

**SECOND ROUND OF AMENDMENT TO BANK INDONESIA  
CIRCULAR NO. 16/24/DKEM DATED DECEMBER 30, 2014  
CONCERNING THE APPLICATION OF PRUDENTIAL  
PRINCIPLES IN THE MANAGEMENT OF  
NON-BANK CORPORATE OFFSHORE LOANS  
(Circular of the Head of the Economic and Monetary Policies Department of Bank Indonesia No. 18/6/DKEM dated April 22, 2016)**

To

ALL NON-BANK CORPORATIONS IN INDONESIA

In line with Bank Indonesia Regulation No. 16/21/PBI/2014 concerning the Application of Prudential Principles in the Management of Non-Bank Corporate Offshore Loans (Statute Book of the Republic of Indonesia of 2014 No. 394, Supplement to Statute Book of the Republic of Indonesia No. 5651), as already amended by Bank Indonesia Regulation No. 18/4/PBI/2016 (Statute Book of the Republic of Indonesia of 2016 No. 74, Supplement to Statute Book of the Republic of Indonesia No. 5874 ), it is necessary to make second round of amendment to Bank Indonesia Circular No. 16/24/DKEM dated December 30, 2014 concerning the Application of Prudential Principles in the Management of Non-Bank Corporate Offshore Loans, as already amended by Bank Indonesia Circular No. 17/18/DKEM dated June 30, 2015, as follows:

1. Provisions in point 1.A.2 are amended so that it reads as follows:
  2. The receivables as referred to in point 1.e shall follow the following provisions:
    - a. Receivables consist of account receivables to residents and non-residents that will become due :
      - 1) up to 3 (three) months ahead since the end of quarter; and/or
      - 2) more than 3 (three) months up to 6 (six) months ahead since the end of quarter;
 which constitute outright sale or cannot be returned and after being reduced by allowance for impairment.
    - b. Account receivables to residents as referred to in letter a are calculated as component of foreign currency assets, provided they have a contract or agreement signed before July 1, 2015 until the end of the written agreement.
    - c. Account receivables to residents whose contract or agreement was signed as of July 1, 2015 can

be calculated as component of foreign currency assets, provided :

- 1) they are related to strategic infrastructure projects and are approved by Bank Indonesia; or
- 2) their underlying transactions can be made in foreign currency as provided for in Bank Indonesia provisions on the obligation to use rupiah in the Unitary State of the Republic of Indonesia.

The scope of infrastructure projects that can be considered to be recognized as strategic infrastructure projects shall refer to Attachment III which is an integral part of this Bank Indonesia Circular.

d. Strategic infrastructure projects as referred to in letter c.1) are decided by virtue of:

- 1) a written statement from the authorized ministry or government institution; and
- 2) a letter of approval from Bank Indonesia.

e. The account receivables as referred to in point c.2) are proven by virtue of a letter of approval from Bank Indonesia in accordance with Bank Indonesia provisions on the obligation to use rupiah in the Unitary State of the Republic of Indonesia.

2. Provisions in point II.2 are amended so it reads as follows:

2. Exception to the obligation to fulfill minimum credit rating is given to :

- a. offshore loans in foreign currency used to refinance the previous offshore loans;
- b. offshore loans in foreign currency used to finance infrastructure projects originating :
  - 1) entirely from international institution creditors (bilateral or multilateral);
  - 2) syndicated loans with the contribution from international institution creditors (bilateral or multilateral) reaching more than 50% (fifty percent);
- c. offshore loans in foreign currency used to finance both central government and regional government infrastructure projects;
- d. offshore loans in foreign currency guaranteed by international institution (bilateral or multilateral);
- e. offshore loans in foreign currency in the form of trade credits;
- f. offshore loans in foreign currency in the form of other loans; or
- g. offshore loans in foreign currency incurred by financing companies that meet the following criteria:
  - 1) having the latest minimum financial health rating of "being healthy" issued by the Financial Service Authority (OJK); and
  - 2) fulfilling the maximum gearing ratio as provided for by the OJK.

- h. offshore loans in foreign currency incurred by Indonesian Export Financing Institution (LPEI).

The scope of infrastructure projects as referred to in letters b and c is contained in Attachment III which is an integral part of this Bank Indonesia Circular.

3. Attachment I is amended so that it becomes as contained in Attachment I which is an integral part of this

Bank Indonesia Circular.

4. 1 (one) attachment, namely Attachment III is added as contained in Attachment III which is an integral part of this Bank Indonesia Circular.

This Bank Indonesia Circular shall come into force as from April 22, 2016

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

Kindly be informed of this

**BANK INDONESIA,**

sgd.

