

**LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 11 OF 2020  
ON  
JOB CREATION**

BY THE GRACE OF GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that in order to realize the purpose of forming the Indonesian State Government and realize a prosperous, just and flourishing Indonesian society based on the Pancasila and the 1945 Constitution of the Republic of Indonesia, the State need to carry out various efforts to fulfill the right of citizens to work and a decent living for humanity through job creation;
- b. that with job creation, it is hoped that it will be able to absorb the widest possible Indonesian workforce in the midst of increasingly competitive competition and the demands of economic globalization.
- c. that to support job creation, adjustment of various aspects of regulation relating to the ease, protection and empowerment of cooperatives and micro-, small- and medium-scale businesses, improvement of investment ecosystems, and acceleration of nationally-strategic projects, including improvement of workers' protection and welfare have been deemed necessary.
- d. that regulation relating to the ease, protection and empowerment of cooperatives and micro-, small- and medium-scale businesses, improvement of investment ecosystems, and acceleration of nationally-strategic projects, including improvement of workers' protection and welfare that are currently scattered in various sectoral Laws have not been able to meet the legal needs for an accelerated job creation so that amendments need to be made;
- e. that efforts to amend regulation relating to the ease, protection and empowerment of cooperatives and micro-, small- and medium-scale businesses, improvement of investment ecosystems, and acceleration of nationally-strategic projects, including improvement of workers' protection and welfare have been carried out through amendments to sectoral Laws which are yet to support the realization of synchronization in guaranteeing an accelerated job creation, thus a legal breakthrough that can solve various problem in several Laws into one law comprehensively has been deemed necessary.
- f. that based on the considerations as referred to in letter a, letter b, letter c, letter d, letter e, and letter f, it has been deemed necessary to establish Law on Job Creation.

Observing:

1. Article 4, Article 5 paragraph (1), Article 18, Article 18A, Article 18B, Article 20, Article 22D paragraph (2), Article 27 paragraph (2), Article 28D paragraph (1) and paragraph (2), and Article 33 the 1945 Constitution of the Republic of Indonesia.
2. Resolution of the People's Consultative Assembly of the Republic of Indonesia Number XVI/MPR/1998 on Economic Politics in the Framework of Economic Democracy;
3. Resolution of the People's Consultative Assembly of the Republic of Indonesia Number IX/MPR/2001 on Agrarian Reform and Natural Resources Management;

By the Mutual Consent of

THE HOUSE OF REPRESENTATIVES  
AND  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA  
HAS DECIDED

To enact:

LAW ON JOB CREATION

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1**

Under this Law, the following definitions are employed:

1. Job Creation is an effort of job creation through ease, protection and empowerment efforts for micro-, small- and medium-scale businesses, improvement of investment ecosystems and ease of doing business, and Central Government's investment and acceleration of nationally strategic projects.
2. Cooperatives are cooperatives as referred to in the Law on Cooperatives.
3. Micro-, Small-, and Medium-Scale Business (Usaha Mikro, Kecil dan Menengah), from this point onwards is referred to as UMK-M is the micro-scale business, small-scale business and medium-scale business as referred to in the Law on Micro-, Small- and Medium-Scale Business.
4. Business Licensing is the legality given to Business Actors to start and operate their businesses and/or activities.
5. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
6. Regional Administration is the administration of governmental affairs by the Regional Government and regional house of representatives according to the principle of autonomy and co-administration task with the principle of the broadest possible autonomy within the system and the principle of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
7. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
8. Business Actor is individual or business entity that carries out businesses and/or activities in certain field.
9. Business Entity is a business entity in the form of an incorporated or unincorporated legal entity established in the territory of the Unitary State of the Republic of Indonesia and carries out businesses and/or activities in certain fields.
10. Detailed Spatial Plan (Rencana Detail Tata Ruang), from this point onwards is referred to as RDTR, is a detailed plan on the spatial layout of regency/city area which are equipped with a regency/city zoning regulation.
11. Building Approval is the licensing granted to building owners to newly construct, alter, expand, reduce, and/or maintain a building in accordance with Building technical standards.

12. Day is a business day as determined by the Central Government.

## **CHAPTER II**

### **PRINCIPLES, OBJECTIVES AND SCOPE**

#### **Article 2**

- (1) This Law is organized based on the following principles:
- equalization of rights;
  - legal certainty;
  - ease of doing business;
  - togetherness; and
  - independence.
- (2) Apart from being based on the principles as referred to in paragraph (1), the organization of Job Creation shall be implemented based on other principles in accordance with the field of law regulated in the law concerned.

#### **Article 3**

This Law is enacted with the objectives to:

- create and increase employment opportunities by providing ease, protection and empowerment toward cooperatives and UMK-M, as well as national industry and trade, as an effort to be able to absorb the widest possible Indonesian workforce while still paying attention to interregional balance and progress within the national economic unity;
- ensure that every citizen obtains a job, as well as receive fair and decent rewards and treatment in an employment relationship;
- make adjustments to various regulatory aspects related to alignments (keberpihakan), strengthening and protection for cooperatives and UMK-M as well as national industry; and
- make adjustments to various regulatory aspects related to the improvement of investment ecosystems, ease and acceleration of nationally strategic projects which are oriented toward national interests based on national science and technology guided by the ideology of Pancasila.

#### **Article 4**

- (1) In order to achieve the objectives as referred to in Article 3, the scope of this Law regulates strategic Job Creation policies which include:
- improvement of investment ecosystems and business activities;
  - manpower;
  - ease, empowerment and protection of cooperatives and UMK-M; and
  - ease of doing business
  - research and innovation support;
  - land procurement;
  - economic zones;
  - Central Government's investment and acceleration of nationally strategic projects;

- i. implementation of government administration; and
- j. imposition of sanctions.

#### **Article 5**

The scope as referred to in Article 4 covers the fields of law regulated in the relevant laws.

### **CHAPTER III**

## **IMPROVEMENT OF INVESTMENT ECOSYSTEMS AND BUSINESS ACTIVITIES**

### **Division One**

#### **General**

#### **Article 6**

Improvement of investment ecosystems and business activities as referred to in Article 5 paragraph (1) letter a includes:

- a. application of risk-based Business Licensing;
- b. simplification of basic requirements for Business Licensing;
- c. simplification of sectoral Business Licensing; and
- d. simplification of investment requirements.

### **Division Two**

## **Application of Risk-Based Business Licensing**

### **Subdivision 1**

#### **General**

#### **Article 7**

- (1) Risk-based Business Licensing as referred to in Article 6 letter a is carried out based on the determination of risk level and business scale rating of business activities.
- (2) Determination of risk level and business scale rating as referred to in paragraph (1) is obtained based on hazard level and hazard potential assessments [or: assessments of hazard level and hazard potential?].
- (3) Hazard level assessment as referred to in paragraph (2) is carried out toward the following aspects:
  - a. health;
  - b. safety;
  - c. environment; and/or
  - d. utilization and management of resources.
- (4) For certain activity, hazard level assessment as referred to in paragraph (3) may include other aspects in accordance with the nature of business activity.

- (5) Hazard level assessment as referred to in paragraph (3) and paragraph (4) is carried out by calculating:
- types of business activity;
  - criteria of business activity;
  - location of business activity;
  - limitation of resources; and/or
  - volatility risk.
- (6) Hazard potential assessments as referred to in paragraph (2) include:
- almost impossible;
  - unlikely;
  - likely happened; or
  - almost certainly happened.
- (7) Based on the hazard level assessment as referred to in paragraph (3), paragraph (4), and paragraph (5), as well as hazard potential assessment as referred to in paragraph (6), the risk level and business scale rating of business activities are determined to be:
- low-risk business activity;
  - medium-risk business activity; or
  - high-risk business activity.

## **Subdivision 2**

### **Business Licensing for Low-Risk Business Activity**

#### **Article 8**

- Business Licensing for low-risk business activity as referred to in Article 7 paragraph (7) letter a is in the form of granting business identification number which is the legality of the implementation of business activity.
- Business identification number as referred to in paragraph (1) is the proof of registration of Business Actors to carry out business activity and as the identity of Business Actors in the implementation of their business activity.

## **Subdivision 3**

### **Business Licensing for Medium-Risk Business Activity**

#### **Article 9**

- Business Licensing for medium-risk business activity as referred to in Article 7 paragraph (7) letter b consists of:
  - medium-low risk business activities; and
  - medium-high risk business activities.
- Business Licensing for medium-low risk business activity as referred to in paragraph (1) letter a is the granting of:

- a. business identification number; and
  - b. standard certificate.
- (3) Business Licensing for medium-high risk business activity as referred to in paragraph (1) letter b is the granting of:
  - a. business identification number; and
  - b. standard certificate.
- (4) Standard certificate as referred to in paragraph (2) letter b is a statement of Business Actor to fulfill business standards in the framework of carrying out business activity.
- (5) Standard certificate as referred to in paragraph (3) letter b is the business standard certificate issued by the Central Government or Regional Governments in accordance with their authority based on verification results of compliance with business activity implementation standards by Business Actors.
- (6) In the event that medium-risk business activities need a product standardization as referred to in paragraph (2) letter b and paragraph (3) letter b, the Central Government shall issue product standard certificate based on the verification results of standard compliance that must be fulfilled by Business Actors before carrying out product commercialization activity.

#### **Subdivision 4**

#### **Business Licensing for High-Risk Business Activity**

#### **Article 10**

- (1) Business Licensing for high-risk business activity as referred to in Article 7 paragraph (7) letter c is the granting of:
  - a. business identification number; and
  - b. license.
- (2) License as referred to in paragraph (1) letter b is an approval from the Central Government or Regional Governments for the implementation of business activity that must be fulfilled by Business Actors before carrying out their business activities.
- (3) In the event that the high-risk business activity needs a product standardization, the Central Government or Regional Governments shall issue the business standard certificate and product standard certificate based on the verification result of standard compliance.

#### **Subdivision 5**

#### **Supervision**

#### **Article 11**

Supervision toward every business activity is carried out by way of arranging the frequency of implementation based on the risk level as referred to in Article 7 paragraph (7) and considering the level of compliance of Business Actors.

#### **Subdivision 6**

#### **Subordinate Regulation**

## **Article 12**

Further provisions regarding risk-based Business Licensing as referred to in Article 7, Article 8, Article 9, and Article 10, as well as the procedures of supervision as referred to in Article 11 shall be regulated under a Regulation of the Government.

## **Division Three**

### **Simplification of Basic Requirements for Business Licensing**

#### **Subdivision 1**

##### **General**

## **Article 13**

Simplification of basic requirements for Business Licensing as referred to in Article 6 letter b consists of:

- a. conformity of space utilization activity;
- b. environmental approval; and
- c. building approval and function worthiness certificate.

#### **Subdivision 2**

### **Suitability of Space Utilization Activity**

## **Article 14**

- (1) The conformity of space utilization activity as referred to in Article 13 letter a is the conformity of the plan on the location of their activity and/or business with RDTR.
- (2) The Regional Government should compile and provide RDTR in digital form in accordance with the standard.
- (3) The provision of RDTR in digital form as referred to in paragraph (2) is carried out in accordance with the standards and can be accessed easily by the community to obtain information on the conformity of the plan on the location of their activity and/or business with RDTR.
- (4) The Central Government should integrate RDTR in digital form as referred to in paragraph (2) into the electronic Business Licensing system.
- (5) In the event that the Business Actors obtain an information that the plan on their business activity location as referred to in paragraph (3) has been appropriate with RDTR, the Business Actors shall submit an application of conformity of space utilization activity for their business activity through the electronic Business Licensing system as referred to in paragraph (4) by filling the desired location coordinates to obtain the confirmation of conformity of space utilization activity.
- (6) After obtaining the confirmation of conformity of space utilization activity as referred to in paragraph (5), the Business Actors may submit the application for Business Licensing.

## **Article 15**

- (1) In the event that the Regional Government not yet compile and provide the RDTR as referred to in Article 14 paragraph (2), the Business Actors submit the application for approval of conformity of space utilization activity for their business activity to the Central Government through the electronic

Business Licensing system in accordance with the provisions of laws and regulations.

- (2) The Central Government grants an approval of conformity of space utilization activity as referred to in paragraph (1) in accordance with the spatial layout plan.
- (3) Spatial layout plan as referred to in paragraph (2) comprises of:
  - a. national spatial planning;
  - b. island/archipelago spatial planning;
  - c. nationally strategic area spatial planning;
  - d. provincial spatial planning; and/or
  - e. regency/city spatial planning.

### Article 16

For the purpose of simplification of the basic requirements for Business Licensing as well as to provide the certainty and ease for the Business Actors in obtaining the conformity of space utilization activity, this Law amends, removes, and/or stipulates the new arrangements of several provisions regulated under:

- a. Law Number 26 of 2007 on Spatial Planning (State Gazette of the Republic of Indonesia Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 4725);
- b. Law Number 27 of 2007 on Management of Coastal Areas and Small Islands (State Gazette of the Republic of Indonesia Number 84, Supplement to the State Gazette of the Republic of Indonesia Number 4739), as amended by Law Number 1 of 2014 on the Amendment to Law Number 27 of 2007 on Management of Coastal Areas and Small Islands (State Gazette of the Republic of Indonesia Number 2, Supplement to the State Gazette of the Republic of Indonesia Number 5490);
- c. Law Number 32 of 2014 on Maritime Affairs (State Gazette of the Republic of Indonesia Number 294, Supplement to the State Gazette of the Republic of Indonesia Number 5603); and
- d. Law Number 4 of 2011 on Geospatial Information (State Gazette of the Republic of Indonesia Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 5214).

### Article 17

Several provisions under Law Number 26 of 2007 on Spatial Planning (State Gazette of the Republic of Indonesia Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 4725) have been amended as follow:

1. Provisions of Article 1 number 7, number 8, and number 32 have been amended therefore Article 1 reads as follows:

### Article 1

Under this Law, the following definitions are employed:

1. Space is a place covering land space, sea space, and air space, including space within the earth as a unitary area, where humans and other creatures live, carry out activities, and maintain their life survival.
2. Spatial layout is a form of spatial structure and spatial pattern.
3. Spatial structure is an arrangement of residential centers and a network system of facilities and infrastructure that functions as a support for the community's socio-economic activities which hierarchically have functional relationships.
4. Spatial pattern is spatial allocation distribution in an area that covers spatial allocation for protective function and spatial allocation for cultivation function.



5. Spatial planning is a system for the planning of spatial, spatial utilization, and spatial utilization control.
6. Spatial planning administration is an activity consisting of arrangement, guidance, implementation, and supervision of spatial planning.
7. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
8. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
9. Spatial planning arrangement is an effort to establish a legal basis for the Central Government, Regional Governments, and the community in spatial planning.
10. Spatial planning guidance is an effort to improve the performance of spatial planning organized by the Central Government, Regional Governments, and the community.
11. Spatial planning implementation is an effort to achieve spatial planning objectives through the implementation of spatial planning, spatial utilization, and spatial utilization control.
12. Spatial planning supervision is an effort so that the administration of spatial planning can be realized in accordance with the provisions of laws and regulations.
13. Planning of spatial is a process to determine spatial structure and spatial patterns which includes the preparation and determination of spatial plans.
14. Spatial utilization is an effort to create spatial structure and spatial pattern in accordance with the spatial plan through the preparation and implementation of programs together with the financing.
15. Spatial utilization control is an effort to create an orderly spatial layout.
16. Spatial plan is the result of spatial planning.
17. An area is a space constituting a geographical unit along with all related elements whose boundaries and systems are determined based on administrative and/or functional aspects.
18. Area system is the spatial structure and spatial pattern that has a range of services at the regional level.
19. Urban internal system are spatial structures and spatial patterns that have a range of services at the urban internal level.
20. Area is an area that has the main function of protection or cultivation.
21. Protected area is an area defined with the main function of protecting the preservation of the environment, which includes natural and artificial resources.
22. Cultivation area is an area that is determined with the main function to be cultivated on the basis of the conditions and potential of natural resources, human resources, and artificial resources.
23. Rural area is an area that has the main activities of agriculture, including the management of natural resources with the arrangement of the functions of the area as a place for rural settlements, government services, social services and economic activities.
24. Agropolitan area is an area consisting of one or more centers of activities in rural areas as a system of agricultural production and management of certain natural resources, which is indicated by the functional linkages and the spatial hierarchy of the units of the settlement system and the agribusiness system.
25. Urban area is an area that has a non-agricultural main activity with the arrangement of the functions of the area as an urban settlement, centralization, and distribution of government services, social services, and economic activities.

26. Metropolitan area is an urban area consisting of an independent urban area or a core urban area with surrounding urban areas that have functional linkages connected to an integrated regional infrastructure network system with a total population of at least 1,000,000 (one million) inhabitants.
27. Megapolitan area is an area formed from 2 (two) or more metropolitan areas that have functional relationships and form a system.
28. Nationally strategic area is an area whose spatial planning is prioritized because it has a very important national influence to the state sovereignty, national defense and security, economy, social, culture, and/or environment, including areas that have been designated as world heritage.
29. Provincially strategic area is an area whose spatial planning is prioritized because it has a very important influence within the province's scope to the economy, social, culture and/or environment.
30. Regency/city strategic area is an area whose spatial planning is prioritized because it has a very important influence within the regency/city scope to the economy, social, culture and/or environment.
31. Green open space is an elongated area/path and/or clustered, of which the use of is more open, a place where plant grows, both those that grow naturally or those that are intentionally planted, by considering the aspects of ecological, water infiltration, economic, socio-cultural, and aesthetic functions.
32. Conformity of Space Utilization Activities is the conformity between the plan on spatial utilization activities with the spatial plan.
33. Person is individual and/or corporation.
34. Minister is the minister in charge of government affairs in the field of spatial planning.

2. Provisions of Article 6 have been amended therefore it reads as follows:

#### **Article 6**

- (1) Spatial planning is carried out with regard to:
  - a. physical condition of the territory of The Unitary State of the Republic of Indonesia which is prone to disasters;
  - b. potential of natural resources, human resources, and artificial resources, the condition of economy, social, culture, politic, law, defense and security, and the environment as well as science and technology as a unit; and
  - c. geo-strategy, geo-politic and geo-economy.
- (2) National spatial planning, provincial spatial planning and regency/city spatial planning are carried out in a tiered and complementary manner.
- (3) Tiered spatial planning as referred to in paragraph (2) is carried by way of the national spatial planning used as a reference in the preparation of provincial and regency/city spatial planning, and provincial spatial planning be a reference in the preparation of regency/city spatial planning.
- (4) Complementary spatial planning as referred to in paragraph (2) is national spatial planning, provincial spatial planning, and regency/city spatial planning which are arranged to complement each other and work in synergy so that spatial planning arrangements do not overlap.
- (5) National spatial planning consists of national sovereignty and jurisdiction territorial space which includes land space, sea space, and air space, including space within the earth as a unit.
- (6) Provincial and regency/city spatial planning consists of land space, sea space, and air space, including space within the earth as a unit.

- (7) Management of sea space and air space resources is regulated by a separate Law.
- (8) In the event of disconformity between the spatial pattern of spatial plan and forest areas, license and/or rights to land, settlement of the disconformity shall be regulated under a Regulation of the Government.

3. Provisions of Article 8 have been amended, therefore read as follows:

#### **Article 8**

- (1) The authority of the Central Government in spatial planning administration consists of:
  - a. arrangement, guidance, and supervision to the implementation of national, provincial and regency/city spatial planning, as well as to the implementation of nationally strategic spatial planning.
  - b. providing technical assistance for the preparation of provincial spatial plan, regency/city spatial plan, and detailed spatial plan;
  - c. technical guidance in the preparation of provincial spatial plan, regency/city spatial plan, and detailed spatial plan;
  - d. the implementation of national spatial planning;
  - e. the implementation of nationally strategic area spatial planning; and
  - f. cooperation in spatial planning between countries and facilitate cooperation in spatial planning between provinces.
- (2) The authority of the Central Government in the implementation of national spatial planning consists of:
  - a. national spatial planning;
  - b. national spatial utilization; and
  - c. national spatial utilization control.
- (3) The authority of the Central Government in the implementation of nationally strategic spatial planning consists of:
  - a. nationally strategic area determination;
  - b. nationally strategic spatial planning;
  - c. nationally strategic spatial utilization; and
  - d. nationally strategic spatial utilization control.
- (4) In the event of spatial planning administration, the Central Government has the authority to compile and stipulate the guidelines in the field of spatial planning.
- (5) In the implementation of authority as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4), the Central Government:
  - a. disseminate information related to:
    - 1. general plan and detailed plan of spatial plan in the event of the implementation of national spatial planning;
    - 2. spatial planning guidelines;
  - b. determine minimum service standards in the field of spatial planning.
- (6) Further provisions regarding the authority of spatial planning administration shall be regulated under a Regulation of the Government.

4. The Provisions of Article 9 have been amended, therefore read as follows:

**Article 9**

- (1) Spatial planning administration is carried out by the Central Government.
- (2) Further provisions regarding the duties and responsibilities of spatial planning administration as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Provisions of Article 10 have been amended, therefore read as follows:

**Article 10**

The authority of the Provincial Government shall be carried out in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government in the spatial planning administration which consists of:

- a. arranging, guiding, and supervising the implementation of provincial and regency/city spatial planning;
- b. the implementation of provincial spatial planning; and
- c. spatial planning cooperation between provinces and facilitation of spatial planning cooperation between regencies/cities.

6. The Provisions of Article 11 have been amended therefore it reads as follows:

**Article 11**

The authority of the Regency/City Government shall be carried out in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government in the spatial planning administration which consists of:

- a. arranging, guiding, and supervising the implementation of regency/city spatial planning;
- b. the implementation of regency/city spatial planning; and
- c. spatial planning cooperation between regencies/cities.

7. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) Spatial planning is carried out to produce:
  - a. general spatial plan; and
  - b. detailed spatial plan.
- (2) General spatial plan as referred to in paragraph (1) letter a hierarchically consists of:
  - a. national spatial plan;
  - b. provincial spatial plan; and
  - c. regency spatial plan and city spatial plan.
- (3) Detailed spatial plan as referred to in paragraph (1) letter b consists of:
  - a. island/archipelago spatial plan and nationally strategic spatial plan; and
  - b. detailed spatial plan of regency/city.
- (4) Detailed spatial plan as referred to in paragraph (1) letter b is prepared as operational instruments of general spatial plan.

- (5) Detailed spatial plan as referred to in paragraph (3) letter a is prepared if:
  - a. general spatial plan cannot be made yet as the basis on the implementation of spatial utilization and spatial utilization control; and/or
  - b. general spatial plan which include a large planning area and the map scale in said general spatial plan need to be detailed before being operationalized.
- (6) Further provisions regarding the level of accuracy of the general spatial plan map and detailed spatial planning as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

8. Between Article 14 and Article 15 is inserted 1 (one) article namely Article 14A that reads as follows:

**Article 14A**

- (1) The implementation of the preparation of spatial plan as referred to in Article 14 is carried out with regard to:
  - a. supporting capacity and carrying capacity of the environment and strategic environmental studies; and
  - b. detailed spatial information that will be presented as well as the accuracy of the spatial plan map.
- (2) The preparation of strategic environmental studies as referred to in paragraph (1) letter a shall be in conducted during the preparation of spatial plan.
- (3) The fulfillment of the accuracy of the spatial planning map as referred to in paragraph (1) letter b shall be carried out in the preparation of a spatial plan map on top of the Base Map.
- (4) In the event that the Base Map as referred to in paragraph (3) is not available, the preparation of spatial planning shall be carried out by using other Base Maps.

9. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) The contents of the spatial plan include:
  - a. spatial structure plan; and
  - b. spatial pattern plan.
- (2) Spatial structure plan as referred to in paragraph (1) letter a consists of residential center system plan and infrastructure network system plan.
- (3) Spatial pattern plan as referred to in paragraph (1) letter b consists of protected areas and cultivation areas purposes.
- (4) Protected areas and cultivation areas purposes as referred to in paragraph (3) consist of space for environmental preservation, social, cultural, economic, defense and security activities.
- (5) In the event of environmental preservation as referred to in paragraph (4), on the area spatial plan is stipulated the size of the forest area and forest coverage for each island, watershed (Daerah Aliran Sungai), province, regency/city, based on the condition of bio-geophysical, climate, population, and socio-economic conditions of the local community.
- (6) The preparation of a spatial plan must take into account the linkages between regions, between area functions, and between area activities.
- (7) Further provisions regarding the procedures for the preparation of spatial plan related to the defense and security functions as a regional spatial planning subsystem shall be regulated under a Regulation of the Government.

10. Provisions of Article 18 have been amended, therefore read as follows:

**Article 18**

- (1) The determination of provincial or regency/city spatial plan and detailed spatial plan must first obtain substantial approval from the Central Government.
- (2) Before being submitted for substantial approval to the Central Government, detailed regency/city spatial plan as outlined in the draft Regulations of the Head of Regency/city will first undergo public consultations including with the Regional House of Representatives.
- (3) Regent/mayor is required to establish the draft regulations of the head of regency/city on detailed spatial plan by no later than 1 (one) month after obtaining substantial approval from the Central Government.
- (4) In the event of regent/mayor does not establish the detailed spatial plan after the period as referred to in paragraph (3), the detailed spatial plan shall be established by the Central Government.
- (5) Further provisions regarding substances, guidelines, and procedures of the preparation of provincial or regency/city spatial plan and detailed spatial plan as referred to in paragraph (1) shall be regulated by Regulations of the Government.

11. Provisions of Article 20 have been amended, therefore read as follows:

**Article 20**

- (1) The National Spatial Plan contains:
  - a. national spatial planning objectives, policies and strategies;
  - b. national spatial structure plan that covers the national urban system related to the rural area within its service area and the main infrastructure network system;
  - c. national spatial pattern plan that covers national protected areas and cultivation areas that have national strategic values;
  - d. determination of nationally strategic areas;
  - e. spatial utilization directions containing indications of the five-year medium- term main program; and
  - f. national spatial utilization control directions containing indications of zoning directions for the national system, directions for conformity of spatial utilization activities, directions for incentives and disincentives, and directions for sanctions.
- (2) National Area Spatial Plan becomes the guidelines for:
  - a. preparation of national long-term development plans;
  - b. preparation of the national medium-term development plan;
  - c. spatial utilization and spatial utilization control in the national area;
  - d. realizing integration, linkage, and balance of the development among provinces, as well as harmony between sectors;
  - e. determination of location and function of space for investment;
  - f. spatial planning for nationally strategic areas; and
  - g. spatial planning for provincial and regency/city areas.
- (3) The period of National Spatial Plan is 20 (twenty) years.

- (4) The National Spatial Plan is reviewed 1 (one) time in every 5 (five) year period.
- (5) Spatial plan can be reviewed more than 1 (one) time in a period of 5 (five) years if there is a change in the strategic environment in the form of:
  - a. large-scale natural disasters which are stipulated by the laws and regulations;
  - b. changes to the territorial boundaries of the country which are stipulated by the Law;
  - c. changes to regional boundaries which are stipulated by the Law; and
  - d. strategic changes to national policies.
- (6) The National Spatial Plan shall be stipulated by Regulation of the Government.

12. Provisions of Article 22 have been amended, therefore read as follows:

**Article 22**

- (1) The preparation of provincial spatial plan refers to:
  - a. national spatial plan;
  - b. guidelines in the field of spatial planning; and
  - c. regional long-term development plan.
- (2) The preparation of provincial spatial plan must pay attention to:
  - a. the development of national problems and the study result of provincial spatial planning implication;
  - b. efforts to equitable development and provincial economic growth;
  - c. alignment of provincial development aspirations and regency/city development;
  - d. supporting capacity and carrying capacity of the environment;
  - e. long-term regional development plans;
  - f. the spatial plan of bordering provinces; and
  - g. regency/city spatial planning.

13. Provisions of Article 23 have been amended, therefore read as follows:

**Article 23**

- (1) Provincial spatial plan contains:
  - a. objectives, policies, and strategies for provincial spatial planning;
  - b. the plan on provincial spatial structure that covers the urban system within its areas that related to the rural area within its service area and the provincial infrastructure network system;
  - c. the plan on provincial spatial patterns that cover protected areas and cultivation areas that have provincial strategic values;
  - d. provincial spatial utilization directions containing an indication of the five-year medium-term main program; and
  - e. provincial spatial utilization control directions containing indications of provincial system zoning regulations, directions for conformity of spatial utilization activities, directions for incentives and disincentives, and directions for sanctions.
- (2) Provincial spatial plan becomes the guidelines for:



- a. the preparation of regional long-term development plans;
  - b. the preparation of regional medium-term development plan;
  - c. spatial utilization and spatial utilization control in the provincial area;
  - d. realizing integration, linkage, and balance of development among regency/city, as well as harmony between sectors;
  - e. determination of location and space function for investment; and
  - f. regency/city spatial planning.
- (3) The period of provincial spatial plan is 20 (twenty) years.
- (4) Provincial spatial plan is reviewed 1 (one) time in every 5 (five) year period.
- (5) Provincial spatial plan can be reviewed more than 1 (one) time in a period of 5 (five) years if there is a change in the strategic environment in the form of:
  - a. natural disasters which are stipulated by the laws and regulations;
  - b. changes to the territorial boundaries of the country which are stipulated by the Law;
  - c. changes to regional boundaries which are stipulated by the Law; and
  - d. changes to nationally strategic policies.
- (6) Provincial spatial plan shall be stipulated by the Provincial Regulation.
- (7) Provincial Regulation as referred to in paragraph (6) is required to be stipulated within the maximum of 2 (two) months after obtaining substantial approval from the Central Government.
- (8) In the event of Provincial Regulation as referred to in paragraph (7) has not been stipulated, the Governor stipulates provincial spatial plan by no later than 3 (three) months after obtaining substantial approval from the Central Government.
- (9) In the event that the provincial spatial plan as referred to in paragraph (8) has not stipulated yet by the Governor, provincial spatial plan shall be stipulated by the Central Government by no later than 4 (four) months after obtaining substantial approval from the Central Government.

14. Article 24 has been removed.

15. Provisions of Article 25 have been amended, therefore read as follows:

#### **Article 25**

- (1) The preparation of regency spatial plan refers to:
  - a. National Spatial Plan and provincial spatial plan;
  - b. guidelines and instructions in the field of spatial planning; and
  - c. regional long-term development plan.
- (2) The preparation of regency spatial plan must pay attention to:
  - a. the development of provincial problems and the study result of regency spatial planning implication;
  - b. efforts to equitable development and regency economic growth;
  - c. alignment of regency development aspirations;
  - d. supporting capacity and carrying capacity of the environment;
  - e. long-term regional development plans; and



- f. spatial plan of bordering regencies.

16. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) Regency spatial plan contains:
  - a. objectives, policies, and strategies for regency spatial planning;
  - b. the regency spatial structure plan covering the urban system within its areas that are related to the rural area and the regency infrastructure network system;
  - c. the regency spatial pattern plan covering regency protected areas and regency cultivation areas;
  - d. regency spatial utilization direction containing an indication of the five-year medium-term main program; and
  - e. regency spatial utilization control direction which contain the general zoning provisions, provisions on the conformity of spatial utilization activities, incentive and disincentive provisions, and directions for sanctions.
- (2) Regency spatial plan becomes the guidelines for:
  - a. preparation of regional long-term development plans;
  - b. preparation of regional medium-term development plan;
  - c. spatial utilization and spatial utilization control within regency;
  - d. realizing integration, linkage, and balance between sectors; and
  - e. determination of location and space function for investment.
- (3) Regency spatial plan becomes the basis for the Suitability of Spatial Utilization Activity and land administration.
- (4) The period of regency spatial plan is 20 (twenty) years.
- (5) Regency spatial plan is reviewed 1 (one) time in every 5 (five) year period.
- (6) Regency spatial plan can be reviewed more than 1 (one) time in a period of 5 (five) years if there is a change in the strategic environment in the form of:
  - a. natural disasters which are stipulated by the laws and regulations;
  - b. changes to the territorial boundaries of the country which are stipulated by the Law;
  - c. changes to regional boundaries which are stipulated by the Law; and
  - d. changes to nationally strategic policies.
- (7) Regency spatial plan is stipulated by Regency Regulation.
- (8) Regency Regulation as referred to in paragraph (6) must be stipulated by no later than 2 (two) months after obtaining substantial approval from the Central Government.
- (9) In the event that the Regency Regulation as referred to in paragraph (7) has not been stipulated, the Regent shall stipulate regency spatial plan by no later than 3 (three) months after obtaining substantial approval from the Central Government.
- (10) In the event that regency spatial plan as referred to in paragraph (9) has not been stipulated yet by the Regent, regency spatial plan is stipulated by the Central Government by no later than 4 (four) months after obtaining substantial approval from the Central Government.

17. Article 27 has been removed.

18. Between Article 34 and Article 35 is added 1 (one) article, namely Article 34A that reads as follows:

**Article 34A**

- (1) In the event that there are changes in nationally strategic policy as referred to in Article 20 paragraph (5) letter d, Article 23 paragraph (5) letter d, and Article 26 paragraph (6) letter d that are not yet included in spatial plan and/or zoning plan, the spatial utilization may still be implemented.
- (2) The implementation of spatial utilization activity as referred to in paragraph (1), is carried out after obtaining recommendation on conformity of space utilization activities from the Central Government.

19. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

Spatial utilization control is carried out through:

- a. provisions on Suitability of Spatial Utilization Activity;
- b. granting incentive and disincentives; and
- c. imposition of sanction.

20. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

- (1) The approval of Suitability of Spatial Utilization Activity as referred to in Article 35 shall be issued by the Central Government.
- (2) The approval of Suitability of Spatial Utilization Activity which are not in accordance with the regional spatial plans shall be canceled by the Central Government.
- (3) The approval of Suitability of Spatial Utilization Activity that are issued and/or obtained without going through the proper procedures shall be null and void.
- (4) The approval of Suitability of Spatial Utilization Activity that are obtained through the proper procedures but then proven to be not in accordance with the regional spatial plan, shall be canceled by the Central Government.
- (5) With regard to losses arising from the cancellation of the approval as referred to in paragraph (2) and paragraph (4), appropriate compensation can be requested to the agency that grants the approval.
- (6) Spatial utilization activities that are no longer suitable due to changes in spatial planning can be canceled by the Central Government by providing an appropriate compensation.
- (7) Any authorized government official is prohibited from issuing an Approval of Suitability for Spatial Utilization Activities that is not in accordance with the spatial plan.
- (8) Further provisions regarding the procedures for obtaining approval for the Suitability for Spatial Utilization Activities and procedures for providing an appropriate compensation as referred to in paragraph (5) and paragraph (6) shall be regulated under a Regulation of the Government.

21. Provisions of Article 48 have been amended, therefore read as follows:

**Article 48**

- (1) Spatial planning for rural areas is directed to:
  - a. rural community empowerment;
  - b. maintaining the quality of the local environment and the areas it supports;
  - c. conservation of natural resources;
  - d. preservation of local cultural heritage;
  - e. maintaining perennial food agricultural areas for food security; and
  - f. maintaining the balance of rural-urban development.
- (2) Further provisions regarding the protection toward perennial food agricultural areas as referred to in paragraph (1) letter e shall be regulated by the Law.
- (3) Spatial planning for rural areas is carried out at:
  - a. rural areas that are part of regency areas; or
  - b. an area functionally characterized as rural, that covers 2 (two) or more regency areas in one or more provincial areas.
- (4) Further provisions regarding the spatial planning for rural areas shall be regulated under a Regulation of the Government.

22. Article 49 has been removed.

23. Article 50 has been removed.

24. Article 51 has been removed.

25. Article 52 has been removed.

26. Article 53 has been removed.

27. Article 54 has been removed.

28. Provisions of Article 60 have been amended, therefore read as follows:

#### **Article 60**

In spatial planning, any person has rights to:

- a. know the spatial plan;
- b. enjoy the added value of space as a result of spatial planning;
- c. obtain adequate compensation for losses arising from the implementation of development activities in accordance with the spatial plan;
- d. file a claim to the authorized official against developments that are not in accordance with the spatial plan in their area;
- e. file a claim for the cancellation of approval for spatial planning activities and/or termination of development that are not in accordance with the spatial plan to the authorized official; and

- f. file a claim for compensation to the Central Government, Regional Government and/or spatial utilization activity organizer if the development activities which are not in accordance with the spatial plan cause losses.

29. Provisions of Article 61 have been amended, therefore read as follows:

**Article 61**

In spatial utilization, any person is required to:

- a. comply with the spatial plan that has been determined;
- b. utilize space in accordance with the spatial plan;
- c. comply with the provisions stipulated in the requirements for Suitability of Space Utilization Activities; and
- d. provide access to areas that are declared as public property by the laws and regulations.

30. Provisions of Article 62 have been amended, therefore read as follows:

**Article 62**

Every person who does not comply with the spatial plan that has been determined that causes the change of space function as referred to in Article 61, shall be subject to administrative sanctions.

31. Provisions of Article 65 have been amended, therefore read as follows:

**Article 65**

- (1) The implementation of spatial planning is carried out by the Central Government and Regional Government by involving the role of the community.
- (2) The role of the community in spatial planning as referred to in paragraph (1) is carried out, among others, through:
  - a. participation in the preparation of spatial plan;
  - b. participation in spatial utilization; and
  - c. participation in spatial utilization control.
- (3) The community as referred to in paragraph (1) and (2) consists of individual and business actors.
- (4) Further provisions regarding procedures and form of community role in spatial planning as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

32. Provisions of Article 69 have been amended, therefore read as follows:

**Article 69**

- (1) Every person who in carrying out the business and/or activity that utilize the determined space without having the approval of conformity of spatial utilization as referred to in Article 61 letter a that cause the change of spatial function shall be sentenced to a maximum imprisonment of 3 (three) years and a maximum fine of IDR1,000,000,000.00 (one billion rupiah).
- (2) If the criminal act as referred to in paragraph (1) resulting in the loss of property or property damage, the perpetrator shall be sentenced to a maximum imprisonment of 4 (four) years and a maximum fine of IDR2,500,000,000.00 (two billion and five hundred million rupiah).
- (3) If the criminal act as referred to in paragraph (1) resulting in the death of people, the perpetrator

shall be sentenced to a maximum imprisonment of 15 (fifteen) years and a maximum fine of IDR8,000,000,000.00 (eight billion rupiah).

33. Provisions of Article 70 have been amended, therefore read as follows:

**Article 70**

- (1) Every person who utilize space not in accordance with the spatial plan from the authorized official as referred to in Article 61 letter b that cause the change of spatial function shall be sentenced to a maximum imprisonment of 3 (three) years and a maximum fine of IDR1,000,000,000.00 (one billion rupiah).
- (2) If the action as referred to in paragraph (1) resulting in the loss of property or property damage, the perpetrator shall be sentenced to a maximum imprisonment of 4 (four) years and a maximum fine of IDR2,500,000,000.00 (two billion and five hundred million rupiah).
- (3) If the action as referred to in paragraph (1) resulting in the death of people, the perpetrator shall be sentenced to a maximum imprisonment of 15 (fifteen) years and a maximum fine of IDR8,000,000,000.00 (eight billion rupiah).

34. Provisions of Article 71 have been amended, therefore read as follows:

**Article 71**

Every person who does not comply with the provisions that has been determined under the requirements of the Suitability of Spatial Utilization Activities as referred to in Article 61 letter c that cause the change of spatial function shall be sentenced to a maximum imprisonment of 3 (three) years and a maximum fine of IDR1,000,000,000.00 (one billion rupiah).

35. Article 72 has been removed.

36. Provisions of Article 74 have been amended, therefore read as follows:

**Article 74**

- (1) In the event that the criminal act as referred to in Article 69, Article 70, or Article 71 is carried out by corporation, in addition to imprisonment and fines against its management, the punishment that can be imposed against the corporation is in the form of a fine with aggravation of 1/3 (one third) of the fine as referred to in Article 69, Article 70, or Article 71.
- (2) In addition to the fine as referred to in paragraph (1), the corporation can be subject to additional punishment in the form of:
  - a. revocation of Business Licensing; and/or
  - b. revocation of legal entity status.

37. Provisions of Article 75 have been amended, therefore read as follows:

- (1) Every person who suffers losses as a result of a criminal act as referred to in Article 69, Article 70, or Article 71 can demand civil compensation from the perpetrator of the criminal act.
- (2) Claims for civil compensation as referred to in paragraph (1) shall be implemented in accordance with the provisions of the civil procedural law.

**Article 18**

Several provisions under Law Number 27 of 2007 on the Management of Coastal Areas and Small Islands (State Gazette of the Republic of Indonesia Number 84, Supplement to the State Gazette of the Republic of Indonesia Number 4739) as amended by Law Number 1 of 2014 on the Amendment to Law Number 27 of 2007 on the Management of Coastal Areas and Small Islands (State Gazette of the Republic of Indonesia Number 2, Supplement to the State Gazette of the Republic of Indonesia Number 5490) have been amended as follows:

1. Provisions of Article 1 number 14, number 40, and number 41 have been amended, between number 14 and number 15 is inserted one number namely number 14A, and number 17, number 18 and number 18A have been removed, therefore Article 1 reads as follows:

### **Article 1**

Under this Law the following definitions are employed:

1. Management of Coastal Areas and Small Islands is the coordination of the planning, utilization, supervision, and control of coastal and small island resources carried out by the Government and Regional Governments, between sectors, between land and sea ecosystem, as well as between science and management to improve community welfare.
2. Coastal Area is the transitional area between land and sea Ecosystem that is affected by changes in the land and the sea.
3. Small Island is the island with an areas less than or equal to 2,000 km<sup>2</sup> (two thousand square kilometers) along with its Ecosystem unit.
4. Coastal and Small Islands Resources are biological resources, non-living resources; artificial resources, and environmental services; biological resources includes fish, coral reefs, seagrass beds, mangroves and other marine biotas; non-living resources includes sand, seawater, seabed minerals; artificial resources includes marine infrastructure related to marine and fisheries, and environmental services in the form of the beauty of nature, the surface of the seabed for underwater installations related to marine and fisheries as well as ocean wave energy in Coastal Areas.
5. Ecosystem is a unit of plants, animals, organisms and other non-organisms communities as well as the process that connects them in forming balance, stability, and productivity.
6. Bio-eco region is the landscape within an expanse of ecological unit defined by natural boundaries, such as watersheds, bays, and currents.
7. Coastal Water is the sea bordering the land which includes waters as far as 12 (twelve) nautical miles from the coastline, waters that connect coast and islands, estuaries, bays, shallow waters, brackish marshes, and lagoons.
8. Area is the part of Coastal Area and Small Islands that has certain functions determined based on the criteria of physical, biological, social, and economic characteristics for its existence to be maintained.
9. General Utilization Area is the part of Coastal Area designated for various sectors of activity.
10. Certain Nationally Strategic Area is the Area related to state sovereignty, environmental control, and/or world heritage sites, the development of which is prioritized for the national interest.
11. Zone is the space that the usage is mutually agreed upon between the various stakeholders and the legal status has been determined.
12. Zoning is a form of engineering of space utilization techniques through the determination of functional boundaries in accordance with the potential of resources and carrying capacity as well as ecological processes that take place as a unit in the coastal Ecosystem.
13. Strategic Plan is the plan that contains the direction of cross-sectoral policies for development planning Areas through the determination of broad objective, aim and strategy, as well as implementation target with appropriate indicators to monitor the national-level plan.
14. Zoning Plan (Rencana Zonasi), from this point onwards is referred to as RZ, is the plan that



determines the direction of resource usage in each planning unit along with the determination of spatial structure and pattern in the planning Area which contains activities that can be conducted and cannot be conducted as well as activities that may only be conducted after obtaining Business Licensing related to utilization at sea.

- 14A. Certain Nationally Strategic Area Zoning Plan (Rencana Zonasi Kawasan Strategis Nasional Tertentu), from this point onwards is referred to as RZ KSNT, is the plan that is prepared to determine the direction of spatial utilization in certain nationally strategic areas.
15. Management Plan is the plan which contains arrangement of the policy framework, procedures, and responsibilities for the purpose of the coordination of decision making between various government agencies/institutions regarding the agreement on resource usage or development activities in the designated zone.
16. Management Action Plan is the follow-up of Coastal Area and Small Islands Management plan which contain the objective, aim, budget, and schedule for one or several years ahead in a coordinated manner to carry out various activities required by Government institutions, Regional Governments, and other stakeholders to achieve the results of coastal and small islands resource management in every planning Area.
17. Has been removed.
18. Has been removed
- 18A. Has been removed
19. Coastal Area and Small Islands Conservation is the effort to protect, conserve, and utilize the Coastal Area and Small Islands and their ecosystems to ensure the existence, availability and sustainability of Coastal and Small Islands Resources while maintaining and increasing the quality of their value and diversity.
20. Conservation Area in Coastal Area and Small Islands is the coastal area and small islands with certain characteristics that are protected to realize sustainable Coastal Area and Small Islands Management.
21. Coastal Border (Sempadan Pantai) is the land along the banks, the width of which is proportional to the physical shape and condition of the coast, at least 100 (one hundred) meters from the highest tide point to the land.
22. Coastal and Small Islands Resource Rehabilitation is the process of restoring and repairing the condition of Ecosystems or populations that have been damaged even though the results are different from the original conditions.
23. Reclamation is the activity conducted by Every Person in order to increase the benefits of land resources from an environmental and socio-economic point of view by filling (pengurugan), draining the land or drainage.
24. Coastal Area and Small Islands Carrying Capacity is the capacity of Coastal Area and Small Islands to support the lives of humans and other living creatures.
25. Disaster Mitigation is an effort to reduce disaster risk, both structurally and physically through natural and/or artificial physical developments, and non-structurally or non-physically through increasing the ability to handle disaster threats in Coastal areas and Small Islands.
26. Coastal Disaster is an incident due to natural events or due to the actions of Every Person which causes changes in the physical and/or biological characteristics of the Coastal area and results in the loss of life, property and/or damage to the Coastal Area and Small Islands.
27. Large Impact is the occurrence of negative changes in environmental functions on a wide scale and long intensity caused by a business and/or an activity in the Coastal Area and Small Islands.
- 27A. Significant Impact and Wide Scope as well as Have Strategic Value are changes that affect biophysical conditions such as changes in climate, ecosystems, and socio-economic impacts of

society on the lives of the present generation and future generations.

28. Coastal Pollution is the entry or inclusion of living things, substances, energy, and/or other components into the Coastal environment due to the activities of Every Person so that the Coastal quality drops to a certain level which causes the Coastal environment to not function in accordance to its designation.
29. Accreditation is an acknowledgment procedure of an activity that has consistently met the quality standard for the Coastal Area and Small Islands Management system, which includes assessment, rewards and incentives for voluntary Community management programs.
30. Main Stakeholder is the user of Coastal and Small Islands Resources who have direct interest in optimizing the utilization of Coastal and Small Islands Resources, such as traditional fishermen, modern fishermen, fish farmers, tourism businesses, fishery businesses, and the Community.
31. Community Empowerment is an effort to provide facilities, encouragement, or assistance to the Community and traditional fishermen in order to be able to determine the best choice in utilizing Coastal and Small Islands Resources in a sustainable manner.
32. Community is a community consisting of Customary Law Community, Local Community, and Traditional Community who live in coastal areas and small islands.
33. Customary Law Community is a group of people who have been living from generation to generation in certain geographic areas in the Unitary State of the Republic of Indonesia due to their ancestral ties, strong relationships with land, areas, natural resources, customary governmental institutions, and customary law structures in their customary area in accordance with the provisions of laws and regulations.
34. Local Community is the group of Community who carry out their daily life order based on habits that have been accepted as generally accepted values, but do not completely depend on certain Coastal and Small Islands Resources.
35. Traditional Community is the traditional fisheries Community whose traditional rights are still recognized in carrying out fishing activities or other legitimate activities in certain areas located in archipelagic waters in accordance with the principles of international maritime law.
36. Local Wisdom is the noble values that are still applicable in the life order of the Community.
37. Class Action (Gugatan Perwakilan) is a lawsuit in the form of the right of a Community's small group to act on behalf of the Community in large numbers in an effort to file a lawsuit based on common problems, legal facts, and claims for compensation.
38. Every Person is individual or corporation, both incorporated and unincorporated.
39. House of Representatives (Dewan Perwakilan Rakyat), from this point onwards is referred to as DPR, is the House of Representatives as referred to in the 1945 Constitution of the Republic of Indonesia.
40. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
41. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
42. Regional Administration is the administration of governmental affairs by the Regional Government and regional house of representatives according to the principle of autonomy and co-administration task with the principle of the broadest possible autonomy within the system and the principle of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
43. Marine Partner is a stakeholder network in the field of Coastal Area and Small Islands



Management in strengthening the capacity of human resources, institutions, education, counseling, mentoring, training, applied research, and development of policy recommendations.

44. Minister is the minister in charge of government affairs in the sectors of marine and fisheries.

2. Provisions under Article 7 have been amended, therefore read as follows:

#### **Article 7**

- (1) Coastal Area and Small Islands Management Planning as referred to in Article 5, consist of:
  - a. Coastal Area and Small Islands Zoning Plan, from this point onwards is referred to as RZWP-3-K;
  - b. Nationally Strategic Area Zoning Plan, from this point onwards is referred to as RZ KSN; and
  - c. Certain National Strategic Area Zoning Plan from this point onwards is referred to as RZ KSNT.
- (2) Planning area boundaries for RZWP-3-K as referred to in paragraph (1) letter a, RZ KSN as referred to in paragraph (1) letter b, and RZ KSNT as referred to in paragraph (1) letter c shall be determined by Central Government.
- (3) The validity period of the Coastal Area and Small Islands Management Planning as referred to in paragraph (1) is 20 (twenty) years and may be reviewed every 5 (five) years.
- (4) The review of Coastal Area and Small Islands Management Planning as referred to in paragraph (3) may be conducted more than 1 (one) time within the 5 (five) years period if there is strategic environmental change in the form of:
  - a. natural disaster as established by the Laws and Regulations;
  - b. change to the country's territorial boundaries as established by Law;
  - c. change to the regional area boundaries as established by Law; and
  - d. change to nationally strategic policies.
- (5) RZ KSN as referred to in paragraph (1) letter b and RZ KSNT as referred to in paragraph (1) letter c shall be established by a Regulation of the President.
- (6) Coastal Area and Small Islands Management Planning as referred to in paragraph (1) shall be conducted by involving the community.

3. Between Article 7 and Article 8 is inserted 3 (three) Articles, namely Article 7A, Article 7B, and Article 7C, therefore they reads as follow:

#### **Article 7A**

- (1) RZWP-3-K as referred to in Article 7 paragraph (1) letter a shall be integrated into the Provincial Area Spatial Plan.
- (2) RZ KSN as referred to in Article 7 paragraph (1) letter b shall be integrated into the Nationally Strategic Area Spatial Planning.
- (3) RZ KSNT as referred to in Article 7 paragraph (1) letter c shall be conformed, harmonized and balanced with spatial planning, cross-regional area zoning plan, and sea spatial plan.
- (4) In the event that the RZWP-3-K as referred to in paragraph (1) has been established, the integration shall be conducted at the review of Provincial Area Spatial Plan.
- (5) In the event that the RZ KSN as referred to in paragraph (2) has been established, the integration shall be conducted at the review of Nationally Strategic Area Spatial Plan.

### Article 7B

Coastal Area and Small Islands Management Planning as referred to in Article 7 paragraph (1) shall be conducted by taking into consideration:

- a. the conformity, harmony, and balance with the carrying capacity of the ecosystem, utilization function and protection function, time and space dimensions, technological and socio-cultural dimensions, as well as defense and security functions;
- b. the integrated utilization of various types of resources, functions, environmental aesthetics, and quality of water space and coastal and small islands resources; and
- c. the obligation to allocate Community space and access in the utilization of water space and coastal and small island resources that have social and economic functions.

### Article 7C

Further provisions regarding the Coastal Area and Small Islands Management Planning as referred to in Article 7, Article 7A, and Article 7B shall be regulated by Governmental Regulation.

4. Article 8 has been removed.

5. Article 9 has been removed.

6. Article 10 has been removed.

7. Article 11 has been removed.

8. Article 12 has been removed.

9. Article 13 has been removed.

10. Article 14 has been removed.

11. Provisions under Article 16 have been amended, therefore read as follows:

### Article 16

- (1) The utilization of the spaces from Coastal Waters must be in accordance with the spatial plan and/or zoning plan.
  - (2) Every Person who utilizes the spaces from Coastal Waters as referred to in paragraph (1) must fulfill Business Licensing related to utilization at sea from the Central Government.
12. Between Article 16 and Article 17 is inserted 1 article, namely Article 16A which reads as follows:

### Article 16A

Every person who utilizes the spaces from Coastal Waters and who does not have Business Licensing

related to utilization at sea as referred to in Article 16 paragraph (2), shall be subject to administrative sanctions.

13. Provisions under Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) The issuance of Business Licensing related to utilization at sea as referred to in Article 16 must take into consideration the sustainability of coastal waters Ecosystem, the Community, traditional fishermen, national interests, and right of innocent passage for foreign vessels.
- (2) Business Licensing related to utilization at sea cannot be issued for the core zone within the conservation area.

14. Between Article 17 and Article 18 is inserted 1 (one) article, namely Article 17 which reads as follows:

**Article 17A**

- (1) In the event that there are national strategic policy that has not been contained in the spatial allocation and/or spatial pattern within the spatial plan and/or zoning plan, the Business Licensing related to utilization at sea as referred to in Article 16 paragraph (1) shall be issued by the Central Government based on national spatial plan and/or sea spatial plan.
- (2) In the event that there are nationally strategic policy in which the spatial plan and/or zoning plan have not been established by the Government or Regional Government, the Business Licensing related to utilization at sea as referred to in Article 16 paragraph (1) shall be issued by the Central Government based on national spatial plan and/or sea spatial plan.
- (3) In the event that there are amendment to the provisions of the laws and regulations which become a reference in the determination of location for nationally strategic policy as referred to in paragraph (1) and paragraph (2), the location for that relevant nationally strategic policy within the spatial plan and/or zoning plan shall be implemented in accordance with the amendment to the provisions of the laws and regulations.

15. Provision under Article 18 have been amended, therefore read as follows:

**Article 18**

In the event that the holder of Business Licensing related to Utilization at Sea as referred to in Article 16 paragraph (1) failed to realize the activities by no later than 2 (two) years from the issuance of the Business Licensing related to utilization at sea, the holder of Business Licensing shall be subject to administrative sanction in the form of business licensing revocation.

16. Provisions under Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) Every Person who utilizes Coastal water resources and small islands waters must possess Business Licensing for the following activities:
  - a. salt production;
  - b. marine biopharmacology;
  - c. marine biotechnology;
  - d. seawater utilization for other than energy;
  - e. marine tourism;

- f. installation of submarine pipes and cables; and/or
  - g. lifting of the sinking ship's cargo.
- (2) Business Licensing for activities other than as referred to in paragraph (1) shall be issued in accordance with the provisions of the laws and regulations.
- (3) In the event that there are activities of Coastal water and small islands water utilization that have not been regulated based on the provisions as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

17. Provision under Article 20 have been amended, therefore read as follows:

**Article 20**

- (1) The Central Government must facilitate the Business Licensing related to Utilization at Sea for Local Community and Traditional Community.
- (2) Business Licensing as referred to in paragraph (1) shall be issued for the Local Community and Traditional Community that utilizes coastal waters resources to fulfill their daily needs.

18. Provision under Article 22 have been amended, therefore read as follows:

**Article 22**

- (1) Obligation to fulfill Business Licensing related to utilization at sea as referred to in Article 16 paragraph (2) shall be exempted for Customary Law Community within the Customary Law Community administration area.
- (2) The acknowledgment for the Customary Law Community as referred to in paragraph (1) shall be stipulated in accordance with the provisions of the laws and regulations.

19. Provisions under Article 22A have been amended, therefore read as follows:

**Article 22A**

- (1) Business Licensing as referred to in Article 16 shall be issued for:
- a. individual person who is Indonesian citizen;
  - b. corporation established based on Indonesian law;
  - c. cooperatives formed by the Community; or
  - d. Local Community.
- (2) The utilization of coastal water spaces by government institutions and which is not included in the nationally strategic policy shall be issued in the form of confirmation on sea space conformity.

20. Provision under Article 22B have been amended, therefore read as follows:

**Article 22B**

Individual person who is Indonesian citizen or corporation established based on Indonesian law and cooperatives formed by the Community that applies for sea utilization must fulfill Business Licensing related to Utilization at sea from the Central Government.

21. Provision under Article 22C have been amended, therefore read as follows:

**Article 22C**

Further provisions regarding the Business Licensing related to utilization at sea shall be regulated under a Regulation of the Government.

22. Provision under Article 26A have been amended, therefore read as follows:

**Article 26A**

For the purpose of foreign investment, the utilization of small islands and utilization of its surrounding waters shall fulfill the Business Licensing from the Central Government and be in accordance with the provisions of the laws and regulations in investment sector.

23. Between Article 26A and Article 27 is inserted 1 (one) article, namely Article 26B which reads as follows:

**Article 26B**

Every Person who does not have Business Licensing for the utilization of small islands and utilization of its surrounding waters for foreign investment purposes as referred to in Article 26A shall be subject to administrative sanctions.

24. Provision under Article 50 have been amended, therefore read as follows:

**Article 50**

The Central Government or Regional Government in accordance with their authorities may issue and revoke Business Licensing related to utilization at sea within the Coastal Waters area.

25. Provisions under Article 51 have been amended, therefore read as follows:

**Article 51**

- (1) The Central Government is authorized to determine the change of status of the core zone in the National Conservation Area.
- (2) Further provisions regarding the change of status of the core zone as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

26. Provisions under Article 60 have been amended, therefore read as follows:

**Article 60**

- (1) In the Coastal Area and Small Islands Management, the Community has the right to:
  - a. obtain access to the part of Coastal Waters that have been issued Business Licensing related to utilization at sea;
  - b. propose traditional fishing area into RZWP-3-K;
  - c. propose Customary Law Community administration area into RZWP-3-K;
  - d. conduct Coastal and Small Islands Resources management based on the applicable customary law which does not contradict the provisions of the laws and regulations;
  - e. gain benefit from the Coastal Area and Small Islands Management;
  - f. obtain information regarding the Coastal Area and Small Islands Management;
  - g. submit report and complaint to the authorized party regarding the losses suffered by them

- related to the implementation of the Coastal Area and Small Islands Management;
- h. declare an objection toward the management plan that has been announced within a certain time period;
  - i. report to the law enforcer the allegation of pollution, pollution and/or damage to Coastal Area and Small Islands which is detrimental to their life;
  - j. file a lawsuit to the court for various issues on Coastal Area and Small Islands which is detrimental to their life;
  - k. be compensated; and
  - l. be provided with legal accompaniment and assistance for the issue faced during the Coastal Area and Small Islands Management in accordance with the provisions of the laws and regulations.

(2) The Community during the Coastal Area and Small Islands Management must:

- a. provide information regarding Coastal Area and Small Islands Management;
- b. secure, protect, and maintain the sustainability of Coastal Area and Small Islands;
- c. submit report on the occurrence of environmental hazard, pollution and/or damage in the Coastal Area and Small Islands;
- d. monitor the implementation of Coastal Area and Small Islands Management plan; and/or
- e. implement the Coastal Area and Small Islands Management program agreed upon at the village level.

27. Provision under Article 71 have been amended, therefore read as follows:

**Article 71**

The utilization of water spaces and coastal and small islands resources that does not fulfill the Business Licensing related to utilization at sea that is issued as referred to in Article 16 paragraph (2) and Article 19 paragraph (1) shall be subject to administrative sanctions.

28. Between Article 71 and Article 72 is inserted 1 (one) article, namely Article 71A which reads as follows:

**Article 71A**

- (1) Administrative sanctions as referred to in Article 16A, Article 26B, and Article 71 may be in the form of:
  - a. written warnings;
  - b. temporary suspension of activity;
  - c. location closure;
  - d. revocation of Business Licensing;
  - e. cancellation of Business Licensing; and/or
  - f. administrative sanctions.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government

29. Between Article 73 and Article 74 is inserted 1 (one) article, namely Article 73A which reads as follows:

**Article 73A**

Every Person who utilizes a small island and its surrounding waters for foreign investment purposes that does not have Business Licensing as referred to in Article 26A which causes a change of function to the space shall be sentenced to imprisonment for a maximum of 4 (four) years and a maximum fine of IDR2,000,000,000.00 (two billion rupiah).

30. Provisions under Article 75 have been amended, therefore read as follows:

**Article 75**

Every Person who utilizes water spaces that does not have Business Licensing related to utilization at sea as referred to in Article 16 paragraph (2) which causes a change of function to space shall be sentenced to imprisonment for a maximum of 3 (three) years a maximum fine of IDR 500,000,000.00 (five hundred million rupiah).

31. Article 75A has been removed.

32. Provision under Article 78A have been amended, therefore read as follows:

**Article 78A**

Conservation areas within the Coastal Area and Small Islands that have been determined through the laws and regulations before this Law on Job Creation comes into force shall become the authority of the Central Government.

**Article 19**

Several provisions under Law Number 32 of 2014 on Maritime Affairs (State Gazette of the Republic of Indonesia Number 294, Supplement to the Stage Gazette of the Republic of Indonesia Number 5603) have been amended as follows:

1. Provisions of Article 1 number 9 and number 12 have been amended, therefore Article 1 reads as follows:

**Article 1**

Under this Law, the following definitions are employed:

1. Sea is an aquatic space on the face of the earth that connects land to land and other natural forms, which is the geographical and ecological unity along with all related elements, and which boundaries and systems are determined by laws and regulations and international law.
2. Marine is a matter relating to the Sea and/or activities in the area of the Sea which covers the seabed and the subsoil thereof, the water column and the surface of the Sea, including coastal areas and small islands.
3. Island is an area of land which is formed naturally and which is surrounded by water and is located above water level at the time of high tide.
4. Archipelago are a group of islands, including parts of the island and the waters between these island, and other natural forms which the relations with each other are so close that islands, waters, and other natural forms constitute a single unity of geography, economy, defense, and security and politics that are essential or historically regarded as such.
5. Archipelagic country is a country that consists entirely of one or more archipelago and may include other islands.
6. Marine Development is development that gives direction in the utilization of marine resources to



achieve economic growth, equitable distribution of welfare, and maintenance of carrying capacity of coastal and Sea ecosystems.

7. Marine Resources are Sea resources, both renewable and non-renewable that have comparative and competitive advantages and may be maintained in the long term.
8. Marine Management is the organization of activities, provision, exploitation, and utilization of Marine Resources, as well as Sea conservation.
9. Sea Spatial Management is the planning, utilization, supervision, and control of the Sea space which is an integral part of spatial management.
10. Sea Environment Protection is a systematic and integrated effort carried out to preserve Marine Resources and prevent the occurrence of pollution and/or damage to the environment at Sea which includes Sea conservation, Sea pollution control, marine disaster management, prevention and management of pollution, and damage and disasters.
11. Sea pollution is the entry or inclusion of living things, substances, energy, and/or other components into the Sea environment by human activities that exceeds the prescribed quality standards of the Sea environment.
12. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
13. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
14. Minister is the minister in charge of government affairs in Maritime Affairs sector.

2. Provisions of Article 32 have been amended, therefore read as follows:

#### **Article 32**

- (1) For shipping safety, all forms of buildings and installations at the Sea must not interfere with both the Shipping Lane and the Indonesian Archipelagic Sea Lane.
- (2) The operation area of buildings and installations at the Sea must not exceed the specified safety area.
- (3) The use of operation areas of buildings and installations at the Sea that exceed the specified safety area as referred to in paragraph (2) must obtain permission from the competent authority.
- (4) Establishment and/or placement of Sea buildings must consider the sustainability of coastal and small island resources.
- (5) Provisions regarding the criteria, requirements, and mechanisms for the establishment and/or placement of buildings at the Sea shall be regulated in Regulation of the Government.

3. Provisions of Article 42 have been amended, therefore read as follows:

#### **Article 42**

- (1) Sea spatial management shall be carried out to:
  - a. Protect resources and the environment based on the carrying capacity of the environment and local wisdom;
  - b. utilize the potential of resources and/or activities in national- and international-scale Sea areas; and
  - c. develop potential areas to become the center of production, distribution, and service



activities.

- (2) Sea spatial management includes planning, utilization, supervision, and control of sea space which are an integral part of spatial management.
- (3) Sea spatial management as referred to in paragraph (2) shall be carried out based on the characteristic of the Unitary State of the Republic Indonesia as an archipelagic country and by considering the Marine resources and environment potentials.

4. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) Sea spatial planning as referred to in Article 42 paragraph (2) includes:
  - a. National Sea spatial planning;
  - b. Zoning plans for coastal areas and small islands; and
  - c. Zoning plans for the Sea area.
- (2) National Sea spatial planning as referred to in paragraph (1) letter a is a planning to produce a national Sea spatial plan which are integrated into the national spatial planning.
- (3) Zoning plans for coastal areas and small islands as referred to in paragraph (1) letter b shall produce zoning plans for coastal areas and small islands which are integrated into provincial spatial planning.
- (4) Zoning plans for the Sea area as referred to in paragraph (1) letter c is a planning to produce nationally strategic area zoning plans, certain nationally strategic area zoning plans, and cross-regional area zoning plans.
- (5) Nationally strategic area zoning plan is integrated into the nationally strategic area spatial plan.
- (6) In the event that the national marine spatial planning as referred to in paragraph (1) letter a has been stipulated, the integration shall be carried out during the review of the National Spatial Plan.
- (7) In the event that the nationally strategic area zoning plan as referred to in paragraph (4) has been stipulated, the integration shall be carried out during the review of the nationally strategic spatial plan.
- (8) Further provisions regarding Sea spatial planning as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Between Article 43 and Article 44 is inserted 1 (one) Article, namely Article 43A, which reads as follows:

**Article 43A**

- (1) Sea spatial planning as referred to in Article 43 paragraph (1) carried out in tiered and complementary manner.
- (2) Preparation of sea spatial planning which are carried out in tiered and complementary manner as referred to in paragraph (1) is a preparation between:
  - a. Sea spatial planning
  - b. Cross-regional area zoning plans, nationally strategic area zoning plans and certain nationally strategic area zoning plans; and
  - c. Zoning plans for coastal areas and small islands.
- (3) Sea spatial planning carried out in tiered and complementary manner as referred to in

paragraph (2) letter a shall be used as a reference in the preparation of cross-regional area zoning plans, nationally strategic area zoning plans, certain nationally strategic area zoning plans, and zoning plans for coastal areas and small islands.

- (4) Cross-regional area zoning plans, national strategic area zoning plans, and certain nationally strategic area zoning plans as referred to in paragraph (2) letter b become references for the preparation of zoning plans for coastal areas and small islands.
- (5) The complementary sea spatial planning as referred to in paragraph (1) is the arrangement of Marine Spatial Plan, cross-regional area zoning plans, nationally strategic area zoning plans, certain nationally strategic area zoning plans, and zoning plans for coastal areas and small islands as referred to in paragraph (2) shall be prepared to complement each other and be synergized so that there is no overlapping arrangement.

6. Provisions of Article 47 have been amended, therefore read as follows:

#### **Article 47**

- (1) Every person who permanently utilizes Sea space in territorial waters and territorial jurisdiction must have Business licensing related to utilization at Sea.
- (2) The provision as referred to in paragraph (1) is exempted for the community carrying out utilization at sea to fulfill their daily needs.
- (3) Business Licensing related to utilization at Sea is carried out in accordance with the provisions of laws and regulations.
- (4) Every person who permanently utilizes Sea space in territorial waters and territorial jurisdiction that is not in accordance with the business licensing related to utilization at sea which are given shall be subject to administrative sanctions.
- (5) Provisions regarding business licensing related to utilization at Sea in territorial waters and territorial jurisdictions as referred to in paragraph (1) and the procedures for imposing administrative sanctions as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

7. Between Article 47 and Article 48 is inserted 1 (one) Article, namely Article 47A, which reads as follows:

#### **Article 47A**

- (1) The Business Licensing for Utilization at Sea as referred to in Article 47 is given based on spatial plans and / or zoning plans.
- (2) The Business License for Utilization at Sea as referred to in paragraph (1) is granted for the following activities:
  - a. Marine bio pharmacology;
  - b. Marine bio technology;
  - c. utilization of sea water other than energy;
  - d. Marine tourism;
  - e. lifting of sinking ship's cargo.
  - f. Telecommunication;
  - g. Electrical installation;
  - h. Fisheries;
  - i. Transportation;

- j. oil and gas business activities;
  - k. mineral and coal mining business activities;
  - l. data collection and research;
  - m. defense and security;
  - n. water resources;
  - o. artificial island;
  - p. dumping;
  - q. disaster mitigation; and
  - r. other sea space utilization activities.
- (3) Further provisions regarding Sea space utilization activities as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

8. Provision of Article 48 has been amended, therefore reads as follow:

**Article 48**

Every person who utilizes marine resources in accordance with the spatial plan and/or zoning plan may be granted with incentives in accordance with the provisions of laws and regulations.

9. Provision of Article 49 has been amended, therefore reads as follow:

**Article 49**

Every person who utilizes Sea space permanently who does not have Business Licensing related to utilization at Sea as referred to in Article 47 paragraph (3) will be subject to administrative sanctions.

10. Between Article 49 and Article 450 is inserted 2 (two) Article, namely Article 49A and Article 49B, that reads as follows:

**Article 49A**

- (1) Administrative sanctions as referred to in Article 49 can be in the form of:
- a. Written warnings;
  - b. Temporary suspension of activities;
  - c. Location closure;
  - d. Revocation of Business Licensing;
  - e. Cancellation of business licensing; and/or
  - f. Administrative fines.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

**Article 49B**

Every person who permanently utilize marine space and do not have a Business Licensing related to utilization at sea as referred to in Article 47 paragraph (1) which results in a change in the function of space shall be sentenced with imprisonment for a maximum of 6 (six) years and a maximum fine of

IDR20,000,000,000.00 (twenty billion rupiah).

## Article 20

Several provisions under Law Number 4 of 2011 on Geospatial Information (State Gazette of the Republic of Indonesia of 2011 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 5214) have been amended as follows:

1. Provisions of Article 1 number 14 and number 15 have been amended and number 13 has been removed, therefore Article 1 reads as follows:

## Article 1

Under this Law, the following definitions are employed:

1. Spatial is the spatial aspect of an object or event that includes the location, place and Position.
2. Geospatial or terrestrial space is the spatial aspect that shows the location, place and position of an object or event that is below, on, or above the earth's surface which is expressed in a certain coordinate system.
3. Geospatial Data (Data Geospasial), from this point onwards is referred to as DG, is data on geographic location, dimensions or size, and / or characteristics of natural and / or man-made objects that are below, on, or above the earth's surface.
4. Geospatial Information (Informasi Geospasial), from this point onwards is referred to as IG, is a DG which has been processed so that it can be used as a tool in policy formulation, decision making, and / or implementation of activities related to terrestrial space.
5. Basic Geospatial Information (Informasi Geospasial Dasar), from this point onwards is referred to as IGD, is an IG that contains objects which can be seen directly or measured from the physical appearance on the face of the earth and does not change for a relatively long time.
6. Thematic Geospatial Information (Informasi Geospasial Tematik), from this point onwards is referred to as IGT, is an IG that describes one particular themes or more which are made referring to the IGT.
7. Scale is a comparative number between the distance in an IG and the actual distance on Earth.
8. Geodetic Control Points are positions on the face of the earth which are marked by certain physical forms and which serve as the position reference frame for IG.
9. National Horizontal Control Network (Jaringan Kontrol Horizontal Nasional), from this point onwards is referred to as JHKN, is the distribution of horizontal geodetic control points which are connected to one another within a single reference frame.
10. National Vertical Control Network (Jaringan Kontrol Vertikal Nasional), from this point onwards is referred to as JKVN, is the distribution of vertical geodetic control points which are connected to one another within a single reference frame.
11. National Gravity Control Network (Jaringan Kontrol Gayabarat Nasional), from this point onwards is referred to as JKGN, is the distribution of gravity geodetic control points which are connected to one another within a single reference frame.
12. Topographical Map of Indonesia is a base map that provide information covering land, coastal and sea areas.
13. Has been removed.
14. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and Ministers as referred to in the 1945 Constitution of the Republic of Indonesia.

15. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
16. Agency is a non-ministry government agency that has duties, functions, and authorities in charge of certain matters, in this case, the implementation of IGD.
17. Government Agencies are ministries and non-ministry government agencies.
18. Every person is an individual, a group of people, or a business entity.
19. Business Entity is state-owned enterprise, regionally-owned enterprise, or incorporated legal entity.

2. Provisions of Article 7 have been amended, therefore read as follows:

#### **Article 7**

- (1) Base map as referred to in Article 5 letter b consists of:
  - a. Coastline;
  - b. Hypsography;
  - c. Waters;
  - d. topographical name;
  - e. borderline;
  - f. transportation and utility;
  - g. building and public facilities; and
  - h. land cover.
- (2) Base map as referred to in paragraph (1) is a Topographical Map of Indonesia.
- (3) Topographical Map of Indonesia as referred to in paragraph (2) covers land and sea areas, including coastal areas.

3. Article 12 has been removed

4. Provisions of Article 13 have been amended, therefore read as follows:

#### **Article 13**

- (1) Coastline as referred to in Article 7 letter a is the meeting line between land and sea which is influenced by tides
- (2) Coastline as referred to in paragraph (1) consists of:
  - a. Highest tide coastline;
  - b. Average sea level coastline; and
  - c. Lowest tide coastline.
- (3) Coastline as referred to in paragraph (1) determined by referring to JKVN.

5. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) IGD is held gradually and systematically for the entire territory of the Unitary State of the Republic of Indonesia and its jurisdiction.
- (2) IGD as referred to in paragraph (1) is updated periodically within a certain period or whenever needed.
- (3) Update of IGD whenever needed as referred to in paragraph (2) shall be carried out in the event of a natural disaster, war, expansion or change in administrative areas, or other events which result in changes to IGD elements as referred to in Article 5 so that it affects the pattern and structure of community life.
- (4) IGD is determined by the Central Government.
- (5) Further provision regarding norms, standards, procedures, criteria, and period for Update of IGD shall be regulated under a Regulation of the Government.

6. Provisions of Article 18 have been amended, therefore read as follows:

**Article 18**

- (1) Topographical Map of Indonesia as referred to in Article 7 paragraph (2) are carried out on a scale of 1:1,000, 1:5,000, 1:25,000, 1:50,000, 1:250,000, 1: 1,000,000.
- (2) Topographical Maps of Indonesia on a scale 1:1,000 is carried out on a certain area based on their needs.
- (3) Topographical Maps of Indonesia other than on the scale as referred to in paragraph (1) can be carried out on another scale according to the need.

7. Between Article 22 and Article 23 is inserted 1 (one) Article, namely Article 22A therefore it reads as follows:

**Article 22A**

- (1) The implementation of IGD as referred to in Article 22 paragraph (1) can be carried out through cooperation between the Government and State-owned enterprises.
- (2) Further provisions regarding the cooperation between the Government and State-owned enterprises as referred to in paragraph (1) shall be regulated under a Regulation of the President.

8. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) The collection of Geospatial Data must obtain approval from the Central Government if:
  - a. Has been done in a restricted area;
  - b. Potentially causes harm; or
  - c. Using foreign powers and foreign-owned vehicle other than satellites.
- (2) The approval as referred to in paragraph (1) is intended to ensure safety and security for data collectors and for the public.

- (3) Further provisions regarding the procedure of the approval as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

9. Provisions of Article 55 have been amended, therefore read as follows:

#### **Article 55**

- (1) Implementation of IG as referred to in Article 54 which is conducted by:
  - a. individuals must meet qualifications as a certified professional in the field of GI;
  - b. groups of people must meet the classification and qualifications as service providers in the field of GI and have certified professionals in the field of GI; or
  - c. business entities must meet administrative requirements and technical requirements.
- (2) Further provisions regarding the implementation of GI which is implemented by individuals, groups of people, or business entities as referred to in paragraph (1) shall be regulated under a Regulation of the Government,

10. Article 56 has been removed.

### **Subdivision 3**

#### **Environmental Approval**

#### **Article 21**

In order to provide an ease for every person to obtain environmental approval, this Law amends, removes, or stipulates new arrangement of several provisions related to Business Licensing regulated under Law Number 32 of 2009 on Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to State Gazette of the Republic of Indonesia Number 5059).

#### **Article 22**

Several provisions under Law Number 32 of 2009 on Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to State Gazette of the Republic of Indonesia Number 5059) have been amended as follows:

1. Provisions of Article 1 number 11, number 12, number 35, number 36, number 37, and number 38 have been amended, therefore Article 1 reads as follow:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Environment is the unity of space with all objects, forces, conditions and living things, including humans and their behavior, which affects nature itself, the continuity of life, and the welfare of humans as well as other living things.
2. Environmental protection and management is systematic and integrated efforts carried out to preserve environmental functions and prevent environmental pollution and/or damage, comprising planning, utilization, control, maintenance, supervision and law enforcement.
3. Sustainable development is the conscious and planned efforts integrating environmental, social and economic aspects into a development strategy to ensure environmental integrity as well as the safety, capability, welfare and quality of life of present and future generations.
4. Environmental Protection and Management Plan (Rencana Perlindungan dan Pengelolaan



Lingkungan Hidup), from this point onwards is referred to as RPPLH, is a written planning containing environmental issues, potentials as well as its protection and management efforts within a certain period of time.

5. Ecosystem is an order of environmental elements constituting a complete-and-comprehensive (utuh menyeluruh) and mutually influencing unity in forming environmental balance, stability and productivity.
6. Conservation of Environmental Functions is a series of efforts to preserve the continuity of environmental capacity and carrying capacity.
7. Environmental carrying capacity (daya dukung lingkungan hidup) is the ability of the environment to support the life of humans, other living things and balance between the two.
8. Environmental capacity (daya tampung lingkungan hidup) is the ability of the environment to absorb substances, energies and/or other elements entering or introduced into it.
9. Natural Resources is environmental elements consisting of biological and non-biological resources forming an ecosystem unity as a whole.
10. Strategic Environmental Assessment (Kajian Lingkungan Hidup Strategis), from this point onwards is referred to as KLHS, is a series of systematic, comprehensive and participatory analyses to ensure that the principle of sustainable development has become a basis and been integrated into the development of a region and/ or policy, plan and/or program.
11. Environmental Impact Analysis (Analisis Mengenai Dampak Lingkungan Hidup), from this point onwards is referred to as Amdal, is a study regarding the significant impact on the environment of a planned business and/or activity, to be used as a prerequisite for decision making on the organization of business and/or activity, as well as contained in the Business Licensing, or the approval of the Central Government or Regional Government.
12. Environmental Management Efforts and Environmental Monitoring Efforts (Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup), from this point onwards is referred to as UKL-UPL, is a series of environmental management and monitoring processes set forth in the form of a standard to be used as a prerequisite for decision making as well as contained in the Business Licensing, or the approval of the Central Government or Regional Government.
13. Environmental Quality Standard is the measurement of limit or content of living things, substances, energies or elements that exist or must exist and/or pollutants whose existence is tolerable in a certain resource as an element of the environment.
14. Environmental Pollution is the entry or introduction of living things, substances energies and/ or other elements into the environment by human activities so as to exceed the stipulated environmental quality standard.
15. Standard Criteria for Environmental Damage is the measurement of limit of change in physical, chemical and / or biological characteristics of the environment tolerable by the environment to be able to preserve its functions.
16. Environmental Destruction is the actions of people causing direct or indirect changes in physical, chemical and/or biological characteristics of the environment so as to exceed the standard criteria for environmental damage.
17. Environmental Damage is a direct and/or indirect change in physical, chemical and/or biological characteristics of the environment which exceeds the standard criteria for environmental damage.
18. Natural Resource Conservation is the management of natural resources to ensure their wise utilization and the continuity of their availability by keep preserving and enhancing their quality of value as well as diversity.
19. Climate Change is the change in climate caused directly or indirectly by human activities thus causing changes in the composition of atmosphere globally, and besides that also takes the



form of changes in the variability of natural climate observed in a comparable period.

20. Waste is the remainders of a business and/or activity.
21. Hazardous and Toxic Materials (Bahan Berbahaya dan Beracun), from this point onwards is referred to as B3, are substances, energies and/or other elements that, due to their characteristics, concentration and/or quantity, both directly or indirectly, may pollute and/or damage the environment and/or endanger the environment, health as well as continuity of life of humans and other living things.
22. Hazardous and Toxic Waste (Limbah Bahan Berbahaya dan Beracun), from this point onwards is referred to as B3 Waste, are remainders of a business and/or activity containing B3.
23. B3 Waste Management is an activity comprising the reduction, storage, collection, transportation, utilization, treatment and/or stockpiling.
24. Dumping is an activity to dump, place and/or insert waste and/or materials in a certain quantity, concentration, time and location by certain requirements into certain environmental media.
25. Environmental Dispute is a dispute between two parties or more arising from activities that have the potential to and/or have an impact on the environment.
26. Environmental Impact is the impact of changes on the environment caused by a business and/or an activity.
27. Environmental Organization is a group of people organized and formed of their own accord, the objective and activity of which are related to the environment.
28. Environmental Audit is the evaluation carried out to assess the compliance of the person in charge of a business and/or an activity toward the legal requirements and policies stipulated by the government.
29. Ecoregion is a geographic area that have the same characteristics of climate, soil, water, native flora and fauna, as well as patterns of human interaction with the nature which describes the integrity of natural systems and the environment.
30. Local Wisdom is the noble values that apply in the order of community life to, among others, protect and manage the environmental sustainably.
31. Customary Law Community is a community group that traditionally live in a certain geographic area because of the ties to the origin of ancestors, strong relations with the environment, as well as a value system that determines economic, political, social and legal institutions.
32. Every person is individual or business entity, whether incorporated or unincorporated.
33. Environmental economic instrument is a set of economic policies to encourage the Government, regional governments or every person towards the preservation of environmental functions.
34. Serious Threat is a threat having extensive impact on the environment and causing public unrest.
35. Environmental Approval is Decree of Environmental Feasibility or Statement of Capability in Environmental Management that has obtained approval from the Central Government or Regional Government.
36. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
37. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
38. Minister is the minister in charge of government affairs in the sector of environmental protection and management.

2. Provisions of Article 20 have been amended, therefore read as follows:

**Article 20**

- (1) Determination of the occurrence of environmental pollution shall be measured through the environmental quality standard.
- (2) The environmental quality standard shall include:
  - a. water quality standard;
  - b. wastewater quality standard;
  - c. sea water quality standard;
  - d. ambient air quality standard;
  - e. emission quality standard;
  - f. nuisance quality standard; and
  - g. other quality standards in accordance with the development of science and technology.
- (3) Every person shall be permitted to dispose waste into environmental media on condition that it:
  - a. meet the environmental quality standard; and
  - b. obtain approval from the Central Government or Regional Government
- (4) Further provisions regarding the environmental quality standard as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

3. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

- (1) Amdal document shall be the basis for environmental feasibility testing for a business and/or activity plan.
- (2) Environmental feasibility testing as referred to in paragraph (1) shall be conducted by environmental feasibility testing team formed by the environmental feasibility testing agency of the Central Government.
- (3) The environmental feasibility testing team as referred to in paragraph (2) consists of the elements of the Central Government, Regional Government, and certified experts.
- (4) The Central Government or Regional Government shall stipulate the Decree of Environmental Feasibility based on the results of the environmental feasibility testing.
- (5) Decree of Environmental Feasibility as referred to in paragraph (4) is used as a requirement for the issuance of Business Licensing, or the approval from the Central Government or Regional Government.
- (6) Further provisions regarding the management of environmental feasibility testing shall be regulated under a Regulation of the Government.

4. Provisions of Article 25 have been amended, therefore read as follows:

**Article 25**

An Amdal document shall contain:

- a. study on the impact of business and/or activity plan;
- b. evaluation of activities around the location of business and/or activity plan;

- c. suggestions, inputs and feedbacks from the directly affected communities that are relevant toward the business and/or activity plan;
- d. estimation of the magnitude of the impact and the significance of the impacts that would occur if the said business and/or activity plan was implemented;
- e. holistic evaluation toward the impacts that would occur to determine environmental feasibility or infeasibility; and
- f. environmental management and monitoring plan.

5. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) The Amdal document as referred to in Article 22 shall be prepared by initiators by involving the community.
- (2) The preparation of Amdal document shall be carried out by involving the directly affected communities toward the business and/or activity plan.
- (3) Further provisions regarding the process of community involvement as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

6. Provision of Article 27 has been amended, therefore reads as follows:

**Article 27**

In preparing Amdal document, the initiators as referred to in Article 26 paragraph (1) may appoint other parties.

7. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) The drafter of Amdal as referred to in Article 26 paragraph (1) and Article 27 shall have certificate of competence for drafters of Amdal.
- (2) Further provisions regarding competency criteria and certification for drafters of Amdal shall be regulated under a Regulation of the Government.

8. Article 29 has been removed.

9. Article 30 has been removed.

10. Article 31 has been removed.

11. Provisions of Article 32 have been amended, therefore read as follows:

**Article 32**

- (1) The Central Government and Regional Government shall assist the preparation of Amdal for businesses and/or activities of micro- and small-scale businesses that have an important impact on the environment.
- (2) The assistance for the preparation of Amdal as referred to in paragraph (1) shall be in the form

of facilitation, costs and/or preparation of Amdal.

- (3) The determination on micro- and small-scale businesses and/or activities as referred to in paragraph (1) shall be carried out based on the criteria in accordance with provisions of laws and regulations.

12. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**

- (1) Every business and/or activity that does not have an important impact on the Environment must fulfill the UKL-UPL standard.
- (2) The fulfillment of UKL-UPL standard as referred to in paragraph (1) shall be declared in the Statement of Capability in Environmental Management.
- (3) Based on the Statement of Capability in Environmental Management as referred to in paragraph (2), the Central Government or Regional Government issues Business Licensing, or the approval from the Central Government or Regional Government.
- (4) The Central Government determines the types of business and/or activity that must be equipped with UKL-UPL.
- (5) Further provisions regarding UKL-UPL shall be regulated under a Regulation of the Government.

13. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

- (1) Business Actors and/or activities that are not required to be equipped with UKL-UPL as referred to in Article 34 paragraph (4) must prepare statement of capability in environmental management and monitoring which are integrated into the Business Identity Number.
- (2) The determination of types of businesses and/or activities as referred to in paragraph (1) shall be carried out toward the activities included in the low-risk category.
- (3) Further provisions regarding statement of capability in environmental management and monitoring shall be regulated under a Regulation of the Government.

14. Article 36 has been removed.

15. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

Business Licensing can be canceled if:

- a. the requirements submitted in the application for Business Licensing contains legal defect, error, misuse, as well as incorrect and/or falsified data, documents and/or information;
- b. the issuance is without fulfilling the requirements as listed in the Decree of Environmental Feasibility or Statement of Capability in Environmental Management; or
- c. the obligations stipulated in the Amdal or UKL-UPL document are not implemented by the person in charge of businesses and/or activities.

16. Article 38 has been removed.

17. Provisions of Article 39 have been amended, therefore read as follows:

**Article 39**

- (1) The Decree of Environmental Feasibility is announced to the community.
- (2) The announcement as referred to in paragraph (1) shall be carried out through electronic system and/or other ways stipulated by the Central Government.

18. Article 40 has been removed.

19. Provisions of Article 55 have been amended, therefore read as follows:

**Article 55**

- (1) Holders of Environmental Approval are required to provide guarantee funds for the restoration of environmental function.
- (2) The guarantee funds shall be saved at a government bank appointed by the Central Government.
- (3) The Central Government may assign a third party to restore the environmental function by using guarantee funds.
- (4) Further provisions regarding guarantee funds as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

20. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) Every person producing B3 waste must carry out the management of B3 waste they produced
- (2) In the event that the B3 as referred to in Article 58 paragraph (1) has expired, its management shall follow the provisions on B3 waste management.
- (3) In the event that every person as referred to in paragraph (1) is unable to carry out B3 waste management by themselves, its management shall be handed over to another party.
- (4) B3 waste management must obtain Business Licensing, or approval from the Central Government or Regional Government.
- (5) The Central Government or Regional Government shall include environmental requirements that must be fulfilled and obligations that must be obeyed by B3 waste managers in the Business Licensing, or the approval from the Central Government or Regional Government.
- (6) The Decree on Business Licensing must be announced.
- (7) Further provisions regarding B3 waste management shall be regulated under a Regulation of the Government.

21. Provisions of Article 61 have been amended, therefore read as follows:

**Article 61**

- (1) The dumping as referred to in Article 60 may only be carried out with approval from the Central Government.
- (2) The dumping as referred to in paragraph (1) may only be conducted in the designated location.

- (3) Further provision regarding procedures and requirements for the dumping of waste or materials shall be regulated under a Regulation of the Government.

22. Between Article 61 and 62 is inserted 1 (one) Article, namely Article 61A, therefore it reads as follows:

**Article 61A**

In the event of the person in charge of a business and/or activity:

- a. produce, transport, distribute, store, utilize and/or process B3;
- b. produce, transport, store, collect, utilize, process, and/or stockpile B3 Waste;
- c. carry out the disposal of wastewater to the sea;
- d. carry out the disposal of wastewater to water sources;
- e. release emissions into the air; and/or
- f. utilize wastewater for application to soil;

which are part of business activity, such management shall be stated in the Amdal or UKL-UPL.

23. Provisions of Article 63 have been amended, therefore read as follows:

**Article 63**

- (1) In protecting and managing the environment, the Central Government is assigned and authorized to:
- a. stipulate national policies;
  - b. stipulate norms, standards, procedures, and criteria;
  - c. stipulate and implement national RPPLH policies;
  - d. stipulate and implement KLHS policies;
  - e. stipulate and implement Amdal and UKL-UPL policies;
  - f. organize national natural resources inventory and green-house gas emission;
  - g. develop cooperation standards;
  - h. coordinate and implement control over environmental pollution and/or damage;
  - i. stipulate and implement policies on biological and non-biological natural resources, biological diversity, genetic resources and biological safety of genetically engineered products;
  - j. stipulate and implement policies on control over impacts of climate change and protection of ozone layer;
  - k. stipulate and implement policies on B3, waste, as well as B3 waste;
  - l. stipulate and implement policies on maritime environment protection;
  - m. stipulate and implement policies on environmental pollution and/or damage across national borders;
  - n. carry out guidance and supervision toward the implementation of national policies and provincial policies;
  - o. carry out guidance and supervision toward the compliance of persons in charge of businesses and/or activities to the provisions of environmental approval and laws and regulations;

- p. develop and implement environmental instruments;
  - q. coordinate and facilitate cooperation and settlement of inter-regional disputes as well as settlement of disputes;
  - r. develop and implement policies on the management of public complaints;
  - s. stipulate minimum service standards;
  - t. stipulate policies on procedures for recognizing the existence of customary law community, local wisdom, and rights of customary law community related to environmental protection and management;
  - u. manage national environmental information;
  - v. coordinate, develop and disseminate information on the utilization of environmentally friendly technology;
  - w. provide education, training, guidance and appreciation;
  - x. develop environmental laboratory facilities and standards;
  - y. issue Business Licensing or approval from the Central Government;
  - z. stipulate ecoregion area;
  - aa. carry out the enforcement of environmental law;
- (2) In protecting and managing the environment, the provincial government in accordance with norms, standards, procedures, and criteria stipulated by the Central Government are assigned and authorized to:
- a. stipulate provincial policies;
  - b. stipulate and implement provincial KLHS;
  - c. stipulate and implement provincial RPPLH policies;
  - d. stipulate and implement Amdal and UKL-UPL policies;
  - e. organize natural resources inventory and green-house gas emission at the provincial level;
  - f. develop and implement cooperation and partnership;
  - g. coordinate and implement control over inter-regency/city environmental pollution and/or damage;
  - h. carry out guidance and supervision toward the implementation of regency/city policies;
  - i. carry out guidance and supervision toward the compliance of persons in charge of businesses and/or activities in accordance with the provisions of laws and regulations.
  - j. develop and implement environmental instruments;
  - k. coordinate and facilitate cooperation and settlement of inter-regency/inter-city disputes as well as settlement of disputes;
  - l. carry out the guidance, technical assistance and supervision to regencies/cities in the field of programs and activities;
  - m. implement minimum service standards;
  - n. stipulate policies on procedures for recognizing the existence of customary law community, local wisdom, and rights of indigenous community related to environmental protection and management at the provincial level;
  - o. manage environmental information at the provincial level;
  - p. develop and disseminate information on the utilization of environmentally friendly



- technology;
  - q. provide education, training, guidance and appreciation;
  - r. issue Business Licensing or approval from the Regional Government at the provincial level; and
  - s. carry out the enforcement of environmental law at the provincial level.
- (3) In protecting and managing the environment, the regency/city government in accordance with norms, standards, procedures, and criteria stipulated by the Central Government are assigned and authorized to:
- a. stipulate regency/city policies;
  - b. stipulate and implement regency/city KLHS;
  - c. stipulate and implement regency/city RPPLH policies;
  - d. implement Amdal and UKL-UPL policies;
  - e. organize natural resources inventory and green-house gas emission at the regency/city level;
  - f. develop and implement cooperation and partnership;
  - g. develop and apply environmental instruments;
  - h. facilitate the settlement of disputes;
  - i. carry out guidance and supervision toward the compliance of persons in charge of businesses and/or activities in accordance with the provisions of laws and regulations;
  - j. implement minimum service standards;
  - k. implement policies on procedures for recognizing the existence of customary law community, local wisdom, and rights of customary law community related to environmental protection and management at the regency/city level;
  - l. manage environmental information at the regency/city level;
  - m. develop and disseminate information on environmental information system policies at the regency/city level;
  - n. provide education, training, guidance and appreciation;
  - o. issue Business Licensing or approval from the Regional Government at the regency/city level; and
  - p. carry out the enforcement of environmental law at the regency/city level.

24. Provisions of Article 69 have been amended therefore it reads as follows:

#### **Article 69**

- (1) Every person shall be prohibited from:
- a. committing action that causes environmental pollution and/or damage;
  - b. importing B3 which are prohibited according to laws and regulations into the territory of the Unitary State of the Republic of Indonesia;
  - c. importing waste originating from outside the territory of the Unitary State of the Republic of Indonesia into environmental media of the Unitary State of the Republic of Indonesia;
  - d. importing B3 waste into the territory of the Unitary State of the Republic of Indonesia;
  - e. dumping waste into environmental media;

- f. dumping B3 and B3 waste into environmental media; ;
  - g. releasing genetically engineered products into environmental media that contravene with provisions of laws and regulations or environmental approval;
  - h. conducting land clearing by means of burning;
  - i. preparing Amdal without having a certificate of competence for drafters of Amdal; and/or
  - j. providing false, misleading information, eliminating information, destroying information or provide incorrect information.
- (2) Provisions as referred to in paragraph (1) letter h this shall be exempted for the community that carry out these activities by paying close attention to local wisdom in their respective regions.

25. Provisions of Article 71 have been amended, therefore read as follows:

**Article 71**

- (1) The Central Government or Regional Government carries out supervision toward the compliance of persons in charge of businesses and/or activities over the provisions stipulated in laws and regulations in the field of environmental protection and management.
- (2) The Central Government or Regional Government may delegate their authority to conduct the supervision to technical officials/agencies in charge of the field of environmental protection and management.
- (3) In executing the supervision, the Central Government or Regional Government shall determine environmental supervisory officials who are functional officials.
- (4) Further provisions regarding environmental supervisory officials shall be regulated under a Regulation of the Government.

26. Provision of Article 72 has been amended, therefore reads as follows:

**Article 72**

The Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government must supervise the compliance of persons in charge of businesses and/or activities toward the Business Licensing, or approval from the Central Government.

27. Provision of Article 73 has been amended, therefore reads as follows:

**Article 73**

The Minister may supervise the compliance of persons in charge of businesses and/or activities whose Business Licensing or approval from the Regional Government is issued by the Central Government if the Minister deems a serious violation in the field of environmental protection and management based on norms, standards, procedures, and criteria stipulated by the Central Government.

28. Provisions of Article 76 have been amended, therefore read as follows:

**Article 76**

- (1) The Central Government or Regional Government shall impose administrative sanctions to persons in charge of businesses and/or activities if in the supervision, there is a violation of Business Licensing, or approval from the Central Government or Regional Government.
- (2) Further provisions regarding procedures of the imposition of sanctions shall be regulated under

a Regulation of the Government.

29. Provision of Article 77 has been amended, therefore reads as follows:

**Article 77**

The Minister may impose administrative sanctions toward persons in charge of businesses and/or activities if the Minister deems that the Regional Government intentionally does not impose administrative sanctions toward a serious violation in the field of environmental protection and management.

30. Article 79 has been removed.

31. Provisions of Article 82 have been amended, therefore read as follows:

**Article 82**

- (1) The Central Government shall be authorized to force persons in charge of businesses and/or activities to carry out environmental restoration as a result of the environmental pollution and/or destruction they conducted.
- (2) The Central Government shall be authorized to or may appoint a third party to carry out environmental restoration as a result of the environmental pollution and/or destruction they conducted at the expense of persons in charge of businesses and/or activities.

32. Between Article 82 and Article 83 is inserted 3 (three) articles, namely Article 82A, Article 82B, and Article 82C that reads as follow:

**Article 82A**

Every person who carries out a business and/or activity without having:

- a. Business Licensing, or the approval of Central Government or Regional Government as referred to in Article 24 paragraph (5), Article 34 paragraph (3), Article 59 paragraph (1) or Article 59 paragraph (4); or
- b. the approval from the Central Government or Regional Government as referred to in Article 20 paragraph (3) letter b;

shall be subject to administrative sanction.

**Article 82B**

- (1) Every person who carries out business and/or activity who has:
  - a. Business Licensing, or the approval of Central Government or Regional Government as referred to in Article 24 paragraph (5), Article 34 paragraph (3), Article 59 paragraph (1) or Article 59 paragraph (4);
  - b. the approval from the Central Government or Regional Government as referred to in Article 20 paragraph (3) letter b; or
  - c. the approval from the Central Government as referred to in Article 61 paragraph (1);not in accordance with the obligation in Business Licensing, or the approval from the Central Government or Regional Government, the approval from the Central Government or Regional Government, and/or violates the provisions of laws and regulations in the field of environmental protection and management, shall be subject to administrative sanction.

- (2) Every person who violates the prohibition as referred to in Article 69, specifically:
- commits an act which results in environmental pollution and/or destruction as referred to in Article 69 letter a, where the act is committed due to negligence and does not cause danger to human health and/or injury and/or serious injury, and/or death of a person shall be subject to administrative sanctions and obliging the person in charge of said action to carry out the restoration of environmental functions and/or other necessary actions; or
  - preparing Amdal without having a certificate of competence for drafters of Amdal as referred to in Article 69 letter i shall be subject to administrative sanctions.
- (3) Every person who due to their negligence commits an act that cause the ambient air quality standard, water quality standard, sea water quality standard, or standard criteria for environmental damage to be exceeded that are not in accordance with the Business Licensing that they have shall be subject to administrative sanctions.

#### **Article 82C**

- (1) Administrative sanction a referred to in Article 82A and Article 82B paragraph (1), paragraph (2), and paragraph (2) shall be in the form of:
- written reprimands;
  - government coercion;
  - administrative fines;
  - suspension of Business Licensing; and/or
  - revocation of Business Licensing.
- (2) Further provisions regarding criteria, types, amounts of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

33. Provision of Article 88 has been amended, therefore reads as follows:

#### **Article 88**

Every person whose action, business and/or activity is using B3, producing and/or managing B3 waste and/or causing serious threat to the environment shall have strict liability for the incurred losses from their business and/or activity.

34. Article 93 has been removed.

35. Article 102 has been removed.

36. Provisions of Article 109 have been amended, therefore read as follows:

#### **Article 109**

Every person who carries out business and/or activity without having:

- Business Licensing, or the approval of Central Government or Regional Government as referred to in Article 24 paragraph (5), Article 34 paragraph (3), Article 59 paragraph (1) or Article 59 paragraph (4);
- the approval from the Central Government or Regional Government as referred to in Article 20 paragraph (3) letter b; or

- c. the approval from the Central Government as referred to in Article 61 paragraph (1); that results in victims/damage to health, safety, and/or the environment, shall be sentenced to an imprisonment for a minimum of 1 (one) year and a maximum of 3 (three) years and a fine of at least IDR1,000,000,000.00 (one billion rupiah) and a maximum of IDR3,000,000,000.00 (three billion rupiah).

37. Article 110 has been removed.

38. Provision of Article 111 has been amended, therefore reads as follows:

#### **Article 111**

Environmental approval issuance officials who issue environmental approval which are not equipped with Amdal or UKL-UPL as referred to in Article 37 paragraph (1) shall be sentenced to a maximum imprisonment of 3 (three) years and a maximum fine of IDR3,000,000,000 (three billion rupiah).

39. Provision of Article 112 has been amended, therefore reads as follows:

#### **Article 112**

Any authorized official who intentionally does not supervise the compliance of persons in charge of the business and/or activity toward the provisions of laws and regulations and Business Licensing, or the approval of the Central Government or Regional Government as referred to in Article 71, which results in the occurrence of environmental pollution and/or damage resulting in loss of human life shall be sentenced to a maximum imprisonment of 1 (one) year or a maximum fine of IDR500,000,000.00 (five hundred million rupiah).

### **Subdivision 4**

#### **Building Approval and Function Worthiness Certificate**

#### **Article 23**

In order to provide an ease for the community, especially Business Actors, in obtaining Building Approval and function worthiness certificate for building, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 28 of 2002 on Building (State Gazette of the Republic of Indonesia of 2002 Number 134, Supplement to the State Gazette of the Republic of Indonesia Number 4247); and
- b. Law Number 6 of 2017 on Architect (State Gazette of the Republic of Indonesia of 2017 Number 179, Supplement to the State Gazette of the Republic of Indonesia Number 6108).

#### **Article 24**

Several provisions under Law Number 28 of 2002 on Building (State Gazette of the Republic of Indonesia of 2002 Number 134, Supplement to the State Gazette of the Republic of Indonesia Number 4247) have been amended as follows:

1. Provisions of Article 1 number 11, number 14, and number 15 have been amended, and 3 (three) new numbers are inserted, namely number 16, number 17, and number 18, therefore Article 1 reads as follows:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Building is the physical form of the result of construction work which is integrated with its place, partially or wholly on and/or in the ground and/or water, and that function as a place where humans carry out their activities, either for shelter or residence, religious activity, business activity, social, cultural activity, or special activity.
2. Building administration (penyelenggaraan bangunan gedung) is construction activities that includes technical planning and construction implementation, as well as utilization, preservation, and demolition activities.
3. Building utilization is the activity to utilize buildings in accordance with the designated function, including maintenance, treatment, and investigation activities periodically.
4. Maintenance is the activity to maintain the reliability of a building along with its facilities and infrastructures so that it is always function worthy.
5. Treatment is the activity to repair and/or replace parts of a building, components, building materials, and/or facilities and infrastructures so that the building remains function worthy.
6. Periodic inspection is the reliability inspection activity of all or parts of a building, components, building materials, and/or facilities and infrastructures within a certain period to declare the function worthiness of the building.
7. Preservation is the treatment, restoration, and maintenance activities of the building and its environment to restore the reliability of said building in accordance with the original or with the condition according to the desired period.
8. Demolition is the activity to demolish or knock down all or parts of a building, components, building materials, and/or its facilities and infrastructures.
9. Building owner is an individual, legal entity, group of people, or association that according to the law is valid as the building owner.
10. Building user is the owner of the building and/or non-owner of the building based on an agreement with the owner of the building, who use and/or manage the building or part of the building in accordance with the designated function.
11. Technical reviewer is an individual or business entity, both incorporated and unincorporated, that has a work competency certificate for expert qualifications or business entity certificate to implement technical review on the function worthiness of a Building.
12. Community is an individual, group, legal or business entity, and agency or organization whose activities are in the field of building, including customary law community and expert societies, who have interests in building administration.
13. Building facilities and infrastructures are equipment facilities inside and outside of a building that support the fulfillment of building functions.
14. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
15. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
16. Construction Service Providers is the provider of construction services.
17. Expert Profession is someone who has fulfilled competency standard and been appointed by an agency accredited by the Central Government.
18. Building Inspector, from this point onwards is referred to as Inspector, is an individual who has competency, and who are given a duty by the Central Government or Regional Government in accordance with their authority to carry out inspection toward Building administration.

2. Provisions of Article 5 have been amended, therefore read as follows:

**Article 5**

- (1) Every building has building function and classification.
- (2) Further provisions regarding building function and classification as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 6 have been amended, therefore read as follows:

**Article 6**

- (1) Building function as referred to in Article 5 must be used in accordance with the location allotment regulated in the RDTR.
- (2) Building function as referred to in paragraph (1) is listed under Building Approval.
- (3) The changes of building function must obtain re-approval from the Central Government.
- (4) Further provisions regarding procedures to obtain Building Approval as referred to in paragraph (2) and paragraph (3) shall be regulated under a Regulation of the Government.

4. Provisions of Article 7 have been amended, therefore read as follows:

**Article 7**

- (1) Every building must fulfill the building technical standards in accordance with building function and classification.
- (2) The use of space above and/or below the ground and/or water for a building must be carried out in accordance with the provisions of laws and regulations.
- (3) In the event that the building is a traditional and cultural heritage building, the building shall follow special provisions in accordance with the provisions of laws and regulations.
- (4) Further provisions regarding technical standards as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Article 8 has been removed.

6. Article 9 has been removed.

7. Article 10 has been removed.

8. Article 11 has been removed.

9. Article 12 has been removed.

10. Article 13 has been removed.

11. Article 14 has been removed.



12. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) Application of environmental impact control only applies to buildings that can have a significant impact to the environment.
- (2) Environmental impact control on buildings as referred to in paragraph (1) is carried out in accordance with the provisions of laws and regulations.

13. Article 16 has been removed.

14. Article 17 has been removed.

15. Article 18 has been removed.

16. Article 19 has been removed.

17. Article 20 has been removed.

18. Article 21 has been removed.

19. Article 22 has been removed.

20. Article 23 has been removed.

21. Article 24 has been removed.

22. Article 25 has been removed.

23. Article 26 has been removed.

24. Article 27 has been removed.

25. Article 28 has been removed.

26. Article 29 has been removed.

27. Article 30 has been removed.

28. Article 31 has been removed.

29. Article 32 has been removed.

30. Article 33 has been removed.

31. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**

- (1) Building administration includes construction, utilization, preservation, and demolition activities.
- (2) In the building administration as referred to in paragraph (1), the administrator is required to meet building technical standards.
- (3) Building administrators consists of building owners, Construction Service Providers, Expert Professions, Inspectors, technical reviewers, and building users.
- (4) In the event that there are changes in building technical standards, building owners that are yet to meet the technical standards as referred to in paragraph (2) must still fulfill the technical standard provisions gradually.

32. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

- (1) Building construction is conducted through planning, implementation, and supervision stages.
- (2) Building construction may be carried out, both on one's own land and land owned by other parties.
- (3) Building construction on land owned by other parties land as referred to in paragraph (2) is carried out based on a written agreement between land owner and building owner.
- (4) Planning as referred to in paragraph (1) must be carried out by construction planning service provider who meet the requirements and competency standards in accordance with the provisions of laws and regulations.
- (5) Construction planning service provider as referred to in paragraph (4) must plan the building by referring to building technical standards as referred to in Article 7 paragraph (1).
- (6) In the event that a building is planned not in accordance with the technical standards as referred to in Article 7 paragraph (1), the building must be equipped with test result to obtain technical plan approval from the Central Government.
- (7) Planning result must be consulted with the Central Government and Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government, to obtain the statement of compliance with building technical standards.
- (8) In the event of a building planning that uses the prototype determined by the Central Government, the building planning does not require consulting obligations and does not need standard compliance inspection.

33. Article 36 has been removed.

34. Between Article 36 and 37 are inserted 2 (two) Articles, namely Article 36A and Article 36B, that reads as follows:

**Article 36A**

- (1) Construction implementation as referred to in Article 35 paragraph (1) is carried out after obtaining Building Approval.
- (2) Approval as referred to in paragraph (1) is obtained after securing the statement of compliance with building technical standards from the Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Approval as referred to in paragraph (1) is requested to the Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government through the electronic system organized by the Central Government.

**Article 36B**

- (1) Building implementation is carried out by construction planning service provider that meet the requirements and competency standards in accordance with the provisions of laws and regulations.
- (2) Construction management or supervision service providers shall carry out supervisory activities and are responsible to report every stage of work.
- (3) The Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government carries out inspection at every stage as referred to in paragraph (2) as the supervision which can state whether or not the construction work continues to the next stage.
- (4) The stages as referred to in paragraph (3) consists of:
  - a. lower structure work;
  - b. basement work, if any;
  - c. upper structure work; and
  - d. testing.
- (5) In carrying out the inspection as referred to in paragraph (3), the Central Government or Regional Government in accordance with their authorities assigns inspector based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (6) In the event that the implementation require changes and/or adjustments to the technical plan, the planning service provider must report to the Central Government or Regional Government in accordance with their authorities to obtain approval before the implementation of change can be continued based on norms, standards, procedures, and criteria stipulated by the Central Government.

35. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

- (1) Building utilization is carried out by the building owner and/or user after said building obtains function worthiness certificate.
- (2) Function worthiness certificate as referred to in paragraph (1) is issued by the Central Government or Regional Government in accordance with their authorities based on the statement of function worthiness submitted by the Construction Management or Supervision Service Providers to the Central Government in accordance with their authorities through the electronic system organized by the Central Government or Regional Government, based on norms, standards, procedures, and criteria stipulated by the Central Government.

- (3) Statement of function worthiness as referred to in paragraph (2) is issued after the inspection of the last stage as referred to in Article 36B paragraph (4) letter d which declares that the building fulfills building technical standards.
- (4) The issuance of function worthiness certificate for buildings is carried out concurrently with the issuance of a building ownership certificate.
- (5) Periodic maintenance, treatment, and investigation of buildings must be carried out to ensure the building remains in compliance with the function worthiness requirements.
- (6) In building utilization, building owners and/or users have rights and obligations as regulated under this Law.

36. Between Article 37 and Article 38 is inserted 1 (one) article, namely Article 37A, which reads as follows:

**Article 37A**

Further provisions regarding the planning, implementation, supervision, and utilization of buildings shall be regulated under a Regulation of the Government.

37. Provisions of Article 39 have been amended, therefore read as follows:

**Article 39**

- (1) A building can be demolished if:
  - a. it is not function worthy and cannot be repaired;
  - b. it has the potential to cause hazards in the utilization of a building and/or its environment;
  - c. it does not have building approval; or
  - d. a discrepancy is found between the implementation and the technical plan of the building which are listed in the approval when a building inspection is carried out.
- (2) Buildings that can be demolished as referred to in paragraph (1) letter a and letter b is determined by the Central Government or Regional Government in accordance with their authorities based on the results of technical review and based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Building technical reviews as referred to in paragraph (2), except for residential houses, is carried out by a technical reviewer.
- (4) Building demolition that has a wide impact to the public and environmental safety must be carried out based on the demolition technical plan that has been approved by the Central Government and Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (5) Further provisions regarding the procedures for building demolition as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the Government.

38. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) In building administration, the building owner have the right to:
  - a. obtain validation from the Central Government on the building technical plan that has met the requirements;
  - b. implement building construction in accordance with the approval that has been stipulated by the Central Government;

- c. obtain letter of assessment for protected and/or preserved buildings and/or environment from the Central Government;
- d. obtain incentives in accordance with the provisions of laws and regulation in the field of Cultural Heritage;
- e. change the function of the building after obtaining approval from the Central Government; and
- f. obtain compensation in accordance with the provisions of laws and regulations in the event that the building is demolished by the Central Government which is not the fault of the building owner.

(2) In building administration, building owner have the obligation to:

- a. provide building technical plan that meet the building technical standard stipulated in accordance with its functions;
- b. have Building Approval;
- c. implement the building construction in accordance with the technical plan;
- d. obtain validation from the Central Government on changes to the building technical plan that occur during the building implementation stage;
- e. use planning, implementing, supervisory, and technical review service providers that meet the requirements in accordance with the provisions of laws and regulations to implement building related works.

39. Provisions of Article 41 have been amended, therefore read as follows:

#### **Article 41**

(1) In building administration, building owners and/or users have the right to:

- a. know building administration procedures;
- b. obtain information regarding location allotment and building intensity in the location and/or space where the building will be built;
- c. obtain information regarding building technical standards; and/or
- d. obtain information regarding building and/or environment that must be protected and preserved.

(2) In building administration, building owners and/or users have the obligation to:

- a. utilize the building according to its function;
- b. maintain and/or take care of the building periodically;
- c. complete the guidelines/instructions for the implementation of building utilization and maintenance;
- d. carry out periodic inspections on the function worthiness of the building;
- e. repair the building that has been determined as not function worthy;
- f. demolish the building in the event of:
  - 1. it has been determined as not function worthy and cannot be repaired;
  - 2. it has the potential to cause hazards in its utilization;
  - 3. does not have Building Approval; or
  - 4. a discrepancy is found between the implementation and the technical plan of the building which are listed in the approval when a building inspection is carried out.

(3) The obligation to demolish the building as referred to in paragraph (2) letter f is carried out

without disturbing public safety and order.

40. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) The Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government shall organize building guidance nationally to increase compliance with requirements and orderly building administration.
- (2) Part of the organization and implementation of guidance as referred to in paragraph (1) is carried out together with the community associated with the building;
- (3) Further provisions regarding building guidance as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

41. provision of Article 44 has been amended, therefore reads as follows:

**Article 44**

Any building owner, Construction Service Provider, Expert Profession, Inspector, technical reviewer, and/or building user concurrently the owner and/or user who does not fulfill the obligation of function fulfillment, and/or requirements, and/or administration of buildings as referred to in this Law shall be subject to administrative sanctions.

42. Provisions of Article 45 have been amended, therefore read as follows:

**Article 45**

- (1) Administrative sanctions as referred to in Article 44 may be in the form of:
  - a. written warning;
  - b. restriction of construction activities;
  - c. temporary or permanent suspension of construction implementation works;
  - d. temporary or permanent suspension of building utilizations;
  - e. freezing of building approval;
  - f. revocation of building approval;
  - g. freezing of function worthiness certificate for buildings;
  - h. revocation of function worthiness certificate for buildings; or
  - i. building demolition order.
- (2) Further provisions regarding criteria, types, amount, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

43. Provisions of Article 46 have been amended, therefore read as follows:

**Article 46**

- (1) Any building owner and/or user who does not fulfill the provisions under this Law, shall be sentenced to a maximum imprisonment of 3 (three) years or a maximum fine of 10% (ten percent) of the building value if resulting in the loss of other people's property.

- (2) Any building owner and/or user who does not fulfill the provisions under this Law, shall be sentenced to a maximum imprisonment of 4 (four) years or a maximum fine of 15% (fifteen percent) of the building value if resulting in accidents for others that causes lifelong disabilities.
- (3) Any building owner and/or user who does not fulfill the provisions under this Law, shall be sentenced to a maximum imprisonment of 5 (five) years or a maximum fine of 20% (twenty percent) of the building value if resulting in the loss of the other people's lives.
- (4) In the judicial process for the actions as referred to in paragraph (1), paragraph (2), and paragraph (3), the judge shall pay attention to considerations from Expert Professions.
- (5) Further provisions regarding criteria, types, amount, and procedures for the imposition of sanctions as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

44. Between Article 47 and Article 48 is inserted 1 (one) article, namely Article 47A that reads as follows:

**Article 47A**

- (1) The Central Government stipulates building prototype according to the need.
- (2) Building prototype as referred to in paragraph (1) is prioritized for a simple building generally used by the community.
- (3) Building prototype as referred to in paragraph (2) shall be stipulated by no later than 6 months since the promulgation of this Law.

**Article 25**

Several provisions under Law Number 6 of 2017 on Architect (State Gazette of the Republic of Indonesia Number 170 of 2017, Supplement to the State Gazette of the Republic of Indonesia Number 6108) have been amended as follows:

1. Provisions of Article 1 number 3 has been amended, and is inserted 1 (one) number, namely number 14, therefore Article 1 reads as follows:

**Article 1**

Under this Law, the following definitions are employed:

1. Architecture is a form of the application results of science, technology, and art as a whole in composing built environment and space as part of human culture and civilization which complies with the principles of functions, construction, and esthetics as well as encompasses the factors of safety, security, health, comfort, and convenience.
2. Architectural Practice is the organization of activities to produce architectural works which encompasses planning, design, supervision, and/or review of buildings and its environment, and are related to areas and cities.
3. An Architect is someone who has been qualified and appointed by the Council to perform Architectural Practices.
4. Foreign Architect is an Architect of foreign nationality who perform Architectural Practices in Indonesia
5. Competence Test is a measureable and objective assessment of the competence of an Architect to assess the achievement of competency in the Architectural sector with reference to Architect competency standards.
6. An Architect Registration Certificate is a written evidence for Architects to perform Architectural Practices.
7. A License is a written evidence that apply as a certificate of the person in charge of Architectural



Practices in the organization of building construction permit and other licensing.

8. Sustainable Professional Development is a measure to maintain the competence of Architects to perform Architectural Practices in a continuous manner.
9. An Architect's Service User is a party who uses an Architect's services based on a work agreement.
10. A Professional Organization is the Indonesia Institute of Architects.
11. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
12. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
13. Minister is the minister in charge of government affairs in the public work sector.
14. The Indonesian Architects Council, from this point onwards is referred to as the Council, is a council formed by the Professional Organization with the duties and functions of assisting the Central Government in the organization of the Architect profession.

2. Provisions of Article 5 have been amended, therefore read as follows:

#### **Article 5**

- (1) The provision of Architectural Practice services must satisfy the Architect performance standards.
- (2) Architect performance standards as referred to in paragraph (1) are benchmarks that ensure the efficiency, effectiveness, and quality requirements which are used as guidelines in the implementation of Architectural Practices.
- (3) Further provisions regarding the Architect performance standards as referred to in paragraph (1) shall be regulated under a Regulation of the Government

3. Provision of Article 6 has been amended, therefore reads as follows:

#### **Article 6**

To perform Architectural Practices, a person must secure an Architect Registration Certificate.

4. Between Article 6 and Article 7 is inserted 1 (one) article, namely Article 6A, therefore it reads as follows:

#### **Article 6A**

In the event of the organization of activities to produce Architectural works in the form of simple buildings and traditional buildings, the organization of activities is not mandatory to be performed by an Architect.

5. Provision of Article 13 has been amended, therefore reads as follows:

#### **Article 13**

Further provisions regarding the procedure to issue and revoke Architect Registration Certificate as referred to in Article 6, Article 7, Article 9, Article 10, and Article 12 shall be regulated under a Regulation of the Government.

6. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) Every Architect in building administration must have a License.
- (2) In the event that the Architect as referred to in paragraph (1) does not have a License, the Architect must cooperate with other an Architect who have a License.
- (3) License as referred to in paragraph (1) is issued by Provincial Governments in accordance with the norms, standards, criteria, and procedures set by the Central Government.
- (4) Further provisions regarding the procedure for the issuance of License shall be regulated under a Regulation of the Government

7. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) Foreign Architects must perform transfer of expertise and knowledge.
- (2) Transfer of expertise and knowledge as referred to in paragraph (1) is performed by way of:
  - a. developing and improving Architectural Practice services in the office where they work;
  - b. transferring their professional knowledge and abilities to Architects; and
  - c. providing education and/or training to educational institutions, research institutions, and/or development institutions in the Architectural sector free of charge.
- (3) Supervision toward the implementation of transfer of expertise and knowledge as referred to in paragraph (1) is conducted by the Central Government
- (4) Further provisions regarding the procedure for the transfer of expertise and knowledge as referred to in paragraph (2) and supervision as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

8. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

The Professional Organization has the duties to:

- a. carry out guidance to its members;
- b. establish and enforce code of ethics for Architectural profession;
- c. organize and monitor the implementation of Sustainable Professional Development;
- d. carry out communication, regulation, and promotion on Architectural Practice activities;
- e. provide inputs to Architectural higher education on the development of Architectural Practices;
- f. provide inputs to the Central Government on the scope of Architectural Practice services;
- g. develop Architecture and preserve Indonesian cultural values; and
- h. protect Architect's Service Users.

9. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**

- (1) In supporting the Architect profession, the Professional Organization shall form a Council that is

self-reliant and independent.

- (2) The Council as referred to in paragraph (1) shall consist of 9 (nine) members consisting of the following elements:
  - a. Members of the Professional Organization;
  - b. Architect's Service Users; and
  - c. Universities
- (3) The Council as referred to in paragraph (1) shall be confirmed by the Central Government.

10. Provisions of Article 35 have been amended, therefore read as follows:

#### **Article 35**

- (1) The Central Government shall provide guidance toward the Architect profession.
- (2) The Guidance as referred to in paragraph (1) shall be carried out by way of:
  - a. establishing policies for the development of Architect professions and Architectural Practices;
  - b. carrying out Architect empowerment; and
  - c. carrying out supervision toward Architect compliance in implementing regulations and standards for the arrangement of building arrangement and environment.
- (3) The Central Government in carrying out the functions of regulating, empowering, and supervising Architectural Practices as referred to in paragraph (1) is assisted by the Council.
- (4) Further provisions regarding the guidance of Architects as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

11. Article 36 has been removed.

12. Article 37 has been removed.

13. Provisions of Article 38 have been amended, therefore read as follows:

#### **Article 38**

- (1) Any Architect who violates the provisions as referred to in Article 5 paragraph (1), Article 6, Article 18 paragraph (2), Article 19, and Article 20 shall be subject to administrative sanctions in the form of:
  - a. Written warnings;
  - b. Temporary suspension of Architectural Practices;
  - c. The suspension of Architect Registration Certificate; and/or
  - d. The revocation of Architect Registration Certificate.
- (2) Sanctions as referred to in paragraph (1) shall be imposed by the Professional Organization of Architects.

14. Article 39 has been removed.

15. Article 40 has been removed.

16. Article 41 has been removed.

#### **Division Four**

### **Simplification of Sectoral Business Licensing as well as Ease and Requirements of Investment**

#### **Subdivision 1**

##### **General**

#### **Article 26**

Business Licensing consists of the following sectors:

- a. maritime affairs and fisheries;
- b. agriculture;
- c. forestry;
- d. energy and mineral resources;
- e. nuclear power;
- f. industry;
- g. trade, legal metrology, halal product guarantee, and standardization of conformity assessment;
- h. public works and public housing;
- i. transportation;
- j. health, drugs and food;
- k. education and culture;
- l. tourism;
- m. religious affairs;
- n. post, telecommunication, and broadcasting; and
- o. defense and security.

#### **Subdivision 2**

### **Maritime Affairs and Fisheries**

#### **Article 27**

In order to provide an ease to the community, especially Business Actors, in obtaining Business Licensing and ease of investment requirements from the maritime affairs and fisheries sectors, several provisions under Law Number 31 of 2004 on Fisheries (State Gazette of the Republic Indonesia of 2004 Number 118, Supplement to the State Gazette of the Republic Indonesia Number 4433) as amended by Law Number 45 of 2009 on the Amendment to Law Number 31 of 2004 on Fisheries (State Gazette of the Republic Indonesia of 2009 Number 154, Supplement to the State Gazette of the Republic Indonesia Number 5073) have been amended, as follows:

1. Provisions of Article 1 number 11, number 24, number 25 and number 26 have been amended and number 16, number 17, and number 18 have been removed, therefore Article 1 reads as follows:

### **Article 1**

Under this Law, the following definitions are employed:

1. Fisheries are all activities related to the management and utilization of fish resources and their environment, starting from pre-production, production, processing to marketing carried out in a fishery business system.
2. Fish resources are the potential of all types of fish.
3. Fish resources environment is the waters where fish resources live, including biota and the surrounding natural factors.
4. Fish are all types of organisms which life cycle is entirely or partly in the aquatic environment.
5. Fishing is activities to acquire fish in waters that are not cultivated by means of any equipment or methods, including activities that use vessels to load, transport, store, refrigerate, handle, process, and/or preserve them.
6. Fish farming is activities to nurture, raise, and/or breed fish as well as to harvest its result within controlled environment, including activities that use vessels to load, transport, store, refrigerate, handle, process, and/or preserve it.
7. Fisheries management is all efforts, including an integrated process in information gathering, analysis, planning, consultation, decision making, allocation of fish resources, as well as implementation and law enforcement of laws and regulations in the fisheries sector, that are carried out by the government or other authorities and directed to achieve continuity of productivity of aquatic biological resources and the agreed objectives.
8. Fish Resources Conservation is the effort to protect, conserve and utilize fish resources, including ecosystems, species, and genetics to ensure their existence, availability and continuity while maintaining and enhancing the value quality and diversity of fish resources.
9. Fishery Vessel is a vessel, boat or other floating device used for fishing, to support fishing operations, fish farming, fish transportation, fish processing, fisheries training, and fisheries research/exploration.
10. Fishermen are any person whose livelihood is fishing.
11. Small-Scale Fishermen are any person whose livelihood is fishing in order to fulfill their daily needs, both that use fishing vessels or do not use fishing vessels.
12. Fish Farmers are any person whose livelihood is conducting fish farming.
13. Small-Scale Fish Farmers are any person whose livelihood is conducting fish farming.
14. Every person is an individual or corporation.
15. Corporation are a group of people and/or organized assets both in the form of legal entities or non-legal entities.
16. Has been removed.
17. Has been removed.
18. Has been removed.
19. Indonesian Territorial Sea is a sea lane as wide as 12 (twelve) nautical miles measured from the archipelagic baseline of Indonesia.
20. Indonesian Waters are the territorial sea of Indonesia and its archipelagic and inland waters.
21. Indonesian Exclusive Economic Zone (Zona Ekonomi Eksklusif Indonesia), from this point onwards is referred to as ZEEI, are lanes outside and bordering the Indonesian territorial sea as

stipulated by the applicable law on Indonesian waters which include the seabed, the land beneath it, and water above it with an outer limit of 200 (two hundred) nautical miles measured from the baseline of Indonesian territorial sea.

22. High Seas are parts of the sea that are not included in the ZEEI, Indonesian territorial seas, Indonesian archipelagic waters, and Indonesian inland waters.
23. Fishery Port is a place consisting of land and waters around it with certain boundaries as a place for government activities and fishery business system activities used as a place for fishery vessels to dock, anchor, and/or load and unload fish equipped with shipping safety facilities and fishery supporting activities.
24. Minister is the minister in charge of government affairs in the fisheries sector.
25. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
26. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.

2. Provisions of Article 7 have been amended, therefore read as follows:

#### **Article 7**

- (1) In order to support the policies on fish resources management, the Central Government shall establish:
  - a. fisheries management plan;
  - b. potential and allocation of fish resources in the fisheries management territory of the Republic of Indonesia;
  - c. number of catches allowed in the fisheries management territory of the Republic of Indonesia;
  - d. potential and allocation of fish farming areas in the fisheries management territory of the Republic of Indonesia;
  - e. potential and allocation of broodstock and seeds of certain fish in the fisheries management territory of the Republic of Indonesia;
  - f. type, number, and size of fishing gears;
  - g. type, number, size, and placement of fishing aids;
  - h. area, route, and time or season for fishing;
  - i. fishing requirement or standard operational procedure;
  - j. fishing port;
  - k. fishery vessel monitoring system;
  - l. new type of fish to be cultivated;
  - m. type of fish and restocking areas as well as aquaculture-based fishing;
  - n. fish farming and its protection;
  - o. prevention of pollution and damage to fish resources and its environment;
  - p. rehabilitation and improvement of fish resources and its environment;
  - q. minimum size or weight of types of fish that can be caught;

- r. water conservation areas;
  - s. fish disease outbreaks and outbreak areas;
  - t. types of fish that are prohibited from being traded, imported and exported to and from the territory of the Republic of Indonesia; and
  - u. protected fish type and fish genetic.
- (2) Every person who engages in business and/or activities of fisheries management must fulfill the provisions as referred to in paragraph (1) regarding:
- a. type, number, and size of fishing gears;
  - b. type, number, size, and placement of fishing aids;
  - c. area, route, and time or season for fishing;
  - d. fishing requirement or standard operational procedure;
  - e. fishery vessel monitoring system;
  - f. new type of fish to be cultivated;
  - g. type of fish and restocking areas, as well as aquaculture-based fishing;
  - h. prevention of pollution and damage to fish resources and its environment;
  - i. minimum size or weight of types of fish that can be caught;
  - j. water conservation areas;
  - k. fish disease outbreaks and outbreak areas;
  - l. types of fish that are prohibited from being traded, imported and exported to and from the territory of the Republic of Indonesia; and
  - m. protected fish type and fish genetic.
- (3) The obligation to comply with the provision regarding fishery vessel monitoring system as referred to in paragraph (2) letter e is not applicable for Small-Scale Fishermen and/or Small-Scale Fish Farmers.
- (4) The Central Government shall determine the potential and number of catches allowed as referred to in paragraph (1) letter b and letter c.

3. Between Article 20 and Article 21 is inserted 1 (one) article, namely Article 20A, which reads as follows:

**Article 20A**

- (1) Every person who engages in fish handling and processing that does not fulfill and not implement fish processing feasibility requirements, quality assurance system, and fishery product safety as referred to in Article 20 paragraph (3) shall be subject to administrative sanctions.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Provisions of Article 25A have been amended, therefore read as follows:

**Article 25A**

- (1) Fisheries business actors in running fisheries business shall fulfill the fisheries product quality standard.



- (2) The Central Government and Regional Government in accordance with their authorities shall guide and facilitate the development of fisheries business in order to fulfill fisheries product quality standards based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Further provisions regarding the fisheries product quality standards shall be regulated under a Regulation of the Government.

5. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) Every person who engages in fisheries business in the fisheries management territory of the Republic of Indonesia must fulfill the Business Licensing from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) The type of Fisheries business as referred to in paragraph (1) consist of the following businesses:
  - a. Fishing;
  - b. Fish farming;
  - c. Fish transportation;
  - d. Fish processing; and
  - e. Fish marketing.

6. Provisions of Article 27 have been amended, therefore read as follows:

**Article 27**

- (1) Every person who owns and/or operates fishing vessels with Indonesian flag used for fishing in the fisheries management territory of the Republic of Indonesia and/or high seas must fulfill the Business Licensing from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Every person who owns and/or operates fishing vessels with foreign flags used for fishing in the ZEEI must fulfill the Business Licensing from the Central Government.
- (3) Every person who operates fishing vessels with Indonesian flag in the fisheries management territory of the Republic of Indonesia or operates fishing vessels with foreign flags in the ZEEI must bring the Business Licensing document.
- (4) Fishing vessels with Indonesian flag that fish in the jurisdiction of other countries must first obtain approval from the Central Government.
- (5) The obligation to fulfill Business Licensing as referred to in paragraph (1) and/or to bring the Business Licensing document as referred to in paragraph (3), is not applicable for Small-Scale Fishermen.

7. Between Article 27 and Article 28 is inserted 1 (one) article, namely Article 27A, which reads as follows:

**Article 27A**

- (1) Every person who owns and/or operates fishing vessels with Indonesian flag to fish in the fisheries management territory of the Republic of Indonesia and/or high seas, which do not fulfill Business Licensing as referred to in Article 27 paragraph (1), shall be subject to administrative

sanctions.

- (2) Every person who operates fishing vessels with Indonesian flag in the fisheries management territory of the Republic of Indonesia, and do not bring Business Licensing documents as referred to in Article 27 paragraph (3), shall be subject to administrative sanctions.
- (3) Every person who owns and/or operates fishing vessels with foreign flags used for fishing in the ZEEI without Business Licensing from the Central Government as referred to in Article 27 paragraph (2) or do not bring Business Licensing documents as referred to in Article 27 paragraph (3), shall be subject to administrative sanctions.
- (4) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

8. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) Every person who owns and/or operates fish transporting vessels with Indonesian flag in the fisheries management territory of the Republic of Indonesia must fulfill the Business Licensing from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Every person who owns and/or operates fish transporting vessels with foreign flags used for fish transportation in the fisheries management territory of the Republic of Indonesia must fulfill the Business Licensing from the Central Government.
- (3) Every person who operates fish transporting vessels in the fisheries management territory of the Republic of Indonesia must bring the Business Licensing document.
- (4) The obligation to fulfill Business Licensing as referred to in paragraph (1) and/or to bring the Business Licensing document as referred to in paragraph (3), is not applicable for Small-Scale Fishermen and/or Small-Scale Fish Farmers.

9. Provisions of Article 28A have been amended, therefore read as follows:

**Article 28A**

Every person is prohibited from:

- a. falsifying Business Licensing documents;
- b. using fake Business Licensing;
- c. using Business Licensing owned by another vessel or another person; and/or
- d. duplicating Business Licensing to be used by other vessels and/or their own vessels.

10. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) The issuance of Business Licensing to foreign citizens and/or legal entities operating in ZEEI shall be preceded by fisheries agreement, access regulation, or other regulations between the Government of the Republic of Indonesia and the government of the foreign-flagged vessels.
- (2) Fisheries agreement entered into by the Government of the Republic of Indonesia and the government of the foreign-flagged vessels as referred to in paragraph (1), shall contain the obligation of the government of the foreign-flagged vessels to be responsible for the compliance of the person or legal entity of the foreign-flagged vessels in regards to the implementation of

said fisheries agreement.

- (3) The Central Government shall determine the regulation regarding the issuance of Business Licensing to foreign citizens and/or legal entities operating in ZEEI, fisheries agreement, access regulation, or other regulations between the Government of the Republic of Indonesia and the government of the foreign-flagged vessels.

11. Provisions of Article 31 have been amended, therefore read as follows:

**Article 31**

- (1) Any fishery vessel used to fish in the fisheries management territory of the Republic of Indonesia must fulfill the Business Licensing from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Any fishery vessel used to transport fish in the fisheries management territory of the Republic of Indonesia must fulfill the Business Licensing from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.

12. Provisions of Article 32 has been amended, therefore reads as follows:

**Article 32**

Further provisions regarding Business Licensing shall be regulated under a Regulation of the Government.

13. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) Fishing and/or fish farming activities in the fisheries management territory of the Republic of Indonesia which are not for commercial purposes must obtain approval from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) The fishing and/or fish farming activities as referred to in paragraph (1) shall be conducted by Every Person, including activities in the framework of education, counseling, research or other scientific activities, as well as leisure and tourism.
- (3) Approval as referred to in paragraph (1) shall be exempted for a person who fishes and/or farms fish for daily needs.
- (4) Approval for research or other scientific activities as referred to in paragraph (2) shall be implemented in accordance with the provisions of laws and regulations.
- (5) Further provisions regarding fishing and/or fish farming in the fisheries management territory of the Republic of Indonesia which are not for commercial purposes shall be regulated under a Regulation of the Government.

14. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

- (1) Every person who constructs, import, or modifies fishery vessels must first obtain approval from the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.

- (2) The construction or modification of fishery vessels as referred to in paragraph (1) may be conducted, both in and out of the country, after obtaining seaworthy technical considerations from the Central Government.
- (3) Every person who constructs, import, or modifies fishery vessels without approval from the Central Government as referred to in paragraph (1) shall be subject to administrative sanctions.
- (4) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government

15. Provisions of Article 35A have been amended, therefore read as follows:

**Article 35A**

- (1) Fishery vessels with Indonesian flag fishing in the fisheries management territory of the Republic of Indonesia must employ captains and crews who are Indonesian citizens.
- (2) Violation toward the provision regarding employment of crews as referred to in paragraph (1) shall be subject to administrative sanctions in the form of warning, suspension of Business Licensing, or revocation of Business Licensing.
- (3) Further provisions regarding criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

16. Provisions of Article 36 have been amended, therefore read as follows:

**Article 36**

- (1) Fishery vessel owned by an Indonesian citizen operating in the fisheries management territory of the Republic of Indonesia and/or high seas must first be registered as Indonesian fishery vessel.
- (2) Registered fishery vessels as referred to in paragraph (1) shall be issued Business Licensing by the Central Government Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Every person who operates fishery vessel in the fisheries management territory of the Republic of Indonesia and/or high seas that does not register their fishery vessel as Indonesian fishery vessel as referred to in paragraph (1) shall be subject to administrative sanctions.
- (4) Further provisions regarding criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

17. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) Every foreign-flagged fishing vessel that failed to fulfill Business Licensing to fish in the fisheries management territory of the Republic of Indonesia must keep the fishing gear in the hold (palka).
- (2) Every foreign-flagged fishing vessel that has fulfilled Business Licensing to fish with 1 (one) particular type of fishing gear within certain parts of the ZEEI is prohibited from bringing other types of fishing gear.
- (3) Every foreign-flagged fishing vessel that has fulfilled Business Licensing to fish must keep the fishing gear in the hold when the vessel is outside of the permitted fishing area within the fisheries management territory of the Republic of Indonesia.

18. Provision of Article 40 has been amended, therefore reads as follows:

**Article 40**

Further provisions regarding construction, import, vessel modification, registration, fishery vessel measurement, issuing fishery vessel identification, as well as alternate use of 2 (two) types of fishing gears as referred to in Article 35, Article 36, Article 37, Article 38, and Article 39 shall be regulated under a Regulation of the Government.

19. Provisions of Article 41 have been amended, therefore read as follows:

**Article 41**

- (1) The Central Government organizes and provides guidance for fishery port management.
- (2) In organizing and providing guidance for fishery port management as referred to in paragraph (1), the Central Government shall establish:
  - a. national fishery port master plan;
  - b. fishery port classification;
  - c. fishery port management;
  - d. technical requirements and/or standard in the planning, construction, operation, guidance, and supervision of fishery port;
  - e. fishery port working and operational area covering certain parts of water and land which become the working and operational area of fishery port; and
  - f. fishery port not constructed by the Government.
- (3) Every fishing vessel and fish transporting vessel must land the caught fish at the designated fishery port or other appointed fishery ports.
- (4) Every person who owns and/or operates fishing vessel and/or fish transporting vessel that does not unload the caught fishes in the designated fish port or other appointed fish ports as referred to in paragraph (3) shall be subject to administrative sanctions in the form of warning, suspension of Business Licensing, or revocation of Business Licensing.
- (5) Further provisions regarding criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

20. Provisions of Article 42 have been amended and therefore, Article 42 reads as follows:

**Article 42**

- (1) For the safety of fishery vessel operations, harbormaster in fishery port shall be appointed.
- (2) Harbormaster in fishery port has the following duties and authorities:
  - a. issue sailing permit;
  - b. regulate the arrival and departure of fishery vessels;
  - c. recheck the completeness of fishery vessels' documents;
  - d. inspect the technical and nautical aspects of fishery vessels and inspect fishing gears and fishing aids;
  - e. review and ratify sea working agreement;
  - f. check the fishing and fish transportation logbook;

- g. regulating the movement and traffic of fishery vessels at fishery ports;
  - h. supervise the guiding;
  - i. supervise the refueling;
  - j. supervise the construction of fishery port's facilities;
  - k. carry out search and rescue assistance;
  - l. lead pollution prevention and fire fighting in fishery ports;
  - m. supervise the implementation of maritime environment protection;
  - n. check the fulfillment of fishery vessel's manning requirements;
  - o. issue the Certificate of the Report of Arrival and Departure of Fishery Vessels; and
  - p. check the certificate of caught fish.
- (3) Every fishery vessel that will sail to fish and/or transport fish from fishery port must obtain sailing permits issued by the harbormaster in the fishery port.
- (4) The harbormaster in the fishery port as referred to in paragraph (1) shall be appointed by the minister in charge of the sailing affairs sector.
- (5) In carrying out their duties, harbormaster in the fishery port shall be coordinated by the responsible official in the local fishery port.
- (6) Further provisions regarding the harbormaster in the fishery port shall be implemented in accordance with the provisions of the laws and regulations.

21. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

Every fishery vessel that carries out fishery activities must pass the operation worthy standard for fishery vessel from fishery supervisors free of charge.

22. Provisions of Article 44 have been amended, therefore read as follows:

**Article 44**

- (1) Sailing Permit as referred to in Article 42 paragraph (2) letter a is issued by harbormaster after the fishery vessel passes the operation worthy standard.
- (2) The passing of operation worthy standard as referred to in paragraph (1) is granted by fishery supervisor after the technical feasibility and administrative requirements are fulfilled.
- (3) Further provisions regarding the technical feasibility and administrative requirements as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

23. Provision of Article 45 has been amended, therefore reads as follows:

**Article 45**

In the event that the fishery vessel is located and/or based outside of fishery port, sailing Permit shall be issued by the local harbormaster after passing the operation worthy standard from fishery supervisor appointed in the local port.

24. Provision of Article 49 has been amended, therefore reads as follows:

**Article 49**



Every foreign citizen who has obtained Business License to fish in ZEEI shall be charged with fishery levies.

25. Provision of Article 89 has been amended, therefore reads as follows:

**Article 89**

Every person who carries out fish handling and processing that does not fulfill and implement fish processing feasibility requirements, quality assurance system, and fishery product safety as referred to in Article 20 paragraph (3) which causes harm to human health will be sentenced to a maximum imprisonment of 1 (one) year and a maximum fine of IDR800,000,000.00 (eight hundred million rupiah).

26. Provision of Article 92 has been amended, therefore reads as follows:

**Article 92**

Every person who, in the fisheries management territory of the Republic of Indonesia, deliberately runs fishery business that does not fulfill the Business Licensing as referred to in Article 26 paragraph (1), shall be sentenced to a maximum imprisonment of 8 (eight) years and a maximum fine of IDR1,500,000,000.00 (one billion five hundred million rupiah).

27. Provisions of Article 93 have been amended, therefore read as follows:

**Article 93**

- (1) Every person who owns and/or operates fishing vessel with Indonesian flag that fish in the fisheries management territory of the Republic of Indonesia and/or high seas without Business Licensing that causes accidents and/or causes harm/damage to health, safety, and/or the environment as referred to in Article 27 paragraph (1) shall be sentenced to a maximum imprisonment of 6 (six) years and a maximum fine of IDR2,000,000,000.00 (two billion rupiah).
- (2) Every person who owns and/or operates fishing vessel with a foreign-flag that is used for fishing in the ZEEI without Business Licensing that causes accidents and/or causes harm/damage to health, safety, and/or the environment as referred to in Article 27 paragraph (2) shall be sentenced to a maximum imprisonment of 6 (six) years and a maximum fine of IDR30,000,000,000.00 (thirty billion rupiah).

28. Provisions of Article 94 have been amended, therefore read as follows:

**Article 94**

Every person who owns and/or operates fish-transporting vessel with Indonesian flag or foreign flag in the fisheries management territory of the Republic of Indonesia that transport fish or carries out related activities without Business Licensing as referred to in Article 28 paragraph (1) and paragraph (2) shall be sentenced to a maximum imprisonment of 6 (six) years and a maximum fine of IDR1,500,000,000.00 (one billion five hundred million rupiah).

29. Provision of Article 94A has been amended, therefore reads as follows:

**Article 94A**

Every person who falsifies Business Licensing document, use fake Business Licensing, use Business Licensing owned by another vessel or another person, and/or duplicate Business Licensing to be used by other vessels and/or their own vessels, as referred to in Article 28A shall be sentenced to a maximum imprisonment of 7 (seven) years and a maximum fine of IDR3,000,000,000.00 (three billion rupiah).



30. Article 95 has been removed.

31. Article 96 has been removed.

32. Provisions of Article 97 have been amended, therefore read as follows:

**Article 97**

- (1) Captain who operates fishing vessel with a foreign-flag that does not fulfill Business Licensing to fish while in the fisheries management territory of the Republic of Indonesia by not keeping the fishing gear in the hold as referred to in Article 38 paragraph (1), shall be sentenced to a maximum fine of IDR500,000,000.00 (five hundred million rupiah).
- (2) Captain who operates fishing vessel with foreign-flag that has fulfilled Business Licensing with 1 (one) particular type of fishing gear in certain part of ZEEI, who brings other fishing gear as referred to in Article 38 paragraph (2), shall be sentenced to a maximum fine of IDR1,000,000,000.00 (one billion rupiah).
- (3) Captain who operates fishing vessel with foreign-flag that has fulfilled Business Licensing, that does not keep the fishing gear in the hold when the vessel is outside the permitted fishing area within the fisheries management territory of the Republic of Indonesia as referred to in Article 38 paragraph (3), shall be sentenced to a maximum fine of IDR500,000,000.00 (five hundred million rupiah).

33. Provision of Article 98 has been amended, therefore reads as follows:

**Article 98**

Captain of fishery vessels who does not own sailing permit as referred to in Article 42 paragraph (3) shall be sentenced to a maximum imprisonment of 1 (one) year and a maximum fine of IDR200,000,000.00 (two hundred million rupiah).

34. Provision of Article 100B has been amended, therefore reads as follows:

**Article 100B**

In the event that the criminal acts as referred to in Article 8, Article 9, Article 12, Article 14 paragraph (4), Article 16 paragraph (1), Article 21, Article 23 paragraph (1), Article 26 paragraph (1), Article 38, Article 42 paragraph (3), or Article 55 paragraph (1) are committed by Small-Scale Fishermen and/or Small-Scale Fish Farmers, they shall be sentenced to a maximum imprisonment of 1 (one) year and a maximum fine of IDR250,000,000.00 (two hundred and fifty million rupiah).

35. Provision of Article 100C has been amended, therefore reads as follows:

**Article 100C**

In the event that the criminal acts as referred to in Article 7 paragraph (2) letter a, letter b, letter c, letter d, letter f, letter g, letter h, letter i, letter j, letter k, letter l, or letter m are committed by Small-Scale Fishermen and/or Small-Scale Fish Farmers, they shall be sentenced to a maximum fine of IDR 100,000,000.00 (one hundred million rupiah).

36. Provision of Article 101 has been amended, therefore reads as follows:

**Article 101**

In the event that the criminal acts as referred to in Article 84 paragraph (1), Article 85, Article 86, Article 87, Article 88, Article 90, Article 91, Article 93 or Article 94 are committed by corporation, the charges and criminal sanctions are imposed on the management and the corporation shall be sentenced to a fine with aggravation by 1/3 (one third) of the fine which are imposed.

### **Subdivision 3 Agriculture**

#### **Article 28**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing from the agricultural sector, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 39 of 2014 on Plantations (State Gazette of the Republic of Indonesia of 2014 Number 308, Supplement to the State Gazette of the Republic of Indonesia Number 5613);
- b. Law Number 29 of 2000 on Protection of Plant Varieties (State Gazette of the Republic of Indonesia of 2000 Number 241, Supplement to the State Gazette of the Republic of Indonesia Number 4043);
- c. Law Number 22 of 2019 on Sustainable Agricultural Cultivation System (State Gazette of the Republic of Indonesia of 2019 Number 201, Supplement to State Gazette of the Republic of Indonesia Number 4043);
- d. Law Number 19 of 2013 on Protection and Empowerment of Farmers (State Gazette of the Republic of Indonesia of 2013 Number 131, Supplement to the State Gazette of the Republic of Indonesia Number 5433);
- e. Law Number 13 of 2010 on Horticulture (State Gazette of the Republic of Indonesia of 2010 Number 132, Supplement to the State Gazette of the Republic of Indonesia Number 5170); and
- f. Law Number 18 of 2009 on Animal Husbandry and Health (State Gazette of the Republic of Indonesia of 2009 Number 84, Supplement to the State Gazette of the Republic of Indonesia Number 5015), as amended by Law Number 41 of 2014 (State Gazette of the Republic of Indonesia of 2014 Number 338, Supplement to the State Gazette of the Republic of Indonesia Number 5619).

#### **Article 29**

Several provisions under Law Number 39 of 2014 on Plantations (State Gazette of the Republic of Indonesia of 2014 Number 308, Supplement to the State Gazette of the Republic of Indonesia Number 5613) have been amended, as follows:

1. Provisions of Article 14 have been amended, therefore read as follows:

##### **Article 14**

- (1) The Central Government shall determine the maximum area and minimum area limit of land use for Plantation Business.
- (2) Determination of the area limit as referred to in paragraph (1) shall consider:
  - a. type of plants; and/or
  - b. availability of suitable land in an agro-climatic manner.
- (3) Further provisions regarding the determination of the area limit shall be regulated under a Regulation of the Government.

2. Provision of Article 15 has been amended, therefore reads as follows:

**Article 15**

Plantation Companies that carry out partnership or plasma nucleus activities are prohibited from transferring their rights to Plantation Business land resulting in a business unit that is less than the minimum area as referred to in Article 14.

3. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) Plantation Companies are obliged to cultivate Plantation Land by no later than 2 (two) years after the granting of land rights status.
- (2) If the Plantation Land is not cultivated in accordance with the provisions as referred to in paragraph (1), the Plantation Land which has not been cultivated shall be taken over by the state in accordance with the provisions of laws and regulations.

4. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) Authorized officials are prohibited from issuing Plantation Business Licensing on the Customary Right Land of Customary law community.
- (2) The provision on prohibition as referred to in paragraph (1) shall be exempted in the event that an agreement has been reached between the Customary law community and Plantation Business Actors regarding the handover of the Land and its compensation as referred to in Article 12 paragraph (1).

5. Provisions of Article 18 have been amended, therefore read as follows:

**Article 18**

- (1) Plantation companies who violate the provisions as referred to in Article 14 shall be subject to administrative sanctions.
- (2) Further provisions regarding the types, criteria, amount and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

6. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

- (1) The Central Government determines the types of Plantation Plant Seeds which the export from and/or import into the territory of the Unitary State of the Republic of Indonesia requires approval.
- (2) Exportation of Seeds from and/or its importation into the territory of the Unitary State of the Republic of Indonesia must obtain approval from the Central Government.
- (3) Importation of Seeds from outside the country must meet quality standards or minimum technical requirements.
- (4) Further provisions regarding quality standards and minimum technical requirements as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

7. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) Varieties resulting from breeding (pemuliaan) or introduction from outside the country must first be released by the Central Government or launched by the owner of the variety before being distributed.
- (2) Varieties that have been released or launched as referred to in paragraph (1) may be produced and distributed.
- (3) Varieties as referred to in paragraph (2) must comply with the Business Licensing from the Central Government before being distributed.
- (4) Further provisions regarding the terms and procedures for release or launch as well as Business Licensing shall be regulated under a Regulation of the Government.

8. Article 31 has been removed.

9. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

- (1) In the framework of controlling plant-disturbing organisms, every Plantation Business Actors must meet the minimum requirements for facilities and infrastructure for controlling plant disturbing organisms.
- (2) Provisions regarding the minimum requirements for facilities and infrastructure as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

10. Provision of Article 39 has been amended, therefore reads as follows:

**Article 39**

Plantation Business Actors may carry out Plantation Business in the entire territory of the Unitary State of the Republic of Indonesia in accordance with the provisions of laws and regulations in the field of investment.

11. Provision of Article 40 has been amended, therefore reads as follows:

**Article 40**

Transfer of ownership of Plantation Companies to foreign investors may be carried out after obtaining approval from the Central Government.

12. Provisions of Article 42 have been amended, therefore read as follows:

**Article 42**

- (1) Plantation crop cultivation business and/or Plantation Product Processing business activities as referred to in Article 41 paragraph (1) may only be carried out by a Plantation Company if it has obtained land rights and has fulfilled the Business Licensing related to Plantation from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

13. Provision of Article 43 has been amended, therefore reads as follows:

**Article 43**

Plantation Product Processing business activities may be established in community self-reliance plantation areas where there are no Plantation Product Processing business after obtaining land rights and Business Licensing from the Central Government.

14. Article 45 has been removed.

15. Provisions of Article 47 have been amended, therefore read as follows:

**Article 47**

- (1) Plantation companies that carry out Plantation Crop cultivation business with a certain scale area and/or Plantation Product Processing Business with a certain factory capacity are required to fulfill the Business Licensing from the Central Government.
- (2) Every Plantation Company that carries out a Plantation Crop cultivation business with a certain scale and/or Plantation Product Processing Business with a certain factory capacity that does not have Business Licensing as referred to in paragraph (1) is subject to administrative sanctions in the form of:
  - a. temporary suspension of activities;
  - b. imposition of fines; and/or
  - c. Central Government coercion.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) and the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

16. Provisions of Article 48 have been amended, therefore read as follows:

**Article 48**

- (1) Plantation Business Licensing as referred to in Article 47 paragraph (1) shall be issued by:
  - a. governor for the cross-regency/city area; and
  - b. regents/mayors for areas within a regency/city,based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) In the event that a Plantation Business land is located at an inter-provincial area, the license shall be granted by the Central Government.
- (3) Plantation Company that has obtained Business Licensing is obliged to submit a report on its business development periodically at least once within 1 (one) year to the licensor as referred to in paragraph (1) or paragraph (2).
- (4) Periodic business development reports as referred to in paragraph (3) shall also be submitted to the Central Government.

17. Article 49 has been removed.

18. Article 50 has been removed.

19. Provisions of Article 58 have been amended, therefore read as follows:

**Article 58**

- (1) Plantation Companies that obtain Business Licensing for cultivation, which all or part of the land originates from:
  - a. other areas of use that are outside the right to cultivate; and/or
  - b. areas originating from the release of forest areas,are obliged to facilitate the development of local community plantation around 20% (twenty percent) of the area of that land.
- (2) The facilitation of community plantation development as referred to in paragraph (1) may be carried out through a credit scheme, profit sharing, other forms of partnership, or other forms of funding agreed in accordance with the provisions of laws and regulations.
- (3) The obligation to facilitate plantation development as referred to in paragraph (1) must be carried out within a maximum period of 3 (three) years after the right to cultivate is granted.
- (4) The facilitation of community plantation development as referred to in paragraph (1) must be reported to the Central Government and Regional Government in accordance with their respective authorities.

20. Provisions of Article 60 have been amended, therefore read as follows:

**Article 60**

- (1) Plantation Companies that violate the provisions as referred to in Article 58 shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) shall be in the form of:
  - a. fines;
  - b. temporary suspension from Plantation Business activities; and/or
  - c. revocation of Plantation Business Licensing
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

21. Provisions of Article 67 have been amended, therefore read as follows:

**Article 67**

- (1) Every Plantation Business Actors must maintain the sustainability of environmental functions.
- (2) Further provisions regarding the obligation to maintain sustainability of environmental functions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

22. Article 68 has been removed.

23. Provisions of Article 70 have been amended, therefore read as follows:

**Article 70**

- (1) Every Plantation Company that violates the provisions as referred to in Article 69 shall be subject to administrative sanctions.
- (2) Further provisions regarding the types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of

the Government.

24. Provisions of Article 74 have been amended, therefore read as follows:

**Article 74**

- (1) Every Processing unit for certain Plantation Products made from imported raw materials is required to build a plantation within a certain period after the processing unit operates.
- (2) The plantation that is built as referred to in paragraph (1) must be integrated with the plantation product processing unit after the processing unit operates.
- (3) Provisions regarding certain types of Plantation Product Processing and a certain period of time as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

25. Provisions of Article 75 have been amended, therefore read as follows:

**Article 75**

- (1) Every Plantation Business Actor who violates the provisions as referred to in Article 74 paragraph (1) shall be subject to administrative sanctions.
- (2) Further provisions regarding the types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

26. Provisions of Article 93 have been amended, therefore read as follows:

**Article 93**

- (1) Plantation Business Financing carried out by the Central Government shall be sourced from the state revenue and expenditure budget.
- (2) Plantation organization financing carried out by the Local Government in accordance with their authority shall be sourced from the regional revenue and expenditure budget.
- (3) Plantation Business Financing carried out by Plantation Business Actors shall be sourced from the collection of funds from Plantation Business Actors, funds from financing institutions, community funds, and other legitimate funds.
- (4) The collection of funds as referred to in paragraph (3) shall be used for human resource development, research and development, Plantation promotion, rejuvenation of Plantation Plants, Plantation facilities and infrastructure, plantation development, and/or fulfillment of Plantation products for food, biofuel, and downstream plantation industry.
- (5) Funds collected by Plantation Business Actors as referred to in paragraph (3) shall be managed by the plantation fund management agency, which is authorized to collect, administer, manage, store and distribute these funds.
- (6) Further provisions regarding the collection of funds as referred to in paragraph (4) and the plantation funds management agency as referred to in paragraph (5) shall be regulated under a Regulation of the Government.

27. Provisions of Article 95 have been amended, therefore read as follows:

**Article 95**

- (1) The Central Government shall develop Plantation Business through investment.
- (2) The implementation of investment as referred to in paragraph (1) shall be carried out in



accordance with the provisions of laws and regulations in the investment sector while paying attention to Plantation interests.

28. Provisions of Article 96 have been amended, therefore read as follows:

**Article 96**

- (1) Plantation Business Guidance shall be carried out by the Central Government and Regional Government in accordance with their authorities, based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Guidance as referred to in paragraph (1) includes:
  - a. planning;
  - b. implementation of Plantation Business;
  - c. management and marketing of Plantation Products;
  - d. research and development;
  - e. human resources development;
  - f. Plantation Business financing; and
  - g. provision of investment recommendations.
- (3) Further provisions regarding the guidance as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

29. Provisions of Article 97 have been amended, therefore read as follows:

**Article 97**

- (1) Technical guidance for state-owned, privately-owned plantation companies and/or Farmers (pekebun) shall be carried out by the Central Government.
- (2) Evaluation of the performance of state-owned and/or private plantation companies shall be carried out through regular and/or occasional plantation business assessments.
- (3) Further provisions regarding technical guidance and assessment of Plantation Business shall be regulated under a Regulation of the Government.

30. Provisions of Article 99 have been amended, therefore read as follows:

**Article 99**

- (1) Supervision as referred to in Article 98 shall be carried out through:
  - a. reporting from Plantation Business Actors; and/or
  - b. monitoring and evaluation of the implementation and results of Plantation Business.
- (2) In certain cases, supervision may be carried out by examining the process and Plantation Products.
- (3) Reporting as referred to in paragraph (1) letter a shall be public information that is announced and may be accessed openly by the community in accordance with the provisions of laws and regulations.
- (4) Monitoring and evaluation as referred to in paragraph (1) letter b shall be carried out by observing and checking the conformity of the report with implementation in the field.
- (5) Further provisions regarding the requirements and procedures for supervision shall be regulated

under a Regulation of the Government.

31. Provision of Article 103 has been amended, therefore reads as follows:

**Article 103**

Every official who issues Business Licensing related to Plantations on customary right land of Customary law community as referred to in Article 17 paragraph (1) shall be sentenced with a maximum imprisonment of 5 (five) years or a maximum fine of IDR5,000,000,000.00 (five billion rupiah).

32. Article 105 has been removed.

33. Article 109 has been removed.

**Article 30**

Several provisions under Law Number 29 of 2000 on Protection of Plants Varieties (State Gazette of the Republic of Indonesia of 2000 Number 241, Supplement to the State Gazette of the Republic of Indonesia Number 4043) have been amended, as follows:

1. Provisions of Article 11 have been amended, therefore read as follows:

**Article 11**

- (1) The application of PVT rights shall be submitted to the PVT Office in writing in the Indonesian language by paying which its amount shall be stipulated in accordance with provisions of laws and regulations in the Non-tax State Revenue sector.
- (2) In the event that the application of PVT rights is submitted by:
  - a. a person or a legal entity as a proxy of the applicant, they shall be accompanied with a special power of attorney by stating the complete name and address of the entitled proxy;
  - b. an heir shall be accompanied by an affidavit of heirship.
- (3) Further provisions regarding procedures for the submission of application of PVT rights shall be regulated with Regulation of the Government.

2. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) An application for substantive examination on the PVT rights application shall be submitted to the PVT office in writing by no later than 1 (one) month after the expiration period of announcement by paying the examination fee.
- (2) The amount of fee for substantive examination shall be stipulated in accordance with provisions of laws and regulations in the Non-tax State Revenue sector.

3. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) PVT rights may transfer or be transferred due to:
  - a. inheritance;

- b. grants;
  - c. testament of will;
  - d. agreement in the form of a notarial deed; or
  - e. other causes that are justified by law.
- (2) The transfer of PVT rights, as referred to in paragraph (1) letter a, letter b, and letter c, shall be accompanied by PVT documents along with other rights that are related to it.
- (3) Any transfer of PVT rights must be registered with the PVT Office and shall be registered in the General List of PVT by paying a fee which its amount shall be stipulated in accordance with provisions of laws and regulations in the Non-tax State Revenue sector.
- (4) Further provisions regarding requirements and procedures for the transfer of PVT rights shall be regulated under a Regulation of the Government.

4. Provisions of Article 43 have been amended, therefore read as follows:

#### **Article 43**

- (1) A license agreement shall be registered with the PVT Office and shall be included in the General List of PVT by paying a fee which its amount shall be stipulated in accordance with provisions of laws and regulations in the Non-tax State Revenue sector.
- (2) In the event that the license agreement is not registered with the PVT Office as referred to in paragraph (1), the license agreement does not have a legal effect on third parties.
- (3) Further provisions regarding the license agreement shall be regulated in Regulation of the Government.

5. Provisions of Article 63 have been amended, therefore read as follows:

#### **Article 63**

- (1) For the continuity of PVT rights, the holder of PVT rights must pay an annual fee.
- (2) For any submission of application of PVT rights, examination request, an excerpt of the General List of PVT, copy of PVT certificate, copy of PVT documents, registration of transfer of PVT rights, registration of license agreement, registration of Mandatory License, as well as other matters that are stipulated in this Law must pay a fee.
- (3) Provisions on the amount of fee, requirements, and procedures for the payment of fee as referred to in paragraph (1) and paragraph (2) shall be regulated in accordance with provisions of laws and regulations in the Non-tax State Revenue sector.

#### **Article 31**

Several provisions under Law Number 22 of 2019 concerning Sustainable Agricultural Cultivation System (State Gazette of the Republic of Indonesia of 2019 Number 201, Supplement to the State Gazette of the Republic of Indonesia Number 6412) have been amended as follows:

1. Provisions of Article 19 have been amended, therefore read as follows:

#### **Article 19**

- (1) Every person is prohibited to re-function Land that has been determined as Agricultural cultivation Land.
- (2) In terms of public interest and/or nationally strategic projects, the Agricultural cultivation Land, as referred to in paragraph (1) may be re-functioned and carried out in accordance with

provisions of laws and regulations.

- (3) The re-function of Agricultural cultivation Land for public interest and/or nationally strategic projects, as referred to in paragraph (2) may only be conducted with the following conditions:
  - a. strategic study shall be conducted;
  - b. land re-function plan shall be drawn up;
  - c. its ownership rights shall be relinquished from the owner; and/or
  - d. replacement land shall be provided for agricultural cultivation land;
- (4) Re-function of Agricultural cultivation Land for public interest and/or nationally strategic projects as referred to in paragraph (2), that is implemented on Agricultural Land that already has complete irrigation network must retain the complete irrigation network's function.
- (5) Further provisions regarding Re-function of Agricultural Cultivation Land shall be regulated under a Regulation of the Government.

2. Provisions of Article 22 have been amended, therefore read as follows:

#### **Article 22**

- (1) Business Actors who use customary right Land without discussing it with the Customary law community as the holder of the customary right to obtain approval shall be subject to administrative sanctions in the form of:
  - a. temporary suspension of business activities;
  - b. imposition of administrative fine;
  - c. Government coercion;
  - d. suspension of Business Licensing; and
  - e. revocation of Business Licensing.
- (2) Further provisions regarding criteria, types, amount of fine, procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 32 have been amended, therefore read as follows:

#### **Article 32**

- (1) The procurement of quality Seeds through importation from abroad, as referred to in Article 31 paragraph (1), shall be conducted after obtaining Business Licensing from the Central Government.
- (2) The exportation of quality seeds from the territory of the Republic of Indonesia may be conducted by Business Actors based on Business Licensing from the Central Government.
- (3) In the event of the importation from abroad, as referred to in paragraph (1) and the exportation of quality Seeds from the territory of the Republic of Indonesia as referred to in paragraph (2) are conducted by government agencies, importation and exportation of Seeds shall obtain approval from the Central Government.
- (4) Further provisions regarding Business Licensing, as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

4. Provision of Article 43 has been amended, therefore reads as follows:

**Article 43**

Exportation of Plants, Plant Seedling, Animal Seedling, Animal Seeds, and animals from the territory of the Republic of Indonesia by Every Person may be conducted if the domestic needs have been fulfilled and after obtaining Business Licensing from the Central Government.

5. Provisions of Article 44 have been amended, therefore read as follows:

**Article 44**

- (1) Importation of Plants, Plants Seedling, Animal Seedling, Animal Seeds, and animals from abroad may be conducted to:
  - a. improve quality and genetic diversity;
  - b. develop science and technology; and/or
  - c. fulfill domestic needs.
- (2) The importation, as referred to in paragraph (2), must fulfill requirements.
- (3) Every person who conducts the importation, as referred to in paragraph (1) must comply with Business Licensing from the Central Government.
- (4) In the event that the importation, as referred to in paragraph (1) is conducted by the government, the importation shall obtain approval from the Central Government.

6. Provisions of Article 86 have been amended, therefore read as follows:

**Article 86**

- (1) Every Person, as referred to in Article 84 paragraph (1), who carries out Agricultural Cultivation Business above a certain scale, must comply with Business Licensing from the Central Government.
- (2) The Central Government is prohibited from providing Business Licensing in relation to the Agricultural Cultivation Business as referred to in paragraph (1) on customary right lands of Customary law community.
- (3) Provisions on prohibition, as referred to in paragraph (2), shall be exempted in the event that the Customary law community and Business Actors have reached an agreement.

7. Provisions of Article 102 have been amended, therefore read as follows:

**Article 102**

- (1) The Agricultural information system shall cover the collection, processing, analysis, storage, presentation, as well as the distribution of data on the Sustainable Agricultural Cultivation System.
- (2) The Central Government and the Regional Governments in accordance with their authorities must build, formulate, and develop an integrated Agricultural information system.
- (3) The information system, as referred to in paragraph (1) shall be used for the following purposes:
  - a. planning;
  - b. monitoring and evaluation;
  - c. management of supply and demand of Agricultural products; and
  - d. investment considerations.
- (4) Obligations of the Central Government and the Regional Governments in accordance with their

authorities as referred to in paragraph (2) shall be implemented by the data and information center.

- (5) The data and information center, as referred to in paragraph (4), must conduct data and information update on the Sustainable Agricultural Cultivation System in an accurate manner and is accessible to the public.
- (6) The data and information, as referred to in paragraph (5), may be accessed easily and fast by Business Actors and the public.
- (7) Further provisions regarding the Agricultural information system as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

8. Provisions of Article 108 have been amended, therefore read as follows:

#### **Article 108**

- (1) Administrative sanctions shall be imposed on:
  - a. Every Person who violates provisions as referred to in Article 20 paragraph (3), Article 28 paragraph (3), Article 43, Article 44 paragraph (2) and paragraph (3), Article 66 paragraph (2), Article 71 paragraph (3), Article 76 paragraph (3), and Article 79;
  - b. Business Actors and/or government agencies who violate provisions as referred to in Article 15 paragraph (2), Article 18 paragraph (2), Article 32 paragraph (1), paragraph (2) and paragraph (3); and
  - c. Producers and/or distributors who violate provisions as referred to in Article 78 paragraph (1).
- (2) Administrative sanctions as referred to in paragraph (1) may be in the form of:
  - a. Written reprimand;
  - b. administrative fine;
  - c. temporary suspension of business activities;
  - d. product withdrawal from distribution;
  - e. revocation of license; and/or
  - f. business closure.
- (3) Further provisions regarding criteria, types, amount of fine and procedures for the imposition of administrative sanctions, as referred to in paragraph (2) shall be regulated in Regulation of the Government.

9. Article 111 has been removed.

#### **Article 32**

Several Provisions of Law Number 19 of 2013 on Protection and Empowerment of Farmers (State Gazette of the Republic of Indonesia of 2013 Number 131, Supplement to the State Gazette of the Republic of Indonesia Number 5433) have been amended, as follows:

1. Provisions of Article 15 have been amended, therefore read as follows:

#### **Article 15**

- (1) Central Government and Regional Government in accordance with their authorities are obliged to increase agricultural production.

- (2) The obligation to increase domestic agricultural production as referred to in paragraph (1) shall be conducted through the Farmer protection strategy as referred to in Article 7 paragraph (2).

2. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) Adequacy of Government consumption needs and/or food reserves are originated from domestic productions and imports while still protecting Farmers' interests.
- (2) The imports of agricultural commodities as referred to in paragraph (1) shall be conducted in accordance with the trading instrument based on the provisions of laws and regulations.
- (3) Adequacy of Government consumption needs and/or food reserves as referred to in paragraph (1) shall be determined by the Central Government.

3. Article 101 has been removed.

**Article 33**

Several Provisions of Law Number 13 of 2010 on Horticulture (State Gazette of the Republic of Indonesia of 2010 Number 132, Supplement to the State Gazette of the Republic of Indonesia Number 5170) have been amended, as follows:

1. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) Business actors must prioritize the utilization of domestic human resources.
- (2) Utilization of human Resources as referred to in paragraph (1) shall be carried out in accordance with the provisions of laws and regulations.

2. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) Horticultural business shall be implemented by prioritizing the use of domestic horticultural facilities.
- (2) In the event that domestic horticultural facilities are insufficient or not available, horticultural facilities originated from abroad may be used by fulfilling Business Licensing from the Central Government.
- (3) The horticultural facilities originated from abroad as referred to in paragraph (2) must:
  - a. be more efficient;
  - b. be eco-friendly;
  - c. prioritize ones that contain domestically-produced components.
- (4) Further provisions regarding Business Licensing related to horticultural facilities shall be regulated under a Regulation of the Government.

3. Provisions of Article 35 have been amended, therefore read as follows :

- (1) Horticultural facilities that are circulated must fulfill the quality standard and Business Licensing.
- (2) In the event that the horticultural facilities are or contain the results of genetic engineering, other



than fulfilling the provision as referred to in paragraph (1), the circulation must comply with the provisions of laws and regulations in the sector of biological safety.

- (3) If the quality standard as referred to in paragraph (1) has not been established yet, the Central Government shall set out minimum technical requirements.
- (4) Provisions as referred to in paragraph (1) and paragraph (3) shall be exempted for locally produced horticultural facilities that are circulated limitedly in one group.
- (5) Further provisions regarding the procedures for quality testing and Business Licensing shall be regulated under a Regulation of the Government.

4. Between Article 35 and Article 36 is inserted 1 (one) article, namely Article 35A, which reads as follows:

**Article 35A**

- (1) Every person who circulates horticultural facilities that does not fulfill quality standard, do not fulfill the minimum technical requirements, and/or are not registered as referred to in Article 35 shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) may be in the form of:
  - a. termination of business activities;
  - b. withdrawal of circulated products;
  - c. administrative fines, government coercion; and/or
  - d. revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

5. Article 48 has been removed.

6. Provisions of Article 49 have been amended, therefore read as follows:

**Article 49**

- (1) Micro- and small-scale horticultural cultivation business units must be recorded by the Government.
- (2) Medium-scale horticultural cultivation business units and large-scale horticultural cultivation business units shall fulfill Business Licensing from the Central Government.

7. Article 51 has been removed.

8. Provisions of Article 52 have been amended, therefore read as follows:

**Article 52**

- (1) Horticultural business as referred to in Article 50 must fulfill Business Licensing from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

9. Provisions of Article 54 have been amended, therefore read as follows:

**Article 54**

- (1) Business actors in running a horticultural business must fulfill the minimum process standard or technical requirement.
- (2) Business actors in producing horticultural products must fulfill food quality and safety standards for horticultural products.
- (3) The Central Government and/or Regional Government in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government must guide and facilitate the development of horticultural business to fulfill food quality and safety standards for products.
- (4) Further provisions regarding food quality and safety standards for horticultural products as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

10. Provisions of Article 56 have been amended, therefore read as follows:

**Article 56**

- (1) A horticultural business may be run through partnership schemes.
- (2) Partnership schemes as referred to in paragraph (1) shall involve micro-, small-, medium-, and large-scale horticultural business actors.
- (3) Partnership as referred to in paragraph (2) shall be implemented in the following schemes:
  - a. plasma-nucleus;
  - b. subcontract;
  - c. franchise;
  - d. general trading;
  - e. distribution and agent; and
  - f. other forms of partnership.
- (4) Further provisions regarding partnership schemes as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

11. Provisions of Article 57 have been amended, therefore read as follows:

**Article 57**

- (1) Seeding business includes breeding, seeds production, certification, distribution of seeds, as well as export of seeds from and import of seeds into the territory of the Republic of Indonesia.
- (2) In the case of breeding as referred to in paragraph (1), it may be implemented through introduction in the form of seeds or parent material not yet available in the territory of the Republic of Indonesia.
- (3) Seeding business may only be run by business actors who have certificate of competence or certified business entities in the seeding sector and are obligated to implement Seeds quality guarantee through the implementation of certification.
- (4) Provisions regarding certificate of competence or certified business entities and the obligation to implement Seeds quality guarantee as referred to in paragraph (3), shall be exempted for individual or group business actors that run seeding business for their own use and/or limited in 1 (one) group.
- (5) Further provisions regarding seeds production, certification, distribution of seeds, as well as

export and import of seeds as referred to in paragraph (1), introduction as referred to in paragraph (2), competency certification, business entities certification and quality assurance as referred to in paragraph (3), as well as the exemption from the implementation of obligation as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

12. Article 63 has been removed.

13. Provision of Article 68 has been amended, therefore reads as follows:

**Article 68**

Further provisions regarding the cultivation business as referred to in Article 65, recording and reporting procedures as referred to in Article 66, as well as special approval as referred to in Article 67 paragraph (2) shall be regulated under a Regulation of the Government.

14. Provisions of Article 73 have been amended, therefore read as follows:

**Article 73**

- (1) Horticultural products trading business shall regulate the sales and purchase process among sellers and between sellers and consumers.
- (2) Horticultural products trading business actors shall implement a product class system based on quality standards and price standards in a transparent manner.
- (3) Further provisions regarding the mandatory product class system based on quality standard and price standard as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

15. Provisions of Article 88 have been amended, therefore read as follows:

**Article 88**

- (1) Horticultural products import shall take into consideration the following aspects:
  - a. horticultural products' food safety;
  - b. packaging and labeling requirement;
  - c. quality standard; and
  - d. safety and protection provisions on human's health, animal, plant, and environment.
- (2) Horticultural products import may be conducted after Business Licensing from the Central Government is fulfilled.
- (3) Horticultural products import as referred to in paragraph (1) shall be conducted through the designated entry point.
- (4) Further provisions regarding the issuance of Business License as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

16. Provision of Article 90 has been amended, therefore reads as follows:

**Article 90**

The Central Government and Regional Government in accordance with their authorities in improving horticultural marketing shall provide market information.

17. Provisions of Article 92 have been amended, therefore read as follows:

**Article 92**

- (1) The organizers of market and other places for horticultural products' trading may organize the sales of local and imported horticultural products.
- (2) The organizers of market and other places for horticultural products' trading as referred to in paragraph (1), must provide adequate marketing facilities.

18. Provisions of Article 100 have been amended, therefore read as follows:

**Article 100**

- (1) The Central Government should encourage investment in horticultural business.
- (2) The implementation of investment as referred to in paragraph (1) shall be carried out in accordance with the provisions of laws and regulations in the investment sector.

19. Provision of Article 101 has been amended, therefore reads as follows:

**Article 101**

Medium- and large-scale horticultural business actors must offer internship and technology transfer opportunities.

20. Provisions of Article 122 have been amended, therefore read as follows:

**Article 122**

- (1) Every person who violates the provisions as referred to in Article 15 paragraph (1), Article 33, Article 36 paragraph (1) or paragraph (2), Article 37, Article 38, Article 54 paragraph (1) or paragraph (2), Article 60 paragraph (2), Article 71, Article 73 paragraph (2), Article 81 paragraph (4), Article 84 paragraph (1), Article 88 paragraph (1), Article 92 paragraph (2), Article 101, Article 108 paragraph (2), or Article 109 paragraph (2) is subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) may be in the form of:
  - a. written warnings;
  - b. administrative fines;
  - c. temporary suspension of activities;
  - d. withdrawal of products from circulation by business Actors;
  - e. revocation of license; and/or
  - f. business closure.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

21. Article 126 has been removed.

22. Article 131 has been removed.

**Article 34**

Several provisions under Law Number 18 of 2009 on Animal Husbandry and Animal Health (State Gazette of the Republic of Indonesia of 2009 Number 84, Supplement to the State Gazette of the Republic of Indonesia Number 5015), as amended by Law Number 41 of 2014 on the Amendment to Law Number 18 of 2009 on Animal Husbandry and Animal Health (State Gazette of the Republic of Indonesia of 2014 Number 338, Supplement to the State Gazette of the Republic of Indonesia Number 5619) have been amended as follows:

1. Provisions of Article 6 have been amended, therefore read as follows:

**Article 6**

- (1) The existence and benefit of lands that has been designated as common grazing areas should be maintained sustainably.
- (2) Common grazing area as referred to in paragraph (1) shall function as:
  - a. forage plant producer;
  - b. place for natural mating, selection, castration, and artificial insemination services;
  - c. place for animal health services; and/or
  - d. place for or object of research and development on animal husbandry and animal health technology.
- (3) The regency/city regional government whose regions has land reserves that enables and prioritizes small-scale Livestock cultivation are required to establish lands as common grazing area.
- (4) The regency/city regional government guides a form of cooperation between the cultivation of Livestock and cultivation of food crops, horticulture, fisheries, plantations, forestry, as well as other fields in utilizing land in the area as a source of cheap animal feed.
- (5) In the event that the regency/city government does not establish lands as common grazing areas as referred to in paragraph (3), the Central Government may establish lands as common grazing areas.
- (6) Further provisions regarding the provision and management of common grazing areas as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

2. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) Provision and development of Seed (benih) and/or Breed (bibit) is carried out by paying attention to the sustainability of business development of micro-, small- and medium-scale Livestock Farmers.
- (2) The Central Government and Regional Government in accordance with their authorities shall be obliged to develop hatchery and/or nursery business by involving community participation to ensure the availability of Seeds, Breeds, and/or seedlings (bakalan).
- (3) In the event that hatchery and/or nursery business by the community has not develop yet, the Central Government and Regional Government shall establish hatchery and/or nursery units.
- (4) Every distributed Seed and Breed must have Seed or Breed feasibility certificate containing information on pedigree and particular superiority characteristics.
- (5) The Seed or Breed feasibility certificate as referred to in paragraph (4) shall be issued by accredited seed or breed certification agency.
- (6) Every person is prohibited from distributing Seeds or Breeds that do not fulfill the Seed or Breed feasibility certificate obligation as referred to in paragraph (5).

3. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) Import of Seed and/or Breed from overseas into the territory of the Unitary State of the Republic of Indonesia can be carried out to:
  - a. improve quality and genetic diversity;
  - b. develop science and technology;
  - c. overcome any lack of domestic Seeds and/or Breeds; and/or
  - d. fulfill the needs of research and development.
- (2) Every person who carries out import of Seeds and/or Breeds as referred to in paragraph (1) shall fulfill Business Licensing from the Central Government.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

4. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) Export of Seeds and/or Breeds from the territory of the Unitary State of the Republic of Indonesia to overseas can be conducted if the domestic demand has been fulfilled and local Livestock preservation is secured.
- (2) Export as referred to in paragraph (1) is prohibited to be conducted toward the best domestic Seeds and/or Breeds.
- (3) Every person who carries out the activity as referred to in paragraph (1) shall fulfill Business Licensing from the Central Government.
- (4) Further provisions regarding Business Licensing as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

5. Provisions of Article 22 have been amended, therefore read as follows:

**Article 22**

- (1) Every person who produces feed and/or feed materials for commercial distribution is required to fulfill Business Licensing from the Central Government.
- (2) Feed made for commercial distribution shall meet the standard or minimum technical requirements and feed safety, as well as meet the provision of good feed manufacturing practices which are regulated by a Regulation of the Government.
- (3) Feed as referred to in paragraph (2) shall be labelled in accordance with the provisions of laws and regulations.
- (4) Every person is prohibited to:
  - a. distribute feed that are not suitable for consumption;
  - b. use and/or distribute ruminant feed containing feed materials in forms of blood, meat, and/or bone; and/or
  - c. use feed mixed with particular hormones and/or antibiotics as feed additives.
- (5) Further provisions regarding the use of feed mixed with particular hormones and/or antibiotics as feed additives as referred to in paragraph (4) letter c shall be regulated under a Regulation of the Government.

6. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) Livestock cultivation can only be conducted by livestock farmer, Livestock company, and particular parties for special purposes.
- (2) Livestock farmer who conducts Livestock cultivation with type and number of Livestock below particular business scale is given Business Licensing by the Central Government and Regency/City Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Livestock company who conducts Livestock cultivation with type and number of Livestock is above particular business scale is required to fulfill Business Licensing by the Central Government.
- (4) Livestock farmers, Livestock companies, and particular parties who operates Livestock with particular business scale is required to follow the good Livestock cultivation practices by not disturbing public order in accordance with the guidelines stipulated by the Central Government.
- (5) The Central Government and Regional Government in accordance with their authorities are required to protect domestic Livestock business from unfair competition among business actors.

7. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) The Central Government and Regional Government, in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government, shall develop Cultivation Business through investment by individual Indonesian citizen or incorporated corporation.
- (2) The implementation of investment as referred to in paragraph (1) is carried out in accordance with the provisions of laws and regulations in the field of investment.

8. Provisions of Article 36B have been amended, therefore read as follows:

**Article 36B**

- (1) Import of Livestock and animal product from overseas into the territory of the Unitary State of the Republic of Indonesia is carried out to meet the needs by taking into account the interests of livestock farmers.
- (2) Every person who carries out the import of Livestock as referred to in paragraph (1) is required to fulfill Business Licensing from the Central Government.
- (3) Import of Livestock from overseas must:
  - a. fulfill Animal Health technical requirements;
  - b. be free from Infectious Animal Diseases as required by the Veterinary Authority; and
  - c. comply with the provisions of laws and regulations in the field of Animal Quarantine.
- (4) Further provisions regarding import of Livestock and Animal Product as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

9. Provisions of Article 36C have been amended, therefore read as follows:

**Article 36C**



- (1) Import of Broodstock Ruminant Livestock into the territory of The Unitary State of the Republic of Indonesia may originate from a country that has met the import requirements and procedures.
- (2) Requirements and procedures for the import of Broodstock Ruminant Livestock from overseas into the territory of The Unitary State of the Republic of Indonesia shall be stipulated based on risk analysis in the field of Animal Health by Veterinary Authority.
- (3) Import of Broodstock Ruminant Livestock originated from the country as referred to in paragraph (1), other than must meet the provisions as referred to in paragraph (2), must also first:
  - a. be declared free from Infectious Animal Diseases in country of origin by veterinary authority of country of origin in accordance with the provisions stipulated by the world animal health organization and acknowledged by Indonesian Veterinary Authority;
  - b. have the strengthening of surveillance system and implementation in the country be conducted; and
  - c. have certain entry point be determined.
- (4) Every person who carries out the import of Broodstock Ruminant Livestock as referred to in paragraph (1) is required to fulfill Business Licensing from the Central Government.
- (5) Further provisions regarding the import of Broodstock Ruminant Livestock into the territory of the Unitary State of the Republic of Indonesia and Business Licensing shall be regulated under a Regulation of the Government.

10. Provision of Article 37 has been amended, therefore reads as follows:

#### **Article 37**

The Central Government and Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government shall guide and facilitate the development of Animal Product processing industry.

11. Provisions of Article 52 have been amended, therefore read as follows:

#### **Article 52**

- (1) Every person who runs business in the field of manufacturing, supplying, and/or distributing veterinary drug must fulfill Business Licensing from the Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Every person is prohibited to manufacture, supply, and distribute veterinary drug which:
  - a. take the form of biological preparations, the disease of which does not exist in Indonesia;
  - b. without a registration number;
  - c. without any label and marker; and
  - d. does not fulfill the quality standards.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

12. Provisions of Article 54 have been amended, therefore read as follows:

#### **Article 54**

- (1) The provision of veterinary drug may originate from domestic or overseas production.
- (2) Further provisions regarding the provision of veterinary drug as referred to in paragraph (1) shall

be regulated under a Regulation of the Government.

13. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) Every person who will import Animal Product into the territory of the Unitary State of the Republic of Indonesia is required to meet Business Licensing from the Central Government.
- (2) Requirements and procedures for the import of Animal Product from overseas into the territory of the Unitary State of the Republic of Indonesia as referred to in paragraph (1) shall refer to the risk analysis-based provisions in the field of Animal Health and Veterinary Public Health.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

14. Provisions of Article 60 have been amended, therefore read as follows:

**Article 60**

- (1) Every person who has Animal Product business unit is required to meet Business Licensing in the form of veterinary control number from Provincial Governments in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Regency/city Government carries out the guidance of business units that produce and/or distribute animal products produced by household-scale business units that do not yet meet the requirements for veterinary control number.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

15. Provisions of Article 62 have been amended, therefore read as follows:

**Article 62**

- (1) The regency/city government is required to have slaughterhouse that meet the technical requirements.
- (2) Slaughterhouse as referred to in paragraph (1) may be operated by every person after fulfilling Business Licensing from the Central Government.
- (3) Slaughterhouse business as referred to in paragraph (2) shall be conducted under the supervision of the authorized veterinarian in the field of veterinary public health supervision.
- (4) Further provisions regarding slaughterhouse Business Licensing as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

16. Provisions of Article 69 have been amended, therefore read as follows:

**Article 69**

- (1) Animal health services include veterinary laboratory services, veterinary examination and testing laboratory services, veterinary medical services, and/or services in animal health center or animal health post.
- (2) Every person who runs animal health services business as referred to in paragraph (1) is required to fulfill Business Licensing from the Central Government.
- (3) Further provisions regarding Business Licensing for animal health services as referred to in

paragraph (2) shall be regulated under a Regulation of the Government.

17. Provisions of Article 72 have been amended, therefore read as follows:

**Article 72**

- (1) Animal health personnel who conduct animal health services are required to fulfill Business Licensing from the Central Government.
- (2) A foreign animal health personnel may conduct animal health service practice within the territory of The Unitary State of the Republic of Indonesia based on bilateral or multilateral agreement between parties from Indonesia and foreign country or agency in accordance with the provisions of laws and regulations.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

18. Provisions of Article 85 have been amended, therefore read as follows:

**Article 85**

- (1) Every person who violates the provisions as referred to in Article 9 paragraph (1), Article 11 paragraph (1), Article 13 paragraph (4), Article 15 paragraph (3), Article 18 paragraph (2), Article 19 paragraph (1), Article 22 paragraph (1) or paragraph (2), Article 23, Article 24 paragraph (3), Article 25 paragraph (1), Article 29 paragraph (3), Article 42 paragraph (5), Article 45 paragraph (1), Article 47 paragraph (2) or paragraph (3), Article 50 paragraph (3), Article 51 paragraph (2), Article 52 paragraph (1), Article 53 paragraph (2), Article 58 paragraph (5), Article 59 paragraph (1), Article 61 paragraph (1) or paragraph (2), Article 62 paragraph (2) or paragraph (3), Article 69 paragraph (2), Article 72 paragraph (1), or Article 80 paragraph (1) is subject to administrative sanctions.
- (2) Administrative sanction as referred to in paragraph (1) shall in the form of:
  - a. written warning;
  - b. temporary suspension from the activities, production, and/or distribution;
  - c. revocation of Business Licensing and withdrawal of veterinary drugs, feed, tools and machines, or animal products from circulation;
  - d. revocation of Business Licensing; and/or
  - e. imposition of fines.
- (3) Further provisions regarding criteria, types, amount of fine, and procedures of the imposition of administrative sanction as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

19. Provision of Article 88 has been amended, therefore reads as follows:

**Article 88**

Every person who produces and/or distributes untested tools and machines as referred to in Article 24 paragraph (3) which causes damage to the function of the environment or endangers people's lives, shall be sentenced to confinement (*kurungan*) for a minimum of 3 (three) months and a maximum of 11 (eleven) months and fine for a minimum of IDR50,000,000.00 (fifty million rupiah) and a maximum of IDR500,000,000.00 (five hundred million rupiah).

**Subdivision 4**

## Forestry

### Article 35

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing and ease of investment requirements from the Forestry sector, this Law amends, removes, or stipulates new arrangement of several provisions under:

- a. Law Number 41 of 1999 on Forestry (State Gazette of the Republic of Indonesia of 1999 Number 167, Supplement to the State Gazette of the Republic of Indonesia Number 3888), as amended by Law Number 19 of 2004 on Regulation of the Government in Lieu of Law Number 1 of 2004 on the Amendment to Law Number 41 of 1999 on Forestry (State Gazette of the Republic of Indonesia of 2004 Number 86, Supplement to the State Gazette of the Republic of Indonesia Number 4374);
- b. Law Number 18 of 2013 on the Prevention and Eradication of Forest Destruction (State Gazette of the Republic of Indonesia of 2013 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 5432).

### Article 36

Several provisions under Law Number 41 of 1999 on Forestry (State Gazette of the Republic of Indonesia of 1999 Number 167, Supplement to the State Gazette of the Republic of Indonesia Number 3888), as amended by Law Number 19 of 2004 on Regulation of the Government in Lieu of Law Number 1 of 2004 on the Amendment to Law Number 41 of 1999 on Forestry (State Gazette of the Republic of Indonesia of 2004 Number 86, Supplement to the State Gazette of the Republic of Indonesia Number 4374) have been amended, as follows:

1. Provisions of Article 15 have been amended, therefore read as follows:

#### Article 15

- (1) Determination of forest area as referred to in Article 14 shall be conducted through the following process:
  - a. forest area designation;
  - b. forest area boundary arrangement;
  - c. forest area mapping; and
  - d. forest area establishment.
- (2) Determination of forest area as referred to in paragraph (1) shall be conducted by taking into consideration the spatial plan.
- (3) Determination of forest area shall be conducted by utilizing information technology and geographical coordinate or satellite.
- (4) The Central Government shall prioritize the acceleration of the determination of forest area as referred to in paragraph (1) in strategic areas.
- (5) Further provisions pertaining to the prioritizing of the acceleration of the determination of forest area as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

2. Provisions of Article 18 have been amended, therefore read as follows:

#### Article 18

- (1) The Central Government shall establish and maintain the adequacy of forest area and forest coverage for each river basin and/or island for the optimization of environmental, social and economic benefits for the local community.

- (2) The Central Government shall regulate the forest area that shall be maintained in accordance with the physical and geographic conditions of the river basin and/or island.
- (3) Further provisions regarding the forest area that shall be maintained shall include the area in which there is a national strategic project shall be regulated under a Regulation of the Government.

3. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) The change of designation and function of forest area shall be established by the Central Government while considering the result of the integrated research.
- (2) Provisions regarding the procedures to change the designation and function of forest area as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) Utilization of Protected Forests may be in the form of area utilization, environmental service utilization, and collection of non-timber forest products.
- (2) The utilization of protected forests as referred to in paragraph (1) shall be conducted through the issuance of Business Licensing from the Central Government.

5. Provision of Article 27 has been amended, therefore reads as follows:

**Article 27**

Business Licensing as referred to in Article 26 paragraph (2) may be issued to:

- a. individual;
- b. cooperative;
- c. state-owned enterprise;
- d. regionally-owned enterprise;
- e. private enterprise.

6. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) Utilization of production forest may be in the form of area utilization, environmental services utilization, timber and non-timber forest products utilization, as well as collection of timber and non-timber forest products.
- (2) Utilization of production forest as referred to in paragraph (1) shall be conducted through the issuance of Business Licensing from the Central Government.

7. Provision of Article 29 has been amended, therefore reads as follows:

**Article 29**

Business Licensing as referred to in Article 28 paragraph (2) may be issued to:

- a. individual;

- b. cooperative;
- c. state-owned enterprise;
- d. regionally-owned enterprise;
- e. private enterprise.

8. Between Article 29 and Article 30 is inserted 2 (two) articles, namely Article 29A and Article 29B which read as follows:

**Article 29A**

- (1) The utilization of protected forest and production forest as referred to in Article 26 and Article 28 may be conducted social Forestry activities.
- (2) Social Forestry as referred to in paragraph (1) may be granted to:
  - a. individual;
  - b. forest farming group; and
  - c. cooperative.

**Article 29B**

Further provisions regarding Business Licensing for forest utilization and social forestry activities shall be regulated under a Regulation of the Government.

9. Provision of Article 30 has been amended, therefore reads as follows:

**Article 30**

In the framework of economic empowerment of the community, every state-owned enterprise, regionally-owned enterprise, and private enterprise that has obtained Business Licensing for forest utilization, must cooperate with the local community's cooperative.

10. Provisions of Article 31 have been amended, therefore read as follows:

**Article 31**

- (1) In order to guarantee the principles of justice, equity, and sustainability, Business Licensing related to forest utilization shall be limited by taking forest sustainability aspect and business certainty aspect into consideration.
- (2) Provisions regarding the Limitation as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

11. Provision of Article 32 has been amended, therefore reads as follows:

**Article 32**

Holders of Business Licensing must protect, maintain and preserve the forest they manage.

12. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) Forest products utilization business includes forest products' planting, maintaining, harvesting,

processing, and marketing activities.

- (2) Forest products' harvesting and processing as referred to in paragraph (1) must not exceed the forest's carrying capacity.
- (3) Provisions regarding the guidance, and development of forest products' processing as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

13. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

- (1) Every holder of Business Licensing related to forest utilization shall be charged with non-tax state revenue in the forestry sector.
- (2) The non-tax state revenue in the forestry sector as referred to in paragraph (1) originated from reforestation fund shall only be used for forest and land rehabilitation activities.
- (3) Every holder of Business Licensing related to forest utilization must provide investment funds for forest preservation costs.
- (4) Every holder of Business Licensing related to the collection of forest products shall only be charged with non-tax state revenue in the form of provision (provisi) in the forestry sector.
- (5) Further provisions regarding levies as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the Government.

14. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) The use of forest areas for development purposes outside of forestry activities may only be conducted in the production forest area and protected forest area.
- (2) The use of forest area as referred to in paragraph (1) may be conducted without changing the main function of the forest area.
- (3) The use of forest areas shall be conducted through borrow-to-use (pinjam pakai) by the Central Government by taking into consideration certain area boundaries and periods as well as environmental sustainability.
- (4) Mining with an open mining scheme is prohibited in protected forest areas.

15. Provisions of Article 48 have been amended, therefore read as follows:

**Article 48**

- (1) The Central Government and Regional Government in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government shall regulate forest protection, both in and out of forest area.
- (2) Forest protection in state forests shall be implemented by the Central Government and Regional Government in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Holders of Business Licensing related to forest utilization as well as parties that are granted forest management authority as referred to in Article 34, must protect the forests within their working area.
- (4) Forest protection in private forests shall be conducted by the right holders.
- (5) In order to ensure the best implementation of forest protection, the community shall be involved



in the forest protection efforts.

- (6) Further provisions as referred to in paragraph (1), paragraph (2), paragraph (3), paragraph (4), and paragraph (5) shall be regulated under a Regulation of the Government.

16. Provisions of Article 49 have been amended, therefore read as follows:

**Article 49**

- (1) The right or Business Licensing holders must take prevention and control measures regarding forest fire within their working area.
- (2) The right or Business License holders are responsible for the occurrence of forest fire within their working area.

17. Provisions of Article 50 have been amended, therefore read as follows:

**Article 50**

- (1) Every person who are issued Business Licensing in the forest area is prohibited from carrying out activities that may damage the forests.
- (2) Every person is prohibited from:
  - a. working on, using, and/or occupying forest areas illegally;
  - b. burning the forest;
  - c. harvesting or collecting forest products in the forest without right or approval from the authorized officials;
  - d. storing forest products known or reasonably suspected to be originated from forest area which are taken or collected illegally;
  - e. herding livestock in forest area not specifically designated for this purpose by an authorized official;
  - f. disposing objects that may cause fire and damage as well as endanger the existence or continuity of forest's function into the forest area; and
  - g. bringing out, bringing in, and transporting plants and wild animals that are not protected by Law which are originated from the forest area without approval from the authorized officials.
- (3) Further provisions as regards bringing out, bringing in, and transporting protected plants and wild animals shall be regulated in accordance with the provisions of laws and regulations.

18. Between Article 50 and Article 51 is inserted 1 (one) article, namely Article 50A which reads as follows:

**Article 50A**

- (1) In the event that the violations as referred to in Article 50 paragraph (2) letter c, letter d and/or letter e are committed by an individual person or a group of people who live in and/or around the forest area for at least 5 (five) years continuously, administrative sanctions shall be imposed.
- (2) The imposition of administrative sanctions as referred to in paragraph (1) shall be exempted for:
  - a. an individual person or a group of people who live in and/or around the forest area for at least 5 (five) years continuously and are registered in the Forest Area structuring policies; or
  - b. individual person who has received social sanction or customary sanction.

19. Provisions of Article 78 have been amended, therefore read as follows:

**Article 78**

- (1) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (1) will be subject to imprisonment for a maximum of 10 (ten) years and a maximum fine of IDR5,000,000,000.00 (five billion rupiah).
- (2) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter a will be subject to imprisonment for a maximum of 10 (ten) years and a maximum fine of IDR7,500,000,000.00 (seven billion five hundred million rupiah).
- (3) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter b will be subject to imprisonment for a maximum of 15 (fifteen) years and a maximum fine of IDR7,500,000,000.00 (seven billion five hundred million rupiah).
- (4) Every person who due to their negligence violates the provisions as referred to in Article 50 paragraph (2) letter b will be subject to imprisonment for a maximum of 5 (five) years and a maximum fine of IDR3,500,000,000.00 (three billion five hundred million rupiah).
- (5) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter c will be subject to imprisonment for a maximum of 5 (five) years and a maximum fine of IDR3,500,000,000.00 (three billion five hundred million rupiah).
- (6) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter d will be subject to imprisonment for a maximum of 5 (five) years and a maximum fine of IDR3,500,000,000.00 (three billion five hundred million rupiah).
- (7) Every person who deliberately violates the provisions as referred to in Article 38 paragraph (4) will be subject to imprisonment for a maximum of 10 (ten) years and a maximum fine of IDR7,500,000,000.00 (seven billion five hundred million rupiah).
- (8) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter e will be subject to imprisonment for a maximum of 3 (three) months and a maximum fine of IDR10,000,000.00 (ten million rupiah).
- (9) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter f will be subject to imprisonment for a maximum of 3 (three) years and a maximum fine of IDR2,000,000,000.00 (two billion rupiah).
- (10) Every person who deliberately violates the provisions as referred to in Article 50 paragraph (2) letter g will be subject to imprisonment for a maximum of 1 (one) year and a maximum fine of IDR100,000,000.00 (one hundred million rupiah).
- (11) Criminal acts as referred to in Article 50 paragraph (1) and paragraph (2) if committed by corporations and/or on behalf of corporations, the corporation and their management shall be subject to aggravated punishment (pidana dengan pemberatan) of 1/3 (one third) of the principal crime's fines.
- (12) All forest products resulting from crimes and violations and/or equipment, including means of transportation, used to commit crimes and or violations as referred to in this article shall be confiscated for the state.

20. Provisions of Article 78 have been amended, therefore read as follows:

**Article 80**

- (1) Every act violating the law regulated in this Law, without reducing the criminal sanctions as regulated in Article 78, obliges the person in charge of the act to pay compensation in accordance with the level of damage or consequence incurred to the State for the costs of rehabilitation, restoration of forest conditions, or other necessary measures.

- (2) Every holder of Business Licensing for forest utilization regulated in this Law, if violated the provisions outside of the criminal provisions as referred to in Article 78 shall be subject to administrative sanctions.
- (3) Further provisions regarding procedures for compensation as referred to in paragraph (1) and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

### **Article 37**

Several provisions under Law Number 18 of 2013 on Prevention and Eradication of Forest Damage (State Gazette of the Republic of Indonesia of 2013 Number 130, Supplement to State Gazette of the Republic of Indonesia Number 5432) have been amended, as follows:

1. Provisions of Article 1 number 3, number 5, and number 23, and number 24 have been amended, therefore Article 1 reads as follows:

### **Article 1**

Under this Law, the following definitions are employed:

1. Forest is a unity of ecosystem in the form of a stretch of land containing biological natural resources dominated by trees in their natural environment, which cannot be separated from one another.
2. Forest area is a certain area determined by the Government to be maintained as permanent forest.
3. Forest destruction is the process, method, or act of destroying forests through illegal logging activities, use of forest areas without Business Licensing or use of Business Licensing that are contradictory to the purposes and objectives of the granting of Business Licensing in a forest area that has been determined, designated, or its determination is being processed by the Central Government.
4. Illegal logging is every organized illegal exploitation of timber forest products.
5. Illegal use of forest areas is an organized activity carried out within a forest area for plantations and/or mining without Business Licensing from the Central Government.
6. Organized is an activity carried out by a structured group, consisting of 2 (two) people or more, and which act together at a certain time with the aim of damaging forests, excluding community groups living in or around forest areas who practice traditional farming and/or logging for their own needs and not for commercial purposes.
7. Prevention of forest destruction is every effort made to eliminate the chance of forest destruction to occur.
8. Eradication of forest destruction is every effort made to take legal action against perpetrators of forest destruction, either directly, indirectly or other relations.
9. Forest utilization is an activity to utilize forest areas, environmental services, timber and non-timber forest products, and to collect timber and non-timber forest products optimally and fairly for the welfare of the community while maintaining its sustainability.
10. Utilization of timber forest products is an activity to utilize and exploit forest products in the form of timber through logging, regeneration, transportation, processing and marketing activities that do not damage the environment and do not reduce their main functions.
11. Business Licensing related to the utilization of forest products is Business Licensing from the Government to utilize forest products in the form of timber in production forests through harvesting or logging, enrichment, maintenance, and marketing activities.
12. Certificate of legality of forest products are documents which constitute evidence of the legality of forest products in each activity segment in the administration of forest products.

13. Timber forest products are forest products in the form of logs, small logs, processed wood, or hammered wood (kayu pacakan) originating from forest areas.
14. Trees are plants with woody stems and may reach a diameter of 10 (ten) centimeters or more which is measured at a height of 1.50 (one point fifty) meters above the ground.
15. Forestry Police are certain officials within the scope of the central and/or regional forestry agencies who, according to the nature of their work, carry out and/or organize forest protection efforts which by law are given special police powers in the forestry sector and the conservation of biological natural resources and their ecosystems in one command unity.
16. Official is a person who is ordered or who because of their position has the authority with certain duties and responsibilities.
17. Civil Servant Investigators (Pejabat Penyidik Pegawai Negeri Sipil), from this point onwards is referred to as PPNS, is a certain civil servant official within the scope of the central and regional forestry agencies who are given special powers in the field of forestry investigations and conservation of living natural resources and their ecosystems by law.
18. Witness is a person who may provide information for the purposes of preliminary investigation (penyelidikan), investigation (penyidikan), prosecution and trial regarding a criminal case which are heard, seen and experienced personally.
19. Reporter (pelapor) is a person who notifies the authorized official regarding forest destruction that allegedly happened, is happening, or has occurred.
20. Informant is a person who secretly informs the authorized official that forest destruction allegedly happened, is happening, or has occurred.
21. Every person is an individual and/or corporation that has committed an organized forest destruction in the jurisdiction of Indonesia and/or that has legal consequences in the jurisdiction of Indonesia.
22. Corporations are organized groups of people and/or assets, both in the form of a legal entity and non-legal entity.
23. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
24. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
25. Minister is the minister in charge of government affairs in the forestry sector.

2. Provision of Article 7 has been amended, therefore reads as follows:

#### **Article 7**

Prevention of forest destruction is carried out by the community, legal entities, and/or corporations that have obtained Business Licensing related to forest utilization.

3. Provisions of Article 12 have been amended, therefore read as follows:

#### **Article 12**

Every person is prohibited from:

- a. carrying out tree logging in forest areas that are not in accordance with the Business Licensing related to forest utilization;
- b. carrying out tree logging in forest areas without having Business Licensing from the central

government.

- c. carrying out tree logging in forest areas illegally;
- d. loading, unloading, releasing, transporting, controlling, and/or possessing the results of logging in forest areas without Business Licensing from the Central Government;
- e. transporting, controlling, or possessing timber forest products which are not accompanied by a certificate of legality of forest products;
- f. carrying tools commonly used to log, cut, or split trees in a forest area without Business Licensing from the Central Government;
- g. carrying heavy equipment and/or other tools commonly or reasonably suspected to be used to transport forest products in forest areas without Business Licensing from the Central Government;
- h. utilizing timber forest products suspected of originating from illegal logging;
- i. circulating timber resulting from illegal logging by land, water or air;
- j. smuggling timber originating from or entering the territory of the Unitary State of the Republic of Indonesia by river, land, sea or air;
- k. receiving, purchasing, selling, exchanging, accepting deposit (titipan), and/or possessing forest products known to have originated from illegal logging;
- l. purchasing, marketing and/or processing timber forest products originating from forest areas that are illegally taken or collected; and/or
- m. receiving, selling, exchanging, accepting deposit, storing, and/or possessing timber forest products originating from forest areas that are illegally taken or collected.

4. Between Article 12 and Article 13, 1 (one) article has been inserted, namely Article 12A, therefore it reads as follows:

#### **Article 12A**

- (1) Individuals who reside in and/or around a forest area for a minimum of 5 (five) years continuously, who carry out violations of provisions of Article 12 letter a to letter f and/or letter h shall be subject to administrative sanctions.
- (2) Imposition of administrative sanctions as referred to in paragraph (1) shall be exempted for:
  - a. individuals or community groups who reside in and/or around a forest area for a minimum of 5(five) years continuously and are registered in the forest area arrangement policy; or
  - b. individuals that have obtained social sanctions or customary sanctions.

5. Provisions of Article 17 have been amended, therefore read as follows:

#### **Article 17**

- (1) Every person is prohibited from:
  - a. carrying heavy equipment and/or other tools commonly or reasonably suspected to be used to carry out mining activities and/or transport mining products in forest areas without Business Licensing from the Central Government;
  - b. carrying out mining activities in forest areas without Business Licensing from the Central Government;
  - c. transporting and/or receiving deposit of mining products originating from mining activities in forest areas without Business Licensing from the Central Government;

- d. selling, controlling, possessing and/or storing mining products originating from mining activities in forest areas without Business Licensing from the Central Government; and/or
  - e. purchasing, marketing, and/or processing mining products from mining activities in forest areas without Business Licensing from the Government.
- (2) Every person is prohibited from:
- a. carrying heavy equipment and/or other tools commonly or reasonably suspected to be used for carrying out plantation activities and/or transporting plantation products in forest areas without Business Licensing from the Central Government;
  - b. carrying out plantation activities without Business Licensing from the Central Government in forest areas;
  - c. transporting and/or receiving deposit of plantation products originating from plantation activities in forest areas without Business Licensing from the Central Government;
  - d. selling, controlling, possessing, and/or storing plantation products originating from plantation activities in forest areas without Business Licensing from the Central Government; and/or
  - e. purchasing, marketing, and/or processing plantation products from plantations in forest areas without Business Licensing from the Central Government.

6. Between Article 17 and Article 18, 1 (one) article has been inserted, namely Article 17A, which reads as follows:

#### **Article 17A**

- (1) Individuals who reside in and/or around a forest area for a minimum of 5 (five) years continuously, who carry out violations of provision Article 17 paragraph (2) letter b, letter c, and/or letter d shall be subject to administrative sanctions.
- (2) Imposition of administrative sanctions as referred to in paragraph (1) shall be exempted for:
  - a. individuals or community groups who reside in and/or around a forest area for a minimum of 5 (five) years continuously and are registered in the forest area arrangement policy; or
  - b. individuals that have obtained social sanctions or customary sanctions.

7. Provisions of Article 18 have been amended, therefore read as follows:

#### **Article 18**

- (1) Aside from being subject to criminal sanctions, violations of the provisions as referred to in Article 12 letter a, letter b, letter c, Article 17 paragraph (1) letter b, letter c, letter e, and Article 17 paragraph (2) letter b, letter c, and letter e as well as other activities in forest areas without Business Licensing which are carried out by legal entities or corporations shall be subject to administrative sanctions in the form of:
  - a. written reprimands;
  - b. government coercion;
  - c. administrative fines;
  - d. suspension of Business Licensing; and/or
  - e. revocation of Business Licensing.
- (2) Further provisions regarding the criteria, type, amount of fine, and procedure for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.



8. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

Every person is prohibited from:

- a. falsifying Business Licensing related to the utilization of timber forest products and/or use of forest areas;
- b. using fake Business Licensing related to the use of timber forest products and/or use of forest areas; and/or
- c. transferring or selling Business Licensing related to the utilization of forest products, unless with approval from the Central Government.

9. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

Every official is prohibited from:

- a. issuing Business Licensing related to the utilization of timber forest products and/or use of forest areas in forest areas that are not in accordance with their authority;
- b. issuing Business Licensing in forest areas and/or Business Licensing related to the use of forest areas that are not in accordance with the provisions of laws and regulations;
- c. protecting perpetrators of illegal logging and/or illegal use of forest areas;
- d. participating in or assisting illegal logging activities and/or illegal use of forest areas;
- e. making an agreement for illegal logging and/or illegal use of forest areas to happen;
- f. issuing a certificate of legality of forest products without rights;
- g. make deliberate omissions (pembiaran) in carrying out their duties; and/or
- h. negligent in carrying out their duties.

10. Article 53 has been removed.

11. Article 54 has been removed.

12. Provisions of Article 82 have been amended, therefore read as follows:

**Article 82**

- (1) Individuals who deliberately:

- a. carry out tree logging in forest areas that are not in accordance with the Business Licensing related to forest utilization as referred to in Article 12 letter a;
  - b. carry out tree logging in forest areas without Business Licensing from the Central Government as referred to in Article 12 letter b; and/or
  - c. illegally carrying out tree logging in forest areas as referred to in Article 12 letter c,
- shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 5 (five) years and a fine of at least IDR500,000,000.00 (five hundred million rupiah) and a maximum of IDR2,500,000,000.00 (two billion and five hundred million rupiah).



- (2) In the event that the action as referred to in paragraph (1) is committed by an individual who resides in and/or around a forest area for less than 5 (five) years and not continuously, the perpetrator shall be sentenced to imprisonment for a minimum of 3 (three) months and a maximum of 2 (two) years and/or a fine of at least IDR500,000,00 (five hundred thousand rupiah) and a maximum of IDR500,000,000.00 (five hundred million rupiah).
- (3) Corporations that:
  - a. carry out tree logging in forest areas that are not in accordance with Business Licensing related to forest utilization as referred to in Article 12 letter a;
  - b. carry out tree logging in forest areas without Business Licensing as referred to in Article 12 letter b; and/or
  - c. illegally carry out tree logging in forest area as referred to in Article 12 letter c,
 shall be sentenced for:
  - a. its management, with imprisonment for a minimum of 5 (five) years and a maximum of 15 (fifteen) years and a fine of at least IDR5,000,000,000.00 (five billion rupiah) and a maximum of IDR15,000,000,000.00 (fifteen). billion rupiah); and/or
  - b. the corporation, shall be subject to aggravation of 1/3 of the fine which are imposed.

13. Provisions of Article 83 have been amended, therefore read as follows:

#### **Article 83**

- (1) Individuals who deliberately:
  - a. load, unload, release, transport, control, and/or possess logging products in forest areas without Business Licensing as referred to in Article 12 letter d;
  - b. transport, control, or possess timber forest products which are not accompanied by a certificate of legality of forest products as referred to in Article 12 letter e; and/or
  - c. utilize timber forest products that are suspected to be originating from the results of illegal logging as referred to in Article 12 letter h,
 shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 5 (five) years, as well as a fine of at least IDR500,000,000.00 (five hundred million rupiah) and a maximum of IDR2,500,000,000.00 (two billion five hundred million rupiah).
- (2) Individuals, who due to their negligence:
  - a. load, unload, release, transport, control, and/or possess logging products in forest areas without Business Licensing as referred to in Article 12 letter d;
  - b. transport, control or possess timber forest products which are not accompanied by a certificate of legality of forest products as referred to in Article 12 letter e; and/or
  - c. utilize timber forest products suspected to be originating from illegal logging as referred to in Article 12 letter h,
 shall be sentenced with imprisonment for a minimum of 8 (eight) months and a maximum of 3 (three) years as well as a fine of at least IDR10,000,000.00 (ten million rupiah) and a maximum of IDR1,000,000,000.00 (one billion rupiah).
- (3) In the event that the action as referred to in paragraph (1) letter c and paragraph (2) letter c is committed by an individual who has been residing in and/or around a forest area for less than 5 (five) years and not continuously, the perpetrator shall be sentenced with imprisonment for a minimum of 3 (three) months and a maximum of 2 (two) years or a fine of at least IDR500,000.00 (five hundred thousand rupiah) and a maximum of IDR500,000,000.00 (five hundred million rupiah).

- (4) Corporations that:
- load, unload, release, transport, control, and/or possess logging products in forest areas without Business Licensing as referred to in Article 12 letter d;
  - transport, control, or possess timber forest products which are not accompanied by a certificate of legality of forest products as referred to in Article 12 letter e; and/or
  - utilize timber forest products suspected to be originating from illegal logging as referred to in Article 12 letter h,
- shall be sentenced with imprisonment for its management for a minimum of 5 (five) years and a maximum of 15 (fifteen) years and a fine of at least IDR5,000,000,000.00 (five billion rupiah) and a maximum of IDR15,000,000,000.00 (fifteen billion rupiah) and/or the corporation are subject to aggravation of 1/3 of the principal fine.
- (5) In the event that the perpetrator does not fulfill the obligation to comply with the sanctions as referred to in paragraph (4), the perpetrator shall be sentenced with imprisonment for a minimum of 5 (five) years and a maximum of 15 (fifteen) years and fines.

14. Provisions of Article 84 have been amended, therefore read as follows:

#### **Article 84**

- Individuals who deliberately carry tools commonly used for logging, cutting, or splitting trees in forest areas without Business Licensing as referred to in Article 12 letter f shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 5 (five) years or a fine of at least IDR250,000,000.00 (two hundred and fifty million rupiah) and a maximum of IDR5,000,000,000.00 (five billion rupiah).
- Individuals who due to their negligence carry tools commonly used for logging, cutting, or splitting trees in forest areas without Business Licensing from authorized official as referred to in Article 12 letter f shall be sentenced with imprisonment for a minimum of 8 (eight) months and a maximum of 2 (two) years as well as administrative sanctions in the form of fines of at least IDR10,000,000.00 (ten million rupiah) and a maximum of IDR1,000,000,000.00 (one billion rupiah).
- Corporations that carry tools commonly used for logging, cutting, or splitting trees in forest areas without Business Licensing as referred to in Article 12 letter f shall be sentenced for:
  - its management, with an imprisonment of at least 2 (two) years and a maximum of 15 (fifteen) years and fines of at least IDR2,000,000,000.00 (two billion rupiah) and a maximum of IDR15,000,000,000.00 (fifteen billion rupiah); and/or
  - the corporation shall be subject to aggravation of 1/3 of the fine which are imposed.

15. Provisions of Article 85 have been amended, therefore read as follows:

#### **Article 85**

- Individuals who deliberately carry heavy equipment and/or other tools commonly or reasonably suspected to be used to transport forest products in forest areas without Business Licensing referred to in Article 12 letter g shall be sentenced with imprisonment for a minimum of 2 (two) years and a maximum of 10 (ten) years as well as fines of at least IDR2,000,000,000.00 (two billion rupiah) and a maximum of IDR10,000,000,000.00 (ten billion rupiah).
- Corporations that bring heavy equipment and/or other tools commonly or reasonably suspected to be used to transport forest products in forest area without Business Licensing as referred to in Article 12 letter g shall be sentenced for:
  - its management, an imprisonment for a minimum of 5 (five) years and a maximum of 15 (fifteen) years and fines of at least IDR5,000,000,000.00 (five billion rupiah) and a

maximum of IDR15,000,000,000.00 (fifteen billion rupiah).

- b. the corporation shall be subject to aggravation of 1/3 of the fine which are imposed.

16. Provisions of Article 92 have been amended, therefore read as follows:

**Article 92**

(1) Individuals who deliberately:

- a. carry out plantation activities without Business Licensing in forest area as referred to in Article 17 paragraph (2) letter b; and/or
- b. carry heavy equipment and/or other tools commonly or reasonably suspected to be used for carrying out plantation activities and/or transporting plantation products in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter a,

shall be sentenced with imprisonment for a minimum of 3 (three) years and a maximum of 10 (ten) years and/or fines of at least IDR1,500,000,000.00 (one billion five hundred million rupiah) and a maximum of IDR5,000,000,000.00 (five billion rupiah).

(2) Corporations that:

- a. carry out plantation activities without Business Licensing in forest area as referred to in Article 17 paragraph (2) letter b; and/or
- b. carry heavy equipment and/or other tools commonly or reasonably suspected to be used for carrying out plantation activities and/or transporting plantation products in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter a,

shall be sentenced with imprisonment for its management for a minimum of 8 (eight) years and a maximum of 20 (twenty) years as well as fines of at least IDR20,000,000,000.00 (twenty billion rupiah) and a maximum of IDR50,000,000,000.00 (fifty billion rupiah) and/or for the corporation, shall be subject to aggravation of 1/3 of the principal fine.

17. Provisions of Article 93 have been amended, therefore read as follows:

**Article 93**

(1) Individuals who deliberately:

- a. transport and/or receive deposit of plantation products originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter c;
- b. sell, control, possess, and/or store plantation products originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter d; and/or
- c. purchase, market, and/or process plantation products from plantations originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter e,

shall be sentenced with imprisonment for a minimum of 3 (three) years and a maximum of 10 (ten) years or fines of at least IDR1,500,000,000.00 (one billion five hundred million rupiah) and a maximum of IDR5,000,000,000.00 (five billion rupiah).

(2) Individuals who due to their negligence:

- a. transport and/or receive deposit of plantation products originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter c;

- b. sell, control, possess and/or store plantation products originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter d; and/or
- c. purchase, market and/or process plantation products from plantations originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter e

shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 3 (three) years or fines of at least IDR100,000,000.00 (one hundred million rupiah) and a maximum of IDR1,000,000,000.00 (one billion rupiah).

(3) Corporations that:

- a. transport and/or receive deposit of plantation products originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter c;
- b. sell, control, possess and/or store plantation products originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter d; and/or
- c. purchase, market and/or process plantation products from plantations originating from plantation activities in forest areas without Business Licensing as referred to in Article 17 paragraph (2) letter e

shall be sentenced with imprisonment for its management, for a minimum of 5 (five) years and a maximum of 15 (fifteen) years and/or fines of at least IDR5,000,000,000.00 (five billion rupiah) and a maximum of IDR15,000,000,000.00 (fifteen billion rupiah) and/or for the corporation, shall be subject to aggravation of 1/3 of the fine which are imposed.

18. Provisions of Article 96 have been amended, therefore read as follows:

**Article 96**

(1) Individuals who deliberately:

- a. falsify Business Licensing related to the utilization of timber forest products and/or use of forest areas as referred to in Article 24 letter a;
- b. utilize fake Business Licensing related to the utilization of timber forest products and/or use of forest areas as referred to in Article 24 letter b; and/or
- c. transfer or sell Business Licensing as referred to in Article 24 letter c,

shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 5 (five) years and a fine of at least IDR500,000,000.00 (five hundred million rupiah) and a maximum of IDR2,500,000,000.00 (two billion five hundred million rupiah).

(2) Corporations that:

- a. falsify Business Licensing related to the utilization of timber forest products and/or use of forest areas as referred to in Article 24 letter a;
- b. use fake Business Licensing related to the utilization of timber forest products and/or use of forest areas as referred to in Article 24 letter b; and/or
- c. transfer or sell Business Licensing as referred to in Article 24 letter c,

shall be sentenced for:

- 1. its management with imprisonment for a minimum of 5 (five) years and a maximum of 15 (fifteen) years as well as fines of at least IDR5,000,000,000.00 (five billion rupiah) and a maximum of IDR15,000,000,000.00 (fifteen billion rupiah).

2. the corporation, shall be subject to aggravation of 1/3 of the fine which are imposed.

19. Provisions of Article 105 have been amended, therefore read as follows:

#### **Article 105**

Officials who:

- a. issue Business Licensing related to the utilization of timber forest products and/or use of forest areas in forest areas that are not in accordance with their authority as referred to in Article 28 letter a;
- b. issue Business Licensing in forest areas and/or Business Licensing related to the use of forest areas in forest areas that are not in accordance with the provisions of laws and regulations as referred to in Article 28 letter b;
- c. protect perpetrators of illegal logging and/or illegal use of forest areas as referred to in Article 28 letter c;
- d. participate in or assist illegal logging activities and/or illegal use of forest areas as referred to in Article 28 letter d;
- e. make an agreement for illegal logging and/or illegal use of forest areas to happen as referred to in Article 28 letter e;
- f. issue a certificate of legality of forest products without rights as referred to in Article 28 letter f; and/or
- g. make deliberate omissions in carrying out their duties which result in criminal acts of illegal logging and/or illegal use of forest areas as referred to in Article 28 letter g,

shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 10 (ten) years and a fine of at least IDR1,000,000,000.00 (one billion rupiah) and a maximum of IDR10,000,000,000.00 (ten billion rupiah).

20. Between Article 110 and Article 111, 2 (two) articles have been inserted, namely Article 110A and Article 110B which read as follows:

#### **Article 110A**

- (1) Every person who carries out business activities that have been built and have Business Licensing in forest areas prior to the enactment of this Law, and who has not met the requirements in accordance with the provisions of laws and regulations in the forestry sector, is obliged to complete the requirements by no later than 3 (three) years since this Law comes into force.
- (2) If after 3 (three) years since this law comes into force, the requirements as referred to in paragraph (1) have yet to be completed, the perpetrator shall be subject to administrative sanctions, in the form of:
  - a. payment of administrative fines; and/or
  - b. revocation of Business Licensing.
- (3) Further provisions regarding the procedures for the imposition of administrative sanctions and procedures for non-tax state revenue originating from administrative fines as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

#### **Article 110B**

- (1) Every person who commits the violation as referred to in Article 17 paragraph (1) letter b, letter

c, and/or letter e, and/or Article 17 paragraph (2) letter b, letter c, and/or letter e, or other activities in forest areas without Business Licensing which is carried out prior to this Law comes into force, shall be subject to administrative sanctions, in the form of:

- a. temporary suspension of business activities;
  - b. payment of administrative fines; and/or
  - c. government coercion.
- (2) In the event that the violation as referred to in paragraph (1) is committed by an individual who resides in and/or around a forest area for at least 5 (five) years continuously with a maximum area of 5 (five) hectares, shall be exempted from the administrative sanctions and shall be resolved through forest area arrangement.
- (3) Further provisions regarding the procedures for the imposition of administrative sanctions and procedures for non-tax state revenue originating from administrative fines as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

21. Article 111 has been removed.

22. Article 112 has been removed.

## **Subdivision 5**

### **Energy and Mineral Resources**

#### **Article 38**

In order to provide an ease for the community, especially Business Actors in obtaining Business Licensing from Energy and Mineral Resources sector, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 4 of 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2009 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 4959), as amended by Law Number 3 of 2020 on the Amendment to Law Number 4 of 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2020 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 6525);
- b. Law Number 22 of 2001 on Oil and Gas (State Gazette of the Republic of Indonesia of 2001 Number 136, Supplement to the State Gazette of the Republic of Indonesia Number 4152);
- c. Law Number 21 of 2014 on Geothermal (State Gazette of the Republic of Indonesia of 2014 Number 217, Supplement to the State Gazette of the Republic of Indonesia Number 5585);
- d. Law Number 30 of 2009 on Electricity (State Gazette of the Republic of Indonesia of 2009 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5052);

#### **Article 39**

Several provisions under Law Number 4 of 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2009 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 4959), as amended by Law Number 3 of 2020 on the Amendment to Law Number 4 of 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2020 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 6525) have been amended, as follows:

1. Between Article 128 and 129 is inserted 1 (one) article, namely Article 128A, which reads as follows:



**Article 128A**

- (1) Business Actors that increase the added-value of coal as referred to in Article 102 paragraph (2), may be granted certain treatment in regards to the mandatory state revenues as referred to in Article 128.
- (2) The granting of certain treatment in regards to the mandatory state revenues as referred to in paragraph (1) for the coal added-value increasing activities can be in the form of imposition of 0% (zero percent) royalty.
- (3) Further provisions regarding certain treatment as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

2. Provision of Article 162 has been amended, therefore reads as follows:

**Article 162**

Every person that hinders or disrupts mining business activities of a holder of IUP, IUPK, IPR or SIPB who have already met the requirements as referred to in Article 86F letter b and Article 136 paragraph (2), shall be sentenced to confinement for a maximum period of 1 (one) year or a maximum fine of IDR100,000,000.00 (one hundred million rupiah).

**Article 40**

Several provisions under Law Number 22 of 2001 on Oil and Gas (State Gazette of the Republic of Indonesia of 2001 Number 136, Supplement to the State Gazette of the Republic of Indonesia Number 4152) have been amended, as follows:

1. Provisions of Article 1 number 21 and number 22 have been amended, and number 23 has been removed, therefore Article 1 reads as follows:

**Article 1**

Under this Law, the following definitions are employed:

1. Crude Oil is the result of a natural process in the form of hydrocarbon that, under conditions of atmospheric pressure and temperature, takes the form of liquid or solid phase, including asphalt, wax, mineral or ozocerite, and bitumen that are obtained from mining process, but does not include coal or other hydrocarbon sediments in solid form that are obtained from activities not related with Oil-and-Gas business activities.
2. Natural Gas is the result of a natural process in the form of hydrocarbon that, under conditions of atmospheric temperature and pressure, takes the form of gas phase, and is obtained from Oil-and-Gas mining processes.
3. Oil-and-Gas is Crude Oil and Natural Gas.
4. Fuel Oil is fuel derived from and/or processed from Crude Oil.
5. Mining Concession is the authority granted by the State to the Government to organize Exploration and Exploitation activities.
6. General Survey is the field activity that encompasses the collection, analysis, and presentation of data related to geological condition information to estimate the location and potential of Oil-and-Gas resources outside of the Working Area.
7. Upstream Business Activities are business activities that are centered or focused upon Exploration and Exploitation business activities.
8. Exploration is any activity that intends to acquire information as regards geological conditions to discover and obtain estimates of Oil-and-Gas reserves in the determined Working Area.
9. Exploitation is a series of activities that intend to produce Oil-and-Gas from the determined



Working Area, and that consists of the drilling and completion of wells, the construction of means of transportation, storage, and processing for the separation and refining of Oil-and-Gas on the field, as well as other activities that support it.

10. Downstream Business Activities are business activities that are centered or focused upon Processing, Transporting, Storing, and/or Commercial business activities.
11. Processing is the activity to refine, obtain parts, improve quality, and improve the added value of Crude Oil and/or Natural Gas, but not including the field processing.
12. Transportation is the activity to transfer Crude Oil, Natural Gas and/or its processed products from the Working Area or from reservoir and Processing areas, including Natural Gas transportation through transmission and distribution pipes.
13. Storage is the activity to receive, collect, contain and release Crude Oil and/or Natural Gas.
14. Commerce is the activity to purchase, sell, export and/or import Crude Oil and/or its processed products, including the Commerce of Natural Gas through pipes.
15. Indonesian Mining Jurisdiction is the entire lands, waters, and continental shelf of Indonesia.
16. Working Area are certain areas within Indonesian Mining Jurisdiction for the implementation of Exploration and Exploitation.
17. Business Entity is a company in the form of a legal entity that carries out a type of business that is permanent, continuous, and established in accordance with prevailing laws and regulations, as well as operates and domiciles within the territory of the Unitary State of the Republic of Indonesia.
18. Permanent Establishment (Bentuk Usaha Tetap), from this point onwards is referred to as BUT, is any business entity which is established and incorporated outside the territory of the Unitary Nation of the Republic of Indonesia and must conform to the prevailing laws and regulations in the Republic of Indonesia.
19. Cooperation Contract is a Production Sharing Contract or other forms of cooperation contract in Exploration and Exploitation activities which is more beneficial for the State and whose results are used for the maximum prosperity of the people.
20. Business License is the license granted to Business Entity to engage in the Processing, Transporting, Storing, and/or Commerce to gain benefit and/or profit.
21. ....
22. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
23. Has been removed.
24. Regulatory Agency is an agency established to carry out regulation and supervision over the provision and distribution of Fuel Oil and Natural Gas in Downstream Business Activities.
25. Minister is the minister whose scope of duties and responsibilities encompass Oil-and-Gas business activities.

2. Provisions of Article 4 have been amended, therefore read as follows:

#### **Article 4**

- (1) Oil-and-Gas as non-renewable strategic natural resources contained within Indonesian Mining Jurisdiction are national assets that are controlled by the state.
- (2) Control by the state as referred to in paragraph (1) shall be organized by the Central Government through Oil-and-Gas business activities.

- (3) Oil-and-gas business activities as referred to in paragraph (2) consists of Upstream Business Activities and Downstream Business Activities.

3. Provisions of Article 5 have been amended, therefore read as follows:

**Article 5**

- (1) Oil-and-Gas business activities shall be implemented based on Business Licensing from the Central Government.
- (2) Oil-and-Gas business activities consists of:
  - a. Upstream Business Activities; and
  - b. Downstream Business Activities.
- (3) Upstream Business Activities as referred to in paragraph (2) letter a consists of:
  - a. Exploration; and
  - b. Exploitation.
- (4) Downstream Business Activities as referred to in paragraph (2) letter b consists of:
  - a. Processing;
  - b. Transporting;
  - c. Storing; and
  - d. Commerce.

4. Provisions of Article 23 have been amended, therefore read as follows:

**Article 23**

- (1) Downstream oil-and-gas business activities as referred to in Article 5 paragraph (2) letter b, may be carried out by Business Entity after fulfilling Business Licensing from the Central Government.
- (2) Business Entity that fulfills Business Licensing as referred to in paragraph (1) may carry out the following activities:
  - a. Processing;
  - b. Transporting;
  - c. Storing; and/or
  - d. Commerce.
- (3) Business Licensing that has been granted as referred to in paragraph (1) may only be used in accordance with its designated business activity.
- (4) Application for Business Licensing as referred to in paragraph (1) must conducted by using electronic Business Licensing system managed by the Central Government.

5. Between Article 23 and Article 24 is inserted 1 (one) article, namely Article 23A, which reads as follows:

**Article 23A**

- (1) Every person that engages in Downstream Business activities without Business Licensing as referred to in Article 23, shall be subject to administrative sanctions in the form of cessation of businesses and/or activities, fines, and/or Central Government coercion.

- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions shall be regulated under a Regulation of the Government.

6. Provisions of Article 25 have been amended, therefore read as follows:

**Article 25**

- (1) The Central Government may impose administrative sanctions for:
  - a. violation of one of the requirements listed in Business Licensing; and/or
  - b. failure to fulfill the requirements stipulated based on this Law.
- (2) Further provisions regarding procedures for the imposition of administrative Sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

7. Provision of Article 52 has been amended, therefore reads as follows:

**Article 52**

Every person conducting Exploration and/or Exploitation without Business Licensing or Cooperation Contract shall be sentenced to imprisonment for a maximum period of 6 (six) years and a maximum fine of IDR60,000,000,000.00 (sixty billion rupiah).

8. Provision of Article 53 has been amended, therefore reads as follows:

**Article 53**

If the action as referred to in Article 23A results in casualties/damage to health, safety, security, and/or the environment, the perpetrator shall be sentenced to imprisonment for a maximum period of 5 (five) years and a maximum fine of IDR50,000,000,000.00 (fifty billion rupiah).

9. Provision of Article 55 has been amended, therefore reads as follows:

**Article 55**

Every person who misuses Fuel Oil, gas fuel, and/or liquefied petroleum gas Transporting and/or Commerce which are subsidized by the Government shall be sentenced to imprisonment for a maximum period of 6 (six) years and a maximum fine of IDR60,000,000,000.00 (sixty billion rupiah).

**Article 41**

Several provisions under Law Number 21 of 2014 on Geothermal (State Gazette of the Republic of Indonesia of 2014 Number 217, Supplement to the State Gazette of the Republic of Indonesia Number 5585) have been amended, as follows:

1. Provisions of Article 4 have been amended, therefore read as follows:

**Article 4**

- (1) Geothermal is a national asset that is controlled by the state and used for the maximum prosperity of the people.
- (2) The control of Geothermal by the state as referred to in paragraph (1) shall be organized by the Central Government, provincial Governments, and regency/city Governments in accordance with their authorities and based on the principle of utilization.

2. Provisions of Article 5 have been amended, therefore read as follows:

### Article 5

- (1) Geothermal organization by the Central Government as referred to in Article 4 paragraph (2) shall be implemented upon:
  - a. Geothermal for Direct Utilization located:
    1. across provincial territories including production Forest Area and protected Forest Area;
    2. in conservation Forest Area;
    3. in conservation area in waters; and
    4. in sea area more than 12 (twelve) miles from the coastline towards the high seas throughout Indonesia.
  - b. Geothermal for Indirect Utilization located throughout Indonesian territory, including production Forest Area, protected Forest Area, conservation Forest Area and sea area.
- (2) Geothermal organization by provincial Governments as referred to in Article 4 paragraph (2) shall be in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government, and conducted for Direct Utilization located:
  - a. across regency/city territories within one province, including production Forest Area and protected Forest Area; and
  - b. in sea area maximum 12 (twelve) miles from the coastline towards the high seas and/or towards archipelagic waters.
- (3) Geothermal organization by the regency/city Government as referred to in Article 4 paragraph (2) shall be in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government, and conducted for Direct Utilization located in:
  - a. regency/city territories including production Forest Area and protected Forest Area; and
  - b. sea area maximum 1/3 (one third) of sea area under provincial jurisdiction.

3. Provisions of Article 6 have been amended, therefore read as follows:

### Article 6

The authorities of the Central Government in Geothermal organization as referred to in Article 5 paragraph (1) include:

- a. formulation of national policies;
- b. regulation in the Geothermal sector;
- c. Business Licensing in the Geothermal sector;
- d. formulation of norms, standards, procedures, and criteria for Geothermal cultivation activities for direct utilization;
- e. guidance and supervision;
- f. management of geological data and information, as well as Geothermal potential;
- g. inventory and preparation of Geothermal resources and reserves balance sheet;
- h. implementation of Geothermal Exploration, Exploitation, and/or utilization; and
- i. encouraging research, development, and engineering capabilities.

4. Provisions of Article 7 have been amended, therefore read as follows:

### Article 7

The authorities of provincial Regional Governments in Geothermal organization as referred to in Article 5 paragraph (2) shall be implemented in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government, including:

- a. formulation of provincial laws and regulations in the Geothermal sector for Direct Utilization;
- b. issuance of Business Licensing related to direct utilization within the territory under their jurisdiction;
- c. guidance and supervision;
- d. management of geological data and information, as well as Geothermal potential in the provincial territory; and
- e. inventory and preparation of Geothermal resources and reserves balance sheet in the provincial territory.

5. Provisions of Article 8 have been amended, therefore read as follows:

### Article 8

The authorities of regency/city Regional Governments in Geothermal organization as referred to in Article 5 paragraph (3) shall be implemented in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government, including:

- a. formulation of regency/city laws and regulations in the Geothermal for Direct Utilization sector;
- b. issuance of Business Licensing related to direct utilization within the territory under their jurisdiction;
- c. guidance and supervision;
- d. management of geological data and information, as well as Geothermal potential in the regency/city territory; and
- e. inventory and preparation of Geothermal resources and reserves balance sheet in the regency/city territory.

6. Provisions of Article 11 have been amended, therefore read as follows:

### Article 11

- (1) Every Person that engages in Geothermal cultivation for Direct Utilization as referred to in Article 9 paragraph (1) letter a must first obtain Business Licensing related to Direct Utilization.
- (2) Business Licensing related to Direct Utilization as referred to in paragraph (1) shall be issued by the Central Government for Direct Utilizations that are located:
  - a. across provincial territories including Production Forest Area and Protected Forest Area;
  - b. in conservation Forest Area;
  - c. in conservation area in waters; and
  - d. in sea area more than 12 (twelve) miles from the coastline towards the high seas throughout Indonesia.
- (3) Business Licensing related to Direct Utilization as referred to in paragraph (1) shall be issued by governor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government, for Direct Utilizations that are located:
  - a. across regency/city territories within one province including production Forest Area and protected Forest Area; and

- b. in sea area maximum 12 (twelve) miles from the coastline towards the high seas and/or towards archipelagic waters.
- (4) Business Licensing related to Direct Utilization as referred to in paragraph (1) shall be issued by regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government, for Direct Utilizations that are located in:
  - a. regency/city territories including production Forest Area and protected Forest Area; and
  - b. sea area maximum 1/3 (one third) of sea area under provincial jurisdiction.
- (5) Business Licensing related to Direct Utilization as referred to in paragraph (2), paragraph (3), and paragraph (4) shall be based on the application from Every Person.
- (6) Business Licensing related to Direct Utilization shall be issued after Every Person as referred to in paragraph (5) obtained environmental permit in accordance with the provisions of the laws and regulations in the environmental protection and management sector.

7. Article 12 has been removed.

8. Article 13 has been removed.

9. Article 14 has been removed.

10. Provision of Article 15 has been amended, therefore reads as follows:

#### **Article 15**

Further provisions regarding the norms, standards, procedures, and criteria of Geothermal Cultivation for Direct Utilization as referred to in Article 11, including the price of Geothermal energy shall be regulated under a Regulation of the Government.

11. Provisions of Article 23 have been amended, therefore read as follows:

#### **Article 23**

- (1) Business Entity that engages in Geothermal cultivation for Indirect Utilization business as referred to in Article paragraph (1) letter b must first fulfill Business Licensing in the Geothermal sector.
- (2) Business Licensing in the Geothermal sector as referred to in paragraph (1) shall be issued by the Central Government to Business Entity based on the result of Working Area offers.
- (3) Further provisions regarding the issuance of Business Licensing in the Geothermal sector for Indirect Utilization shall be regulated under a Regulation of the Government.

12. Provision of Article 24 has been amended, therefore reads as follows:

#### **Article 24**

In the event that Geothermal cultivation activities for Indirect Utilization are located within Forest Area, holder of Business Licensing related to Geothermal must fulfill Business Licensing in the forestry sector in accordance with provisions of laws and regulations.

13. Article 25 has been removed.

14. Provisions of Article 36 have been amended, therefore read as follows:

**Article 36**

- (1) The Central Government may revoke Business Licensing in the Geothermal sector as referred to in Article 33 letter c if Geothermal business actors:
  - a. violate one of the provisions listed in the Business Licensing in the Geothermal sector; and/or
  - b. failed to fulfill provisions of laws and regulations.
- (2) Before revoking Business Licensing in the Geothermal sector as referred to in paragraph (1), the Central Government shall first grant a chance for a 6 (six) month period to Geothermal business actors to fulfill the obligations in accordance with the provisions regulated under this Law.

15. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

The Central Government may cancel the Business Licensing in the Geothermal sector as referred to in Article 33 letter d if:

- a. Geothermal business actors submit false data, information, or explanation in the application; or
- b. Business Licensing related to Geothermal is declared null based on a court decision.

16. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) In the event that Business Licensing in the Geothermal sector expired due to the reasons as referred to in Article 33, Geothermal business actors must fulfill and settle all obligations in accordance with provisions of the laws and regulations.
- (2) The obligations of Geothermal business actors as referred to in paragraph (1) shall be deemed as fulfilled after approval from Central Government is obtained.
- (3) The Central Government shall establish expiration approval for Business Licensing in the Geothermal sector after Geothermal business actors restore the environmental function in their Working Area as well as other obligations as referred to in paragraph (1).

17. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) Business Entity as holder of Business Licensing in the Geothermal sector that violates or fails to fulfill provisions as referred to in Article 11, Article 20 paragraph (2), Article 23 paragraph (1), Article 26 paragraph (1) or paragraph (2), Article 27 paragraph (1) or paragraph (3), Article 31 paragraph (3), or Article 32 paragraph (2) shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) shall be in the form of:
  - a. written warning;
  - b. temporary suspension of all activities;
  - c. administrative fines; and/or
  - d. revocation of Business Licensing.



- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

18. Provisions of Article 42 have been amended, therefore read as follows:

**Article 42**

- (1) In the event that parcels of state land, land right, ulayat land, and/or Forest Area within Working Area are going to be used, holders of Business Licensing related to direct utilization or holder of Business Licensing related to geothermal shall first settle the use of land with user of land on state land or right holder or Business Licensing in the forestry sector in accordance with the provisions of laws and regulations.
- (2) In the event that the Central Government conducts Exploration to determine Working Area as referred to in Article 17 paragraph (1), before commencing Exploration, the Minister shall settle the use of land with user of land on state land or right holder or Business Licensing in the forestry sector in accordance with the provisions of laws and regulations.
- (3) Settlement as referred to in paragraph (1) and paragraph (2) shall be conducted through deliberation for consensus by way of sale and purchase, barter, adequate compensation, acknowledgment, or other form of compensations for user of land on state land or right holder.
- (4) In the event that Geothermal cultivation activities are conducted by state-owned enterprise that receive special assignment from the Government, land provision shall be conducted in accordance with the provisions of laws and regulations.

19. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) Holder of Business Licensing related to direct utilization or Holder of Business Licensing related to Geothermal, prior to commencing Geothermal cultivation on state land, land right, ulayat land, and/or Forest Area, shall:
  - a. disclose:
    1. Business Licensing related to direct utilization or its valid copy; or
    2. Business Licensing related to Geothermal or its valid copy;
  - b. notify the reason for and location of the activities that will be conducted; and
  - c. carry out settlement or settlement guarantee agreed by the user of land on state land and/or right holder as referred to in Article 42.
- (2) If a holder of Business Licensing related to Direct Utilization or holder of Business Licensing related to geothermal has fulfilled the provisions as referred to in paragraph (1), the user of land on state land and/or right holder must allow the holder of Business Licensing related to direct utilization or holder of Business Licensing related to geothermal to conduct Geothermal business on said land.

20. Provision of Article 46 has been amended, therefore reads as follows:

**Article 46**

Every Person is prohibited from deterring or hindering Geothermal cultivation that has obtained Business Licensing related to Geothermal and has fulfilled the obligations as referred to in Article 42.

21. Provision of Article 47 has been amended, therefore reads as follows:

**Article 47**

Direct Utilization Business Actors are entitled to carry out Geothermal cultivation in accordance with the issued Business Licensing.

22. Provisions of Article 48 have been amended, therefore read as follows:

**Article 48**

Direct Utilization business actors must:

- a. understand and obey the laws and regulations in the field of occupational health and safety as well as environmental protection and management sectors and fulfill the applicable standard;
- b. control environmental pollution and/or damage which includes prevention, countermeasures, and restoration of environmental functions.

23. Provisions of Article 49 have been amended, therefore read as follows:

**Article 49**

Direct Utilization Business actors must fulfill the following obligations:

- a. regional taxes; and
- b. regional levies.

24. Provisions of Article 50 have been amended, therefore read as follows:

**Article 50**

- (1) Every Person conducting Geothermal cultivation for Direct Utilization who fails to fulfill or violates provisions as referred to in Article 48 letter a or letter b or Article 49 shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) shall be in the form of:
  - a. written warning;
  - b. temporary suspension of all Geothermal cultivation activities for Direct Utilization; and/or
  - c. revocation of Business Licensing.
- (3) Further provisions regarding the procedures for the imposition of administrative sanctions as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

25. Provisions of Article 56 have been amended, therefore read as follows:

**Article 56**

- (1) Business Entity as holder of Business Licensing in the Geothermal sector that violates or fails to fulfill provisions as referred to in Article 52 paragraph (1) letter b, letter c, letter d, letter g, letter h, letter i, or letter j, Article 53 paragraph (1), or Article 54 paragraph (1) or paragraph (4) shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) shall be in the form of:
  - a. written warning;
  - b. temporary suspension of all Exploration,

- c. Exploitation, and utilization activities; and/or
  - d. revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

26. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) The Central Government shall carry out guidance and supervision on Geothermal organization for Direct Utilization.
- (2) Further provisions regarding guidance and supervision on Geothermal organization for Direct Utilization shall be regulated under a Regulation of the Government.

27. Article 60 has been removed.

28. Provision of Article 67 has been amended, therefore reads as follows:

**Article 67**

Every Person who deliberately conducts Geothermal cultivation for Direct Utilization without Business Licensing as referred to in Article 11 paragraph (1) which results in casualties/damage to health, safety, security, and the environment, shall be sentenced to imprisonment for a maximum period of 2 (two) years or a maximum fine of IDR6,000,000,000.00 (six billion rupiah).

29. Provision of Article 68 has been amended, therefore reads as follows:

**Article 68**

Every Person with Business Licensing related to Direct Utilization as referred to in Article 11 paragraph (1) who deliberately carries out Geothermal cultivation for Direct Utilization not in the location determined in the Business Licensing which results in casualties/damage to health, safety, security, and the environment, shall be sentenced to imprisonment for a maximum period of 2 (two) years or a maximum fine of IDR7,000,000,000.00 (seven billion rupiah).

30. Provision of Article 69 has been amended, therefore reads as follows:

**Article 69**

Every Person who deliberately carries out Geothermal cultivation for Direct Utilization not in accordance with its designation, which results in casualties/damage to health, safety, security, and the environment, shall be sentenced to imprisonment for a maximum period of 3 (three) years or a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).

31. Provision of Article 70 has been amended, therefore reads as follows:

**Article 70**

Business Entity as holder of Business Licensing in the Geothermal sector who deliberately carries out Exploration, Exploitation, and/or utilization not in the Working Area as referred to in Article 20 paragraph (2) shall be sentenced to a maximum fine of IDR70,000,000,000.00 (seventy billion rupiah).

32. Provision of Article 71 has been amended, therefore reads as follows:

**Article 71**

Business Entity who deliberately carries out Geothermal cultivation for Indirect Utilization without Business Licensing in the Geothermal sector as referred to in Article 23 paragraph (1) which results in casualties/damage to health, safety, security, and environment, shall be sentenced to a maximum fine of IDR50,000,000,000.00 (fifty billion rupiah).

33. Provision of Article 72 has been amended, therefore reads as follows:

**Article 72**

Business Entity as holder of Business Licensing in the Geothermal sector who deliberately uses Business Licensing in the Geothermal sector not in accordance with its designation as referred to in Article 26 paragraph (1) shall be sentenced to a maximum fine of IDR100,000,000,000.00 (one hundred and twenty [sic!] billion rupiah).

34. Provision of Article 73 has been amended, therefore reads as follows:

**Article 73**

Every Person who deliberately deters or hinders Geothermal cultivation toward the holder of Business Licensing in the Geothermal sector as referred to in Article 46 shall be sentenced to imprisonment for a maximum period of 7 (seven) years or a maximum fine of IDR70,000,000,000.00 (seventy billion rupiah).

35. Article 74 has been removed.

**Article 42**

Several provisions under Law Number 30 of 2009 on Electricity (State Gazette of the Republic of Indonesia of 2009 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5052) have been amended as follows:

1. Provisions of Article 1 number 10, number 12, number 15, and number 16 have been amended, as well as number 11 has been removed, therefore Article 1 reads as follows:

**Article 1**

Under this Law, the following definitions are employed:

1. Electricity is anything related to the provision and utilization of electricity as well as electric power support businesses.
2. Electric power is a form of secondary energy generated, transmitted, and distributed for any kind of needs, with the exception of electric power used for communication, electronics, or signals.
3. Electric power supply business is the procurement of electric power including generation, transmission, distribution and sale of electric power to consumers.
4. Electric power generation is the activity to produce electric power.
5. Electric power transmission is the channeling of electric power from the generation to a distribution system or consumer, or intersystem electric power channeling.
6. Electric power distribution is the channeling of electric power from a transmission system or from generation to consumer.

7. Consumer is every person or entity that purchases electric power from a holder of electric power supply business license.
8. Electric power sales business is the electric power sales business activities to consumers.
9. Electricity general plan is the electric power supply system development plan which includes the fields of generation, transmission, and distribution of electric power required to fulfill electric power needs.
10. Business Licensing related to electricity is the licensing to carry out electric power supply business activities in public interests, electric power supply business for own interests, and/or electric power support business.
11. Has been removed.
12. Business area is the area determined by the Central Government as the place for a business entity to carry out electric power distribution and sale businesses.
13. Redress for land right is the substitution for the release or submission of land right including buildings, plants, and/or other things on said land.
14. Compensation is the provision of an amount of money to land right holders including buildings, plants, and/or other things on said land due to the indirect use of land for electricity development without release or submission of land right.
15. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
16. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
17. Minister is the minister in charge of the electricity sector.
18. Every person is an individual or agency, either incorporated or unincorporated.

2. Provisions of Article 3 have been amended, therefore read as follows:

#### **Article 3**

- (1) Electric power supply shall be controlled by the state in which the organization is carried out by the Central Government and Regional Governments based on the principle of regional autonomy in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) For the organization of electric power supply as referred to in paragraph (1), the Central Government and Regional Government in accordance with their authorities shall establish policies, regulations, supervisions, and carry out electric power supply business.

3. Provisions of Article 4 have been amended, therefore read as follows:

#### **Article 4**

- (1) The implementation of electric power supply business by the Central Government and Regional Government in accordance with their authorities based on the norms, standards, procedures, and criteria, shall be carried out by state-owned enterprise and regionally-owned enterprise.
- (2) Private enterprise, cooperative, and community self-reliance may participate in electric power supply business.
- (3) For electric power supply as referred to in Article 3 [sic!] paragraph (1), Central Government and Regional Government shall provide funds for:

- a. low-income community group;
  - b. electric power supply facilities construction in undeveloped area;
  - c. electric power construction in remote and border area; and
  - d. village electric construction.
- (4) Further provisions regarding fund provisions as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

4. Provisions of Article 5 have been amended, therefore read as follows:

#### **Article 5**

- (1) The authorities of the Central Government in the electricity sector include:
- a. establishment of national electricity policy;
  - b. establishment of laws and regulations in the electricity sector;
  - c. establishment of standard, guidelines, and criteria in the electricity sector;
  - d. establishment of guidelines for the determination of electric power tariff for consumer;
  - e. establishment of national electricity general plan;
  - f. designation of business area;
  - g. establishment of Business Licensing related to the cross-country electric power sale and purchase;
  - h. Establishment of Business Licensing for electric power supply;
  - i. determination of electric power tariff for consumer from holders of Business Licensing for electrical-power supply in public interest;
  - j. determination of the approval of the electric power sales price and the lease of electric power grid from holders of Business Licensing for electric power supply in public interest;
  - k. determination of the approval of the sale of excess electric power from holders of Business Licensing for electric power supply for own interests;
  - l. establishment of Business Licensing for electric power support service activities;
  - m. establishment of Business Licensing related to electric power support service businesses conducted by state-owned enterprise or foreign investment/majority of shares are owned by foreign investor;
  - n. establishment of Business Licensing related to the utilization of electric power grid for telecommunication, multimedia, and informatics purposes in the grid owned by holder of Business Licensing related to electric power supply or Business Licensing related to operations determined by the Central Government;
  - o. guidance and supervision of business entities in the electricity sector;
  - p. appointment of electricity inspector;
  - q. guidance of electricity inspector functional position for all level of administration; and
  - r. stipulation of administrative sanctions for business entities whose Business Licensing are established by the Central Government.
- (2) The authorities of provincial Governments in the electricity sector include:
- a. establishment of provincial regulation in the electricity sector;
  - b. establishment of provincial electricity general plan;

- c. guidance and supervision of business entities in the electricity sector whose Business Licensing is established by provincial Governments in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government;
- d. appointment of electricity inspector for province; and
- e. stipulation of administrative sanctions for business entities whose Business Licensing is established by provincial Governments in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

5. Provisions of Article 7 have been amended, therefore read as follows:

**Article 7**

- (1) National electricity general plan shall be formulated based on national energy policies and established by the Central Government.
- (2) National electricity general plan as referred to in paragraph (1) shall be formulated by involving Regional Government.
- (3) Provisions regarding the guidelines to formulate national electricity general plan as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

6. Provisions of Article 10 have been amended, therefore read as follows:

**Article 10**

- (1) Electric power supply business in public interests as referred to in Article 9 letter a include the following types of business:
  - a. electric power generation;
  - b. electric power transmission;
  - c. electric power distribution; and/or
  - d. electric power sales.
- (2) Electric power supply business in public interests as referred to in paragraph (1) can be carried out in an integrated manner.
- (3) Integrated electric power supply business in public interests as referred to in paragraph (2) shall be carried out by 1 (one) business entity within 1 (one) Business Area.
- (4) In the event that the generation, transmission, distribution and sales business are conducted in an integrated manner, the generation and/or transmission business may be carried out outside their Business Area.
- (5) Electric power supply business in public interests with electric power distribution and/or electric power sales as the type of business shall be carried out by 1 (one) business entity within 1 (one) Business Area.
- (6) Further provisions regarding the Business Area as referred to in paragraph (3), paragraph (4), and paragraph (5) shall be regulated under a Regulation of the Government.

7. Provisions of Article 11 have been amended, therefore read as follows:

**Article 11**

- (1) Electric power supply business in public interests as referred to in Article 10 paragraph (1) shall be carried out by state-owned enterprise, regionally-owned enterprise, private enterprise, cooperative, community self-reliance engaging in the electric power supply sector.



- (2) State-owned enterprises as referred to in paragraph (1) shall be granted first priority to carry out electric power supply business in public interests.
- (3) State-owned enterprise, regionally-owned enterprise, private enterprise, cooperative, community self-reliance in carrying out electric power supply business in public interests must prioritize domestic products and potentials.
- (4) For areas that have not received electric power services, the Central Government or Regional Government in accordance with their authorities shall grant the opportunity to regionally-owned enterprise, private enterprise, or cooperative as the organizer of integrated electric power supply business.
- (5) In the event that there is no regionally-owned enterprise, private enterprise, or cooperative that is able to provide electric power in said area, the Central Government must appoint a state-owned enterprise to supply electric power.

8. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) Electric power supply business for own interests as referred to in Article 12 shall be organized only for own use.
- (2) Electric power supply business for own interests may be carried out by Central Government institution, Regional Government institution, state-owned enterprise, regionally-owned enterprise, private enterprise, cooperative, individual, and/or other agencies/business entities.
- (3) Central Government institution, Regional Government institution, state-owned enterprise, regionally-owned enterprise, private enterprise, cooperative, individual, and/or other agencies/business entities in carrying out electric power supply business for own interests must prioritize domestic products and potentials.

9. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) Electric power support services business as referred to in Article 15 letter a includes:
  - a. consultation in the electric power installation sector;
  - b. construction and installation of electric power installation;
  - c. examination and testing of electric power installation;
  - d. operation of electric power installation;
  - e. maintenance of electric power installation;
  - f. research and development;
  - g. education and training;
  - h. test laboratory for electric power equipment and utilization;
  - i. certification of electric power equipment and utilization;
  - j. competency certification for electric power technical personnel;
  - k. certification of electric power support services business entity; and
  - l. other services directly related to electric power supply.
- (2) Electric power support services business as referred to in paragraph (1) shall be carried out by state-owned enterprise, regionally-owned enterprise, private enterprise, public services body, and cooperative that have the certification, classification and qualification.

- (3) Further provisions regarding the certification, classification and qualification of electric power support services business shall be regulated under a Regulation of the Government.

10. Provision of Article 18 has been amended, therefore reads as follows:

**Article 18**

Electric power supply business and electric power support business as referred to in Article 8 shall be carried out after Business Licensing is obtained.

11. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) Business Licensing as referred to in Article 18 shall be issued to business entity for the following activities:
  - a. electric power supply business in public interests;
  - b. electric power supply business for own interests; and
  - c. electric power support services business.
- (2) Business Licensing for electric power supply business in public interests as referred to in paragraph (1) letter a include cross-country electric power sale and purchase activities.
- (3) Every person who organizes electric power supply business in public interests, electric power supply business for own interests, and electric power support services business activities must fulfill Business Licensing as referred to in paragraph (1).

12. Article 20 has been removed.

13. Provisions of Article 21 have been amended, therefore read as follows:

**Article 21**

- (1) The Central Government or Regional Government in accordance with their authorities shall establish Business Licensing.
- (2) Central Government shall establish the norms, standards, procedures, and criteria related to Business Licensing.

14. Provision of Article 22 has been amended, therefore reads as follows:

**Article 22**

Business Licensing for electric power supply for own interests as referred to in Article 19 paragraph (1) letter b is mandatory for power plant with certain capacity regulated under a Regulation of the Government.

15. Provisions of Article 23 has been amended, therefore read as follows:

**Article 23**

- (1) Holders of Business Licensing for electric power supply for own interests may sell excess electric power to be utilized in public interests after obtaining approval from the Central Government or Regional Government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

- (2) The sales of excess electric power as referred to in paragraph (1) can be conducted in the event that holder of Business Licensing for electric power supply activities has not reached said area.

16. Provision of Article 24 has been amended, therefore reads as follows:

**Article 24**

Further provisions regarding Business Licensing for electric power supply business in public interests and electric power supply business for own interests shall be regulated under a Regulation of the Government.

17. Provision of Article 25 has been amended, therefore reads as follows:

**Article 25**

Establishment of Business Licensing for electric power support services industry for industries shall be implemented in accordance with the provisions of laws and regulations in the industrial sector.

18. Provisions of Article 27 have been amended, therefore read as follows:

**Article 27**

- (1) Holders of Business Licensing for electric power supply activities in public interests in carrying out electric power supply business as referred to in Article 10 paragraph (1) have the right to:
- cross river or lake, both above or under the surface;
  - cross sea, both above or under the surface;
  - cross public road and railway;
  - enter public or individual place and temporarily use it;
  - use land and cross above or under ground;
  - cross above or below building constructed above or under ground; and
  - cut and/or chop down blocking plants.
- (2) In carrying out activities as referred to in paragraph (1), holders of Business Licensing for electric power supply activities shall refer to the provisions of laws and regulations.

19. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

Holders of Business Licensing for electric power supply activities in public interests must:

- provide electric power that fulfills the applicable quality and reliability standard;
- provide the best possible service to consumers and the community;
- fulfill the electricity safety provisions; and
- prioritize domestic product and potential.

20. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) Consumers have the right to:

- a. get proper services;
  - b. get electric power continuously in proper quality and reliability;
  - c. obtain electric power that is rightfully theirs at reasonable price;
  - d. get services for repair in case of electric power disturbance;
  - e. be compensated if there is a power cut off due to operational error and/or negligence by holders of Business Licensing for electric power supply in public interests in accordance with the requirements regulated under the electric power sale and purchase agreement.
- (2) Consumers must:
- a. implement safety measure against danger that may occur due to electric power utilization;
  - b. protect the safety of electric power installation belonging to the consumer;
  - c. utilize electric power in accordance with the designation;
  - d. pay electric power usage bill; and
  - e. comply with the technical requirements in the electricity sector.
- (3) Consumers are responsible if due to their negligence the holders of Business Licensing suffer loss in the electric power supply activities.
- (4) Further provisions regarding the consumers' responsibilities as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

21. Provisions of Article 30 have been amended, therefore read as follows:

#### **Article 30**

- (1) The use of land by holders of Business Licensing for electric power supply activities to exercise their rights as referred to in Article 27 shall be conducted by providing redress of the land right or compensating the holder of land, building, and plant right in accordance with the provisions of laws and regulations.
- (2) Redress of the land right as referred to in paragraph (1) shall be provided for land used directly by holder of Business Licensing for electric power supply activities and building as well as plant on the land.
- (3) Compensation as referred to in paragraph (1) shall be provided for land used indirectly by the holders of Business Licensing for electric power supply activities which causes a decrease in the economic value of land, building, and plant crossed by electric power transmission.
- (4) Further provisions regarding the calculation of compensation as referred to in paragraph (3) shall be regulated under a Regulation of the Government.
- (5) In the event that there are parts of land used by business for electric power supply activities that are controlled by holder of land right or state land user, before commencing the activities, the holders of Business Licensing for electric power supply activities must settle said land problems in accordance with the provisions of the laws and regulations in the land sector.
- (6) In the event that in the land used by holders of Business Licensing for electric power provision activities there is an ulayat land, the settlement shall be conducted based on the provisions of the laws and regulations in the land sector while taking into account the provisions of the local customary law.

22. Provisions of Article 32 have been amended, therefore read as follows:

#### **Article 32**

- (1) Determination and procedures for the payment of land right redress or compensation as referred to in Article 30 shall be conducted in accordance with the provisions of the laws and regulations.
- (2) Land right redress or compensation as referred to in Article 30 shall be charged to holders of Business Licensing for electric power supply activities.

23. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) Electric power sales price and lease of electric power grid shall be determined based on healthy business principles.
- (2) The Central Government or Regional Government in accordance with their authorities shall grant approval of electric power sales price and lease of electric power grid based on the norms, standards, procedures, and criteria stipulated by the Central Government.

24. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**

- (1) The Central Government shall determine the electric power tariff for consumers with the approval from the House of Representatives of the Republic of Indonesia.
- (2) Electric power tariff for consumers as referred to in paragraph (1) shall be determined by taking into consideration the balance between national, regional, consumers' and holders of Business Licensing for electric power supply's interests.
- (3) Electric power tariffs for consumers as referred to in paragraph (1) may be determined differently in every region within one business area.

25. Provision of Article 35 has been amended, therefore reads as follows:

**Article 35**

The holders of Business Licensing for electric power supply activities are prohibited from implementing electric power tariff for consumer that is not in accordance with the determination of the Central Government as referred to in Article 34.

26. Provision of Article 35 has been amended, therefore reads as follows:

**Article 37**

Cross-country electric power sale and purchase shall be conducted by the holders of Business Licensing for electric power supply activities in public interests based on the Business Licensing.

27. Provisions of Article 44 have been amended, therefore read as follows:

**Article 44**

- (1) Every electricity business activity must fulfill electricity safety provisions.
- (2) Electricity safety provisions as referred to in paragraph (1) has the aim to realize the following conditions:
  - a. reliable and safe for installation;
  - b. safe from danger on human and other living things; and

- c. environmentally friendly.
- (3) Electricity safety provisions as referred to in paragraph (1) encompass:
  - a. fulfillment of electric power equipment and utilization standardization;
  - b. electric power installation security; and
  - c. electric power utilization security.
- (4) Every electric power installation in operation must have operation worthy certificate.
- (5) Every electric power equipment and utilization must fulfill the provisions of Indonesian national standard.
- (6) Every technical personnel in electricity business must have certificate of competence.
- (7) Provisions regarding electricity safety, operation worthy certificate, Indonesian national standard, and certificate of competence as referred to in paragraph (1) to paragraph (6) shall be regulated under a Regulation of the Government.

28. Provisions of Article 45 have been amended, therefore read as follows:

**Article 45**

- (1) Utilization of electric power grids for telecommunication, multimedia, and informatics interests may only be conducted as long as not disrupting the continuity of electric power supply.
- (2) Utilization of electric power grids as referred to in paragraph (1) may only be conducted with the approval from the grid owner.
- (3) Grid owners as referred to in paragraph (2) shall submit reports to the Central Government.
- (4) Further provisions regarding the utilization of electric power grids as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

29. Provisions of Article 46 have been amended, therefore read as follows:

**Article 46**

- (1) The Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government shall guide and supervise the electric power supply business regarding:
  - a. provision and utilization of source of energy for electric power plant;
  - b. utilization of electric power grid for telecommunication, multimedia, and informatics interests;
  - c. fulfillment of electricity supply adequacy;
  - d. fulfillment technical requirements;
  - e. fulfillment of environmental protection aspects;
  - f. prioritizing domestic goods and services utilization;
  - g. use of foreign workers;
  - h. fulfillment of the quality standard and reliability of electric power supply;
  - i. fulfillment of licensing requirements;
  - j. implementation of electric power tariff; and
  - k. fulfillment of the quality of services provided by electric power support services.

- (2) In conducting supervision as referred to in paragraph (1), the Central Government or Regional Government based on the norms, standards, procedures, and criteria stipulated by the Central Government may:
  - a. carry out field supervision inspection;
  - b. request business implementation report in the electricity sector;
  - c. conduct research and evaluation of business implementation report in the electricity sector; and
  - d. impose administrative sanctions on violation of the provisions of the Business Licensing.
- (3) In conducting technical supervision as referred to in paragraph (1), the Central Government and/or Regional Government may be assisted by electricity inspector and/or Civil Servant Investigator.
- (4) The Central Government may delegate the guidance and supervisory authority as referred to in paragraph (1) to Regional Governments.
- (5) Further provisions regarding the guidance and supervision shall be regulated under a Regulation of the Government.

30. Provisions of Article 48 have been amended, therefore read as follows:

#### **Article 48**

- (1) Every person that violates the provisions as referred to in Article 17 paragraph (3), Article 19 paragraph (3), Article 22, Article 23 paragraph (1), Article 27 paragraph (2), Article 28, Article 30 paragraph (1), Article 33 paragraph (2), Article 35, Article 37, Article 42, Article 44 paragraph (4) or paragraph (5), or Article 45 paragraph (3) shall be subject to administrative sanctions, in the form of:
  - a. written reprimand;
  - b. temporary suspension of activities;
  - c. fines; and/or
  - d. revocation of Business Licensing.
- (2) Every person who constructs building or allows building and/or replants plants, which:
  - a. have been provided redress as referred to in Article 30 paragraph (2) and/or compensation as referred to in Article 30 paragraph (3);
  - b. have the potential to enter the free space or minimum clearances of the electric power grid; or
  - c. have the potential to endanger the safety and/or hinder the reliability of electric power supply,shall be subject to administrative sanctions.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

31. Provisions of Article 49 have been amended, therefore read as follows:

#### **Article 49**

- (1) Every person who engages in electric power provision business in public interest without Business Licensing as referred to in Article 19 paragraph (2) which results in casualties/damage



to health, safety, security, and environment, shall be sentenced to imprisonment for a maximum period of 3 (three) years and a maximum fine of IDR3,000,000,000.00 (three billion rupiah).

- (2) Every person who engages in electric power supply business for own interest without Business Licensing as referred to in Article 22 which results in casualties/damage to Health, Safety, Security, and Environment, shall be sentenced to a maximum fine of IDR4,000,000,000.00 (four billion rupiah).
- (3) Every person who sells excess electric power to be utilized in public interests without approval from the Central Government or Regional Government as referred to in Article 23 paragraph (1) which results in casualties/damage to health, safety, and/or environment, shall be sentenced to imprisonment for a maximum period of 2 (two) years and a maximum fine of IDR2,000,000,000.00 (two billion rupiah).

32. Provisions of Article 49 have been amended, therefore read as follows:

#### **Article 50**

- (1) Every person who failed to fulfill electricity safety as referred to in Article 44 paragraph (1) which costs someone's life due to the electric power, shall be sentenced to imprisonment for a maximum period of 10 (ten) years and a maximum fine of IDR1,000,000,000.00 (one billion rupiah).
- (2) If the action as referred to in paragraph (1) is committed by holders of Business Licensing for electric power supply, the perpetrator shall be sentenced to imprisonment for a maximum period of 10 (ten) years and a maximum fine of IDR1,500,000,000.00 (one billion five hundred million rupiah).
- (3) In addition to the sentence as referred to in paragraph (2), holders of Business Licensing for electric power supply must provide redress for the victim.
- (4) Determination and procedures for the payment of redress as referred to in paragraph (3) shall be implemented in accordance with the provisions of laws and regulations.

33. Between Article 50 and Article 51 is inserted 1 (one) article, namely Article 51A, which reads as follows:

#### **Article 51A**

Every person who constructs building or allows building and/or replants plants, which:

- a. have been provided redress as referred to in Article 30 paragraph (2) and/or compensation as referred to in Article 30 paragraph (3);
- b. have the potential to enter the free space or minimum clearances of the electric power grid; or
- c. have the potential to endangers the safety and/or hinder the reliability of electric power provision,

shall be sentenced to imprisonment for a maximum period of 3 (three) years and a maximum fine of IDR1,000,000,000.00 (one billion rupiah).

34. Article 52 has been removed.

35. Provisions of Article 54 have been amended, therefore read as follows:

#### **Article 54**

- (1) Every person who operates electric power installation without operation worthy certificate as

referred to in Article 44 paragraph (4) which results in casualties, shall be sentenced to imprisonment for a maximum period of 5 (five) years and a maximum fine of IDR500,000,000.00 (five hundred million rupiah).

- (2) In the event that public household electric power installation is operated without operation worthy certificate, the impact arising from the absence of operation worthy certificate shall be the responsibilities of electric power providers.

## **Subdivision 6**

### **Nuclear**

#### **Article 43**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing from the Nuclear sector, several provisions under Law Number 10 of 1997 on Nuclear (State Gazette of the Republic of Indonesia of 1997 Number 23, Supplement to State Gazette of the Republic of Indonesia Number 3676) have been amended:

1. Between Article 2 and Article 3 is inserted 1 (one) article, namely Article 2A, that reads as follows:

#### **Article 2A**

The Central Government is authorized to grant Business Licensing related to nuclear.

2. Provisions of Article 4 have been amended, therefore read as follows:

#### **Article 4**

- (1) The Central Government shall establish a Supervisory Agency that is under and responsible directly to the President, and is in charge of implementing supervision to all nuclear utilization activities.
- (2) To carry out the duty as referred to in paragraph (1), the Supervisory Agency shall organize regulation, licensing, and inspection.

3. Provisions of Article 9 have been amended, therefore read as follows:

#### **Article 9**

- (1) Nuclear Minerals are controlled by the state.
- (2) The Central Government determines Nuclear Minerals mining business area in accordance with the provisions of laws and regulations.
- (3) Further provisions regarding Nuclear Minerals shall be regulated under a Regulation of the Government.

4. Between Article 9 and Article 10 is inserted 1 (one) article, namely Article 9A, that reads as follows:

#### **Article 9A**

- (1) The Central Government may determine the business entities that carries out Nuclear Minerals mining activities as referred to in Article 9.
- (2) Mining activities, as referred to in paragraph (1), can be carried out by state-owned enterprises in cooperation with private enterprises.
- (3) Business entities as referred to in paragraph (1) must fulfill Business Licensing from the Central

Government.

- (4) Nuclear Mineral mining as referred to in paragraph (1) includes mining that produce radioactive accessory minerals.
- (5) Business entity related to mineral and coal mining producing radioactive accessory minerals as referred to in paragraph (4) is required to have Business Licensing from the Central Government.
- (6) In the event that an individual or business entity finds radioactive accessory minerals, they are required to transfer it to the State or state-owned enterprises in accordance with the provisions of laws and regulations.
- (7) Further provisions regarding the mining of Nuclear Minerals and radioactive accessory minerals shall be regulated under a Regulation of the Government.

5. Article 10 has been removed.

6. Elucidation of Article 14 have been amended as listed in the elucidation.

7. Provisions of Article 17 have been amended, therefore read as follows:

#### **Article 17**

- (1) Every nuclear power utilization activity must fulfill Business Licensing from the Central Government, except in certain cases stipulated under a Regulation of the Government.
- (2) Construction and operation of nuclear reactor and other nuclear installation, as well as decommissioning of nuclear reactors must fulfill Business Licensing from the Central Government.
- (3) Further provisions regarding requirements and procedures for Business Licensing as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

8. Article 18 has been removed.

9. Provisions of Article 20 have been amended, therefore read as follows:

#### **Article 20**

- (1) Inspection to the nuclear installations and installations that utilize ionizing radiation shall be carried out by the Central Government.
- (2) Further provisions regarding inspection as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

10. Provisions of Article 25 have been amended, therefore read as follows:

#### **Article 25**

- (1) The Central Government provides a sustainable storage places for high-level radioactive waste.
- (2) Determination of sustainable storage places as referred to in paragraph (1) shall be stipulated by the Central Government after obtaining approval from the House of Representative of the Republic of Indonesia.

11. Provisions of Article 41 have been amended, therefore read as follows:

**Article 41**

- (1) Every person who constructs, operates, utilizes, and/or carries out the decommissioning of nuclear reactor without Business Licensing as referred to in Article 17 paragraph (2) shall be sentenced to imprisonment for a maximum of 10 (ten) years and a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).
- (2) Every person committing the act as referred to in Article 17 paragraph (2) who incurs nuclear losses shall be sentenced to life imprisonment or imprisonment for a maximum of 15 (fifteen) years and a maximum fine of IDR20,000,000,000.00 (twenty billion rupiah).
- (3) In the event that the convict is unable to pay the fine as referred to in paragraph (1) or paragraph (2), shall be sentenced to confinement for a maximum of 1 (one) year.

**Subdivision 7**

**Industry**

**Article 44**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing and ease of investment requirements from the Industrial sector, several provisions under Law Number 3 of 2014 on Industrial Affairs (State Gazette of the Republic of Indonesia of 2014 Number 4, Supplement to State Gazette of the Republic of Indonesia Number 5492) have been amended as follows:

1. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

Industrial resources development includes:

- a. development of human resources;
- b. utilization of natural resources;
- c. development and utilization of Industrial Technology;
- d. development and utilization of creativity and innovation;
- e. provision of sources of financing; and
- f. provision of raw materials and/or auxiliary materials for industries.

2. Between Article 48 and Article 49 is inserted 1 (one) article, namely Article 48A, that reads as follows:

**Article 48A**

- (1) To maintain the continuity of production process and/or industrial development, the Central Government and Regional Government in accordance with their authorities shall provide an ease to obtain raw materials and/or auxiliary materials in accordance with industrial requirements plan.
- (2) The ease as referred to in paragraph (1) shall include ease in importing raw materials and/or auxiliary materials for industries in accordance with industrial requirements plan.
- (3) Further provisions regarding the ease to obtain raw materials and/or auxiliary materials shall be regulated under a Regulation of the Government.

3. Provisions of Article 50 have been amended, therefore read as follows:

**Article 50**

- (1) The Central Government shall conduct the planning, guidance, development, and supervision of Industrial Standardization.
- (2) Industrial Standardization is undertaken in the form of SNI, technical specification, and/or code of practice.
- (3) SNI, technical specifications and/or code of practice are applicable across the territory of the Unitary State of the Republic of Indonesia.

4. Provisions of Article 53 have been amended, therefore read as follows:

**Article 53**

- (1) Every person shall be prohibited from:
  - a. affixing the SNI mark or the conformity mark upon any Industrial goods and/or Services which do not conform to the provisions of SNI, technical specifications, and/or code of practice; or
  - b. producing, importing and/or circulating Industrial goods and/or Services which do not conform to SNI, technical specifications, and/or code of practice which have been enforced mandatorily.
- (2) The Central Government may enact exceptions to SNI, technical specifications and/or code of practice which have been enforced mandatorily as referred to in paragraph (1) letter b for the import of certain goods.

5. Provisions of Article 57 have been amended, therefore read as follows:

**Article 57**

- (1) The voluntary implementation of SNI as referred to in Article 51 and the mandatory enforcement of SNI, technical specifications, and/or code of practice as referred to in Article 52 shall be conducted through conformity assessments.
- (2) Conformity assessments of voluntarily implemented SNI as referred to in paragraph (1) shall be conducted by accredited conformity assessment agencies.
- (3) Conformity assessments of SNI, technical specifications, and/or code of practice that have been mandatorily enforced as referred to in paragraph (1) shall be conducted by accredited conformity assessment agencies appointed by the Central Government.
- (4) Further provisions regarding the guidance and supervision toward conformity assessment agencies shall be regulated under a Regulation of the Government.

6. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) The Central Government shall supervise the implementation of the entire sequence of the implementation of SNI as referred to in Article 51 paragraph (2) and paragraph (3) as well as the mandatory enforcement of SNI, technical specifications, and/or code of practice as referred to in Article 52.
- (2) In conducting the supervisory authority as referred to in paragraph (1), the Central Government may appoint accredited agencies.

7. Provisions of Article 84 have been amended, therefore read as follows:

**Article 84**

- (1) Strategic Industries shall be controlled by the state.
- (2) Strategic Industries as referred to in paragraph (1) consists of Industries that:
  - a. meet the needs which are important for the welfare of the people or which control the livelihood of many people;
  - b. increase or produce added value to strategic natural resources; and/or
  - c. correlate with the interests of state defense and security.
- (3) Control over Strategic Industries by the state as referred to in paragraph (1) is conducted through:
  - a. ownership arrangements;
  - b. policy stipulation;
  - c. Business Licensing arrangements;
  - d. production, distribution, and price arrangements; and
  - e. supervision.
- (4) Ownership arrangements over Strategic Industries as referred to in paragraph (3) letter a are conducted through:
  - a. equity participation wholly by the Central Government;
  - b. establishment of joint ventures between the Central Government and the private sector; or
  - c. ownership restrictions for foreign investors in accordance with the provisions of laws and regulations.
- (5) The stipulation of Strategic Industrial policies as referred to in paragraph (3) letter b at least include:
  - a. stipulation on types of Strategic Industries;
  - b. granting of facilities; and
  - c. granting of compensation for losses.
- (6) Business Licensing related to Strategic Industries as referred to in paragraph (3) letter c shall be granted by the Central Government.
- (7) Production, distribution, and price arrangements as referred to in paragraph (3) letter d shall be conducted by, at least, stipulate the amounts of production, distribution, and the prices of products.
- (8) The supervision as referred to in paragraph (3) letter e include the stipulation of Strategic Industries as national vital objects and the supervision of distribution.
- (9) Further provisions regarding the Strategic Industries as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

8. Provisions of Article 101 have been amended, therefore read as follows:

**Article 101**

- (1) Every Industrial business activities must fulfil Business Licensing from the Central Government.
- (2) Industrial business activities as referred to in paragraph (1) includes:
  - a. small-scale industries;

- b. medium-scale industries; and
  - c. large-scale industries.
- (3) Industrial Companies which have obtained Business Licensing as referred to in paragraph (1) must:
  - a. conduct Industrial business activities in accordance with the Business Licensing owned; and
  - b. guarantee the security and safety of equipment, processes, production results, storage, and transportation.

9. Article 102 has been removed.

10. Provision of Article 104 has been amended, therefore reads as follows:

**Article 104**

Every Industrial Company that fulfils the Business Licensing as referred to in Article 101 paragraph (3) may conduct expansion in accordance with the provisions of laws and regulations.

11. Provisions of Article 105 have been amended, therefore read as follows:

**Article 105**

- (1) Every business activity of Industrial Estate must fulfil Business Licensing from the Central Government.
- (2) Industrial Estate Companies must fulfil Industrial Estate standard stipulated by the Central Government.
- (3) Every Industrial Estate Company which conducts an expansion must have Business Licensing from the central government.

12. Between Article 105 and Article 106 is inserted 1 (one) article, namely Article 105A, that reads as follows:

**Article 105A**

Business Licensing for business activity of Industrial Estate located in special economic zone is carried out in accordance with the norms, standards, procedures, and criteria in the special economic zone sector stipulated by the Central Government.

13. Provisions of Article 106 have been amended, therefore read as follows:

**Article 106**

- (1) Industrial Companies which will undertake an Industry must be located in Industrial Estate.
- (2) The obligation to be located in an Industrial Estate as referred to in paragraph (1) is exempted for any Industrial Company which will undertake an Industry and are located in a regency/city area which:
  - a. does not yet have an Industrial Estate;
  - b. has had an Industrial Estate but all Industrial blocks in the Industrial Estate are fully occupied; or
  - c. there is Special Economic Zone which has an industrial zone.



- (3) Exemptions from the obligation to be located in an Industrial Estate as referred to in paragraph (1) are also apply to:
  - a. Small-scale Industries and medium-scale Industries that do not have the potential to cause environmental pollution with a wide impact; or
  - b. Industries that uses specific Raw Materials and/or whose production process requires a specific location.
- (4) Exempted Industrial Companies as referred to in paragraph (2) and medium-scale Industrial Companies as referred to in paragraph (3) letter a must be located at industrial allocated zones.
- (5) The Industry as referred to in paragraph (3) shall be stipulated by the Central Government.

14. Provision of Article 108 has been amended, therefore reads as follows:

#### **Article 108**

Further provisions regarding the Business Licensing as referred to in Article 101, Article 104, Article 105 and the obligation to be located in Industrial Estate as referred to in Article 106 as well as procedures for the imposition of administrative sanctions and the amounts of administrative fines as referred to in Article 107 shall be regulated under a Regulation of the Government.

15. Provisions of Article 115 have been amended, therefore read as follows:

#### **Article 115**

- (1) The community may participate in the planning, implementation, and supervision of Industrial development.
- (2) Community participation as referred to in paragraph (1) is realized in the form of:
  - a. giving suggestions, opinions, and proposals; and/or
  - b. submission of information and/or report.
- (3) Further provisions regarding the community participation in Industrial development as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

16. Provisions of Article 117 have been amended, therefore read as follows:

#### **Article 117**

- (1) The Central Government conducts supervision and control of Industrial business activities and Industrial Estate business activities.
- (2) The supervision and control as referred to in paragraph (1) are conducted to ascertain the fulfilment of and compliance with regulations in the field of Industry implemented by Industrial Companies and Industrial Estate Companies.
- (3) The fulfillment and compliance toward regulations in the field of Industry implemented by Industrial Companies and Industrial Estate Companies as referred to in paragraph (2) at least includes:
  - a. Industrial human resources;
  - b. natural resources utilization;
  - c. energy management;
  - d. water management;
  - e. SNI, technical specifications, and/or code of practice;

- f. Industrial Data and Industrial Estate Data;
  - g. Green Industry standard;
  - h. Industrial Estate standard;
  - i. Business Licensing for Industrial business activities and Business Licensing for Industrial Estate business activities; and
  - j. security and safety of equipment, processes, production results, storage and transportation.
- (4) In the implementation of supervision and control as referred to in paragraph (1), the Central Government may appoint an accredited institution.
- (5) Further provisions regarding the procedures for the supervision and control of Industrial business and Industrial Estate business shall be regulated under a Regulation of the Government.

### **Subdivision 8**

## **Trade, Legal Metrology, Halal Product Guarantee, and Standardization and Assessment of Conformity**

### **Article 45**

In order to provide an ease for the community, especially Business Actors in obtaining Business Licensing from the sectors of trade, legal metrology, halal product guarantee, and standardization and assessment of conformity, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 7 of 2014 on Trade (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to State Gazette of the Republic of Indonesia Number 5512);
- b. Law Number 2 of 1981 on Legal Metrology (State Gazette of the Republic of Indonesia of 1981 Number 11, Supplement to State Gazette of the Republic of Indonesia Number 3193);
- c. Law Number 33 of 2014 on Halal Product Guarantee (State Gazette of the Republic of Indonesia of 2014 Number 294, Supplement to State Gazette of the Republic of Indonesia Number 5604).

### **Article 46**

Several provisions under Law Number 7 of 2014 on Trade (State Gazette of the Republic of Indonesia of 2014 Number 45, Supplement to State Gazette of the Republic of Indonesia Number 5512) have been amended as follows:

- 1. Provisions of Article 6 have been amended, therefore read as follows:

#### **Article 6**

- (1) Every Business Actor must use or affix an Indonesian-language label to Goods which are traded domestically.
- (2) Every Business Actor who does not fulfil the provisions as referred to in paragraph (1) shall be subject to administrative sanctions.
- (3) Further provisions regarding the use and affixing of Indonesian-language labels shall be regulated under a Regulation of the Government.

- 2. Provision of Article 11 has been amended, therefore reads as follows:

#### **Article 11**

Further provisions regarding the Goods Distribution shall be regulated under a Regulation of the Government.

3. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) The Central Government shall regulate equal and fair development, arrangement, and guidance for traditional market, shopping center, convenience store, and wholesaler to create business certainty and balanced cooperative relationship between supplier and retailer by still paying attention to the alignments to cooperatives, and micro-, small-, and medium- businesses.
- (2) The development, organization, and guidance as referred to in paragraph (1) is conducted through regulation of Business Licensing, spatial layout, zoning with due regard to the distance and location of establishment, partnership, and business cooperation.
- (3) Further provisions regarding the Business Licensing, spatial layout, and zoning as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

4. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) Warehouse as referred to in Article 12 paragraph (1) letter (d) is one of Trade facilities to improve the smooth Distribution of Goods which are traded domestically and overseas.
- (2) Every warehouse owner must fulfil Business Licensing from the Central Government.
- (3) Every warehouse owner without Business Licensing as referred to in paragraph (2) shall be subject to administrative sanction.
- (4) Further provisions regarding the Business Licensing as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

5. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) Every warehouse owner, management, or tenant who are engaged in storing Goods for trading must conduct administrative record at least in the form of the quantity of Goods which are stored and the quantity of Goods which enters and leaves the Warehouse.
- (2) Every warehouse owner, management, or tenant who does not conduct administrative record as referred to in paragraph (1) shall be subject to administrative sanction.
- (3) Further provisions regarding the administrative record of Goods as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

6. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

- (1) Every Business Actor which engage in Trade business activities must fulfil Business Licensing from the Central Government.
- (2) The Central Government may grant an exemption to the obligation to fulfill Business Licensing as referred to in paragraph (1).
- (3) Every Business Actor who does not carry out the fulfilment of Business Licensing as referred to in paragraph (1) shall be subject to administrative sanction.

- (4) Further provisions regarding the Business Licensing in Trade sector as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

7. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) The Central Government may request for data and/or information from a Business Actor regarding the stock of basic necessity Goods and/or essential Goods.
- (2) Business Actors are prohibited to manipulate the data and/or information on the stock of basic necessity Goods and/or essential Goods.

8. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) Producer or Importer who fails to fulfil the provisions on Goods registration as referred to in Article 32 paragraph (1) must terminate Goods Trading activities and withdraw the Goods from:
  - a. distributors;
  - b. agents;
  - c. grocers;
  - d. retailers; and/or
  - e. consumers.
- (2) The order to terminate Trade activities and withdrawal from Distribution to the Goods as referred to in paragraph (1) shall be conducted by the Central Government.
- (3) Producer or Importer who fails to fulfil the provisions as referred to in paragraph (1) shall be subject to administrative sanction.

9. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

- (1) Every Business Actor must comply with provisions on the stipulation of Goods and/or Services which are determined as Goods and/or Services subject to Trade restriction as referred to in Article 35 paragraph (2).
- (2) Every Business Actor who violates provisions on the determination of Goods and/or Services as referred to in paragraph (1) shall be subject to administrative sanction.

10. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) The Central Government shall regulate Foreign Trade activities through policies and controls in the Export and Import sector.
- (2) Foreign Trade policies and control as referred to in paragraph (1) shall be directed towards:
  - a. improvement of the competitiveness of Indonesia's Export products;
  - b. improvement and expansion of access to foreign Markets;
  - c. improvement of the capability of Exporters and Importers to become a reliable Business Actor; and

- d. enhancement and development of national invention and innovation products which are exported overseas.
- (3) Foreign Trade Policy shall at least include:
- a. increase in the quantities and types as well as added-value of export products;
  - b. harmonization of the Standards and procedures for Trade activities with trading partner countries;
  - c. institutional strengthening in the Foreign Trade sector;
  - d. development of supporting facilities and infrastructure for Foreign Trade; and
  - e. protection and safeguards of the national interest from the negative impacts of Foreign Trade.
- (4) Controls of Foreign Trade shall include:
- a. Business Licensing/approval;
  - b. standard; and
  - c. prohibition and restriction.

11. Provisions of Article 42 have been amended, therefore read as follows:

**Article 42**

- (1) Export of Goods shall be conducted by Business Actors that has fulfilled Business Licensing from the Central Government.
- (2) Further provisions regarding the Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

12. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) Exporters shall be fully responsible for the exported Goods.
- (2) Exporters who fail to be responsible for the exported Goods as referred to in paragraph (1) shall be subject to administrative sanction.

13. Provisions of Article 45 have been amended, therefore read as follows:

**Article 45**

- (1) Import of Goods may only be conducted by Importers who fulfil Business Licensing from the Central Government.
- (2) In the event that the import is not conducted for trade activities, importers does not need Business Licensing.
- (3) Further provisions regarding the Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

14. Provisions of Article 46 have been amended, therefore read as follows:

**Article 46**

- (1) Importers shall be fully responsible for the imported Goods.

- (2) Importers who fail to be responsible for the imported Goods as referred to in paragraph (1) shall be subject to administrative sanction.

15. Provisions of Article 47 have been amended, therefore read as follows:

**Article 47**

- (1) Importer must import new Goods.
- (2) In certain circumstances, the Central Government may determine used imported Goods.
- (3) Further provisions regarding the determination of used imported Goods as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

16. Article 49 has been removed.

17. Provisions of Article 51 have been amended, therefore read as follows:

**Article 51**

- (1) Exporters are prohibited from exporting Goods which are determined as Goods prohibited to be exported.
- (2) Importers are prohibited from importing Goods which are determined as Goods prohibited to be imported.
- (3) Further provisions regarding the criteria of prohibited goods as referred to in paragraph (1) and paragraph (2) shall be stipulated by a Regulation of the Government.

18. Provisions of Article 52 have been amended, therefore read as follows:

**Article 52**

- (1) Exporters are prohibited from exporting Goods which are not in accordance with the provisions on restriction of Goods to be exported.
- (2) Importers are prohibited from importing Goods which are not in accordance with the provisions on restriction of Goods to be imported.
- (3) Every Exporter and/or Importer who are committing the violations as referred to in paragraph (1) and paragraph (2) shall be subject to administrative sanction.
- (4) Provisions on the criteria of restricted goods as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

19. Provisions of Article 53 have been amended, therefore read as follows:

**Article 53**

- (1) Exporters who are subject to administrative sanction as referred to in Article 52 paragraph (3), the exported Goods shall be put under state custody in accordance with the provisions of laws and regulations.
- (2) Importers who are subject to administrative sanction as referred to in Article 52 paragraph (3), the imported Goods must be re-exported, destroyed by the Importer, or otherwise determined by the Central Government.

20. Provisions of Article 57 have been amended, therefore read as follows:

**Article 57**

- (1) Goods which are traded domestically must conform to:
  - a. mandatory enforcement of SNI; or
  - b. mandatory enforcement of technical requirements.
- (2) Business Actors are prohibited from domestically trading Goods that does not conform to the mandatory enforcement of SNI or the mandatory enforcement of technical requirements.
- (3) The enforcement of SNI or technical requirements as referred to in paragraph (1) shall be stipulated by the Central Government.
- (4) The enforcement of SNI or technical requirements as referred to in paragraph (3) shall be made by considering the following aspects:
  - a. security, safety, health, and the environment;
  - b. competitiveness of national producers and fair business competition;
  - c. capability and preparedness of the national business world; and/or
  - d. infrastructure readiness of conformity assessment agencies.
- (5) Goods subject to mandatory enforcement of SNI or technical requirements as referred to in paragraph (1) must be affixed with a SNI mark or a conformity mark or equipped with a certificate of conformity acknowledged by the Central Government.
- (6) Goods that are traded and not yet subject to mandatory enforcement of SNI may be affixed with an SNI mark or a conformity mark provided that they are proven with a product certificate for the use of SNI mark or a certificate of conformity.
- (7) Business Actors who trade Goods subject to mandatory enforcement of SNI or technical requirements, but failing to affix an SNI mark, a conformity mark, or not equipping a certificate of conformity as referred to in paragraph (5) shall be subject to administrative sanction.

21. Provisions of Article 60 have been amended, therefore read as follows:

**Article 60**

- (1) A Service Provider is prohibited from domestically trading Services that does not conform to the mandatory enforcement of SNI, technical requirements, or qualifications.
- (2) The mandatory enforcement of SNI, technical requirements, or qualifications as referred to in paragraph (1) shall be stipulated by the Central Government.
- (3) The mandatory enforcement of SNI, technical requirements, or qualifications as referred to in paragraph (2) shall be made by considering the following aspects:
  - a. security, safety, health, and the environment;
  - b. competitiveness of national producers and fair business competition;
  - c. capability and preparedness of the national business world;
  - d. infrastructure readiness of conformity assessment agencies; and/or
  - e. culture, custom, or tradition based on local wisdom.
- (4) Services subject to mandatory enforcement of SNI, technical requirements, or qualifications as referred to in paragraph (2) must be equipped with a certificate of conformity acknowledged by the Central Government.
- (5) Services that are traded and fulfills SNI, technical requirements, or qualifications not yet subject to mandatory enforcement may use a certificate of conformity in accordance with the provisions of laws and regulations.



- (6) Service Providers who are trading Services subject to mandatory enforcement of SNI, technical requirements, or qualifications but are not equipped with a certificate of conformity as referred to in paragraph (4) shall be subject to administrative sanction.

22. Provisions of Article 61 have been amended, therefore read as follows:

**Article 61**

- (1) An SNI mark, a conformity mark, or a certificate of conformity as referred to in Article 60 paragraph (4) shall be issued by an accredited conformity assessment agency in accordance with the provisions of laws and regulations.
- (2) In the event that none of the conformity assessment agencies as referred to in paragraph (1) have been accredited, the Central Government may appoint a conformity assessment agency with a certain condition and within a certain period.
- (3) The conformity assessment agency as referred to in paragraph (1) and paragraph (2) must be registered with the institution stipulated by the Central Government.

23. Provision of Article 63 has been amended, therefore reads as follows:

**Article 63**

Service Providers who are trading Services not equipped with a certificate of conformity as referred to in Article 60 paragraph (4) shall be subject to administrative sanction.

24. Provisions of Article 65 have been amended, therefore read as follows:

**Article 65**

- (1) Every Business Actor who is trading Goods and/or Services using electronic system must provide complete and valid data and/or information.
- (2) Every Business Actor is prohibited from trading Goods and/or Services by electronic system that is not in accordance with the data and/or information as referred to in paragraph (1).
- (3) The use of electronic system as referred to in paragraph (1) must fulfill the provisions regulated under Law on Electronic Information and Transaction.
- (4) Data and/or information as referred to in paragraph (1) shall at least include:
  - a. the identity and legality of Business Actors as producer or the Distribution Business Actor;
  - b. technical requirements for Goods offered;
  - c. technical requirements or qualifications for Services offered;
  - d. the prices and method of payment of Goods and/or Services; and
  - e. the method of delivery of Goods.
- (5) In the event that a dispute arising out of a trade transaction through an electronic system, the disputing individual or business entity may resolve such dispute in court or through other dispute resolution mechanisms.
- (6) Every Business Actor who is trading Goods and/or Services using electronic system and does not provide complete and valid data and/or information as referred to in paragraph (1) shall be subject to administrative sanction.

25. Provisions of Article 74 have been amended, therefore read as follows:

**Article 74**

- (1) The Central Government shall carry out guidance to Business Actors in the framework of Export development for the expansion of Market access for domestically produced Goods and Services.
- (2) Guidance as referred to in paragraph (1) may in the form of granting incentives, facilities, information on Market opportunities, technical guidance, as well as promotion and marketing assistance for Export development.
- (3) The Central Government may propose incentives as referred to in paragraph (2) in the form of fiscal and/or non-fiscal incentives in an effort to improve the Export competitiveness of domestically produced Goods and/or Services.
- (4) The Central Government may, in carrying out guidance as referred to in paragraph (1), cooperate with other parties.
- (5) Further provisions regarding the implementation of guidance as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

26. Provisions of Article 77 have been amended, therefore read as follows:

**Article 77**

- (1) Every Business Actor that organizes a trade fair and trade fair participants must fulfil Business Licensing from the Central Government.
- (2) Every Business Actor that organizes a trade fair by involving participants and/or promoted products originating from overseas must obtain approval from the Central Government.
- (3) Every Business Actor that organizes a trade fair and trade fair participants failing to fulfil Business Licensing as referred to in paragraph (1) shall be subject to administrative sanction.
- (4) Further provisions regarding the Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

27. Between Article 77 and Article 78 is inserted 1 (one) article, namely Article 77A, that reads as follows:

**Article 77A**

- (1) The imposition of administrative sanction as referred to in Article 6 paragraph (2), Article 15 paragraph (3), Article 17 paragraph (2), Article 24 paragraph (3), Article 32 paragraph (1), Article 33 paragraph (3), Article 37 paragraph (2), Article 43 paragraph (2), Article 46 paragraph (2), Article 52 paragraph (4), Article 57 paragraph (7), Article 60 paragraph (6), Article 63, Article 65 paragraph (6), or Article 77 paragraph (3), may be in the form of:
  - a. written reprimand;
  - b. withdrawal of goods from distribution;
  - c. temporary suspension of business activities;
  - d. Warehouse closure;
  - e. fine; and/or
  - f. revocation of Business Licensing.
- (2) Further provisions regarding the criteria, types, amount of fine, and procedures for the imposition of administrative sanction as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

28. Provision of Article 81 has been amended, therefore reads as follows:

**Article 81**

Further provisions regarding the procedures for the implementation, ease, and participation in Trade Promotions for the purpose of Indonesia's image-building activity shall be regulated under a Regulation of the Government.

29. Provisions of Article 98 have been amended, therefore read as follows:

**Article 98**

- (1) The Central Government and Regional Governments shall have the authority to supervise the Trade activities.
- (2) Supervision as referred to in paragraph (1) shall be carried out in accordance with the norms, standards, procedures, and criteria regulated under a Regulation of the Government.

30. Provisions of Article 99 have been amended, therefore read as follows:

**Article 99**

The Central Government and Regional Government in accordance with their authorities in carrying out the supervision as referred to in Article 98 paragraph (1) has the authority to carry out:

- a. prohibition to circulate temporarily and/or order to withdraw Goods from Distribution or cease traded Service activities traded that are not in accordance with the provisions of laws and regulations in the Trade sector; and/or
- b. revocation of Business Licensing.

31. Provisions of Article 100 have been amended, therefore read as follows:

**Article 100**

- (1) In implementing supervisory duties as referred to in Article 98 paragraph (1), the Central Government shall appoint Trade supervisory officers.
- (2) Trade supervisory officers must, in implementing supervisory duties, have an official and valid letter of assignment.
- (3) Supervisory officers as referred to in paragraph (1) shall, in implementing their authority, shall at least carry out supervision toward:
  - a. Business Licensing in the Trade sector;
  - b. Trading of Goods subject to supervision, prohibition, and/or regulation;
  - c. Distribution of Goods and/or Services;
  - d. registration of Domestic Goods and Goods of Import origin related to security, safety, health, and the environment;
  - e. mandatory enforcement of SNI, technical requirements, or qualifications;
  - f. Business Licensing related to Warehouses; and
  - g. storage of basic necessity Goods and/or essential Goods.
- (4) Supervisory officers as referred to in paragraph (1), in case of finding suspected violations of activities in the trade sector, may:
  - a. recommend the withdrawal of Goods from Distribution and/or destruction of Goods;

- b. recommend the termination of Trade business activities; or
  - c. recommend the revocation of Trade Business Licensing.
- (5) In carrying out supervisory duties as referred to in paragraph (3), preliminary evidences of a suspected criminal offense in the Trade sector is discovered, the supervisory officers shall report it to the investigators to be followed up.
- (6) Supervisory officers as referred to in paragraph (1) in carrying out their authority may coordinate with the relevant agencies.

32. Provision of Article 102 has been amended, therefore reads as follows:

**Article 102**

Further provisions regarding the implementation of supervision on Trade activities and supervision to Goods designated as Goods under supervision shall be regulated under a Regulation of the Government.

33. Provisions of Article 104 have been amended, therefore read as follows:

**Article 104**

- (1) Every Business Actor who fails to use or to affix an Indonesian-language label on Goods traded domestically as referred to in Article 6 paragraph (1) shall be sentenced to imprisonment for a maximum of 5 (five) years or a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).
- (2) Provisions as referred to in paragraph (1) is exempted from the imposition of criminal sanction as referred to in paragraph (1) toward violations committed by low- or medium-risk Business Actors and/or activities.
- (3) For low- or medium-risk Business Actors and/or activities as referred to in paragraph (2) shall be subject to sanctions as referred to in Article 77A paragraph (1).

34. Provisions of Article 106 have been amended, therefore read as follows:

**Article 106**

- (1) Business Actors engaging in Trade business activities without Business Licensing in Trade sector as referred to in Article 24 paragraph (1) shall be sentenced to imprisonment for a maximum of 4 (four) years or a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).
- (2) Exempted from the imposition of criminal sanction as referred to in paragraph (1) toward the violation committed by low- or medium-risk Business Actors and/or activities.
- (3) For low- or medium-risk Business Actors and/or activities as referred to in paragraph (2) shall be subject to sanctions as referred to in Article 77A paragraph (1).

35. Provision of Article 109 has been amended, therefore read as follows:

**Article 109**

Producers or Importers who trade Goods in relation to security, safety, health, and/or the environment that is not registered to the Central Government as referred to in Article 32 paragraph (1) which results in casualties/damage to security, safety, health and/or the environment, shall be sentenced to imprisonment for a maximum of 1 (one) year and/or a maximum fine of IDR5,000,000,000.00 (five billion rupiah).

36. Provision of Article 116 has been amended, therefore reads as follows:

**Article 116**

Every Business Actor that organizes a trade fair involving foreign participants and/or foreign promoted products without obtaining Business Licensing from the Central Government as referred to in Article 77 paragraph (2) shall be sentenced to a maximum imprisonment of 3 (three) years and/or a maximum fine of IDR 5,000,000,000.00 (five billion rupiah).

**Article 47**

Several provisions under Law Number 2 of 1981 on Legal Metrology (State Gazette of the Republic of Indonesia of 1981 Number 11, Supplement to State Gazette of the Republic of Indonesia Number 3193) have been amended:

1. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

The Central Government shall regulate:

- a. testing and inspection of measuring, dosage, and weighing instruments, and its equipment;
- b. implementation as well as the time period for conducting calibration and recalibration; and
- c. places and areas where the calibration and recalibration of certain types of measuring, dosage, and weighing instruments, and their equipment are carried out.

2. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) Every Business Actor who makes and/or repairs measuring, dosage, and weighing instruments, and its equipment must fulfil Business Licensing from the Central Government.
- (2) Every Business Actor who imports measuring, dosage, and weighing instruments, and its equipment into the territory of the Republic of Indonesia must fulfil Business Licensing from the Central Government.

3. Provision of Article 18 has been amended, therefore reads as follows:

**Article 18**

Further provisions regarding Business Licensing as referred to in Article 17 shall be regulated under a Regulation of Government.

4. Provision of Article 24 has been amended, therefore reads as follows:

**Article 24**

Further provisions regarding the wrapped goods as referred to in Article 22 and Article 23 shall be regulated under a Regulation of the Government.

**Article 48**

Several provisions under Law Number 33 of 2014 on Halal Product Guarantee (State Gazette of the Republic of Indonesia of 2014 Number 295, Supplement to State Gazette of the Republic of Indonesia Number 5604) have been amended as follows:

1. Between Article 4 and Article 5 is inserted 1 (one) Article, namely Article 4A, that reads as follows:

**Article 4A**

- (1) For Micro- and Small-Scale Business Actors, halal-certified obligation as referred to in Article 4 shall be based on the statement of Micro- and Small-Scale business actors.
  - (2) Statement of Micro- and Small-Scale Business Actors as referred to in paragraph (1) shall be carried out based on the halal standard established by BPJPH.
2. The elucidation of Article 7 has been amended as listed in the Elucidation.
  3. Provisions of Article 10 have been amended, therefore read as follows:

**Article 10**

- (1) Cooperation between BPJPH and MUI as referred to in Article 7 letter c is carried out in the event of halal Product stipulation.
  - (2) Halal Product stipulation as referred to in paragraph (1) shall be issued by MUI in the form of a Decision on the Halal Determination of a Product.
4. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) To establish LPH as referred to in Article 12, the following requirements must be fulfilled:
    - a. has its own office and equipment;
    - b. has Halal Auditors of at least 3 (three) people; and
    - c. has a laboratory or cooperation agreement with other institutions that have laboratories.
  - (2) In the event that LPH as referred to in paragraph (1) is established by the community, LPH must be proposed by incorporated Islamic religious institutions, and private universities that are under the auspices of incorporated Islamic religious institutions or incorporated Islamic foundations.
  - (3) In the event that a region does not have an LPH established by the community as referred to in paragraph (2), the incorporated Islamic religious institutions, and private universities that are under the auspices of incorporated Islamic religious institutions or incorporated Islamic foundations may cooperate with state-owned enterprises or National Agency for Drug and Food Control.
5. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) Halal Auditor as referred to in Article 13 letter c shall be appointed and dismissed by LPH.
- (2) The appointment of Halal Auditor by LPH as referred to in paragraph (1) must meet the following requirements:
  - a. Indonesian citizen;
  - b. be a follower of Islam;
  - c. has at least a bachelor's degree in the fields of food, chemistry, biochemistry, industrial engineering, biology, pharmacy, medicine, culinary services, or agriculture;
  - d. understands and has a broad insight on the halal status of products according to Islamic law; and
  - e. puts the interests of the people above personal and/or group interests.

6. Provision of Article 16 has been amended, therefore reads as follows:

**Article 16**

Further provisions regarding the LPH and halal auditor shall be regulated under a Regulation of the Government.

7. Provisions of Article 22 have been amended, therefore read as follows:

**Article 22**

- (1) Business Actor who does not separate the location, place, and equipment of PPH as referred to in Article 21 paragraph (1) or paragraph (2) shall be subject to administrative sanction.
- (2) Further provisions regarding the criteria, types, amount of fine, and procedures for the imposition of administrative sanction as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

8. Provisions of Article 27 have been amended, therefore read as follows:

**Article 27**

- (1) Business Actor who does not carry out the obligation as referred to in Article 25 or Article 26 paragraph (2) shall be subject to administrative sanction.
- (2) Further provisions regarding the criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

9. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) Halal Supervisor as referred to in Article 24 letter c has duties to:
  - a. supervise PPH in companies;
  - b. determine corrective and preventive actions;
  - c. coordinating PPH; and
  - d. accompany the LPH Halal Auditor during the inspection.
- (2) Halal Supervisor must meet the following requirements:
  - a. be a follower of Islam; and
  - b. have broad insight and understand the sharia about halal status.
- (3) Halal Supervisor is appointed by the head of the company and reported to BPJPH.
- (4) In the event that the business activity is carried out by the micro- and small-scale Business Actors, Halal Supervisor can come from a Mass Organization.
- (5) Further provisions regarding the Halal Supervisor shall be regulated under a Regulation of the Government.

10. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) Application for Halal Certificate shall be submitted by Business Actors to BPJPH.



- (2) Application for Halal Certificate must be equipped with the following documents:
  - a. data of Business Actor;
  - b. name and type of product;
  - c. list of Products and Materials used; and
  - d. the processing of Product.
- (3) The period of verification of halal certificate application shall be carried out by no later than 1 (one) business day.
- (4) Further provisions regarding the procedures for submitting Halal Certificate application shall be regulated under a Regulation of the Government.

11. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) BPJPH stipulates LPH to carry out the inspection and/or testing of the halal status of Products based on application from Business Actors.
- (2) The stipulation of LPH as referred to in paragraph (1) is carried out within a maximum period of 1 (one) business day after the application documents as referred to in Article 29 paragraph (2) are declared complete.

12. Provisions of Article 31 have been amended, therefore read as follows:

**Article 31**

- (1) Inspection and/or testing of the halal status of Products as referred to in Article 30 paragraph (1) shall be carried out by Halal Auditor by no later than 15 (fifteen) business days.
- (2) Inspection toward Products shall be carried out in the business location at the time of production process.
- (3) In the event that the Products inspection as referred to in paragraph (1), there is a material whose halal status is doubtful, it can be tested in the laboratory.
- (4) In the event that product inspection as referred to in paragraph (3) requires additional inspection time, LPH may apply for an extension of time to BPJPH.
- (5) During the implementation of inspection at business location as referred to in paragraph (2), Business Actors must provide information to Halal Auditor.
- (6) Further provisions regarding procedures for inspection and/or testing of the halal status of products shall be regulated under a Regulation of the Government.

13. Provisions of Article 32 have been amended, therefore read as follows:

**Article 32**

- (1) LPH shall convey the result of inspection and/or testing of the halal status of Products to MUI with a copy being sent to BPJPH.
- (2) In the event that the result of inspection and/or testing of the halal status of Products does not conform to the standard owned by BPJPH, BPJPH shall convey considerations to MUI to issue a fatwa.

14. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) Stipulation of the halal status of Products shall be carried out by MUI.
- (2) Stipulation of the halal status of Products as referred to in paragraph (1) shall be carried out in a Halal Fatwa Session.
- (3) Halal Fatwa Session as referred to in paragraph (2) shall decide the halal status of products within a maximum period of 3 (three) business days after MUI received the result of inspection and/or testing of products from LPH.
- (4) Stipulation of the halal status of Products as referred to in paragraph (2) shall be conveyed by MUI to BPJPH as the basis for issuing Halal Certificates.

15. Provision of Article 35 has been amended, therefore reads as follows:

**Article 35**

Halal Certificate as referred to in Article 34 paragraph (1) shall be issued by BPJPH no later than 1 (one) business day from the fatwa on the halal status of the Product.

16. Between Article 35 and Article 36 is inserted 1 (one) Article, namely Article 35A, that reads as follows:

**Article 35A**

If LPH is not able to meet the prescribed deadline in halal certification process, said LPH shall be evaluated and/or be subject to administrative sanction.

17. Provision of Article 40 has been amended, therefore reads as follows:

**Article 40**

Further provisions regarding Halal Label shall be regulated under a Regulation of the Government.

18. Provisions of Article 41 have been amended, therefore read as follows:

**Article 41**

- (1) Business Actors who affix Halal Label that does not conform to the provisions as referred to in Article 38 or Article 39 shall be subject to administrative sanction.
- (2) Further provisions regarding procedures for the imposition of administrative sanction as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

19. Provisions of Article 42 have been amended, therefore read as follows:

**Article 42**

- (1) Halal Certificate is valid for 4 (four) years since the issuance by BPJPH, unless there is a change in the composition of the Materials.
- (2) Halal Certificate must be extended by Business Actors by applying for an extension of the Halal Certificate no later than 3 (three) months before the validity period of the Halal Certificate expires.
- (3) If in the application for the extension as referred to in paragraph (2), the Business Actor includes a statement of fulfilling the halal production process and does not change the composition, BPJPH can immediately issue an extension of the halal certificate.
- (4) Further provisions regarding the procedures for the extension of Halal Certificate shall be

regulated under a Regulation of the Government.

20. Provisions of Article 44 have been amended, therefore read as follows:

**Article 44**

- (1) Halal Certification Fee is borne by Business Actors who apply for Halal Certificates.
- (2) In the event that the application for Halal Certification as referred to in paragraph (1) is submitted by Micro- and Small-Scale Business Actors, it is free of charge.

21. Provisions of Article 48 have been amended, therefore read as follows:

**Article 48**

- (1) Business Actor who does not carry out the registration as referred to in Article 47 paragraph (3) shall be subject to administrative sanction.
- (2) Further provisions regarding the procedures for the imposition of administrative sanction as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

22. Provisions of Article 53 have been amended, therefore read as follows:

**Article 53**

- (1) The community can participate in the organization of JPH.
- (2) Community participation as referred to in paragraph (1) can be in the form of:
  - a. dissemination of information and education about JPH;
  - b. assistance in the process of halal products;
  - c. publication that the product is in the process of assistance;
  - d. marketing in networks of incorporated Islamic mass organizations; and
  - e. supervision of Halal Products in circulation.
- (3) Community participation is in the form of supervision of Halal Products in circulation as referred to in paragraph (2) letter e shall take the form of complaints or reports to BPJPH.

23. Provision of Article 55 has been amended, therefore reads as follows:

**Article 55**

Further provisions regarding the procedures for community participation and granting of awards shall be regulated under a Regulation of the Government.

24. Provision of Article 56 has been amended, therefore reads as follows:

**Article 56**

Business Actor who does not maintain the halal status of Products that have obtained a Halal Certificate as referred to in Article 25 letter b shall be sentenced to imprisonment for a maximum period of 5 (five) years or a maximum fine of IDR2,000,000,000.00 (two billion rupiah).

**Subdivision 9**

**Public Works and Public Housing**

#### **Article 49**

In order to provide an ease for the community, especially Business Actors in obtaining Business Licensing and ease of investment requirements from the sector of public works and public housing, this Law amend, revoke, or establishes new regulation for several provisions regulated under:

- a. Law Number 1 of 2011 on Housing and Residential Areas (State Gazette of the Republic of Indonesia of 2011 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 5158);
- b. Law Number 20 of 2011 on Multi-Story Housings (State Gazette of the Republic of Indonesia of 2011 Number 108, Supplement to the State Gazette of the Republic of Indonesia Number 5252);
- c. Law Number 2 of 2017 on Construction Services (State Gazette of the Republic of Indonesia of 2017 Number 11, Supplement to the State Gazette of the Republic of Indonesia Number 6018);
- d. Law Number 17 of 2019 on Water Resources (State Gazette of the Republic of Indonesia of 2019 Number 190, Supplement to the State Gazette of the Republic of Indonesia Number 6405);

#### **Article 50**

Several provisions under Law Number 1 of 2011 on Housing and Residential Areas (State Gazette of the Republic of Indonesia of 2011 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 5158) have been amended as follows:

1. Provisions of Article 26 have been amended, therefore read as follows:

##### **Article 26**

- (1) The results of house planning and designing meet the standards.
- (2) The standards referred to in paragraph (1) shall be regulated under a Regulation of the Government.

2. Provisions of Article 29 have been amended, therefore read as follows:

##### **Article 29**

- (1) The planning for infrastructure, facilities, and public utilities as referred to in Article 28 must meet the standards.
- (2) Further provisions regarding the standards as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 33 have been amended, therefore read as follows:

##### **Article 33**

- (1) The Central Government and Regional Government are obliged to provide ease of Business Licensing for legal entities that submit housing development plans for MBR (masyarakat berpenghasilan rendah/low-income citizens).
- (2) Further provisions regarding the ease of Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Provision of Article 35 has been amended, therefore reads as follows:

##### **Article 35**

Large-scale housing development with balanced occupancy shall include simple houses, medium-

sized houses, and luxurious houses.

5. Provisions of Article 36 have been amended, therefore read as follows:

**Article 36**

- (1) In the event that the housing development with balanced occupancy is not in 1 (one) overlay, then the development of public houses must be carried out within 1 (one) regency/city region.
- (2) In the event that a simple house cannot be built in the form of a detached house or row house, it can be converted in:
  - a. the form of a public multi-story housing built in the same overlay; Or
  - b. the form of funds for the construction of a public house.
- (3) The management of funds from the conversion as referred to in paragraph (2) letter b shall be implemented by the accelerated housing administration agency.
- (4) In the event that a simple house cannot be built in the form of a detached house or row house, it can be converted in the form of a public multi-story housing.
- (5) The construction of public houses as referred to in paragraph (1) must have access to a service center or workplace.
- (6) The construction of housing with balanced occupancy as referred to in paragraph (1) shall be carried out by the same legal entity.
- (7) Further provisions regarding housing development with balanced occupancy shall be regulated under a Regulation of the Government.

6. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) In carrying out the responsibility as referred to in Article 39 paragraph (1), the Government and/or Regional Government shall assign and/or establish an institution or agency that handles housing and residential development in accordance with provisions of laws and regulations.
- (2) The institution or agency as referred to in paragraph (1) is responsible for:
  - a. providing land for housing; and
  - b. performing coordination in licensing process and occupancy assurance.

7. Provisions of Article 42 have been amended, therefore read as follows:

**Article 42**

- (1) Detached house, row house, and/or multi-story housing which are still in construction phase may be marketed based on preliminary sale and purchase agreement system in accordance with provisions of laws and regulations.
- (2) Preliminary sale and purchase agreement as referred to in paragraph (1) shall be performed after fulfilling certainty requirements for:
  - a. land ownership status;
  - b. matters which are agreed upon;
  - c. Building Approval
  - d. availability of infrastructure, facilities, and public utilities; and

- e. housing construction of at least 20% (twenty percent).
- (3) Further provisions concerning the preliminary sale and purchase agreement as referred to in paragraph (1) and housing construction as referred to in paragraph (2) letter d shall be regulated under a Regulation of the Government.

8. Provisions of Article 53 have been amended, therefore read as follows:

**Article 53**

- (1) Housing control shall be carried out from the following stages:
  - a. planning;
  - b. construction; and
  - c. utilization.
- (2) Housing control as referred to in paragraph (1) shall be performed by the Central Government and/or Regional Government based on the norms, standard, procedure, and criteria stipulated by the Central Government in the form of:
  - a. Business Licensing or approval;
  - b. controlling; and/or
  - c. arrangement
- (3) Further provisions regarding housing control as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

9. Provisions of Article 55 have been amended, therefore read as follows:

**Article 55**

- (1) Individuals who own public house with an ease which are provided by the Central Government or Regional Government may only lease and/or transfer their ownership over the house to other parties, in cases of:
  - a. inheritance;
  - b. occupancy after a minimum period of 5 (five) years;
- (2) In the event that the transfer of ownership as referred to in paragraph (1) letter b, the transfer must be performed by the institution appointed or established by the Central Government or Regional Government in the sector of housing and residency
- (3) If the owner continuously leaves the house for a maximum period of 1 (one) year without fulfilling the obligations based on the agreement, the Central Government or Regional Government is authorized to take over the ownership of the house.
- (4) House that has been taken over by the Central Government or Regional Government as referred to in paragraph (2) must be redistributed to MBR.
- (5) Further provisions regarding the appointment and establishment of an institution, ease, and/or assistance for house development and acquisition for MBR shall be regulated under a Regulation of the President.

10. Provisions of Article 107 have been amended, therefore read as follows:

**Article 107**

- (1) Land that is directly occupied by the state as referred to Article 106 letter a which is used for the

development of house, housing, and/or residential area shall be transferred through the issuance of land title toward every person who carries out the development of house, housing, and residential area.

- (2) Issuance of land title as referred to in paragraph (1) shall be based on the determination of location or approval of conformity for space utilization activities.
- (3) In the event that the land which are directly occupied by the state as referred to in paragraph (1) contains community tenure (garapan masyarakat), a land title shall be issued after housing and residency developers as the applicant for land title settle any indemnities for all community tenure based on an agreement.
- (4) In the event that there are no agreement on indemnities as referred to in paragraph (3), its settlement shall be carried out in accordance with provisions of laws and regulations.

11. Provisions of Article 109 have been amended, therefore read as follows:

#### **Article 109**

- (1) Land consolidation as referred to in Article 106 letter b may be carried out for the development of detached house, row house, or multi-story housing.
- (2) The determination of location for land consolidation shall be carried out by regents/mayors.
- (3) Specifically for the Province of Special Capital City Region of Jakarta, the determination of location for land consolidation shall be determined by the governor.
- (4) Location for land consolidation which has been determined as referred to in paragraph (2) and paragraph (3) shall not require approval of Conformity for Space Utilization Activities.

12. Provisions of Article 114 have been amended, therefore read as follows:

#### **Article 114**

- (1) Transfer or relinquishment of land title as referred to in Article 106 letter c shall be carried out after the legal entity obtained approval of Conformity for Space Utilization Activities.
- (2) Transfer of land title as referred to in paragraph (1) shall be made in front of the land-deed official after mutual agreement has been reached.
- (3) Relinquishment of land title as referred to in paragraph (1) shall be made before the authorized official.
- (4) Transfer or relinquishment of land title as referred to in paragraph (2) and paragraph (3) must be registered with a regency/city land office in accordance with provisions of laws and regulations.

13. Between CHAPTER IX and CHAPTER X is inserted 1 (one) CHAPTER, namely CHAPTER IXA, which reads as follows:

### **CHAPTER IXA**

#### **ACCELERATED HOUSING ADMINISTRATION AGENCY**

#### **Article 117A**

- (1) To realize the provision of decent and affordable public houses for MBR, the Central Government establishes the accelerated housing administration agency.
- (2) The establishment of the accelerated housing administration agency as referred to in paragraph (1) aims to:



- a. accelerate the provision of public houses;
  - b. ensure that public houses are owned and occupied by MBR only;
  - c. ensure the achievement of the principle of public house benefit; and
  - d. implement various policies in the field of public houses and special houses.
- (3) The accelerated housing administration agency as referred to in paragraph (1) has the function to accelerate the administration of housing and residential areas.
- (4) To carry out the functions as referred to in paragraph (3), the accelerated housing administration agency has the following duties:
  - a. carry out efforts to accelerate housing development.
  - b. implement the management of conversion funds and the construction of simple houses and public multi-story housings.
  - c. carry out coordination in the licensing process and occupancy assurance.
  - d. providing land for housing.
  - e. implement the management of public multi-story housings and special multi-story housings and facilitate occupancy, transfer, and utilization;
  - f. implement the transfer of ownership for public houses with the ease provided by the government.
  - g. organize cross-sectoral operational coordination, including in the provision of infrastructure, facilities, and public utilities;
  - h. carry out the development of cooperation relationships in the field of multi-story housing with various agencies domestically and overseas.

#### **Article 117B**

- (1) The accelerated housing administration agency as referred to in Article 117A consists of:
  - a. governing board (pembina) element;
  - b. executive board (pengurus) element; and
  - c. supervisory board (pengawas) element.
- (2) The supervisory element as referred to in paragraph (2) letter c amounts to 5 (five) persons whose selection and election process is carried out by the DPR (Dewan Perwakilan Rakyat/House of Representatives).
- (3) The establishment of the accelerated housing administration agency as referred to in paragraph (1) shall be stipulated with a Regulation of the President.
- (4) The governing board element, executive board element, and supervisory element as referred to in paragraph (1) shall be determined with a Decree of the President.

14. Provision of Article 134 has been amended, therefore reads as follows:

#### **Article 134**

Every person is prohibited from organizing housing developments which are not in accordance with the criteria, specifications, requirements, infrastructure, facilities, and public utilities which are agreed upon and the standards.

15. Provisions of Article 150 have been amended, therefore read as follows:

**Article 150**

- (1) Every person who organizes housing and residential area without fulfilling the provisions as referred to in Article 26 paragraph (1), 29 paragraph (1), Article 30 paragraph (2), Article 34 paragraph (1) and paragraph (2), Article 36 paragraph (1) and paragraph (2), Article 38 paragraph (4), Article 45, Article 47 paragraph (2), paragraph (3) and paragraph (4), Article 49 paragraph (2), Article 63, Article 71 paragraph (1), Article 126 paragraph (2), Article 134, Article 135, Article 136, Article 137, Article 138, Article 139, Article 140, Article 141, Article 142, Article 143, Article 144, Article 145, or Article 146 paragraph (1) shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) may be in the form of:
  - a. written warnings;
  - b. restriction of construction activities;
  - c. temporary or permanent suspension for development implementation works;
  - d. temporary or fixed suspension for housing management;
  - e. temporary occupation by the government (sealed);
  - f. obligation to self-demolish the building within a certain time period;
  - g. rebuild housing in accordance with the criteria, specifications, requirements, infrastructure, facilities, public utilities which are agreed upon, and the standards;
  - h. restriction of business activities;
  - i. suspension of Building Approval;
  - j. revocation of Building Approval;
  - k. suspension/revocation of house ownership certificate;
  - l. house demolition order;
  - m. suspension of Business Licensing;
  - n. revocation of Business Licensing;
  - o. supervision;
  - p. cancellation of Business Licensing;
  - q. obligation to restore land function within a certain time period;
  - r. incentive revocation;
  - s. imposition of administrative fines; and/or
  - t. location closure.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

16. Provision of Article 151 has been amended, therefore reads as follows:

**Article 151**

Every person who organizes housing development and fails to develop the housing in accordance with the criteria, specifications, requirements, infrastructure, facilities, and public utilities which are agreed upon as referred to under Article 134, shall be sentenced with a maximum fine IDR5,000,000,000 (five billion rupiah).

17. Provisions of Article 153 have been amended, therefore read as follows;

**Article 153**

- (1) Every person who organizes residential area or Kasiba (kawasan siap bangun/ready-to-build areas) without separating the residential area or Kasiba into housing area units or Lisiba (lingkungan siap bangun/ready-to-build environment) as referred to in Article 136, shall be subject to administrative sanctions.
- (2) Further provisions regarding procedures for the imposition of administrative sanctions shall be regulated under a Regulation of the Government.

**Article 51**

Several provisions under Law Number 20 of 2011 on Multi-Story Housings (State Gazette of the Republic of Indonesia of 2011 Number 108, Supplement to the State Gazette of the Republic of Indonesia Number 5252) have been amended as follows:

1. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) The construction of commercial multi-story housing as referred to in article 13 (2) can be implemented by everyone.
- (2) The construction of commercial multi-story housings as referred to in paragraph (1) are obliged to provide public multi-story housings at least 20 % (twenty percent) of the total floor area of the commercial multi-story housings which are built.
- (3) In the event that the construction of public multi-story housings as referred to in paragraph (2) are not in 1 (one) commercial multi-story housing location, the construction of public multi-story housing can be implemented within 1 (one) same regency/city region.
- (4) The obligation to provide public multi-story housing at least 20% (twenty percent) as referred in paragraph (2) can be converted in the form of funds for the construction of public multi-story housing.
- (5) The management of funds as referred to in paragraph (4) shall be carried out by the accelerated housing administration agency.
- (6) Further provisions regarding the obligation to provide public multi-story housing as referred to in paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the Government.

2. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

- (1) The multi-story housing construction standards consists of:
  - a. administrative requirements;
  - b. technical requirements;
  - c. ecological requirements.
- (2) Further provision regarding multi-story housing construction standards as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) The separation of multi-story housing as referred to in Article 25 paragraph (1) shall be expressed in the form of drawings and descriptions.
- (2) The drawings and descriptions as referred to in paragraph (1) shall be made before the implementation of multi-story housing construction.
- (3) The drawings and descriptions as referred to in paragraph (2) shall be expressed in the form of a separation deed validated by the regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (4) Specifically for the Province of Special Capital Region of Jakarta, the deed of separation as referred to in paragraph (4) shall be validated by the Governor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

4. Provisions of Article 28 have been amended, therefore read as follows:

#### **Article 28**

In carrying out the construction of multi-story housings, the construction actors must meet administrative provisions which include:

- a. status of land rights; and
- b. Building Approval.

5. Provisions of Article 29 have been amended, therefore read as follows:

#### **Article 29**

- (1) Construction actors must build multi-story housing and its environment in accordance with the plan of function and utilization.
- (2) The plan of function and utilization as referred to in paragraph (1) shall obtain Business Licensing from the regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Government.
- (3) Specifically for the Province of Special Capital Region of Jakarta, the plan of function and utilization as referred to in paragraph (2) shall obtain Business Licensing from the Governor in accordance with the norms, standards, procedures, and criteria stipulated by the Government.
- (4) Further provisions regarding the plan of function and utilization for the construction of multi-story housings shall be regulated under a Regulation of the Government.

6. Article 30 has been removed.

7. Provisions of Article 31 have been amended, therefore read as follows:

#### **Article 31**

- (1) The alteration of the plan of function and utilization for multi-story housing as referred to in Article 29 paragraph (2) shall fulfill the Business Licensing from the regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Specifically for the Province of Special Capital Region of Jakarta, the alteration of the plan of function and utilization for multi-story housing as referred to in paragraph (1) shall fulfill the Business Licensing from the Governor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) The alteration of the plan of function and utilization for multi-story housing as referred to in paragraph (1) does not reduce the function of shared parts, shared objects, and occupancy

functions.

8. Provision of Article 32 has been amended, therefore reads as follows:

**Article 32**

Further provisions regarding Business Licensing relating to the plan of function and utilization as well as its alteration shall be regulated under a Regulation of the Government.

9. Article 33 has been removed.

10. Provisions of Article 39 have been amended, therefore read as follows:

**Article 39**

- (1) Construction actors must submit an application for a certificate of feasibility to function to the regent/mayor after completing all or part of the construction of multi-story housings as long as it does not conflict with the Building Approval in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Specifically for the Province of Special Capital Region of Jakarta, application for certificate of feasibility to function as referred to in paragraph (1) shall be submitted to the Governor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Regional Government issued a certificate of feasibility to function after inspecting the feasibility to function of the building of multi-story housing in accordance with the provisions of laws and regulations.

11. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) Construction actors are obliged to equip the multi-story housing environment with infrastructure, facilities, and public utilities.
- (2) Infrastructure, facilities, and public utilities as referred to in paragraph (1) shall consider:
  - a. ease and harmony of relationships in daily activities;
  - b. security in the event of harm; and
  - c. structure, size, and strength according to their function and use.
- (3) Infrastructure, facilities, and public utilities as referred to in paragraph (1) shall meet minimum service standards.
- (4) Further provisions regarding minimum service standards for infrastructure, facilities, and public utilities shall be regulated under a Regulation of the Government.

12. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) The sale and purchase process of sarusun (satuan rumah susun/multi-story housing unit) before the construction of multi-story housing is completed can be done through PPJB (perjanjian pengikatan jual beli/sale and purchase binding agreement) made before a notary.
- (2) PPJB as referred to in paragraph (1) shall be carried out after fulfilling the requirements of

certainty for:

- a. land ownership status;
- b. Building Approval;
- c. availability of infrastructure, facilities, and public utilities;
- d. construction of at least 20% (twenty percent); and
- e. promised things.

13. Provisions of Article 54 have been amended, therefore read as follows:

**Article 54**

- (1) Public Sarusun that obtain an ease from the government can only be owned or rented by MBR.
- (2) Every person who has a public sarusun as referred to in paragraph (1) may only transfer his/her ownership to another party in the case of:
  - a. inheritance; or
  - b. contract on multi-story housing ownership after a period of 20 (twenty) years.
- (3) The transfer as referred to in paragraph (2) letter b can only be carried out by accelerated housing administration agency.
- (4) Further provisions regarding the transfer as referred to in paragraph (2) and paragraph (3) and the criteria and procedures for granting the ease of general sarusun ownership as referred to in paragraph (1) shall be regulated under a Regulation of the President.

14. Provisions of Article 56 have been amended, therefore read as follows:

**Article 56**

- (1) The management of multi-story housing includes operation, preservation, and maintenance activities for shared parts, shared objects, and shared land
- (2) The management of multi-story housing as referred to in paragraph (1) shall be carried out by a manager which are an incorporated legal entity, except for rental public multi-story housing, special multi-story housing, and state multi-story housing.
- (3) Legal entities as referred to in paragraph (2) must register and obtain a Business Licensing from the regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (4) Specifically for the Province of Special Capital Region of Jakarta, the legal entity as referred to in paragraph (3) shall register and obtain a Business Licensing from the Governor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (5) Further provision regarding Business Licensing as referred to in paragraph (3) and paragraph (4) shall be regulated under a Regulation of the Government.

15. Provisions of Articles 67 have been amended, therefore read as follows:

**Article 67**

- (1) In the implementation of the improvement of multi-story housing quality as referred to in Article 65 paragraph (1) letter a, PPPSRS (perhimpunan pemilik dan penghuni satuan rumah susun/association of multi-story housing unit residents and owners) can cooperate with multi-story housing construction actors.

- (2) Cooperation as referred to in paragraph (1) shall be carried out based on a written agreement made before the authorized official based on the principle of equality.
- (3) The implementation of the quality improvement of public multi-story housings and special multi-story housings shall be carried out by the accelerated housing administration agency.

16. Article 73 has been removed.

17. Article 73 has been removed.

18. Provision of Article 107 has been amended, therefore reads as follows:

#### **Article 107**

Every person who organizes multi-story housings without fulfilling the provisions as referred to in Article 16 paragraph (2), Article 22 paragraph (3), Article 25 paragraph (1), Article 26 paragraph (1), Article 39 paragraph (1), Article 40 paragraph (1), Article 51 paragraph (3), Article 52, Article 59 paragraph (1), Article 61 paragraph (1), Article 66, Article 74 paragraph (1), Article 98, Article 100, or Article 101 shall be subject to administrative sanctions.

19. Provisions of Article 108 have been amended, therefore read as follows:

#### **Article 108**

- (1) Administrative sanctions as referred to in Article 107 may be in the form of
  - a. written warnings;
  - b. Restriction of construction activities and/or business activities;
  - c. Temporary suspension of construction works;
  - d. Temporary or permanent suspension for multi-story housing management;
  - e. Revocation of Building Approval;
  - f. Revocation of certificate of feasibility to function;
  - g. Revocation of SHM sarusun (sertifikat hak milik satuan rumah susun/freehold title certificate for multi-story housing unit) or SKBG sarusun (sertifikat kepemilikan bangunan gedung satuan rumah susun/certificate of multi-story housing unit building ownership);
  - h. multi-story housing demolition order
  - i. administrative fines; and/or
  - j. Revocation of business licensing
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.
- (3) The imposition of administrative sanctions as referred to in paragraph (2) does not eliminate the recovery responsibilities.

20. Article 110 has been removed.

21. Article 112 has been removed.



22. Provisions of Article 113 have been amended, therefore read as follows:

**Article 113**

Every person who:

- a. change the designation of multi-story housing location that has been stipulated; or
- b. change the function and utilization of multi-story housing,

as referred to in Article 101 which results in human casualties or damage to goods, the perpetrator shall be sentenced with imprisonment for a maximum of 1 (one) year or a maximum fine of IDR250,000,000,00 (two hundred and fifty million rupiah).

23. Provisions of Article 114 have been amended, therefore read as follows:

**Article 114**

Every official who;

- a. establishes locations that pose a potential danger to the construction of multi-story housing; or
- b. issues building approvals for multi-story housing that does not conform to the designation of location,

as referred to in Article 102 shall be sentenced with imprisonment for a maximum of 5 (five) years or a maximum fine of IDR5,000,000,000.00 (five billion rupiah).

24. Provisions of Article 117 have been amended, therefore read as follows:

**Article 117**

- (1) In the event that the action as referred to in Article 109, Article 111, Article 115 or Article 116 is carried out by a legal entity, then in addition to imprisonment and fines against its administrators, a sentence can be rendered toward the legal entity in the form of fine with aggravation 3 (three) times the fine against a person.
- (2) In addition to fines as referred to in paragraph (1), legal entities may be subject to additional sentence in the form of:
  - a. Revocation of business licensing; or
  - b. Revocation of legal entity status.

**Article 52**

Several provisions under Law Number 2 of 2017 on Construction Services (State Gazette of the Republic of Indonesia of 2017 Number 11, Supplement to the State Gazette of the Republic of Indonesia Number 6018) have been amended as follows:

1. Provisions of Article 5 have been amended, therefore read as follows:

**Article 5**

- (1) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter a, the Central Government has the authority to:
  - a. develop the Construction Service business structures;
  - b. develop the Construction Service business requirements system;
  - c. organize the business licensing for the purpose of registration of Construction Service

- business entities;
- d. organize business licensing related to the construction services
  - e. organize the granting of license for agencies that implements business entity certification;
  - f. develop the Construction Service supply chain system;
  - g. develop the Construction Service capital system and business guarantee system;
  - h. provide support and protection for national Construction Services business actors in accessing the international Construction Service market;
  - i. develop Construction Service business order supervisory system;
  - j. organize the issuance of Business Licensing for the purpose of foreign investment;
  - k. organize the business order supervision of foreign Construction Services and large-qualification Construction Services (Jasa Konstruksi kualifikasi besar);
  - l. organize the development of business services for Construction Services;
  - m. collect and develop an information system relating to Construction Service market in potential countries for national Construction Service business actors;
  - n. develop a partnership system between national and international Construction Service businesses;
  - o. ensure the creation of healthy competition within the Construction Service market;
  - p. develop the segmentation of national Construction Service market;
  - q. provide legal protection for national Construction Service business actors which are accessing the international Construction Service market; and
  - r. organize the registration of business entity experience.
- (2) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter b, the Central Government has the authority to:
- a. Develop the Service Provider selection system in the organization of Construction Services;
  - b. Develop a Contract of Construction Work which ensure the equality of rights and obligations between Service Users and Service Providers;
  - c. Encourage the use of out-of-court alternative dispute resolution in the organization of Construction Services;
  - d. Develop a Service Provider performance system in the organization of Construction Services.
- (3) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter c, the Central Government has the authority to:
- a. develop the Security, Safety, Health and Sustainability Standards in the organization of Construction Services;
  - b. organize supervision toward the implementation of Security, Safety, Health, and Sustainability Standards in the organization and utilization of Construction Service by Construction Services business entities;
  - c. organize the registration of expert assessors; and
  - d. appoint a registered expert assessor in the event of Building Failure.
- (4) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter d, the Central Government has the authority to:

- a. develop work competency standards and Construction Service training;
  - b. empower national construction work training and educational institutions;
  - c. organize strategic and pilot training for construction workers;
  - d. develop a competency certification system for construction workers;
  - e. determine the minimum remuneration standard for construction workers;
  - f. organize the supervision of the certification system, training, and minimum remuneration standard for construction workers;
  - g. organize accreditation for professional associations and licensing for professional certification agencies;
  - h. organize the registration of construction workers;
  - i. organize the registration of professional experience of construction workers as well as work training and educational institutions in the construction sector;
  - j. organize the equalization of foreign construction workers; and
  - k. establish professional certification agencies to perform the work competency certification task which has not been able to be performed by professional certification agencies established by professional associations or training and educational institutions.
- (5) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter e, the Central Government has the authority to:
- a. develop a standard for construction material and equipment, as well as construction technology innovation;
  - b. develop the cooperation scheme between research and development institutions and all Construction Service stakeholders;
  - c. determine priority technology development;
  - d. publish construction material and equipment as well as domestic construction technologies to all stakeholders, both national and international;
  - e. determine and improve the utilization of material and equipment quality standard in accordance with the Indonesian National Standard;
  - f. protect the intellectual property of construction material and equipment as well as construction technology resulting from domestic research and development; and
  - g. develop a supply chain system for construction material, equipment, and technology.
- (6) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter f, the Central Government has the authority to:
- a. increase the high-quality and accountable community participation in the supervision of Construction Service organization;
  - b. increase the institutionalization capacity of the Construction Service community;
  - c. facilitate the organization of Construction Service forum as aspiration media for the Construction Service community;
  - d. provide financing support toward the organization of Work Competency Certification; and
  - e. increase the high-quality and accountable community participation in Building Provision Business.
- (7) The financing support as referred to in paragraph (6) letter d shall be carried out by taking the state financial capacity into consideration.
- (8) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter g, the Central

Government has the authority to:

- a. develop the national Construction Service information system; and
- b. collect data and information on national and international Construction Services.

2. Provisions of Article 6 have been amended, therefore read as follows:

#### **Article 6**

- (1) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter a, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to:
  - a. empower Construction Service business entities;
  - b. organize the supervision of the granting of Business Licensing;
  - c. organize the supervision of Construction Service business order in provinces;
  - d. organize the supervision of the construction supply chain system in provinces; and
  - e. facilitate partnerships between Construction Service business entities in provinces with business entities from outside provinces.
- (2) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter b, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to:
  - a. organize the supervision of Service Provider selection in the organization of Construction Services;
  - b. organize the supervision of Construction; and
  - c. organize the supervision of organization order and utilization order of Construction Service in provinces.
- (3) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter c, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to organize the supervision of the implementation of Security, Safety, Health, and Sustainability Standards in the organization and utilization of Construction Services by small- and medium-qualification Construction Service business entities
- (4) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter d, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to organize the supervision of:
  - a. the Work Competency Certification system;
  - b. the training for construction workers; and
  - c. the wages of construction workers.
- (5) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter e, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to:
  - a. organize the supervision of the utilization of construction material, equipment, and technology;
  - b. facilitate cooperation between Construction Service research and development institutions with all Construction Service stakeholders;
  - c. facilitate priority technology development

- d. organize the supervision of the management and utilization of sources of construction material; and
  - e. increase the use of material and equipment quality standard in accordance with the Indonesian National Standard.
- (6) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter f, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to:
- a. strengthen the institutionalization capacity of provincial Construction Service community;
  - b. increase the high-quality and accountable community participation of Construction Service community in the supervision of Construction Service business organization; and
  - c. increase the high-quality and accountable participation of the Construction Service community in the building provision business
- (7) In order to achieve the objectives as referred to in Article 4 paragraph (1) letter f, a governor as the representative of the Central Government in a region in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government has the authority to collect data and information on Construction Services in the Province

3. Provisions of Article 7 have been amended, therefore read as follows:

#### **Article 7**

The authorities of Provincial Government shall be implemented in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government in the construction Service sub-affairs, consisting of:

- a. the organization of construction expert training; and
- b. the organization of a Construction Service information system with provincial area coverage.

4. Provisions of Article 8 have been amended, therefore read as follows:

#### **Article 8**

The authorities of regency/city Governments shall be implemented in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government in the construction service sub-affairs, consisting of:

- a. the organization of skilled construction worker training;
- b. the organization of a Construction Service information system with regency/city area coverage;
- c. the issuance of Business Licensing for small-, medium-, and large-qualification; and
- d. the supervision of the Construction Service business order, organization order, and utilization order.

5. Provision of Article 9 has been amended, therefore reads as follows:

#### **Article 9**

In implementing the authorities as referred to in Article 5 to Article 8, the Central Government and/or Regional Governments in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government may involve the Construction Service community.

6. Provision of Article 10 has been amended, therefore reads as follows:

**Article 10**

Further provisions regarding the responsibilities and authorities as well as Business Licensing as referred to in Article 4 to Article 9 shall be regulated under a Regulation of the Government.

7. Provisions of Article 20 have been amended, therefore read as follows:

**Article 20**

- (1) The business qualification for the business entity as referred to in Article 19 shall consist of:
  - a. Small;
  - b. Medium; and
  - c. Large.
- (2) The determination of business qualification as referred to in paragraph (1) shall be implemented through the assessment of:
  - a. Annual sales;
  - b. Financial capability;
  - c. Availability of construction workers; and
  - d. Capability in providing construction equipment.
- (3) The business qualification as referred to in paragraph (1) shall determine the business capacity limit and market segmentation of the Construction Service business.
- (4) Further provisions regarding the determination of business qualification as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

8. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) Every construction service individual business and business entity as referred to in Article 19 which will provide Construction Services must fulfill the Business Licensing
- (2) Further provisions regarding the Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government

9. Provision of Article 27 has been amended, therefore reads as follows:

**Article 27**

Business Licensing as referred to in Article 26 paragraph (1) shall be granted by a Regency/City Government in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government to individual businesses domiciled within its region in accordance with provisions of laws and regulations.

10. Provision of Article 28 has been amended, therefore reads as follows:

**Article 28**

Business Licensing as referred to in Article 26 paragraph (2) shall be granted by a Regency/City Government in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government to business entities domiciled within its region in accordance with provisions of laws and regulations.

11. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) The Business Licensing shall be valid to carry out Construction Service business activities in all regions of the Republic of Indonesia.
- (2) The Regency/City Governments in accordance with the norms, standard, procedure, and criteria stipulated by the Central Government as referred to in Article 27 and Article 28 shall establish regional-level regulation on Business License.

12. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) Every business entity that works on Construction Services must have a Business Entity Certificate.
- (2) The Business Entity Certificate as referred to in paragraph (1) shall be issued through a process of certification and registration by the Central Government.
- (3) Further provisions regarding the certification and registration of business entity as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

13. Article 31 has been removed.

14. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) The representative office as referred to in Article 32 letter a must:
  - a. be in the form of a business entity having a qualification equivalent to large-qualification
  - b. fulfill the Business Licensing;
  - c. form joint operation with a national large-qualification Construction Service business entity that fulfills the Business Licensing;
  - d. employ more Indonesian workers rather than foreign workers;
  - e. place Indonesian citizen as the highest leader of the representative office;
  - f. prioritize the use of domestic material and construction technology;
  - g. have a high, sophisticated, efficient, and environmentally sound technology, as well as taking local wisdom into consideration;
  - h. perform the technology transfer process; and
  - i. perform other obligations in accordance with provisions of laws and regulations.
- (2) The Business licensing as referred to in paragraph (1) letter b shall be granted by the Central Government in accordance with the provisions of laws and regulations.
- (3) The joint operation as referred to in paragraph (1) letter c shall be conducted with the principles of equal qualification, similar services, and joint and several liability (tanggung renteng).

15. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**



- (1) The provisions on capital cooperation as referred to in Article 32 letter b shall be conducted in accordance with provisions of laws and regulations.
- (2) The Construction Service business entities that are established for the purpose of capital cooperation as referred to in Article 32 letter b must fulfill the requirements for large-qualification as referred to in Article 20 paragraph (1) letter c.
- (3) The Construction Service business entities that are established for the purpose of capital cooperation as referred to in paragraph (2) must fulfill the Business Licensing.
- (4) The Business Licensing as referred to in paragraph (3) shall be granted by the Central Government in accordance with provisions of laws and regulations.

16. Provision of Article 35 has been amended, therefore reads as follows:

**Article 35**

Further provisions regarding the granting of Business Licensing, joint operation procedures, and employment of more Indonesian workers, as referred to in Article 33 paragraph (1) letter b, letter c, letter d, and the granting of Business Licensing as referred to in Article 34 paragraph (4) shall be regulated under a Regulation of the Government.

17. Article 36 has been removed.

18. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) The organization of Construction Services shall be carried out through the organization of Construction Service business.
- (2) The organization of Construction Service business as referred to in paragraph (1) may be self-performed or performed through the binding of Construction Services.
- (3) Further provisions regarding the organization of Construction Services business which are self-performed or through the binding of Construction Services as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

19. Article 42 has been removed.

20. Provision of Article 44 has been amended, therefore reads as follows:

**Article 44**

Service Users as referred to in Article 39 paragraph (2) is prohibited from using affiliated Service Providers in construction for public interests without going through a tender or selection, or an electronic catalog.

21. Article 57 has been removed.

22. Article 58 has been removed.

23. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) In every organization of Construction Services, Service Users and Service Providers must fulfill the Security, Safety, Health, and Sustainability Standards.
- (2) Further provision regarding the organization of Construction Services, Service Users and Service Providers that must fulfil the Security, Safety, Health, and Sustainability Standards as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

24. Provisions of Article 69 have been amended, therefore read as follows:

**Article 69**

- (1) The training of construction workers shall be carried out using the relevant, effective, and efficient work training methods in accordance with Work Competency Standards.
- (2) The training as referred to in paragraph (1) shall be aimed at increasing work productivity.
- (3) The Work Competency Standards as referred to in paragraph (1) shall be established in accordance with the provisions of laws and regulations.
- (4) The training of construction workers as referred to in paragraph (1) shall be carried out by work training and educational institutions in accordance with the provisions of laws and regulations.
- (5) The work training and educational institutions as referred to in paragraph (4) should fulfill the Business Licensing from the Central Government.
- (6) Further provisions regarding the procedures for Business Licensing as referred to in paragraph (5) shall be regulated under a Regulation of the Government.

25. Provisions of Article 72 have been amended, therefore read as follows:

**Article 72**

- (1) To secure an acknowledgment of professional experience, every construction worker shall be registered with the Central Government.
- (2) The registration as referred to in paragraph (1) shall be proven by a professional experience registration certificate.
- (3) Further provisions regarding the registration as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

26. Article 74 has been removed.

27. Provisions of Article 84 have been amended, therefore read as follows:

**Article 84**

- (1) The organization of a part of the Central Government's authority as referred to in Article 5 shall include the participation of the Construction Service community.
- (2) The participation of the Construction Service community as referred to in paragraph (1) shall be carried out through an institution established by the Central Government.
- (3) The executive board elements of the institution as referred to in paragraph (2) may be proposed from:
  - a. accredited company associations;
  - b. accredited professional associations

- c. Construction Service user institutions that meets the criteria; and
  - d. universities or experts that meet the criteria.
  - e. accredited associations related to construction service supply chain.
- (4) The executive board of the institution as referred to in paragraph (3) shall be determined by the Central Government after obtaining approval from the House of Representatives.
- (5) The organization of a part of the authority carried out by institutions as referred to in paragraph (1) shall be financed by the state revenue and expenditure budget and/or other legitimate sources in accordance with the provisions of the laws and regulations.
- (6) Fees obtained from the community for services in the organization of a part of the authority carried out by the institution as referred to in paragraph (3) shall constitute non-tax state revenue in accordance with the provisions of laws and regulations.
- (7) Further Provisions regarding the organization of part of the authority of the Central Government which includes the participation of the Construction Service community and the establishment of the institution shall be regulated under a Regulation of the Government.

28. Provisions of Article 89 have been amended, therefore read as follows:

**Article 89**

Every individual business that does not have a Business Licensing as referred to in Article 26 paragraph (1) shall be subject to administrative sanctions in the form of:

- a. Written warnings;
- b. administrative fines; and/or
- c. temporary suspension of Construction Services activities.

29. Article 92 has been removed.

30. Provisions of Article 96 have been amended, therefore read as follows:

**Article 96**

- (1) Every Service Provider and/or Service User that does not meet the Security, Safety, Health and Sustainability Standards in the organization of Construction Services as referred to in Article 59 paragraph (1) shall be subject to administrative sanctions in the form of:
- a. written warnings;
  - b. administrative fines;
  - c. temporary suspension of Construction Services activities;
  - d. service inclusion in the blacklist;
  - e. suspension of business licensing; and/or
  - f. revocation of business licensing.
- (2) Every Service User and/or Service Provider that, in providing ratification or approval, violates the provisions as referred to in Article 59 paragraph (2) shall be subject to administrative sanctions in the form of:
- a. Written warnings;
  - b. administrative fines;

- c. temporary suspension of Construction Services activities;
- d. inclusion in the blacklist;
- e. suspension of business licensing;
- f. revocation of business licensing; and/or
- g. revocation of Business Entity Certificate for Construction Service Providers

31. Provisions of Article 99 have been amended, therefore read as follows:

#### **Article 99**

- (1) Every construction worker who works in the field of Construction Services without having the Work Competency Certificate as referred to in Article 70 paragraph (1) shall be subject to administrative sanctions in the form of termination from workplace.
- (2) Every Service User and/or Service Provider who employs construction workers that does not have a Work Competency Certificate as referred to in Article 70 paragraph (1) shall be subject to administrative sanctions in the form of:
  - a. administrative fines; and/or
  - b. temporary suspension of Construction Services activities.
- (3) Every construction worker who works in the field of Construction Services who has a Work Competency Certificate as referred to in Article 70 paragraph (1) but does not practice in accordance with Indonesian national work competency standards, international standards, and/or special standards shall be subject to sanctions in the form of:
  - a. Written warnings;
  - b. Administrative fines;
  - c. Suspension of work competency certificate; and/or
  - d. Revocation of work competency certificate.

32. Article 101 has been removed.

33. Provision of Article 102 has been amended, therefore reads as follows:

#### **Article 102**

Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to Article 89, Article 90, Article 91, Article 93, Article 94, Article 95, Article 96, Article 97, Article 98, Article 99, and Article 100 shall be regulated under a Regulation of the Government.

#### **Article 53**

Several provisions under Law Number 17 of 2019 on Water Resources (State Gazette of the Republic of Indonesia of 2019 Number 190, Supplement to the State Gazette of the Republic of Indonesia Number 6405) have been amended as follows:

1. Provisions of Article 8 have been amended, therefore read as follows:

#### **Article 8**

- (1) The people's right to water which is guaranteed to be fulfilled by the state as referred to in Article 6 is the minimum daily basic needs.

- (2) In addition to people's rights to water which are guaranteed to be fulfilled by the state as referred to in paragraph (1), the state prioritizes people's rights to water as follows:
  - a. daily basic needs;
  - b. people's agriculture; and
  - c. use of Water Resources for business needs to fulfill daily basic needs through the Drinking Water Supply System.
- (3) In the event that the availability of Water is not sufficient to satisfy the fulfillment priority as referred to in paragraph (2) the fulfillment of Water for daily basic needs shall be prioritized over the others.
- (4) In the event that the availability of water is sufficient, after the order of priority for the fulfillment as referred to in paragraph (2), the next order of priority are:
  - a. use of water resources to fulfill non-business activities for the public interest; and
  - b. use of water resources for other business needs that have been stipulated by a Business Licensing.
- (5) The Central Government or Regional Government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government determines the order of priority for the fulfillment of Water in River Areas in accordance with its authority based on the provisions referred to in paragraph (2), paragraph (3), and paragraph (4).
- (6) In determining priority for the fulfillment of water as referred to in paragraph (5), the Central Government or Regional Government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government shall first take into account Water needs for the maintenance of Water Sources and the environment.
- (7) People's right to water is not a right of ownership over water, but is only limited to the right to obtain and use a number of water quotas in accordance with an allocation, the determination of which shall be regulated under a Regulation of the Government.
- (8) Further provisions regarding the use of Water Resources to fulfill daily basic needs, people's agriculture, and business needs in order to fulfill daily basic needs through the Drinking Water Supply System as referred to in paragraph (2), as well as to fulfill non-business activities for the public interest and other business needs as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

2. Provisions of Article have been amended, therefore read as follows:

#### **Article 9**

- (1) On the basis of state control over Water Resources as referred to in Article 5, the Central Government and/or Regional Governments in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government are given the task and authority to regulate and manage Water Resources.
- (2) Control of Water Resources as referred to in paragraph (1) shall be carried out by the Central Government and/or the Regional Government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government while still recognizing the customary rights of local Customary law community and rights similar to that, as long as it is not contradictory the national interests and the provisions of laws and regulations.
- (3) The customary rights of Customary law community over water resources as referred to in paragraph (2) remains acknowledged as long as they still actually exist and have been regulated under a Regional Regulation.

3. Provision of Article 12 has been amended, therefore reads as follows:

**Article 12**

Duties and authorities of the Regional Government as referred to in Article 9 paragraph (1) include the duties and authorities of the provincial Government and/or Regency/City Government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

4. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

The village government or what is called by another name in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government has the following duties:

- a. assisting the Central Government and/or Regional Government in managing water resources in the village region based on the principle of public benefit and by taking into account the interests of other villages;
- b. encourage the initiative and participation of village communities in Water Resources Management within their area;
- c. participate in maintaining the effectiveness, efficiency, quality, and order of the implementation of Water Resources Management; and
- d. assisting the regency/city Government in fulfilling the minimum daily basic needs of water for village residents.

5. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) Part of the duties and authorities of the Central Government and/or Regional Governments as referred to in Article 10, Article 11, Article 13, Article 14, Article 15, and Article 16 in managing Water Resources covering one river area can be assigned to the Water Resources Manager.
- (2) Water Resources Managers as referred to in paragraph (1) can be in the form of technical implementing units of ministries/regional technical implementing units or state-owned enterprises/regionally-owned enterprises in the field of Water Resources Management.
- (3) Part of the duties and authorities as referred to in paragraph (1) does not include:
  - a. establishing policies;
  - b. establishing the Water Resources Management Pattern;
  - c. establishing the Water Resources Management Plan;
  - d. designating Water Resources protected areas;
  - e. issuing Business Licensing or Approval;
  - f. forming a coordination forum
  - g. stipulate norms, standards, procedures, and criteria;
  - h. forming a Water Resources Management; and
  - i. establish BJPSDA (Biaya Jasa Pengelolaan Sumber Daya Air/Water Resource Management Service Costs) unit value
- (4) Further Provisions regarding State-Owned Enterprises/Regionally-Owned Enterprises in the field of Water Resources Management as referred to in paragraph (2) shall be regulated under a Regulation of the Government.



6. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) The implementation of Water Resources Infrastructure construction and the implementation of non-construction is carried out by the Central Government and/or Regional Governments in accordance with their respective authorities based on the program and activity plan.
- (2) The implementation of Water Resources Infrastructure construction and the implementation of non-construction as referred to in paragraph (1) can be carried out by involving community participation.
- (3) Every person or community group on their own initiative can carry out Water Resources Infrastructure construction activities and implementation of non-construction for their own interests based on Approval or Business Licensing from the Central Government and/or Regional Government in accordance with their respective authorities based on the norms, standards, procedures, and criteria stipulated by Central government.
- (4) Implementation of Water Resources Infrastructure construction and implementation of non-construction shall be carried out by way of:
  - a. following the norms, standards, procedures, and criteria;
  - b. utilizing local technology and resources; and
  - c. prioritizing safety, work security, and sustainability of ecological functions, in accordance with the provisions of laws and regulations
- (5) The obligation to obtain approval or Business Licensing as referred to in paragraph (3) is exempted for non-construction activities that do not result in physical changes to water sources.
- (6) Further provisions regarding approval or Business Licensing as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

7. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) Monitoring of Water Resources Management shall be carried out toward:
  - a. Water Resource Management Planning;
  - b. implementation of Water Resources Infrastructure construction and implementation of non-construction; and
  - c. implementation of Water Resources Operation and Maintenance.
- (2) Evaluation of Water Resources Management shall be carried out based on monitoring results of Water Resources as referred to in paragraph (1) toward the objectives of Water Resources Management.
- (3) Evaluation results of Water Resources Management are used as a material for consideration in improving the implementation of Water Resources Management.
- (4) The implementation of monitoring and evaluation of Water Resources Management as referred to in paragraph (1) and paragraph (2) shall be carried out by the Central Government and/or Regional Governments in accordance with their respective authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (5) Further provisions regarding monitoring and evaluation of Water Resources Management shall be regulated under a Regulation of the Government.

8. Provisions of Article 44 have been amended, therefore read as follows:



**Article 44**

- (1) The use of Water Resources as referred to in Article 29 paragraph (2) letter c for business needs and non-business needs shall be carried out after fulfilling the Business Licensing or approval for the use of water resources.
- (2) Business licensing or approval for the use of Water Resources as referred to in paragraph (1) shall be granted with due observance of the area's function and environmental sustainability.
- (3) Business licensing or approval for the use of Water Resources as referred to in paragraph (1) shall be granted by the Central Government and/or Regional Government in accordance with their respective authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (4) Business licensing or approval for the use of Water Resource as referred to in paragraph (2) cannot be leased or transferred, either partially or as a whole.

9. Provisions of Article 45 have been amended, therefore read as follows:

**Article 45**

- (1) Approval for the use of Water Resources for non-business needs consists of:
  - a. Approval for the use of Water Resources to fulfill the daily basic needs shall be required if:
    1. the usage method is performed by changing the natural condition of the Water Source; and/or
    2. the usage is submitted for group needs that requires Water in large quantities.
  - b. Approval for the use of Water Resource to fulfill people's agricultural needs shall be required if:
    1. the usage method is performed by changing the natural condition of the Water Source; and/or
    2. the usage is for people's agriculture outside the existing irrigation system.
  - c. Approval for the use of Water Resources to fulfill the need for activities other than fulfilling daily basic needs and people's agriculture which are not a business activity.

10. Provisions of Article 49 have been amended, therefore read as follows:

**Article 49**

- (1) The usage of Water Resources for business needs as referred to in Article 47 can be in the form of:
  - a. Water Resource as a medium;
  - b. Water and Water Power as material;
  - c. Water Source as a medium; and/or
  - d. Water, water source, and/or water power as media and materials.
- (2) The use of Water Resource for business needs as referred to in paragraph (1) shall fulfill the Business Licensing.
- (3) The granting of Business Licensing is carried out strictly in the following order of priority:
  - a. Fulfillment of daily basic needs for groups requiring water in large quantities;
  - b. Fulfillment of daily basic needs that change the natural conditions of water sources;

- c. People's agriculture outside the existing irrigation system;
  - d. The use of Water Resource for business needs in order to fulfill daily basic needs through the Drinking Water Supply System;
  - e. Non-business activities for the public interest;
  - f. The use of Water Resource for business needs by state-owned enterprises, regionally-owned enterprises, or village-owned enterprises; and
  - g. The use of Water Resource for business needs by private business entities or individuals.
- (4) Business licensing to use water resource for business needs as referred to in paragraph (2) can be granted for:
- a. Certain point or place in water source;
  - b. Certain sections in water sources; or
  - c. A particular part of the Water Source.
- (5) Business Licensing to use water resource for business needs as referred to in paragraph (4) can be granted to:
- a. State-owned enterprises;
  - b. Regionally-owned enterprises;
  - c. Village-owned enterprises;
  - d. Cooperatives;
  - e. Private business entities; or
  - f. Individuals

11. Provision of Article 50 has been amended, therefore reads as follows:

#### **Article 50**

Business Licensing to use Water Resources for business needs by using Water and Water Power as materials as referred to in Article 49 paragraph (1) letter b which produces products in the form of drinking water for daily basic needs is given to state-owned enterprises, regionally-owned enterprises, or village-owned enterprises that operates Drinking Water Supply System.

12. Provisions of Article 51 have been amended, therefore read as follows:

#### **Article 51**

- (1) Business Licensing to use Water Resources for business needs can be granted to private parties after fulfilling certain and strict requirements as referred to in Article 46 paragraph (1) letter f, which are at least:
- a. in accordance with the Water Resources Management Pattern and the Water Resources Management Plan;
  - b. fulfill the technical administrative requirements;
  - c. obtain approval from stakeholders in the Water Resources area; and
  - d. fulfill the mandatory Water Resources Conservation costs which is a component in the BJPSDA and other financial obligations in accordance with the provisions of laws and regulations.
- (2) Further provisions regarding Business licensing to use Water Resources as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

13. Provisions of Article 52 have been amended, therefore read as follows:

**Article 52**

- (1) The use of water resources for other countries is prohibited, except for humanitarian purposes.
- (2) The exception as referred to in paragraph (1) must meet the requirements of already able to fulfill of the need for the use of Water Resources in the relevant river area and the surrounding area.
- (3) The use of Water Resources for other countries as referred to in paragraph (1) must be based on the Water Resources Management Pattern and the Water Resources Management Plan in the relevant River Area and take into account the interests of the surrounding area.
- (4) Plans for the use of Water Resources for other countries are carried out through a public consultation process by the Central Government and/or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government
- (5) The use of water resources for other countries as referred to in paragraph (3) and paragraph (4) must obtain approval from the central government based on a recommendation from the regional government and in accordance with the provisions of laws and regulations

14. Provisions of Article 56 have been amended, therefore read as follows:

**Article 56**

- (1) Supervision of Water Resources Management is carried out by the Central Government and/or Regional Governments in accordance with their authority toward Water Resources Management based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Supervision of Water Resources Management as referred to in paragraph (1) can be carried out by involving the role of the community.
- (3) Further provisions regarding the supervision of Water Resources Management shall be regulated under a Regulation of the Government.

15. Provisions of Article 70 have been amended, therefore read as follows:

**Article 70**

Every person who deliberately:

- a. carry out the implementation of Water Resources Infrastructure construction and non-construction activities at Water Sources without obtaining a Business Licensing from the Central Government or Regional Government as referred to in Article 40 paragraph (3).
- b. lease or transfer, either partially or as a whole, the Business Licensing or approval for the use of Water Resources for non-business needs as referred to in Article 44; or
- c. Carry out the use of Water Resources without Business Licensing for business needs or approval for the use of Water Resources as referred to in Article 49,

shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 3 (three) years and a fine of at least IDR1,000,000,000.00 (one billion rupiah) and a maximum of IDR5,000,000,000.00 (five billion rupiah).

16. Provisions of Article 73 have been amended, therefore read as follows:

**Article 73**

Every person who, due to negligence:

- a. carry out the implementation of Water Resources Infrastructure construction and non-construction activities at Water Sources without fulfilling the provisions as referred to in Article 40 paragraph (3) and paragraph (4); or
- b. use Water Resources for business needs without an Business Licensing as referred to in Article 49 paragraph (2);

shall be sentenced with imprisonment for a minimum of 3 (three) months and a maximum of 6 (six) years and a fine of at least IDR300,000,000.00 (three hundred million rupiah) and a maximum of IDR1,000,000,000.00 (one billion rupiah).

## **Subdivision 10 Transportation**

### **Article 54**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing and ease of investment requirements in the Transportation sector, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 22 of 2009 on Road Traffic and Transportation (State Gazette of the Republic of Indonesia of 2009 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 5025);
- b. Law Number 23 of 2007 on Railways (State Gazette of the Republic of Indonesia of 2007 Number 65, Supplement to the State Gazette of the Republic of Indonesia Number 4722);
- c. Law Number 17 of 2008 on Shipping (State Gazette of the Republic of Indonesia of 2008 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 4849); and
- d. Law Number 1 of 2009 on Aviation (State Gazette of the Republic of Indonesia of 2009 Number 1, Supplement to the State Gazette of the Republic of Indonesia Number 4956).

### **Article 55**

Several provisions under Law Number 22 of 2009 on Road Traffic and Transportation (State Gazette of the Republic of Indonesia of 2009 Number 96, Supplement to the State Gazette of the Republic of Indonesia Number 5025) have been amended, as follows:

1. Provisions of Article 19 have been amended, therefore read as follows:

#### **Article 19**

- (1) Roads are grouped into several classes based on:
  - a. the function and intensity of Traffic for the purposes of regulating the use of the Road and the Smoothness of Traffic and Road Transportation; and
  - b. carrying capacity to receive the maximum axle load and the dimensions of Motorized Vehicles.
- (2) Further provisions regarding the grouping roads according to road class shall be regulated under a Regulation of the Government.

2. Provision of Article 36 has been amended, therefore reads as follows:

#### **Article 36**

Every Public Motorized Vehicle on a route is obliged to stop at the designated Terminal, unless otherwise stated on the route that has been approved in the Business Licensing.

3. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) Every Terminal operator is required to provide Terminal facilities that meet safety and security requirements.
- (2) Terminal facilities as referred to in paragraph (1) include main facilities and supporting facilities.
- (3) In order to maintain the condition of Terminal facilities as referred to in paragraph (2), Terminal operators are required to carry out maintenance in collaboration with micro- and small-scale businesses.
- (4) Terminal facilities must provide a place for micro- and small-scale business activities of at least 30% (thirty percent).
- (5) Provisions regarding cooperation with micro- and small-scale businesses as referred to in paragraph (3) and the provision of a place for micro- and small-scale business activities as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

4. Provisions of Article 39 have been amended, therefore read as follows:

**Article 39**

- (1) Terminal work environment is an area designated for Terminal facilities.
- (2) Terminal work environment as referred to in paragraph (1) shall be managed by Terminal operators and used for the implementation of construction, development and operation of Terminal facilities.
- (3) In the event that the Central Government as the Terminal operator as referred to in paragraph (2), its implementation may be cooperated with state-owned enterprises, regionally-owned enterprises, village-owned enterprises, and private parties.

5. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) Terminal construction shall be equipped with:
  - a. design;
  - b. design workbook;
  - c. Terminal master plan; and
  - d. Amdal or environmental management efforts and environmental monitoring efforts documents which include traffic impact analysis.
- (2) Terminal construction as referred to in paragraph (1) may be cooperated with state-owned enterprises, regionally-owned enterprises, village-owned enterprises and private parties in accordance with the provisions of laws and regulations.
- (3) Terminal operation shall include the following activities:
  - a. planning;
  - b. implementation; and
  - c. supervision of Terminal operation.

- (4) Terminal construction as referred to in paragraph (1) as well as planning and implementation in Terminal operation as referred to in paragraph (3) letter a and letter b may be cooperated with state-owned enterprises, regionally-owned enterprises, village-owned enterprises and private parties in accordance with the provisions of laws and regulations.

6. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) The provision of public Parking facility may only be organized outside the Right of Way after fulfilling the Business Licensing from the Central Government or Regional Government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) The implementation of Parking facility outside the Right of Way as referred to in paragraph (1) may be carried out by individuals who are Indonesian citizens or Indonesian legal entities in the form of:
  - a. parking business; or
  - b. main business support.
- (3) Parking facility within the Right of Way may only be organized in certain places on regency roads, village roads, or city roads which must be declared with Traffic Signs and/or Road Markings.
- (4) Further provisions regarding Parking facility Service Users, Business Licensing, requirements, and procedures for the organization of public Parking and facilities shall be regulated under a Regulation of the Government.

7. Provisions of Article 50 have been amended, therefore read as follows:

**Article 50**

- (1) Type test as referred to in Article 49 paragraph (2) letter a must be carried out for every Motorized Vehicle, trailer and semi-trailer, which is imported, manufactured and/or assembled in domestically, as well as modification of Motorized Vehicle which causes a change in type.
- (2) The type test as referred to in paragraph (1) shall be carried out by the Central Government, the implementation of which may be cooperated with state-owned enterprises, regionally-owned enterprises, village-owned enterprises and private parties.
- (3) Further provisions regarding the type test as referred to in paragraph (1) and implementation of type test as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

8. Provisions of Article 53 have been amended, therefore read as follows:

**Article 53**

- (1) The periodical test as referred to in Article 49 paragraph (2) letter b is mandatory for public passenger cars, buses, cargo cars, trailers and semi-trailers operated on the Road.
- (2) Periodical test as referred to in paragraph (1) shall include the following activities:
  - a. physical inspection and test of the Motorized Vehicles; and
  - b. validation of test results.
- (3) The physical inspection and the test of Motorized Vehicles as referred to in paragraph (2) letter a shall be carried out by:

- a. regency/city government test implementing unit in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government;
- b. implementing unit for brand holder sole agent (agen tunggal pemegang merek) that have obtained Business Licensing from the government; or
- c. private test implementing unit that has obtained Business Licensing from the Government.

9. Provisions of Article 60 have been amended, therefore read as follows:

**Article 60**

- (1) Motorized Vehicle general repair shops which functions to repair and maintain Motorized Vehicles, are obliged to meet the technical and roadworthiness requirements.
- (2) General repair shops that have certain accreditation and quality may conduct periodical testing of Motorized Vehicles.
- (3) Operators of general repair shops as referred to in paragraph (1) should fulfill the requirements stipulated by the Central Government.
- (4) The operation of general repair shops as referred to in paragraph (2) must fulfill the Business Licensing from the Central Government.
- (5) Supervision of Motorized Vehicle general repair shops as referred to in paragraph (1) shall be carried out by the regency/city government in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.
- (6) Further provisions regarding the requirements and procedures for the operation of general repair shops shall be regulated under a Regulation of the Government.

10. Provisions of Article 78 have been amended, therefore read as follows:

**Article 78**

- (1) Driving education and training shall be organized by institutions that have obtained Business Licensing from the Central Government or Regional Government in accordance with the norms, standards and procedures stipulated by the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

11. Provisions of Article 99 have been amended, therefore read as follows:

**Article 99**

- (1) Every plan for the construction of activity centers, settlements and infrastructures that will cause disruption to Security, Safety, Order and Smoothness of Traffic and Road Transportation, must undergo a Traffic impact analysis which is integrated with environmental impact analysis or environmental management efforts and environmental monitoring efforts in accordance with the provisions of laws and regulations regarding the environment.
- (2) Further provisions regarding the environmental impact analysis or environmental management efforts and environmental monitoring efforts which have included the traffic impact analysis as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

12. Article 100 has been removed.



13. Article 101 has been removed.

14. Provisions of Article 126 have been amended, therefore read as follows:

**Article 126**

Drivers of Public Motorized Vehicles for transporting people are prohibited from:

- a. stopping the Vehicle other than at the designated place;
- b. waiting for passengers other than at the designated place;
- c. dropping Passengers other than at the stop and/or at the destination without a proper and urgent reason; and/or
- d. passing through a road network other than those specified in the route that has been approved in the Business Licensing.

15. Provisions of Article 162 have been amended, therefore read as follows:

**Article 162**

- (1) Motorized vehicles carrying special goods are required to:
  - a. meet the safety requirements according to the nature and shape of the goods being transported;
  - b. have a certain mark in accordance with the goods being transported;
  - c. park the Vehicle at the designated place;
  - d. unload and load goods at the designated place and by using tools in accordance with the nature and shape of the goods being transported; and
  - e. operate at a time that does not interfere with the Security, Safety, Smoothness and Order of Traffic and Road Transportation;
- (2) Public Motorized Vehicles carrying heavy equipment with dimensions exceeding the dimensions stipulated by the Central Government must receive escort from the Indonesian National Police.
- (3) Drivers and assistant drivers of Public Motorized Vehicles carrying special goods must have certain competency in accordance with the nature and shape of the special goods being transported.

16. Provisions of Article 165 have been amended, therefore read as follows:

**Article 165**

- (1) Public transportation on the Road which is part of the multimodal transportation shall be carried out by a multimodal transportation legal entity.
- (2) Public transportation activities in multimodal transportation shall be carried out based on an agreement made between a Road transportation legal entity and a multimodal transport legal entity and/or other mode legal entity.
- (3) Multimodal transportation services must be system-integrated and comply with Business Licensing from the Central Government.
- (4) Provisions regarding multimodal transportation, requirements, and procedures for obtaining Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

17. Provisions of Article 170 have been amended, therefore read as follows:

**Article 170**

- (1) Permanently installed weighing device as referred to in Article 169 paragraph (4) letter a shall be installed at a certain location.
- (2) The Central Government shall determine the location, operation and closure of the weighing device that is permanently installed on the Road as referred to in paragraph (1).
- (3) The operation and maintenance of a permanently installed weighing device and management information system shall be carried out by the Central Government and may be cooperated with state-owned, regionally-owned and private enterprises in accordance with the provisions of laws and regulations.
- (4) The officer for permanently installed weighing device is obliged to record the type of goods being transported, the weight of the transport and the origin destination.

18. Provisions of Article 173 have been amended, therefore read as follows:

**Article 173**

- (1) Public Transportation Companies that carry out transportation of people and/or goods are required to fulfill Business Licensing from the Central Government or Regional Government according to the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) The obligation to fulfill Business Licensing as referred to in paragraph (1) does not apply to:
  - a. transportation of sick people using ambulances; or
  - b. corpse transportation.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

19. Article 174 has been removed.

20. Article 175 has been removed.

21. Article 176 has been removed.

22. Article 177 has been removed.

23. Article 178 has been removed.

24. Provisions of Article 179 have been amended, therefore read as follows:

**Article 179**

- (1) Business Licensing related to the operation of non-route transportation of people as referred to in Article 173 paragraph (1) shall be granted by:
  - a. Central Government who is responsible for traffic and road transportation facilities and infrastructure for transportation of people serving:

1. taxi transportation which operational area exceeds 1 (one) province;
  2. transportation with a specific destination; or
  3. tourism transportation.
  - b. Governors, for taxi transportation which operational area exceeds more than 1 (one) regency/city within 1 (one) province in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government;
  - c. The Governor of the Special Capital Region of Jakarta for taxi transportation and transportation for certain areas, the operational areas of which are within the territory of the Special Capital Region of Jakarta Province in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government; and
  - d. regents/mayors, for taxis and transportation in certain areas, the operational areas of which are within the regency/city area according to the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Further provisions regarding the procedures and requirements for granting Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

25. Article 180 has been removed.

26. Provisions of Article 185 have been amended, therefore read as follows:

#### **Article 185**

- (1) The Central Government and/or Regional Government may provide transportation subsidies on certain routes or traffic.
- (2) Further provisions regarding the provision of transportation subsidies as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

27. Provisions of Article 199 have been amended, therefore read as follows:

#### **Article 199**

- (1) Every person who violates the provisions as referred to in Article 167, Article 168, Article 173, Article 186, Article 187, Article 189, Article 192, or Article 193 shall be subject to administrative sanctions in the form of:
  - a. written warnings;
  - b. administrative fines;
  - c. suspension of Business Licenses; and/or
  - d. revocation of Business Licenses.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

28. Provisions of Article 220 have been amended, therefore read as follows:

#### **Article 220**

- (1) Engineering design of Motorized Vehicles as referred to in Article 219 paragraph (1) letter a and development of research and design of Motorized Vehicles as referred to in paragraph (2) letter a shall be carried out by:

- a. the Central Government;
  - b. Regional Governments;
  - c. legal entities;
  - d. research institutions; and/or
  - e. universities.
- (2) The engineering design as referred to in paragraph (1) must be validated by the Central Government.

29. Provisions of Article 222 have been amended, therefore read as follows:

**Article 222**

- (1) The Central Government is obliged to develop industry and infrastructure technology that ensures Security, Safety, Order and Smoothness of Traffic and Road Transportation.
- (2) The development of industry and technology for Traffic and Road Transportation Infrastructure shall be carried out in an integrated manner with the support of all related sectors
- (3) Industrial and technological development as referred to in paragraph (2) must be validated by the Central Government.

30. Article 308 has been removed.

**Article 56**

Several provisions under Law Number 23 of 2007 on Railways (State Gazette of the Republic of Indonesia of 2007 Number 65, Supplement to the State Gazette of the Republic of Indonesia Number 4722) have been amended, as follows:

1. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

- (1) Business Entity that operates a public railway infrastructure as referred to in Article 23 paragraph (1) is obliged to fulfill Business Licensing related to public railway infrastructure.
- (2) Business Licensing as referred to in paragraph (1) shall be granted based on the norms, standards, procedures, and criteria stipulated by the Central Government, including:
  - a. the Central Government, for the operation of public railway infrastructure which the route network crosses provincial borders;
  - b. provincial government, for the operation of public railway infrastructure which the route network crosses regency/city borders within one province after obtaining approval from the Central Government; and
  - c. regency/city government for the operation of public railways which the route network is within the regency/city after obtaining a recommendation from the provincial government and approval from the Central Government.
- (3) Further provisions regarding Business Licensing related to public railway infrastructure shall be regulated under a Regulation of the Government.

2. Between Article 24 and Article 25 is inserted 1 (one) article, namely Article 24A, which reads as follows:

**Article 24A**

Business Entity that operate public railway infrastructure that does not fulfill the Business Licensing as referred to in Article 24 paragraph (1) shall be subject to administrative sanctions.

3. Provision of Article 28 has been amended, therefore reads as follows:

**Article 28**

Railway Facility Operator that operates railway facilities without meeting the railroad facility operation feasibility standards as referred to in Article 27, shall be subject to administrative sanctions.

4. Provisions of Article 32 have been amended, therefore read as follows:

**Article 32**

- (1) Business Entities that operate public railway facilities are required to fulfill Business Licensing.
- (2) The Business Licensing as referred to in paragraph (1) shall be issued based on the norms, standards, procedures, and criteria stipulated by the Central Government, which include:
  - a. the Central Government, for the operation of public railway facilities which the route network crosses provincial borders and national borders;
  - b. provincial government, for the operation of public railway facilities which the route network crosses regency/city borders within one province; and
  - c. regency/city government, for the operation of public railway facilities which the route networks are within the regency/city territory.
- (3) Further provisions regarding Business Licensing related to the operation of public railway facilities shall be regulated under a Regulation of the Government.

5. Between Article 32 and Article 33 is inserted 1 (one) article, namely Article 32A, which reads as follows:

**Article 32A**

Business Entities which operate public railway facilities without fulfilling the Business Licensing as referred to in Article 32 paragraph (1) shall be subject to administrative sanctions.

6. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) The operation of special railways as referred to in Article 17 paragraph (2) shall be carried out by business entities to support their main activities.
- (2) Business Entities as referred to in paragraph (1) are required to fulfill Business Licensing.
- (3) Business Licensing as referred to in paragraph (2) shall be granted based on the norms, standards, procedures, and criteria stipulated by the Central Government, which include:
  - a. the Central Government, for the operation of a special railway which the route network crosses provincial borders and national borders;
  - b. provincial government, for the operation of a special railway which route the network crosses regency/city borders within a province after obtaining approval from the Central Government; and
  - c. regency/city government, for the operation of a special railway which the route network is

within the regency/city after obtaining recommendation from the provincial government and approval from the Central Government.

- (4) Further provisions regarding Business Licensing related to Special Railways shall be regulated under a Regulation of the Government.

7. Between Article 33 and Article 34 is inserted 1 (one) article, namely Article 33A, which reads as follows:

**Article 33A**

Special railway operator that does not fulfill the Business Licensing as referred to in Article 33 paragraph (2) shall be subject to administrative sanctions.

8. Provision of Article 77 has been amended, therefore reads as follows:

**Article 77**

Every legal entity or institution that violates the provisions as referred to in Article 76 shall be subject to administrative sanctions.

9. Between Article 80 and Article 81 is inserted 1 (one) article, namely Article 80A, which reads as follows:

**Article 80A**

Railway infrastructure officers who operate Railway Infrastructure without a proficiency certificate as referred to in Article 80 paragraph (1) shall be subject to administrative sanctions.

10. Provision of Article 82 has been amended, therefore reads as follows:

**Article 82**

Railway Infrastructure Operators who violate the provisions as referred to in Article 81 shall be subject to administrative sanctions.

11. Provision of Article 107 has been amended, therefore reads as follows:

**Article 107**

Every legal entity or institution that violates the provisions as referred to in Article 106 shall be subject to administrative sanctions.

12. Provision of Article 112 has been amended, therefore reads as follows:

**Article 112**

If a railway facility operator in carrying out the inspection does not use personnel who have qualifications of expertise and are not in accordance with the stipulated procedures as referred to in Article 111, shall be subject to administrative sanctions

13. Between Article 116 and Article 117 is inserted 2 (two) articles, namely Article 116A and Article 116B, which reads as follows:

**Article 116A**

Railway Facility Crews who operate Railway facilities without having a proficiency certificate as referred to in Article 116 paragraph (1), shall be subject to administrative sanctions.

#### **Article 116B**

Railway Facility Operators who operate Railway Facilities with Railway Facility Crews who does not have a proficiency certificate as referred to in Article 116 paragraph (1) shall be subject to administrative sanctions.

14. Provision of Article 135 has been amended, therefore reads as follows:

#### **Article 135**

Railway Facility Operators that does not provide transportation by other trains or other modes of transportation to the destination station or does not provide compensation for the ticket price as referred to in Article 134 paragraph (4) shall be subject to administrative sanctions.

15. Provision of Article 168 has been amended, therefore reads as follows:

#### **Article 168**

Railway Facility Operator that does not insure their responsibilities as referred to in Article 167 paragraph (1) shall be subject to administrative sanctions.

16. Between Article 185 and Article 186 is inserted 1 (one) article, namely Article 185A, which reads as follows:

#### **Article 185A**

- (1) Violations toward the provisions as referred to in Article 24A, Article 28, Article 32A, Article 33A, Article 77, Article 80A, Article 82, Article 107, Article 112, Article 116A, Article 116B, Article 135, or Article 168 shall be subject to administrative sanctions.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of sanctions as referred to in paragraph (1) and paragraph (2) shall be regulated under Regulation of the Government.

17. Provision of Article 188 has been amended, therefore reads as follows:

#### **Article 188**

Business Entities that operate public railroad infrastructures without Business Licensing as referred to in Article 24 paragraph (1) which results in the human casualties and/or damage to health, safety, security and/or the environment, shall be sentenced with imprisonment for a maximum of 6 (six) years or a maximum fine of IDR3,000,000,000.00 (three billion rupiah)

18. Provision of Article 190 has been amended, therefore reads as follows:

#### **Article 190**

Business Entities that operate public railway facilities that does not fulfill the Business Licensing as referred to in Article 32 paragraph (1) which results in human casualties and/or damage to health, safety, security and/or the environment, shall be sentenced with imprisonment for a maximum of 6 (six) years or a maximum fine of IDR3,000,000,000.00 (three billion rupiah).



19. Provision of Article 191 has been amended, therefore reads as follows:

**Article 191**

If the act of violation as referred to in Article 33A results in a train accident and/or loss of property, the perpetrator shall be sentenced with imprisonment for a maximum of 1 (one) year and 6 (six) months and a maximum fine of IDR500,000,000.00 (five hundred million rupiah).

20. Provision of Article 195 has been amended, therefore reads as follows:

**Article 195**

Railway infrastructure officers who operate Railway Infrastructure without a proficiency certificate as referred to in Article 80 paragraph (1) which results in an accident and/or causes a victim, shall be sentenced with imprisonment for a maximum of 1 (one) year.

21. Provisions of Article 196 have been amended, therefore read as follows:

**Article 196**

- (1) Railroad Infrastructure Operators who operate railways infrastructure with officers who does not have a proficiency certificate as referred to in Article 80 paragraph (1), which results in an accident and causes a victim, shall be sentenced with imprisonment for a maximum of 1 (one) year and a maximum fine of IDR500,000,000,00 (five hundred million rupiah).
- (2) If the action as referred to in paragraph (1) results in serious injury to a person, operators as the perpetrator shall be sentenced with imprisonment for a maximum of 3 (three) years.
- (3) If the action as referred to in paragraph (1) results in the death of a person, operators as the perpetrator shall be sentenced imprisonment for a maximum of 5 (five) years.

22. Provisions of Article 203 have been amended, therefore read as follows:

**Article 203**

- (1) Railway Facility Crews operating a railway facility without a proficiency certificate as referred to in Article 116 paragraph (1) which results in a train accident and/or loss of property, shall be sentenced imprisonment for a maximum of 2 (two) years.
- (2) If the action as referred to in paragraph (1) results in serious injury to a person, the Railway Facility Crew shall be sentenced with imprisonment for a maximum of 3 (three) years.
- (3) If the action as referred to in paragraph (1) results in the death of a person, the Railway Facility Crew shall be sentenced with imprisonment for a maximum of 5 (five) years.

23. Provisions of Article 204 have been amended, therefore read as follows:

**Article 204**

- (1) Railway Facility Operators who operates a Railway Facility with a Railway Facility Crow who does not have a proficiency certificate as referred to in Article 116 paragraph (1) which results in an accident and causes a victim, shall be sentenced with imprisonment for a maximum of 1 (one) year and a maximum fine of IDR250,000,000.00 (two hundred and fifty million rupiah).
- (2) If the action as referred to in paragraph (1) results in serious injury to a person, the Railway Facility Operator shall be sentenced with imprisonment for a maximum of 3 (three) years.
- (3) If the action as referred to in paragraph (1) results in the death of a person, the Railway Facility Operator shall be sentenced with imprisonment for a maximum of 5 (five) years.

24. Provisions of Article 210 have been amended, therefore read as follows:

**Article 210**

- (1) In the event that the actions as referred to in Article 189, Article 191, and Article 193 result in serious injury to a person, the perpetrator shall be sentenced with imprisonment for a maximum of 3 (three) years and a maximum fine of IDR1,000,000,000.00 (one billion rupiah).
- (2) In the event that the action as referred to in Article 193 results in the death of a person, the perpetrator shall be sentenced with imprisonment for a maximum of 6 (six) years and a maximum fine of IDR2,000,000,000.00 (two billion rupiah).
- (3) In the event that the actions as referred to in Article 189, Article 191, and Article 193 are committed by the Operator Business Entity which results in serious injury to a person, the perpetrator shall be sentenced with a maximum fine of IDR 3,000,000,000,00 (three billion rupiah).
- (4) In the event that the actions as referred to in Article 189, Article 191, and Article 193 are committed by the Operator Business Entity which results in the death of a person, the perpetrator shall be sentenced with a maximum fine of IDR3,000,000,000.00 (three billion rupiah).

**Article 57**

Several provisions under Law Number 17 of 2008 on Shipping (State Gazette of the Republic of Indonesia of 2008 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 4849) have been amended, as follows:

1. Provisions of Article 5 have been amended, therefore read as follows:

**Article 5**

- (1) Shipping is controlled by the state and the guidance shall be carried out by the Central Government.
- (2) Shipping guidance as referred to in paragraph (1) includes:
  - a. regulations;
  - b. control; and
  - c. supervision.
- (3) Further provisions regarding Shipping guidance as referred to in paragraph (2) letter a, letter b, and letter c shall be regulated under a Regulation of the Government.

2. Provisions of Article 9 have been amended, therefore read as follows:

**Article 9**

- (1) Domestic sea transportation activities shall be formulated and implemented in an integrated manner, both intramodal and intermodal, which is a united national transportation system.
- (2) Domestic sea transportation activities as referred to in paragraph (1) shall be carried out with fixed and regular route (liner) and may be completed with non-permanent and irregular route (tramper).
- (3) Domestic sea transportation activities that serve fixed and regular routes shall be carried out within the route network.
- (4) The permanent and regular route network as referred to in paragraph (3) shall be determined by the Central Government.

- (5) The operation of ships on non-permanent and irregular routes as referred to in paragraph (2) shall be carried out by the national sea transportation company and must be reported to the Central Government.

3. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) Special sea transportation activities are carried out by Business Entities to support their main business for their own interests by using Indonesian-flagged ships that meet the seaworthiness requirements for ships and are manned by Indonesian National Ship crews.
- (2) The special sea transportation activities as referred to in paragraph (1) shall fulfill the Business Licensing from the Central Government.

4. Between Article 14 and Article 15 is inserted 1 (one) article, namely Article 14A, which reads as follows:

**Article 14A**

- (1) So long that the Indonesian-flagged ships are not yet available, foreign ships may carry out special activities in Indonesian territorial waters that do not include activities to transport passengers and/or goods.
- (2) Further provisions regarding special activities carried out by foreign ships as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Provision of Article 27 has been amended, therefore reads as follows:

**Article 27**

To carry out transportation activities in the waters, an individual Indonesian citizen or business entity is required to fulfill Business Licensing.

6. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) Based on the norms, standards, procedures, and criteria stipulated by the Central Government, Business Licensing for sea transportation is granted by:
  - a. the regent/mayor concerned, for Business Entities domiciled in the regency/city area and operate across ports within the regency/city territory;
  - b. the provincial governor concerned, for Business Entities domiciled in a provincial area and operate across ports between regencies/cities within the provincial territory; or
  - c. the Central Government for Business Entities that carry out activities across ports between provinces and internationally.
- (2) Based on the norms, standards, procedures, and criteria stipulated by the Central Government, Business Licensing for community shipping sea transportation shall be granted by:
  - a. the regent/mayor concerned, for individuals who are Indonesian citizens or Business Entities domiciled in the regency/city area and operating across ports within the regency/city territory; or
  - b. the governor concerned, for individuals who are Indonesian citizens or Business Entities domiciled and operating across ports between regencies/cities within the provincial territory, interprovincial ports, and international ports.

- (3) Based on the norms, standards, procedures, and criteria stipulated by the Central Government, Business Licensing for river and lake transportation is granted by:
  - a. regent/mayor in accordance with the domicile of an individual Indonesian citizen or Business Entities; or
  - b. Governor of the Special Capital Region of Jakarta Province, for individuals who are Indonesian citizens or Business Entities domiciled in the Special Capital Region of Jakarta.
- (4) In addition to having Business Licensing as referred to in paragraph (3) for the mandatory operation of river and lake transportation, the operated ships must fulfill the Business Licensing for the route given by:
  - a. the regent/mayor concerned, for ships serving routes within the regency/city area;
  - b. the provincial governor concerned, for ships serving routes between regencies/cities within the province; or
  - c. Central Government for ships serving interprovincial and/or interstate routes, based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (5) Based on the norms, standards, procedures, and criteria stipulated by the Central Government, Business Licensing for ferry transportation is granted by:
  - a. regent/mayor in accordance with the domicile of the Business Entity; or
  - b. Governor of the Special Capital Region of Jakarta, for Business Entities domiciled in the Special Capital Region of Jakarta.
- (6) In addition to having the Business Licensing as referred to in paragraph (5) for ferry transportation, the operated ship is obliged to fulfill the Business Licensing for ship operation approval granted by:
  - a. the regent/mayor concerned, for ships serving cross-port within the regency/city area;
  - b. the governor of the province concerned, for ships serving cross-port between regencies/cities within a province; and
  - c. Central Government, for ships serving interprovincial and/or international ports, based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (7) Further provisions regarding Business Licensing as referred to in paragraph (1), paragraph (2), paragraph (3), paragraph (4), paragraph (5), and paragraph (6) shall be regulated under a Regulation of the Government.

7. Article 30 has been removed.

8. Provisions of Article 31 have been amended, therefore read as follows:

#### **Article 31**

- (1) For the smooth operation of water transportation activities as referred to in Article 6, service businesses related to transportation in waters may be carried out.
- (2) Service businesses related to water transportation as referred to in paragraph (1) may be in the form of:
  - a. loading and unloading of goods;
  - b. transportation management services;
  - c. port water transportation;

- d. the leasing of sea transportation equipment or service equipment related to sea transportation;
  - e. independent tally;
  - f. container depot;
  - g. ship management;
  - h. intermediary for sale and purchase and/or ship charter;
  - i. ship manning agency;
  - j. ship agency; and
  - k. ship repairing and maintenance.
- (3) Further provisions regarding service businesses related to water transportation shall be regulated under a Regulation of the Government.

9. Provisions of Article 32 have been amended, therefore read as follows:

**Article 32**

- (1) The related service business as referred to in Article 31 shall be carried out by Business Entities which are specially established for the operation of service businesses related to water transportation.
- (2) Provisions regarding the operation of related service businesses as referred to in paragraph (1) shall be carried out in accordance with the provisions of laws and regulations in the investment sector.
- (3) Apart from the Business Entities which are specially established for that purpose as referred to paragraph (1), port water transportation activities may be carried out by the national sea transportation company.

10. Provision of Article 33 has been amended, therefore reads as follows:

**Article 33**

Business Entities that are specially established for service businesses related to water transportation as referred to in Article 32 paragraph (1), are required to fulfill Business Licensing from the Central Government or Regional Government in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.

11. Provision of Article 34 has been amended, therefore reads as follows:

**Article 34**

Further provisions regarding the procedures and requirements for Business Licensing for services related to water transportation shall be regulated under a Regulation of the Government.

12. Provisions of Article 51 have been amended, therefore read as follows:

**Article 51**

- (1) Multimodal transportation shall be carried out by Business Entities that have fulfilled the Business Licensing to carry out multimodal transportation from the Central Government.
- (2) Business Entities as referred to in paragraph (1) shall be responsible for the goods from the time the goods are received until they are delivered to the recipient of the goods.

13. Provisions of Article 52 have been amended, therefore read as follows:

**Article 52**

- (1) The implementation of multimodal transportation is carried out based on documents issued by multimodal transportation service providers.
- (2) Documents as referred to in paragraph (1) may be in the form of electronic documents.

14. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) Every person who violates the provisions as referred to in Article 8 paragraph (2), Article 9 paragraph (5), Article 11 paragraph (4), Article 13 paragraph (2), Article 19 paragraph (2), Article 27, Article 28 paragraph (4) or paragraph (6), Article 33, Article 38 paragraph (1), Article 41 paragraph (3), Article 42 paragraph (1), Article 46, Article 47, or Article 54 shall be subject to administrative sanctions.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

15. Provisions of Article 90 have been amended, therefore read as follows:

**Article 90**

- (1) Operation activities at ports consists of provision and/or attendance of port services and port-related services.
- (2) The provision and/or attendance of port services as referred to in paragraph (1) shall include the provision and/or attendance of services for ships, passengers and goods.
- (3) The provision and/or attendance of services for ships, passengers and goods as referred to in paragraph (2) consists of:
  - a. provision and/or attendance of dock services for mooring;
  - b. provision and/or attendance of refueling services and clean water services;
  - c. provision and/or attendance of embarking and disembarking facility services for passengers and/or vehicles;
  - d. provision and/or attendance of dock services for the implementation of goods and container loading and unloading activities;
  - e. provision and/or attendance of services for warehouse and storage of goods, loading and unloading equipment, and port equipment;
  - f. provision and/or attendance of services for container terminal, liquid bulk, dry bulk, and Ro-Ro (roll on/roll off);
  - g. provision and/or attendance of services for loading and unloading goods;
  - h. provision and/or attendance of services for goods consolidation and distribution center; and/or
  - i. provision and/or attendance of ship delay services.
- (4) Port-related service activities as referred to in paragraph (1) shall include activities that support smooth operations and provide added value to ports.
- (5) Further provisions regarding operation activities at ports shall be regulated under a Regulation

of the Government.

16. Provisions of Article 91 have been amended, therefore read as follows:

**Article 91**

- (1) The provision and/or attendance of port service activities as referred to in Article 90 paragraph (1) at ports that are operated commercially shall be carried out by the Port Business Entities after fulfilling the Business Licensing from the Central Government or Regional Government in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Operation activities carried out by the Port Business Entities as referred to in paragraph (1) may be carried out for more than one terminal.
- (3) The provision and/or attendance of port service activities as referred to in Article 90 paragraph (1) at ports which have not been commercially operated shall be carried out by the Port Management Unit.
- (4) In certain circumstances, the terminal and other port facilities at the port operated by the Port Management Unit may be implemented by a Port Business Entity based on an agreement.
- (5) Port-related service activities as referred to in Article 90 paragraph (1) may be carried out by individual Indonesian citizens and/or Business Entities.

17. Provisions of Article 96 have been amended, therefore read as follows:

**Article 96**

- (1) The construction of a sea port must fulfill the Business Licensing from:
  - a. the Central Government for major ports and collecting ports; and
  - b. governors or regents/mayors for feeder ports,based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) The construction and operation of sea ports carried out by government agencies shall obtain approval from the Central Government.

18. Provisions of Article 97 have been amended, therefore read as follows:

**Article 97**

- (1) A sea port may only be operated after completion of construction and meets operational requirements and is required to fulfill Business Licensing.
- (2) Business Licensing related to sea port operations shall be granted by:
  - a. the Central Government for major ports and collecting ports; and
  - b. governors or regents/mayors for feeder ports;based on the norms, standards, procedures, and criteria stipulated by the Central Government.

19. Provisions of Article 98 have been amended, therefore read as follows:

**Article 98**

- (1) The construction of river and lake ports must comply with the Business Licensing from the regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.



- (2) The construction and operation of river and lake ports carried out by government agencies must obtain approval from the Central Government.
- (3) Business Licensing to operate river and lake ports shall be granted by regent/mayor in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

20. Provision of Article 99 has been amended, therefore reads as follows:

**Article 99**

Further provisions regarding types of operation activities at ports, as well as Business Licensing related to port construction and operation shall be regulated under a Regulation of the Government.

21. Article 103 has been removed.

22. Provisions of Article 104 have been amended, therefore read as follows:

**Article 104**

- (1) The special terminal as referred to in Article 102 paragraph (1) may only be constructed and operated in the event that:
  - a. the nearest port cannot accommodate the said main activities; or
  - b. based on economic and technical considerations, the operation will be more effective and efficient and will better ensure the safety and security of shipping if a special terminal is constructed and operated.
- (2) The construction and operation of special terminal as referred to in paragraph (1) must fulfill the Business Licensing from the Central Government.

23. Provision of Article 106 has been amended, therefore reads as follows:

**Article 106**

Special terminal that is no longer operated in accordance with the Business Licensing that has been granted may be handed over to the Central Government or returned to its original state or proposed for a change of status to a special terminal to support other main business or become a port.

24. Article 107 has been removed.

25. Provisions of Article 111 have been amended, therefore read as follows:

**Article 111**

- (1) Port activities to support the smoothness of trade that is open to foreign trade shall be carried out by major ports.
- (2) The determination of port as referred to in paragraph (1) shall be based on the following considerations:
  - a. national economic growth and development;
  - b. international trade interests;
  - c. interest in developing the capacity of national sea transportation;

- d. geographic position which are located on international shipping lanes;
  - e. National Harbor Order;
  - f. port facilities;
  - g. state security and sovereignty; and
  - h. other national interests.
- (3) Certain special Terminal may be used to carry out foreign trade activities.
- (4) Certain special Terminal as referred to in paragraph (2) must meet the following requirements:
- a. administrative aspects;
  - b. economic aspects;
  - c. aspects of shipping safety and security;
  - d. technical aspects of port facilities;
  - e. office facilities and supporting equipment for agencies who hold the shipping safety and security functions, customs, immigration and quarantine agencies; and
  - f. types of special commodities.
- (5) Special ports and Terminals which are open to foreign trade shall be determined by the Central Government.

26. Provision of Article 124 has been amended, therefore reads as follows:

#### **Article 124**

Every procurement, construction and work of ships, including their equipment, and operation of ships in Indonesian waters must meet ship safety requirements in accordance with the provisions of international standards.

27. Provisions of Article 125 have been amended, therefore read as follows:

#### **Article 125**

- (1) Before the ship building and working, including its equipment, the ship owner or shipyard must create calculations and drawings of the engineering design as well as its data completeness.
- (2) Ship building or working which is an overhaul must be carried out in accordance with the design drawings and data that have met Business Licensing from the Central Government.
- (3) The Central Government shall supervise the building and working of ship overhaul.

28. Provisions of Article 126 have been amended, therefore read as follows:

#### **Article 126**

- (1) Ships which are declared to have met the ship safety requirements shall be issued a safety certificate by the Central Government.
- (2) The safety certificate as referred to in paragraph (1) consists of:
  - a. passenger ship safety certificate;
  - b. cargo ship safety certificate; and
  - c. fishing ship worthiness and manning certificate.

29. Provisions of Article 127 have been amended, therefore read as follows:

**Article 127**

- (1) Ship certificate is invalid if:
  - a. the validity period has ended;
  - b. does not carry out the confirmation of certificate (endorsement);
  - c. the ship is damaged and declared as not meeting the ship safety requirements;
  - d. the ship changed its name;
  - e. the ship changed its flag;
  - f. the ship do not conform to the technical data in the ship safety certificate;
  - g. the ship undergoes an overhaul that results in changes in ship construction, changes in the main size of the ship, changes in function or type of ship;
  - h. the ship sank or is lost; or
  - i. the ship is decommissioned (scrapping).
- (2) The ship certificate shall be canceled if:
  - a. the information in the ship's document used for the issuance of the certificate is not in accordance with the actual situation;
  - b. the ship does not meet the ship safety requirements; or
  - c. the certificate was obtained illegally.
- (3) The requirements for ship certificates as referred to in paragraph (1) and paragraph (2) may be adjusted based on the provisions of international standards.
- (4) Further provisions regarding the procedure for cancellation of certificates as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

30. Provisions of Article 129 have been amended, therefore read as follows:

**Article 129**

- (1) Ships based on certain types and sizes must be classified in the classification agency for the purposes of ship safety requirements.
- (2) National classification agencies or acknowledged foreign classification agencies may be appointed to carry out inspection and testing of ships to comply with ship safety requirements.
- (3) Acknowledgment and appointment of classification agency as referred to in paragraph (2) shall be carried out by the Central Government.
- (4) The appointed classification agency as referred to in paragraph (2) is obliged to report their activities to the Central Government.

31. Provisions of Article 130 have been amended, therefore read as follows:

**Article 130**

- (1) Every ship that has obtained the certificate as referred to in Article 126 paragraph (1) must be maintained so that it still meets the ship safety requirements.
- (2) In certain circumstances the Central Government may provide partial exemption from the stipulated requirements while still paying attention to ship safety.
- (3) Ship maintenance as referred to in paragraph (1) shall be carried out periodically and

incidentally.

32. Provision of Article 133 has been amended, therefore reads as follows:

**Article 133**

Further provisions regarding the procedures for validation of drawing and ship building as well as inspection and certification of ship safety shall be regulated under a Regulation of the Government.

33. Elucidation of Article 154 has been amended as listed in the Elucidation.

34. Provisions of Article 155 have been amended, therefore read as follows:

**Article 155**

- (1) Before being operated, every ship must be measured by a government official authorized by the Central Government.
- (2) Ship measurement as referred to in paragraph (1) may be carried out according to 3 (three) methods, namely:
  - a. domestic measurement for ships with a length of less than 24 (twenty four) meters;
  - b. international measurement for ships with a length of 24 (twenty four) meters or more; and
  - c. special measurements for ships going through certain channels.
- (3) Based on the measurements as referred to in paragraph (1), a Measurement Certificate shall be issued for ships with a gross tonnage of at least GT 7 (seven Gross Tonnage).
- (4) The Measurement Certificate as referred to in paragraph (3) shall be issued by the Central Government and may be delegated to an appointed official.

35. Provisions of Article 157 have been amended, therefore read as follows:

**Article 157**

- (1) Owner, ship operator, or the Captain shall report to the Central Government in the event there is a ship overhaul that causes changes to the data contained in the Measurement Certificate.
- (2) Reporting as referred to in paragraph (1) may be done electronically.

36. Provisions of Article 158 have been amended, therefore read as follows:

**Article 158**

- (1) Ships that have been measured and have received a Measurement Certificate may be registered in Indonesia by the owner to the Ship Title Transfer Registrar and Recorder (Pejabat Pendaftar dan Pencatat Balik Nama Kapal) determined by the Central Government.
- (2) Ships that may be registered in Indonesia, namely:
  - a. ships with a gross tonnage of at least GT 7 (seven Gross Tonnage); and
  - b. ships belonging to Indonesian citizens or legal entities established under Indonesian law and domiciled in Indonesia; and
  - c. ships owned by Indonesian legal entities in the form of a joint venture, the majority of shares of which are owned by Indonesian citizens.
- (3) Ships registration shall be carried out by the formulation of registration deed and recorded in the

Indonesian ship register.

- (4) As proof that the ship has been registered, the owner shall be given the first authentic copy (grosse) of ship registration certificate which also serves as proof of ownership of the registered ship.
- (5) A ship that has been registered must be affixed with a Registration Mark.

37. Provisions of Article 159 have been amended, therefore read as follows:

**Article 159**

- (1) Ship registration shall be carried out at the place determined by the Central Government.
- (2) Ship owner is free to choose one of the ship registration places as referred to in paragraph (1) to register their ship.

38. Provisions of Article 163 have been amended, therefore read as follows:

**Article 163**

- (1) Ships registered in Indonesia and sailing in the sea shall be issued a National Identity Certificate for Indonesian Ships (Surat Tanda Kebangsaan Kapal Indonesia) by the Central Government.
- (2) The National Identity Certificate for Indonesian Ships as referred to in paragraph (1) shall be given in the form of:
  - a. Sea Certificate for ships with a size of GT 175 (one hundred and seventy five Gross Tonnage) or more;
  - b. Large Pass (Pas Besar) for ships with a size of GT 7 (seven Gross Tonnage) up to a size of less than GT 175 (one hundred seventy five Gross Tonnage); or
  - c. Small pass (Pas Kecil) for ships with a size of less than GT 7 (seven Gross Tonnage).
- (3) Ships that only sail in river and lake waters shall be provided with river and lake passes.

39. Provision of Article 168 has been amended, therefore reads as follows:

**Article 168**

Further provisions regarding the procedure for measuring and issuing measuring certificate, procedures, requirements, and documentation of ship registration, as well as procedures and requirements for issuing a National Identity Certificate for Ships shall be regulated under a Regulation of the Government.

40. Provisions of Article 169 have been amended, therefore read as follows:

**Article 169**

- (1) Ship owners or operators who operate ships for certain types and sizes must meet the requirements for safety management and prevention of pollution from ships.
- (2) Ships that have met the requirements for safety management and prevention of pollution from ships as referred to in paragraph (1) shall be given a certificate.
- (3) The certificate of safety management and prevention of pollution from ships as referred to in paragraph (2) shall be in the form of a Document of Compliance for companies and a Safety Management Certificate for ships.
- (4) The certificate as referred to in paragraph (3) shall be issued after an external audit has been

carried out by a competent government official or an institution authorized by the Central Government.

- (5) The Certificate of Safety Management and Prevention of Pollution shall be issued by an official appointed by the Central Government.
- (6) Further provisions regarding the procedures for auditing and issuing certificate of safety management and prevention of pollution shall be regulated under a Regulation of the Government.

41. Provisions of Article 170 have been amended, therefore read as follows:

#### **Article 170**

- (1) Ship owners or operators that operate ships of a certain size must meet the requirements of ship security management.
- (2) Ships that have met the requirements for ship security management as referred to in paragraph (1) shall be given a certificate.
- (3) Ship Security Management Certificate as referred to in paragraph (2) shall be in the form of International Ship Security Certificate.
- (4) The certificate as referred to in paragraph (3) shall be issued after an external audit has been carried out by a competent government official or an institution authorized by the Central Government.
- (5) Ship security management Certificate shall be issued by authorized officials appointed by the Central Government.
- (6) Further provisions regarding procedures for auditing and issuing ship security management certificate shall be regulated under a Regulation of the Government

42. Provisions of Article 171 have been amended, therefore read as follows:

#### **Article 171**

- (1) Every person who violates the provisions as referred to in Article 96 paragraph (1), Article 97 paragraph (1), Article 98 paragraph (1), Article 100 paragraph (3), Article 104 paragraph (2), Article 106, Article 125 paragraph (1), Article 130 paragraph (1), 131 paragraph (2), Article 132 paragraph (1) or paragraph (2), Article 135, Article 137 paragraph (1) or paragraph (2), Article 138 paragraph (1) or paragraph (2), Article 141 paragraph (1) or paragraph (2), Article 149 paragraph (1), Article 152 paragraph (1), Article 156 paragraph (1), Article 158 paragraph (5), Article 160 paragraph (1), Article 162 paragraph (1), or Article 165 paragraph (1) shall be subject to administrative sanctions.
- (2) Government officials who violate the provisions as referred to in Article 126 shall be subject to administrative sanctions in accordance with the provisions of laws and regulations in the field of employment.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

43. Provisions of Article 197 have been amended, therefore read as follows:

#### **Article 197**

- (1) For the purposes of shipping safety and security, the design and work of dredging shipping lanes and port pools, as well as reclamation, are required to fulfill Business Licensing from the Central Government or Regional Government in accordance with their authorities based on the

norms, standards, procedures, and criteria stipulated by the Central Government.

- (2) The shipping-line dredging work and port pools as well as reclamation shall be carried out by companies that have the ability and competence and are proven by certificates issued by the competent authority in accordance with the provisions of laws and regulations.
- (3) Further provisions regarding the design and shipping-line dredging work, port pools, and reclamation as well as work executor certification shall be regulated under a Regulation of the Government.

44. Provisions of Article 204 have been amended, therefore read as follows:

**Article 204**

- (1) Salvage activities shall be carried out toward the ship's wreck and/or cargo that has an accident or sinks.
- (2) Every salvage activity and underwater work must fulfill the Business Licensing from the Central Government.

45. Provisions of Article 213 have been amended, therefore read as follows:

**Article 213**

- (1) Owner, Ship Operator, or Captain must notify the arrival of their ship at the port to the Harbormaster.
- (2) Every ship that enters the port is obliged to submit ship certificate, documents and reports to the Harbormaster immediately after the ship arrives at the port and/or submit it electronically before the ship arrives for inspection.
- (3) After the inspection as referred to in paragraph (2), ship certificate, documents and reports shall be stored by the Harbormaster to be handed back along with the issuance of the Sailing Approval Letter.
- (4) Further provisions regarding the procedures for ship arrival notification, inspection, delivery, and storage of ship certificate, documents and reports as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be regulated under a Regulation of the Government.

46. Provisions of Article 225 have been amended, therefore read as follows:

**Article 225**

- (1) Every person who violates the provisions as referred to in Article 203 paragraph (1), Article 204 paragraph (2), Article 213 paragraph (1) or paragraph (2), Article 214, Article 215, or Article 216 paragraph (1) shall be subject to administrative sanctions .
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

47. Provisions of Article 243 have been amended, therefore read as follows:

**Article 243**

- (1) Every person who violates the provisions as referred to in Article 230 paragraph (2), Article 233 paragraph (3), Article 234, Article 235, or Article 239 paragraph (2) shall be subject to administrative sanctions.
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the



imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

48. Provisions of Article 273 have been amended, therefore read as follows:

**Article 273**

- (1) Every person who violates the provisions as referred to in Article 272 paragraph (1) may be subject to administrative sanctions.
- (2) Further provisions regarding the criteria, types, amounts and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

49. Provision of Article 288 has been amended, therefore reads as follows:

**Article 288**

Every person who operates a ship for river and lake transportation without fulfilling the Business Licensing for the route as referred to in Article 28 paragraph (4) which causes a ship accident, human casualty, or property loss, shall be sentenced with imprisonment for a maximum of 1 (one) year or a maximum fine of IDR300,000,000.00 (three hundred million rupiah).

50. Provision of Article 289 has been amended, therefore reads as follows:

**Article 289**

Every person who operates a ship for ferry transportation without fulfilling the Business Licensing related to ship operation approval as referred to in Article 28 paragraph (6) which causes ship accidents, human casualties, or property losses, shall be sentenced with imprisonment for a maximum of 1 (one) year or a maximum fine of IDR300,000,000.00 (three hundred million rupiah).

51. Provision of Article 290 has been amended, therefore reads as follows:

**Article 290**

Every person who operates a service business related to transportation in waters without fulfilling the Business Licensing as referred to in Article 33 which causes human casualties or property losses shall be sentenced with imprisonment for a maximum of 1 (one) year or a maximum fine of IDR300,000,000.00 (three hundred million rupiah).

52. Provision of Article 291 has been amended, therefore reads as follows:

**Article 291**

Every person who does not carry out their obligation to transport passengers and/or goods, especially postal transportation as referred to in Article 38 paragraph (1) which results in losses to other parties, shall be sentenced with imprisonment for a maximum of 1 (one) year and a maximum fine of IDR350,000,000.00 (three hundred and fifty million rupiah).

53. Provision of Article 292 has been amended, therefore reads as follows:

**Article 292**

Every person who does not insure their responsibilities as referred to in Article 41 paragraph (3) which results in the loss of another party, shall be sentenced with imprisonment for a maximum of 6 (six)

months and a maximum fine of IDR 100,000,000.00 (one hundred million rupiah).

54. Provision of Article 293 has been amended, therefore reads as follows:

**Article 293**

Every person who does not provide a special facility and an ease as referred to in Article 42 paragraph (1) which causes accidents and/or human casualties, shall be sentenced with imprisonment for a maximum of 6 (six) months and a maximum fine of IDR200,000,000.00 (two hundred million rupiah).

55. Provisions of Article 294 have been amended, therefore read as follows:

**Article 294**

- (1) Every person who transports special goods and dangerous goods that does not comply with the requirements as referred to in Article 46 which results in human casualties or damage to health, safety, security and the environment, shall be sentenced with imprisonment for a maximum of 3 (three) years or a maximum fine of IDR400,000,000.00 (four hundred million rupiah).
- (2) If the action as referred to in paragraph (1) results in property losses, the perpetrator shall be sentenced with imprisonment for a maximum of 4 (four) years and a maximum fine of IDR500,000,000.00 (five hundred million rupiah).
- (3) If the action as referred to in paragraph (1) results in death and property loss, the perpetrator shall be sentenced with imprisonment for a maximum of 10 (ten) years and a maximum fine of IDR1,500,000,000.00 (one billion five hundred million rupiah).

56. Provision of Article 295 has been amended, therefore reads as follows:

**Article 295**

Every person who transports dangerous goods and special goods who fail to deliver the notification as referred to in Article 47 which results in casualties, shall be sentenced with imprisonment for a maximum of 6 (six) months and a maximum fine of IDR100,000,000.00 (one hundred million rupiah).

57. Provision of Article 296 has been amended, therefore reads as follows:

**Article 296**

Every person who does not insure their responsibility as referred to in Article 54 which results in the loss of another party, shall be sentenced with confinement (kurungan) for a maximum of 6 (six) months or a maximum fine of IDR150,000,000.00 (one hundred and fifty million rupiah).

58. Provisions of Article 297 have been amended, therefore read as follows:

**Article 297**

- (1) Every person who builds and operates river and lake ports that does not fulfill the Business Licensing as referred to in Article 98 paragraph (1) which result in casualties/damage to health, safety, security and the environment, shall be sentenced with imprisonment for a maximum of 2 (two) years or a maximum fine of IDR 300,000,000.00 (three hundred million rupiah).
- (2) Every person who utilizes the coastline to carry out ship mooring activities and loading and unloading of goods or embarking and disembarking passengers for their own interests outside of activities at ports, special Terminal and Terminal for their own interests without fulfilling the Business Licensing or Approval from the Central Government as referred to in Article 339 shall be sentenced with imprisonment for a maximum of 2 (two) years and a maximum fine of

IDR500,000,000.00 (five hundred million rupiah).

59. Provision of Article 298 has been amended, therefore reads as follows:

**Article 298**

Every person who does not provide guarantees for the implementation of responsibility for compensation in carrying out activities at the port as referred to in Article 100 paragraph (3) which results in casualties, shall be sentenced with imprisonment for a maximum of 6 (six) months and a maximum fine of IDR100.000.000,00 (one hundred million rupiah).

60. Provision of Article 299 has been amended, therefore reads as follows:

**Article 299**

Every person who builds and operates a special terminal without fulfilling the Business Licensing from the Central Government as referred to in Article 104 paragraph (2) which results in casualties/damage to health, safety, security and the environment, shall be sentenced with imprisonment for a maximum of 2 (two) years or a maximum fine of IDR300,000,000.00 (three hundred million rupiah).

61. Provision of Article 307 has been amended, therefore reads as follows:

**Article 307**

Every person who operates a ship without being equipped with radio communication devices and its equipment as referred to in Article 131 paragraph (2) which results in ship accidents, human casualties, or loss of goods and property, shall be sentenced with imprisonment for a maximum of 2 (two) years and a maximum fine of IDR300,000,000.00 (three hundred million rupiah).

62. Provision of Article 308 has been amended, therefore reads as follows:

**Article 308**

Every person who operates a ship that is not equipped with meteorological equipment as referred to in Article 132 paragraph (1) which results in ship accidents, human casualties, or loss of goods and property, shall be sentenced with imprisonment for a maximum of 2 (two) years and a maximum fine of IDR 300,000,000.00 (three hundred million rupiah).

63. Provision of Article 310 has been amended, therefore reads as follows:

**Article 310**

Every person who employs Ship Crews without fulfilling the qualifications and competence requirements as referred to in article 135 which results in casualties or property loss, shall be sentenced with imprisonment for a maximum of 2 (two) years and a maximum fine of IDR300,000,000.00 (three hundred million. rupiah).

64. Provision of Article 313 has been amended, therefore reads as follows:

**Article 313**

Every person who uses a container as part of a means of transportation without fulfilling the container eligibility requirements as referred to in Article 149 paragraph (1) which results in casualties or property loss, shall be sentenced with imprisonment for a maximum of 2 (two) years and a maximum fine of IDR300,000,000.00 (three hundred million rupiah).

65. Provision of Article 314 has been amended, therefore reads as follows:

**Article 314**

Every person who does not affix a registration mark on a registered ship as referred to in Article 158 paragraph (5) which results in casualties or property loss, shall be sentenced with imprisonment for a maximum of 6 (six) months or a maximum fine of IDR100,000,000.00 (one hundred million rupiah).

66. Provision of Article 321 has been amended, therefore reads as follows:

**Article 321**

Ship owner who does not remove the ship's wreck and/or cargo which disturbs the safety and security of shipping within the deadline set by the government as referred to in Article 203 paragraph (1) which results in casualties/ship accident, shall be sentenced with imprisonment for a maximum of 1 (one) year and a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).

67. Provision of Article 322 has been amended, therefore reads as follows:

**Article 322**

Captain who carries out repair activities, sail attempts, transfers and loads activities in the port pool, delays, and load and unload of dangerous goods without approval from the Harbormaster as referred to in Article 216 paragraph (1) which results in casualties or ship accident, shall be sentenced with imprisonment for a maximum of 6 (six) months or a maximum fine of IDR100,000,000.00 (one hundred million rupiah).

68. Provisions of Article 336 have been amended, therefore read as follows:

**Article 336**

- (1) Every official who violates a special obligation from their position or when committing a criminal act exerts power, opportunity or facilities given to them due to their position, shall be sentenced with imprisonment for a maximum of 1 (one) year and a maximum fine of IDR100,000,000.00 (one hundred million. rupiah)
- (2) In addition to the punishment as referred to in paragraph (1), the perpetrator may be subject to additional punishment in the form of dishonorable discharge from their position.
- (3) Any official who, due to carrying out their duties in accordance with their position and authority, causes loss of property and/or loss of life of a person outside of their control, the official cannot be subject to the sanctions.

**Article 58**

Several provisions under Law Number 1 of 2009 on Aviation (State Gazette of the Republic of Indonesia of 2009 Number 1, Supplement to the State Gazette of the Republic of Indonesia Number 4956) have been amended as follows:

1. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) Aircraft, aircraft engines, and aircraft propellers to be made for eligible use must have the design.
- (2) Design of aircraft, aircraft engines, and aircraft propellers as referred to in paragraph (1) must obtain approval from the Central Government.

2. Article 14 has been removed.

3. Provision of Article 15 has been amended, therefore reads as follows:

**Article 15**

Aircraft, aircraft engine, or aircraft propellers which are made based on the design as referred to in Article 13 for production must have a type certificate.

4. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) Every aircraft, aircraft engine, and aircraft propeller which are designed and produced overseas and imported to Indonesia must obtain type validation certificate.
- (2) Type validation certificate as referred to in paragraph (1) is carried out based on interstate agreements in the field of airworthiness.

5. Provision of Article 17 has been amended, therefore read as follows:

**Article 17**

Any changes to the design of aircraft, aircraft engine, and aircraft propeller which have obtained type certificate as referred to in Article 15 must obtain approval from the Central Government.

6. Provision of Article 18 has been amended, therefore reads as follows:

**Article 18**

Further provisions regarding the procedures to obtain design approval, design activities, changes of aircraft design, type validation certificate, as well as type certificate shall be regulated under a Regulation of the Government.

7. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) Every Indonesian legal entity who undertakes production and/or assembly activities for aircraft, aircraft engine, and/or aircraft propeller must have production certificate.
- (2) Further provisions regarding production certificate as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

8. Article 20 has been removed.

9. Article 21 has been removed.

10. Article 22 has been removed.

11. Provision of Article 26 has been amended, therefore reads as follows:

**Article 26**

Aircraft which has been registered and fulfil the requirements as referred to in Article 25, shall be issued for a registration certificate.

12. Provision of Article 30 has been amended, therefore reads as follows:

**Article 30**

Further provisions regarding procedures for the registration and deletion of registration mark and Indonesian nationality marks, as well as criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

13. Article 31 has been removed.

14. Article 32 has been removed.

15. Article 33 has been removed.

16. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

Standard airworthiness certificate as referred to in Article 36 consists of:

- a. initial airworthiness certificate, granted to aircrafts that are operated for the first time by every person; and
- b. continuous airworthiness certificate, granted to aircrafts after the initial airworthiness certificate and will be operated continuously.

17. Provision of Article 40 has been amended, therefore reads as follows:

**Article 40**

Further provisions regarding the procedures to obtain airworthiness certificate and criteria, types, amount of fine, and the procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

18. Provisions of Article 41 have been amended, therefore read as follows:

**Article 41**

- (1) Every person who operates aircraft for air transportation activities must have certificate.
- (2) Certificate as referred to in paragraph (1) consists of:
  - a. air operator certificate, granted to Indonesian legal entity that operates civil aircraft for commercial air transportation; or
  - b. operating certificate, granted to Indonesian person or legal entity that operates civil aircraft for non-commercial air transportation.

19. Article 42 has been removed.

20. Article 43 has been removed.

21. Provision of Article 45 has been amended, therefore reads as follows:

**Article 45**

Further provisions regarding the procedures to obtain air operator certificate or operating certificate as well as criteria, types, amount of fine, and the procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

22. Provisions of Article 46 have been amended, therefore read as follows:

**Article 46**

- (1) Every person who operates an aircraft is obliged to maintain the aircraft, aircraft engine, aircraft propeller and their components in order to maintain reliability and airworthiness in a sustainable manner.
- (2) In maintaining the aircraft, aircraft engine, aircraft propeller and their components as referred to in paragraph (1), every person must establish an aircraft maintenance program authorized by the Central Government.

23. Provisions of Article 47 have been amended, therefore read as follows:

**Article 47**

Maintenance of the aircraft, aircraft engine, as well as aircraft propeller and their components as referred to in Article 46 may only be performed by:

- a. an air transportation company that has an aircraft operator certificate;
- b. an aircraft maintenance organization legal entity that has an approved maintenance organization certificate; or
- c. aircraft maintenance expert personnel who have an aircraft maintenance engineer license.

24. Article 48 has been removed.

25. Provision of Article 49 has been amended, therefore reads as follows:

**Article 49**

Approved maintenance organization certificate as referred to in Article 47 letter b may be given to aircraft maintenance organization overseas that meet the requirements after securing approved maintenance organization certificate issued by the aviation authority of the relevant country.

26. Provision of Article 50 has been amended, therefore reads as follows:

**Article 50**

Every person who violates the aircraft maintenance provisions as referred to in Article 47 shall be subject to administrative sanction.

27. Provision of Article 51 has been amended, therefore reads as follows:



**Article 51**

Further provisions regarding the procedures and granting of approved maintenance organization certificate and aircraft maintenance engineer license, as well as criteria, types, amount of fine, and the procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

28. Provisions of Article 58 have been amended, therefore read as follows:

**Article 58**

- (1) Every aircraft personnel must have license or competency certificate.
- (2) Aircraft personnel who directly relates to the implementation of aircraft operation must have a legitimate and valid license.

29. Provision of Article 60 has been amended, therefore reads as follows:

**Article 60**

Aircraft personnel license granted by other countries may be recognized through the validation by the Central Government.

30. Provision of Article 61 has been amended, therefore reads as follows:

**Article 61**

Further provisions regarding the requirements and procedures to obtain license, or competency certificate, and education and/or training institution shall be regulated under a Regulation of the Government.

31. Provisions of Article 63 have been amended, therefore read as follows:

**Article 63**

- (1) The aircraft that may be operated within the territory of The Unitary State of the Republic of Indonesia is only Indonesian aircraft.
- (2) In certain circumstances and in a limited time, foreign aircraft may be operated after obtaining approval from the Central Government.
- (3) Foreign civil aircraft may be operated by national air transportation company for flights to and from overseas following an interstate agreement.
- (4) Foreign civil aircraft that will be operated as referred to in paragraph (1) and paragraph (2) must fulfil the airworthiness requirements stipulated by the Central Government.
- (5) Every person who violates the provisions as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4), shall be subject to administrative sanction.
- (6) Further provisions regarding civil aircraft operation, as well as criteria, types, amount of fine, and the procedures for the imposition of administrative sanction as referred to in paragraph (5) shall be regulated under a Regulation of the Government.

32. Article 64 has been removed.

33. Provision of Article 66 has been amended, therefore reads as follows:

**Article 66**

Further provisions regarding the certification process and fee shall be regulated under a Regulation of the Government.

34. Provisions of Article 67 have been amended, therefore read as follows:

**Article 67**

- (1) Every state aircraft which was made and operated must meet the standard of design, production, and airworthiness stipulated by the Central Government.
- (2) State aircraft as referred to in paragraph (1) must have identity mark.

35. Provision of Article 84 has been amended, therefore reads as follows:

**Article 84**

Domestic commercial air transportation can only be carried out by national air transportation business entities that have fulfilled Business Licensing from the Central Government.

36. Provisions of Article 85 have been amended, therefore read as follows:

**Article 85**

- (1) Domestic scheduled commercial air transportation can only be carried out by national air transportation business entities that have fulfilled Business Licensing related to scheduled commercial air transportation.
- (2) Scheduled commercial air transportation business entities as referred to in paragraph (1), in a certain circumstance and temporary, can carry out unscheduled commercial air transportation activities after obtaining an approval from the Central Government.
- (3) Temporary unscheduled commercial air transportation activities as referred to in paragraph (2) can be carried out on the initiative of the Government agency and/or at the request of the national commercial air transportation business entity.
- (4) Unscheduled commercial air transportation activities implemented by scheduled commercial air transportation business entities as referred to in paragraph (2) shall not cause disruption of services on routes that becomes their responsibility and on routes that are still served by other scheduled commercial air transportation business entities.

37. Provisions of Article 91 have been amended, therefore read as follows:

**Article 91**

- (1) Domestic unscheduled commercial air transportation can only be carried out by national air transportation business entity that has fulfilled Business Licensing from the Central Government.
- (2) Domestic unscheduled commercial air transportation as referred to in paragraph (1) is carried out based on flight approval.
- (3) Domestic unscheduled commercial air transportation, in a certain circumstance and temporary, may carry out scheduled commercial air transportation activities after obtaining an approval from the Central Government.
- (4) Temporary scheduled commercial air transportation activities as referred to in paragraph (3) may be carried out on the initiative of the Government agency, regional government, and/or national commercial air transportation business entities.

- (5) Scheduled commercial air transportation activities as referred to in paragraph (3) shall not cause disruption of air transportation services on routes still being served by other scheduled commercial air transportation business entities.

38. Provisions of Article 93 have been amended, therefore read as follows:

**Article 93**

- (1) Foreign unscheduled commercial air transportation activities carried out by national commercial air transportation business entities must obtain flight approval from the Central Government.
- (2) Foreign unscheduled commercial air transportation activities carried out by foreign commercial air transportation companies must obtain flight approval from the Central Government.

39. Provisions of Article 94 have been amended, therefore read as follows:

**Article 94**

- (1) Unscheduled commercial air transportation activities by foreign air transportation companies that serve routes to Indonesia are prohibited from carrying passengers from Indonesian territory, except for their own passengers who were disembarked on the previous flight.
- (2) Foreign unscheduled commercial air transportation companies by foreign air transportation companies that violates the provisions as referred to in paragraph (1) shall be subject to administrative sanction.
- (3) Further provisions regarding criteria, types, amount of fine, and the procedures for the imposition of administrative sanction as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

40. Provisions of Article 95 have been amended, therefore read as follows:

**Article 95**

- (1) Foreign unscheduled commercial air transportation companies specializing in cargo carriers serving routes to Indonesia, are prohibited from transporting cargo from Indonesian territory, unless with the approval from the Central Government.
- (2) Foreign unscheduled commercial air transportation companies specializing in cargo carriers that violate the provisions as referred to in paragraph (1) shall be subject to administrative sanction.
- (3) Further provisions regarding criteria, types, amount of fine, and the procedures for the imposition of administrative sanction as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

41. Provision of Article 96 has been amended, therefore reads as follows:

**Article 96**

Further provisions regarding commercial air transportation, air transportation cooperation and administrative sanction, including procedures for its imposition, shall be regulated under a Regulation of the Government.

42. Provisions of Article 97 have been amended, therefore read as follows:

**Article 97**

- (1) Services provided by scheduled commercial air transportation business entities in carrying out

their activities can be classified at least into:

- a. service to the maximum standard (full services);
- b. service to the medium standard (medium services); or
- c. service to the minimum standard (no frills).

- (2) Scheduled commercial air transportation business entities in providing services as referred to in paragraph (1) must notify service users about the conditions and specifications of the services provided.

43. Article 99 has been removed.

44. Provision of Article 100 has been amended, therefore reads as follows:

**Article 100**

Further provisions regarding services provided by scheduled commercial air transportation business entities shall be regulated under a Regulation of the Government.

45. Provision of Article 109 has been amended, therefore reads as follows:

**Article 109**

Commercial air transportation activities as referred to in Article 108 is carried out by a business entity in the field of national commercial air transportation after fulfilling Business Licensing from the Central Government.

46. Article 110 has been removed.

47. Article 111 has been removed.

48. Provision of Article 112 has been amended, therefore reads as follows:

**Article 112**

Business Licensing as referred to in Article 109 remain valid as long as the holder of Business Licensing still carries out real air transportation activities by continuously operating aircrafts in accordance with the Business Licensing given.

49. Provisions of Article 113 have been amended, therefore read as follows:

**Article 113**

- (1) Business Licensing as referred to in Article 109 is prohibited to be transferred to other parties before carrying out real air transportation activities by operating aircrafts in accordance with the Business Licensing given.
- (2) Holders of Business Licensing who violates the provisions as referred to in paragraph (1) shall be subject to administrative sanction in the form of revocation of Business Licensing.

50. Provision of Article 114 has been amended, therefore reads as follows:

**Article 114**

Further provisions regarding the requirements and procedures to obtain Business Licensing related to commercial air transportation shall be regulated under a Regulation of the Government.

51. Provisions of Article 118 have been amended, therefore read as follows:

**Article 118**

- (1) Holders of Business Licensing for commercial air transportation are required to:
  - a. carry out real air transportation activities by no later than 12 (twelve) months from the issuance of the Business License by operating the minimum number of aircraft owned and controlled in accordance with the scope of business or activity;
  - b. own and control a certain number of aircraft;
  - c. comply with the provisions on compulsory transportation, civil aviation, and other provisions in accordance with laws and regulations;
  - d. cover the carrier liability insurance with a coverage value equal to compensation for commercial air transportation passengers as evidenced by an insurance closing agreement;
  - e. serve prospective passengers fairly without discrimination on the basis of ethnicity, religion, race, intergroup, as well as economic and social strata;
  - f. submit reports on air transportation activities, including flight delays and cancellations, at any specific period time to the Central Government;
  - g. submit a financial performance report that has been audited by a registered public accounting firm which at least contains a balance sheet, profit and loss statement, cash flow, and details of expenses, annually by no later than the end of April of the following year to the Central Government;
  - h. report if there is a change in the person in charge or owner of the commercial air transportation business entity, the domicile of the commercial air transportation business entity and the ownership of aircraft to the Central Government; and
  - i. meet the specified service standards.
- (2) Holders of non-commercial air transportation activity license carried out by the Central Government, regional government, business entities, and certain agencies are obliged to:
  - a. operate aircraft by no later than 12 (twelve) months after the issuance of activities license;
  - b. comply with laws and regulations in the field of civil aviation and other applicable laws and regulations;
  - c. submit air transportation activities report monthly by no later than the 10th (tenth) date of the subsequent month to the Central Government; and
  - d. report if there is a change in the person in charge, ownership of aircraft, and/or the domicile of the activity head office to the Central Government.
- (3) Holders of non-commercial air transportation activity license carried out by an individual are obliged to:
  - a. operate aircraft by no later than 12 (twelve) months after the issuance of the license;
  - b. comply with laws and regulations in the field of civil aviation and other laws and regulations;
  - c. submit air transportation activities report monthly by no later than the 10th (tenth) date of the subsequent month to the Central Government; and
  - d. report if there is a change in the person in charge, ownership of aircraft, and/or the

domicile of license holders to the Central Government.

52. Provisions of Article 119 have been amended, therefore read as follows:

**Article 119**

- (1) In the event that holders of Business Licensing for commercial air transportation and holders license for non-commercial air transportation activities does not carry out real air transportation activities by operating aircraft for 12 (twelve) consecutive months as referred to in Article 118 paragraph (1) letter a, paragraph (2) letter a, and paragraph (3) letter a, Business Licensing for commercial air transportation or license for non-commercial air transportation activities issued does not apply by itself.
- (2) Holders of Business Licensing for commercial air transportation who violate the provisions as referred to in Article 118 paragraph (1) letter c shall be subject to administrative sanction.
- (3) Holders of Business Licensing for commercial air transportation and holders license for non-commercial air transportation activities who violate the provisions as referred to in Article 118 paragraph shall be subject to administrative sanction.
- (4) Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of administrative sanction as referred to in paragraph (2) and paragraph (3) shall be regulated under a Regulation of the Government.

53. Provision of Article 120 has been amended, therefore reads as follows:

**Article 120**

Further provisions regarding the obligation of holders of Business Licensing, requirements, and administrative sanction including the procedure for the imposition of sanction shall be regulated under a Regulation of the Government.

54. Provision of Article 130 has been amended, therefore reads as follows:

**Article 130**

Further provisions regarding domestic scheduled commercial air transportation tariffs for economy class and pioneer air transportation, as well as administrative sanction, including procedures for the imposition of sanction shall be regulated under a Regulation of the Government.

55. Article 131 has been removed.

56. Article 132 has been removed.

57. Article 133 has been removed.

58. Provision of Article 137 has been amended, therefore reads as follows:

**Article 137**

Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of administrative sanction as referred to in Article 136 paragraph (5) shall be regulated under a Regulation of the Government.

59. Provisions of Article 138 have been amended, therefore read as follows:

**Article 138**

- (1) The owner, aircraft cargo expedition agent, or shipper who delivers special and/or dangerous goods is required to notify the warehouse manager and/or aircraft business entities before it is loaded into the aircraft.
- (2) Airport business entities, airport management units, warehousing business entities, or commercial air transportation business entities undertaking special goods and/or dangerous goods transportation activities are required to provide storage or stacking place, as well as responsible to the drafting of system and procedures for handling special and/or dangerous goods as long as the goods have not been loaded into the aircraft.
- (3) The owner, aircraft cargo expedition agent, or shipper, airport business entities, airport management units, warehousing business entities, or commercial air transportation business entities who violate provisions for the transportation of dangerous goods as referred to in paragraph (1) and paragraph (2) shall be subject to administrative sanction.
- (4) Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of administrative sanction as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

60. Provision of Article 139 has been amended, therefore reads as follows:

**Article 139**

Further provisions regarding the transportation of special goods and dangerous goods, as well as criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

61. Provisions of Article 205 have been amended, therefore read as follows:

**Article 205**

- (1) Airport area of interest as referred to in Article 202 letter g is an area outside the airport work environment which is used to ensure flight safety and security, as well as smooth accessibility of passengers and cargo.
- (2) The utilization of airport area of interest must obtain approval from the Central Government.

62. Article 215 has been removed.

63. