regulation of the Head of BKPM.
- (3) Report on accomplished import as referred to in paragraph (1) will be submitted by on-line through <http://inatrade.kemendag.go.id> dan SPIPISE (<http://nswi.bkpm.go.id>) or manually if no on-line media is available.

Article 17

- (1) BKPM shall prepare report on:
- a. implementation of cumulative Capital Investment nationwide once in three (3) months and submit it to the President and the relevant Ministry / Institution;
 - b. recapitulation of import accomplishment based on API periodically once in three (3) months to the Minister of Trade, using the Form as set forth in Attachment VI constituting inseparable part of this Regulation of the Head of BKPM (concerning the name of company, API Number, total value of import in US Dollar); and
 - c. recapitulation of accomplished imported machinery and/or goods and material that are granted exemption facilities of import duty by BKPM once in every six (6) months (one (1) semester) to the Minister of Finance through the Board of Policy on Fiscal using the Form as set forth in Attachment VII constituting inseparable part of this Regulation of the Head of BKPM.
- (2) BPMPTSP of Province shall prepare cumulative report on the implementation of Capital Investment within Provincial territory once in three (3) months and submit it to the Governor with copy to BKPM.

- (3) BPMPTSP of Regency/Municipality shall prepare cumulative report on implementation of Capital Investment within Regency/Municipality areas once in three (3) months and submit it to the Regent / Mayor with copy to the Governor.
- (4) Operating Body of KPBPB or KEK Administrator shall prepare cumulative report on implementation of Capital Investment within the KPBPB area or KEK area once every three (3) months and submit it to BKPM with copy to the Governor.
- (5) The cumulative reports referred to in referred to in paragraph (1) letter a, paragraph (2), paragraph (3), and paragraph (4) must be prepared using the format as set forth in Attachment VIII constituting inseparable part of this Regulation of the Head of BKPM.

CHAPTER VII

PROCEDURE FOR MANAGEMENT

Article 18

Management as referred to in Article (3) paragraph (1) letter b is exercised by means of:

- a. orientation or workshop or technical advise or dialogue on investment concerning provision for implementation of Capital Investment and/or technical control on the implementation of Capital Investment;
- b. consultation on controlling the implementation of Capital Investment must be in line with the provisions in the statutory regulation;
- c. facilities for settlement of issue encountered by Capital Investor in accomplishing its Capital Investment.

Article 19

- (1) Company that obtains Permits for Capital Investment shall be obliged to comply with all technical requirements as set forth in the Permits for Capital Investment held by the company.
- (2) Company shall be obliged to carry out its business activity according to the provisions in the statutory regulation regulation.

- (3) To prevent/avoid and minimize indication of deviation from the obligation to comply with the technical requirement and other obligations based on the provisions in statutory regulation, the company shall be obliged to fully understand the statutory regulation on Capital Investment in general and specifically on its business sector.
- (4) To fulfill the needs of Capital Investor for information on the prevailing statutory regulation, the Central Government shall exercise management orientation and consultation periodically as to the provision on implementation of Capital Investment based on the need of its business.

Article 20

- (1) If Capital Investment company encounters problem in accomplishing its investment during the time schedule that has been stipulated in the Permit for Capital Investment, such company may state the problem encountered in the LKPM Form.
- (2) The problem encountered by the company referred to in Article 18 letter c may be reported separately from LKPM, addressed to the Head of BPMPTSP of Regency/Municipality, Head of Operating Body of KPBPB, KEK Administrator, Head of BPMPTSP of Province, or Head of BKPM cq. The Deputy of Controlling Implementation of Capital Investment.
- (3) Based on the report on the problem submitted by the Capital Investment company, BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator or BPMPTSP of Province or BKPM shall facilitate settlement of the problem referred to in paragraph (2), by means of:
 - a. identification and verification of the problem;
 - b. coordinate with the competent technical agency;
 - c. communicate the result of facilitated settlement of the problem encountered by the relevant parties.
- (4) In facilitating the problem referred to in paragraph (3), BPMPTSP of Regency/Municipality or Operating Body of KPBPB or KEK Administrator or BPMPTSP of Province or BKPM shall be obliged to hold a meeting with the company and the relevant technical agency to obtain further clarification and information and alternative settlement of the problem.

CHAPTER VIII

PROCEDURE FOR SUPERVISION

Article 21

- (1) The supervision referred to in Article 3 paragraph (1) letter c shall be conducted at the project location of Capital Investment, as follow-up action to:
 - a. evaluation of the implementation of Capital Investment based on the Permits and Non-Permits held by the company;
 - b. indicated deviation from the provision on implementation of Capital Investment or failure to comply with its obligation and responsibility as referred to in Article 5 and Article 6; or
 - c. granting of facilities in the form of exemption of import duty on imported machinery and/or goods and material, and non-fiscal (manpower).
- (2) The supervision referred to in paragraph (1) may be exercised by involving the competent technical agency in the context of:
 - a. inspection on the implementation of the terms and conditions of Capital Investment as set forth in the requirements of Provisional Permit, Permit for Investment, Provisional Permit for Expansion, Provisional Permit for Amendment, Provisional Permit Company Merger (merger), Business License, Business License for Expansion, Business License for Amendment, to Business License for Company Merger, KPPA Permit, KP3A other Permits pertaining to implementation of Capital Investment in accordance with the provisions in the statutory regulation;
 - b. examination on utilization of exemption facilities of import duty on imported machinery and goods and material, in accordance with the objective of the grant of facilities.
- (3) In evaluating implementation of Capital Investment as referred to in paragraph (1) and (2), BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator or BPMPTSP of Province or BKPM shall invite the company for further clarification and information.

- (4) In providing clarification and information as referred to in paragraph (3) company shall be obliged to provide transparent and correct clarification.
- (5) The supervision referred to in paragraph (1) may be conducted by the Ministry/Non-Ministry Government Institution on Technical matter and coordinate with BKPM.

Article 22

- (1) Mechanism of supervision of the project location as referred to in Article 21 shall be exercised by coordination by first notifying the company.
- (2) The notification to the company as referred to in paragraph (1) must be made within five (5) working days at the latest prior to exercising supervision using the letter form as set forth in Attachment IX constituting inseparable part of this Regulation of the Head of BKPM.
- (3) The management/person in charge of the company at the project location shall be obliged to provide the required clarification and information transparently and correctly pertaining to the object of supervision.
- (4) The result of supervision of the project location must be drawn-up in Minutes of Inspection or BAP signed by the auditor and management/person in charge of the company.
- (5) If there is any indication of deviation / violation in implementing the Permit for Capital Investment, supervisory action must be taken without prior notification to the company.

CHAPTER IX

MINUTES ON SUPERVISION

Article 23

- (1) BAP must be drawn-up constituting the result of inspection of the project location of Capital Investment, such as:
 - a. evaluation in the implementation of Permit and Non-Permit exercised by Capital Investor by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator;

- b. application for Revocation or / and Revocation of Capital Investment project processed by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator;
 - c. process of application for Revocation of Capital Investment project submitted to BKPM, by:
 - 1. BPMPTSP of Province for project constituting authority of the Government domiciled within more than one territories of Regency/Municipality;
 - 2. BPMPTSP of Regency/Municipality for project constituting authority of the Government located in one territory of Regency/Municipality;
 - d. process of application for revocation of Capital Investment project submitted to BPMPTSP of Province, or BPMPTSP of Regency/Municipality for project constituting the authority of Government of Province located in one territory of Regency/Municipality;
 - e. follow-up action on the finding of evidence of initial deviation exercised by the company from the provisions in the statutory regulation.;
 - f. follow-up action in service process of Permit for Capital Investment as required by the provisions in the statutory regulation;
 - g. imposition penalty for revocation.
- (2) BAP must be drawn-up at the project location and exercised in coordination among BKPM and/or BPMPTSP of Province and/or BPMPTSP of Regency/Municipality and/or KPBPB Operating Body and/or KEK Administrator with the relevant agency, and signed by the management/person in charge of the company and the official exercising the inspection.
- (3) Type of BAP Form as referred to in Article 22 paragraph (4) shall be as specified in Attachment X constituting inseparable part of this Regulation of the Head of BKPM.

(4) The official exercising the inspection as referred to in paragraph (2) is supported by Assignment Letter duly signed as set forth in Attachment XI constituting inseparable part of this Regulation of the Head of BKPM duly signed by:

- a. BKPM - the Director of the relevant territory to the Deputy of Controlling Implementation of Capital Investment;
- b. BPMPTSP of Province by the Head of BPMPTSP of Province;
- c. BPMPTSP of Regency/Municipality by the Head of BPMPTSP of Regency/Municipality;
- d. KPBPB by the Head of KPBPB Operating Body;
- e. KEK by KEK Administrator.

(5) The Official exercising inspection from the relevant Government Agency as referred to in paragraph (2) may come from:

- a. Ministry / Non-Ministry Government Institution on Technical matter managing business sector;
- b. Ministry of Manpower;
- c. Ministry of Living Environment and Forestry;
- d. Ministry of Agrarian matter and Space Layout / National Land Agency;
- e. Directorate General of Immigration;
- f. Directorate General of Taxes;
- g. Directorate General of Customs and Excise;
- h. KPBPB Operating Body;
- i. KEK Administrator;
- j. Ministry / other Non-Ministry Government Institution on Technical matter.

(6) The official exercising the inspection from the relevant Government agency as referred to in paragraph (2) for Provincial level or Regency/Municipality or KPBPB or KEK, may come from:

- a. technical agency of region that manages business sector;
- b. tax agency of region;
- c. customs and excise agency of region;
- d. land agency of region;

- e. immigration agency of region;
- f. police force of region;
- g. other relevant technical agency.

(7) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator shall notify the relevant Government Agency as referred to in paragraph (5) and paragraph (6) on inspection plan of the project within five (5) working days prior to the date of inspection, except in urgent matter.

CHAPTER X

PROCEDURE FOR REVOCATION OF PERMIT FOR CAPITAL INVESTMENT

Article 24

- (1) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator, shall revoke the Permit for Capital Investment they issued that fails to achieve accomplishment in real activity and/or exercising particular violation and urgent matter.
- (2) For Permit for Capital Investment issued by BKPM, and presently constituting authority of the Government of Province or Administration of Regency/Municipality or KPBPB Operating Body or KEK Administrator, revocation of Permit for Capital Investment shall be exercised by BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator based on their respective authority.
- (3) The real activity referred to in paragraph (1) by administrative may be in the form of:
 - a. Deed of Company Establishment and its ratification;
 - b. Obligatory Taxpayer Identification Number (NPWP);
 - c. location permit;
 - d. land/building lease agreement;
 - e. approval letter for facilities of import duty on imported capital goods;
 - f. Importer – Producer Identification Number (API-P);
 - g. plan of utilization of foreign manpower (RPTKA);
 - h. permit for building construction (IMB);

- i. permit for nuisance act (UUG Permit)/HO or permit certificate for place of business (SITU); and/or
- j. other Permits based on the provisions in the statutory regulation.

(4) Real activity as referred to in paragraph (1) in physical form shall be activity in operation, such as:

- a. procurement of land / place for business;
- b. construction/ lease of building / factory or office space / place for business;
- c. import of machinery and/or purchase of local made machinery .

(5) Particular violation and urgent action as referred to in paragraph (1) which occurrence is in the form of environmental damage and/or hazardous to safety of the people having impact cross-border or cross-country, revocation of Permit for Capital Investment is exercised without prior notice.

(6) Application for revocation of Permit for Capital Investment may be submitted by:

- a. company to BKPM or BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body, or KEK Administrator constituting the issuer of Permit for Capital Investment; or
- b. company at BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body, or KEK Administrator for which Permit for Capital Investment is issued by BKPM and presently constitutes the authority of Government of Province or Administration of Regency/Municipality or KPBPB Operating Body or KEK Administrator; or
- c. Proposal for revocation by BPMPTSP of Province or BPMPTSP Regency/Municipality to BKPM of Permit for Capital Investment issued by BKPM and presently is still the authority of Central Government;
- d. Proposal for revocation by BPMPTSP of Regency/Municipality at BPMPTSP of Province on Permit for Capital Investment issued by BPMPTSP of Regency/Municipality and presently still constitutes authority of Province.

(7) Type of application for revocation of Permit for Capital Investment as referred to in paragraph (6) letter a and b, shall be as specified in Attachment XIII constituting inseparable part of this Regulation of the Head of BKPM.

- (8) The complete data on application for revocation of Permit for Capital Investment as referred to in paragraph (6) letter a and b must be submitted in accordance with the provisions as follows:
- a. For those not having legal entity yet, application must be submitted based on the complete data in the form of:
 1. application letter duly stamped and signed by all potential shareholders as set forth in the issued Permit for Capital Investment;
 2. record of Provisional Permit;
 3. record of identification of all potential shareholders as set forth in the issued Permit for Capital Investment;
 4. LKPM during the latest period submitted by on-line;
 5. Power of Attorney duly stamped to administer the application not yet automatically exercised by members of the Board of Directors but not having right to substitute as set forth in Attachment XII constituting inseparable part of this Regulation of the Head of BKPM supported by record of identification thereof.
 - b. Company holding Business License still operational but holding other Provisional Permit not yet achieving accomplishment yet in real nature may apply for revocation of supported by data in the form of:
 1. application letter duly stamped and signed by members of the Board of Directors;
 2. original Provisional Permit being revoked;
 3. Resolution of General Meeting of Shareholders (RUPS)/ statement of the shareholders of company;
 4. record of identification of members of the Board of Directors signing the application;
 5. record of NPWP;
 6. LKPM during the latest period submitted by on-line;
 7. record of Deed of Company Establishment and Amendment thereof supported by ratification thereof by the competent authority;
 8. Power of Attorney duly stamped to administer the application not yet exercised automatically by members of the Board of Directors and not having right to substitute as set forth in

Attachment XII constituting inseparable part of this Regulation of the Head of BKPM supported by record thereof.

- (9) Complete data on the proposal for revocation as referred to in paragraph (6) letter c and d in the form of:
- a. letter of proposal for revocation of Permit for Capital Investment signed by the Head of BPMPTSP of Province or Head of BPMPTSP of Regency/Municipality or Head of KPBPB Operating Body or Head of KEK Administrator;
 - b. BAP on Project.
- (10) Type of proposal for revocation of Permit for Capital Investment as referred to in paragraph (6) letter c and d, shall as set forth in Attachment XIV constituting inseparable part of this Regulation of the Head of BKPM.
- (11) Based on proposal for revocation as referred to in paragraph (6), the Deputy of Controlling Implementation of Capital Investment on behalf of the Head of BKPM or Head of BPMPTSP of Province or Head of BPMPTSP of Regency/Municipality or Head of KPBPB Operating Body, or KEK Administrator, within three (3) working days shall issue letter of revocation of Permit for Capital Investment, based on their respective authority as soon as the file of proposal is declared complete and correct.
- (12) Type of revocation of Permit for Capital Investment as referred to in paragraph (11) shall be as set forth in Attachment XV constituting inseparable part of this Regulation of the Head of BKPM.
- (13) Based on the application for revocation as referred to in paragraph (6) letter a and b, the company may submit application by on-line through SPIPSE (<http://nswi.bkpm.go.id>) or manually if no on-line is available at BKPM or BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body, or KEK Administrator.
- (14) In the context of application for revocation by on-line, the company shall be obliged to apply for right to access to BKPM through SPIPSE, if the company has no right to access yet.

- (15) In the context of issue of revocation by on-line as referred to in paragraph (13), BKPM shall grant right to access to the company, BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body, or KEK Administrator.

CHAPTER XI

PROCEDURE FOR REVOCATION OF PERMIT FOR CAPITAL INVESTMENT

Article 25

- (1) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body, or KEK Administrator, shall revoke Permit for Capital Investment which real activity both administratively as referred to in Article 24 paragraph (3) and/or physically as referred to in Article 24 paragraph (4) and/or based on particular violation and urgent reason as referred to in Article 24 paragraph (5).
- (2) For Permit for Capital Investment issued by BKPM but presently constituting authority of the Government of Province or Administration of Regency/Municipality or KPBPB Operating Body or KEK Administrator, revocation of Permit for Capital Investment shall be exercised by BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body, or KEK Administrator based on their respective authority.
- (3) Permit for Capital Investment shall revoke based on:
- a. application of the company;
 - b. proposal by BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator to BKPM for Permit for Capital Investment issued by BKPM, or issued by BPMPTSP of Province and presently constituting authority of Central Government;
 - c. proposal by BPMPTSP of Regency/Municipality to BPMPTSP of Province for Permit for Capital Investment issued by BPMPTSP of Regency/Municipality and presently constituting authority of Province;
 - d. Court Judgment that has permanent legal power; or
 - e. proposal for revocation by the Ministry / Non-Ministry Government Institution on Technical matter.

- (4) Type of application for revocation of Permit for Capital Investment by the company as referred to in paragraph (3) letter a shall be as specified in Attachment XVI constituting inseparable part of this Regulation of the Head of BKPM.
- (5) Type of proposal for revocation of Permit for Capital Investment by BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator, shall be as set forth in Attachment XVII constituting inseparable part of this Regulation of the Head of BKPM.
- (6) Revocation of the Permit for Capital Investment based on the reason as referred to in paragraph (3) letter a, must be submitted completely with the data below:
- a. for company holding more than one Business License or Provisional Permit which achievement has been accomplished, application for revocation of either of the permits, must be submitted completely with the data in the form of:
 1. application letter duly stamped and signed by members of the Board of Directors or Attorney;
 2. Resolution of General Meeting of Shareholders (RUPS), stating approval for revocation of the Permit for Capital Investment;
 3. record of Deed of Company Establishment and its Amendments supported by ratification thereof from the competent authority;
 4. LKPM during the last period submitted by on-line;
 5. record of NPWP;
 6. original Provisional Permit or Business License according to the application for revocation;
 7. Power of Attorney duly stamped to administer the application not automatically implemented by members of the Board of Directors and having no right of substitution as specified in Attachment XII constituting inseparable part of this Regulation of the Head of BKPM supported by record of identification; and

8. record of identitas direksi yang menandatangani permohonan.

b. For company which is in the process of liquidation or that only holds one Business License or Provisional Permit that has achieved accomplishment, must be supported by data in the form of:

1. application letter duly stamped and signed by members of the Board of Directors appointed as liquidator in the event of dissolution or liquidation, whose names must be declared in the Resolution of General Meeting of Shareholders (RUPS);
2. Resolution of General Meeting of Shareholders (RUPS), stating approval to revocation of Permit for Capital Investment or dissolution of company;
3. record of company dissolution from the Ministry of Law and Human Rights;
4. record of Deed of Company Establishment and amendments thereto supported by ratification thereof from the competent authority;
5. LKPM during the latest period submitted by on-line;
6. record of NPWP;
7. original Provisional Permit or Business License held by the company;
8. Power of Attorney duly stamped to administer the application not exercised automatically by the Board of Directors or Liquidator and no right to substitute exists as referred to in Attachment XII constituting inseparable part of this Regulation of the Head of BKPM supported by record of identification thereof;
9. record of identification of the members of the Board of Directors signing the application.

CHAPTER XII

PROCEDURE FOR CLOSING KPPA, KP3A, AND

BRANCH OFFICE OF FOREIGN CAPITAL INVESTMENT COMPANY OR
DOMESTIC CAPITAL INVESTMENT COMPANY

Article 26

- (1) BKPM will close KPPA and KP3A.
- (2) BPMPTSP of Province will close Branch Offices of PMA or PMDN located within their respective territory.
- (3) Application for proposed closure as referred to in paragraph (1) and (2) will be submitted by the:
 - a. Head of KPPA to BKPM;
 - b. Head of KP3A to BKPM;
 - c. Branch Office of Foreign Capital Investment Company or Domestic Capital Investment Company located within BPMPTSP of Province based on the domicile of the branch office.
- (4) Application for closure as referred to in paragraph (3) letter a, b, and c may be submitted to BKPM by on-line through SPIPISE (<http://nswi.bkpm.go.id>) or manually if no on-line channel is available.
- (5) If the application for closure referred to in paragraph (4) is submitted by on-line the company having no right to access yet shall be obliged to apply for right to access to BKPM.
- (6) The required data for application for closure of KPPA as referred to in paragraph (3) letter a is in the form of:
 - a. application for closure signed by members of the Board of Directors of the Head Office of the company in the country of origin or the Head of Representative Office / other party not having the right to substitute by providing Power of Attorney duly stamped by members of the Board of Directors of the Head Office in the country of origin;
 - b. original permit of KPPA;
 - c. record of IMTA of the Head of Representative constituting foreign citizen and Resident Identity Card of the Head of Representative of Indonesian citizen;

- d. Statement Letter over duly stamped from the Head of Representative concerned stating that the company is free from debt and receivable from other parties;
 - e. record of identification of members of the Board of Directors of Representative Office;
 - f. Report of KPPA during the latest period.
- (7) The required data for application for closure of KP3A as referred to in paragraph (3) letter b shall be:
- a. application for closure signed by members of the Board of Directors of the Head Office of the company in the country of origin or the Head of Representative Office / other party not having the right to substitute supported by Power of Attorney duly stamped signed by members of the Board of Directors of Head Office in the country of origin;
 - b. original Business License of KP3A;
 - c. record of IMTA of the Head of Representative constituting foreign citizen and Resident Identity Card of Indonesian citizen;
 - d. Statement Letter over duty stamp from the Head of Representative of the company concerned stating that the company is free of debt and receivable from other party;
 - e. record of TDP;
- to be continued

(MA)

GUIDELINE AND PROCEDURE FOR CONTROLLING CAPITAL INVESTMENT OPERATION

(Regulation of the Head of Capital Investment Coordinating Board of R.I Number 17 Year 2015, dated September 29, 2015)

[Continued from Business News No. 8832-8833 page 25-48]

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| <p>e. record of TDP;</p> <p>f. record of identification of members of the Board of Directors of the Head Office notifying the closure / termination of business activity from the Head of Representative Office;</p> <p>g. record of evidential proof of payment of guarantee money; and</p> <p>h. Report of KP3A during the latest period.</p> <p>(8) The required data for application for closure of Branch Office of PMA COMPANY and PMDN company as referred to in paragraph (3) letter c in the form of:</p> <p>a. application for closure of branch office from the Board of Directors of the company;</p> <p>b. original permit / letter for opening branch office;</p> | <p>c. statement letter of domicile of branch office of the company;</p> <p>d. record of Deed of Company Establishment and amendments thereof;</p> <p>e. record of identification of members of the Board of Directors signing the application;</p> <p>f. Power of Attorney duly stamped to administer the application not exercised automatically yet by members of the Board of Directors and not having the right to substitute as set forth in Attachment XII constituting inseparable part of this Regulation of the Head of BKPM and their respective identification.</p> <p>(9) Type of application for closure of KPPA and KP3A as referred to in paragraph (3) letter a dan letter b shall be as set forth in Attachment XIX constituting inseparable part of this Regulation of the Head of BKPM.</p> |
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- (10) Type of application for closure of branch office of Foreign Capital Investment Company or domestic Capital Investment company as referred to in paragraph (3) letter c shall be as set forth in Attachment XX constituting inseparable part of this Regulation of the Head of BKPM.
- (11) Type of closure of KPPA and KP3A, as referred to in paragraph (3) letter a and b shall be as set forth in Attachment XXI constituting inseparable part of this Regulation of the Head of BKPM.
- (12) Type of closure of branch office of PMA Company and PMDN Company as referred to in paragraph (3) letter c, shall be as set forth in Attachment XXII constituting inseparable part of this Regulation of the Head of BKPM.
- (13) Based on the application for closure of KPPA as referred to in paragraph (3) letter a, the Deputy of Controlling Implementation of Capital Investment on behalf of the Head of BKPM, shall issue Letter of Closure of KPPA within three (3) working days.
- (14) Based on the application for closure of KP3A as referred to in paragraph (3) letter b, the Deputy of Controlling Implementation of Capital Investment of the Head of BKPM on behalf of the Minister of Trade shall issue Letter of Closure of KP3A within three (3) working days.
- (15) Based on the application for closure of branch office of Foreign Capital Investment Company or Domestic Capital Investment, the Head of BPMPTSP of Province shall issue Letter of Closure of Branch Office of Foreign Capital Investment Company or Domestic Capital Investment.

CHAPTER XIII

C O S T S

Article 27

- (1) Capital Investor is not subject to charges in controlling implementation of Capital Investment activity exercised by BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator.

Article 32

- (1) Administrative penalty in the form of revocation of business activity as referred to in Article 29 letter b may be charged if within one (1) month effective as the third written reminder is issued as referred to in Article 30 paragraph (1), no response is made by the company.
- (2) Limitation of business activity referred to in paragraph (1) may be in the form of:
 - a. limitation of business activity in one or more locations for company having projects in several locations;
 - b. limitation of production capacity.
- (3) Type of limitation of business activity as referred to in paragraph 1 shall be as set forth in Attachment XXV constituting inseparable part of this Regulation of the Head of BKPM.
- (4) As soon as a company conducted effort of repair, the company may submit application for revocation of limitation of business activity to BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator issuing Letter of Limitation of business activity using the letter form as set forth in Attachment XXVI constituting inseparable part of this Regulation of the Head of BKPM.
- (5) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator issuing letter of revocation of Letter of Limitation of business activity, within three (3) working days after drawing up BAP shall issue Letter of Limitation of business activity.
- (6) Type of letter of revocation of Letter of Limitation of business activity as referred to in paragraph (5) shall be set forth in Attachment XXVII constituting inseparable part of this Regulation of the Head of BKPM.
- (7) Letter of Limitation of business activity as referred to in paragraph (1) and revocation of Letter of Limitation of business activity referred to in paragraph (5) will be issued by the Director of Controlling Implementation of Capital Investment on behalf of the Head of BKPM, Head of BPMPTSP of Province, Head of BPMPTSP of Regency/Municipality, Head of KPBPB, Operating Body or Head of KEK Administrator based on their respective authority.

Article 33

- (1) Administrative penalty in the form of Freezing of business activity and/or facilities for Capital Investment may be charged if within one (1) month effective as of the Limitation of business activity as referred to in Article 32 paragraph (1), the company fails to give response to the penalty on Limitation of business activity.
- (2) The freezing of business activity and/or facilities for Capital Investment as referred to in paragraph (1) may be in the form of:
- a. temporary termination of part of activities at the project location / place of business activities;
 - b. temporary termination of part of the business activities for company possessing several businesses;
 - c. freezing of facilities for Capital Investment that has been granted to the company;
 - d. refusal to the application for extension of schedule for importing machinery and/or goods and material;
 - e. refusal to the application for amendment to Master List of imported machinery and/or goods and material;
 - f. refusal to the application for Permits and Non-Permits for Capital Investment.
- (3) Type of Letter for Freezing business activity as referred to in paragraph (1) shall be as set forth in Attachment XXVIII constituting inseparable part of this Regulation of the Head of BKPM.
- (4) Type of Letter for Freezing facilities for Capital Investment as referred to in paragraph (2) shall be as set forth in Attachment XXIX constituting inseparable part of this Regulation of the Head of BKPM.
- (5) If the company has endeavored effort for repair, the company may submit application for revocation of Freezing of business activity, Freezing of facilities for Capital Investment at BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator as referred to in paragraph (3) and paragraph (4) issuing the Letter for Freezing the facilities for Capital Investment using

the letter form as set forth in Attachment XXX constituting inseparable part of this Regulation of the Head of BKPM.

- (6) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator issuing the Letter for Freezing business activity and/or Letter for Freezing facilities for Capital Investment within three (3) working days as of drawing up BAP, issuing letter for revocation of Freezing business activity and/or facilities for Capital Investment.
- (7) The Freezing of business activity of company that is granted facilities for Capital Investment issued by BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator, must be notified to BKPM.
- (8) Minutes of Inspection or BAP must be drawn up on the application for revocation of Freezing of business activity as referred to in paragraph (5).
- (9) Type of letter for revocation of Freezing business activity and/or facilities for Capital Investment as referred to in paragraph (6) shall be as set forth in Attachment XXXI constituting inseparable part of this Regulation of the Head of BKPM.
- (10) Letter for Freezing business activity and/or facilities for Capital Investment as referred to in paragraph (1) and letter for revocation of Freezing business activity and/or facilities for Capital Investment as referred to in paragraph (6) will be issued by the Director of Controlling Implementation of Capital Investment on behalf of the Head of BKPM, Head of BPMPTSP of Province, Head of BPMPTSP of Regency/Municipality, Head of KPBPB Operating Body, or Head of KEK Administrator based on their respective authority.

Article 34

- (1) Administrative penalty in the form of Revocation of Permit for Capital Investment and/or business activity and/or facilities for Capital Investment as referred to in Article 29 letter d may be charged on the company that:

- a. fails to give written response on the effort for repair within one (1) month effective as the Letter for Freezing business activity is issued and/or facilities for Capital Investment as referred to in Article 33 paragraph (1);
 - b. commits violation and has been charged Court Judgment that has legal power and is final;
 - c. follow-up action to the third written reminder as referred to in Article 30 paragraph (1);
 - d. follow-up action to the first and last written reminder as referred to in Article 31 paragraph (1); or
 - e. based on proposal from the competent authority on technical matter based on the Minutes of Supervision stating that the company committed violation to the statutory regulation.
- (2) BKPM, BPMPTSP of Province, BPMPTSP of Regency/Municipality, KPBPB Operating Body or KEK Administrator shall issue decision on the Revocation of Permits for Capital Investment and/or business activity and/or facilities for Capital Investment based on their respective authority.
- (3) Revocation of Freezing of business activity of company that is granted facilities for Capital Investment issued by BPMPTSP of Province or BPMPTSP of Regency/Municipality, or atau KPBPB Operating Body or KEK Administrator, must be notified to BKPM.
- (4) Revocation Letter of Permit for Capital Investment based on the reason referred to in paragraph (2) will be issued by the Head of BPMPTSP of Province, Head of BPMPTSP of Regency/Municipality, Head of KPBPB Operating Body, or Head of KEK Administrator based on their respective authority within three (3) working days for revocation of Permit for Capital Investment as soon as the file is declared complete and correct and within five (5) working days for revocation of Permit for Capital Investment as soon as the file is declared complete and correct.
- (5) Type of revocation letter as referred to in paragraph (4) shall be as set forth in Attachment XV and XVIII constituting inseparable part of this Regulation of the Head of BKPM.

Article 35

In the context of imposition of administrative penalty on any violation committed by the company, BKPM or BPMPTSP of Province or BPMPTSP of Regency/Municipality or KPBPB Operating Body or KEK Administrator, may request other agency of the Central Government or Regional Administration to provide evidential proof on the violation committed by the company and may be also be supported by legal consideration.

CHAPTER XV

OTHER PROVISIONS

Article 36

- (1) Any company having its Head Office located offsite the project location shall be obliged to appoint a person in-charge and responsible / company representative at the project location assigned the duty and function to:
- a. represent the company pertaining to the implementation of Capital Investment;
 - b. provide the required information, including LKPM.
- (2) Appointment of the person in-charge / representative of the company at the project location must be notified to BKPM using the Form as set forth in Attachment XXXII constituting inseparable part of this Regulation of the Head of BKPM.

CHAPTER XVI

CLOSING PROVISION

Article 37

With this Regulation of the Head of BKPM comes to force, Regulation of the Head of Capital Investment Coordinating Board Number 3 Year 2012, concerning Guideline and Procedure for Controlling Implementation of Capital Investment is hereby revoked and declared null and void.

Article 38

This Regulation of the Head of BKPM takes effect:

- a. for PTSP Center at BKPM dated October 26, 2015; and
- b. for BPMPTSP of Province, BPMPTSP of Regency/Municipality, PTSP KPBPB, and PTSP KEK within 90 (ninety) working days at the latest as of the date it is enacted.

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

Stipulated in Jakarta

Dated September 29, 2015

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

sgd.

FRANKY SIBARANI

Enacted in Jakarta

Dated October 8, 2015

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

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
YEAR 2015 NUMBER 1481

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