**JUDA AGUNG**

**CHIEF OF ECONOMIC AND MONETARY POLICIES DEPARTMENT**

## ATTACHMENT I

**LIST OF RATING AGENCIES RECOGNIZED BY BANK INDONESIA TO APPLY PRUDENTIAL  
PRINCIPLES IN THE MANAGEMENT OF NON-BANK CORPORATE OFFSHORE LOANS**

| Name of Rating Agencies       |  | Ratings Equal to BB |
|-------------------------------|--|---------------------|
| Domestic<br>Agencies          | PT. Pemeringkat Efek Indonesia (PEFINDO) | idBB-Rating         |
|                               | PT. Fitch Ratings Indonesia              | BB-(idn)            |
| Foreign<br>Rating<br>Agencies | Moody's Investors Service                | Ba3                 |
|                               | Standard & Poor's                        | BB-                 |
|                               | Fitch Ratings                            | BB-                 |
|                               | Japan Credit Rating Agency               | BB-                 |
|                               | Rating and Investment Information Inc.   | BB-                 |

**CHIEF OF THE ECONOMIC AND MONETARY POLICIES**

**DEPARTMENT**

sgd.

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## ATTACHMENT III

**SCOPES OF INFRASTRUCTURE PROJECTS**

**a. Transportation infrastructures covering :**

- 1) supply and/or management of aviation facilities and/or services, including supporting facilities such as passenger and cargo terminals;

- 2) supply and/or management of port facilities and/or services;
  - 3) railway facilities and/or infrastructures;
  - 4) urban mass transport and traffic facilities and infrastructures; and/or
  - 5) sea, river and/or lake ferry facilities and infrastructures.
- b. Road infrastructures covering:
- 1) artery road, collector road and local road;
  - 2) toll road; and/or
  - 3) toll bridge.
- c. Water resource and irrigation infrastructures covering:
- 1) raw water carrying canal; and/or
  - 2) irrigation network and water reservoir infrastructure and their complement buildings including reservoir, dam and weir.
- d. Drinking water infrastructures covering:
- 1) raw water unit;
  - 2) production unit; and/or
  - 3) distribution unit.
- e. Concentrated waste water management system infrastructures covering:
- 1) service unit;
  - 2) collecting unit;
  - 3) processing unit;
  - 4) last disposal unit; and/or
  - 5) sewage and sanitation.
- f. Local waste water management system infrastructures covering:
- 1) local processing unit;
  - 2) transportation unit;
  - 3) feces processing unit;
  - 4) last disposal unit; and/or
  - 5) sewage and sanitation.
- g. Trash management system infrastructures covering :
- 1) transportation;
  - 2) processing; and/or

- 3) final processing of trash.
- h. Telecommunication and informatics infrastructures covering:
  - 1) telecommunication network;
  - 2) e-government infrastructure; and/or
  - 3) passive infrastructure such as cable transmission channel pipe (ducting).
- i. Energy and electricity infrastructures including renewable energy infrastructures covering :
  - 1) Electricity infrastructures including:
    - i. electricity generator;
    - ii. electrical power transmission;
    - iii. relay station; and/or
    - iv. electrical power distribution.
  - 2) Oil and gas infrastructures including bio-energy infrastructures covering:
    - i. processing;
    - ii. storing;
    - iii. transportation; and/or
    - iv. distribution.
- j. Energy conservation Infrastructures covering:
  - 1) public road lighting; and/or
  - 2) energy efficiency.
- k. Urban facility economic infrastructures covering :
  - 1) utility tunnel; and/or
  - 2) public market.
- l. Estate infrastructures covering:
  - 1) scientific, technological and innovation development estate including the development of science and technopark; and/or
  - 2) industrial estate.
- m. Tourism infrastructures covering tourism information center.
- n. Education research and development facility infrastructures covering:
  - 1) learning facility;
  - 2) laboratory;
  - 3) training center;



- 4) research center or study center;
- 5) research and development facility and infrastructure;
- 6) business incubator;
- 7) learning outlet;
- 8) student's practice room;
- 9) library; and/or
- 10) learning and training supporting facility.

**o. Sports, art and cultural facility infrastructures covering:**

- 1) sports building or stadium; and/or
- 2) art and cultural building.

**p. Health infrastructures covering:**

- 1) hospital, such as hospital building, health infrastructure and medical instrument;
- 2) basic health service facility, such as building, infrastructure and medical instrument for both public health service posts (puskesmas) and clinic; and/or
- 3) health laboratory, such as health laboratory building, health laboratory infrastructure and laboratory instrument.

**q. Penitentiary infrastructures covering:**

- 1) penitentiary institution;
- 2) penitentiary hall;
- 3) state detention house;
- 4) house for keeping confiscated and seized goods belonging to the state;
- 5) temporary child placement institute;
- 6) child development institute; and/or
- 7) penitentiary hospital.

**r. Public housing infrastructures covering:**

- 1) public housing for low-income people; and/or;
- 2) rented, low-cost flat.

## HEAD OF THE ECONOMIC AND MONETARY POLICIES

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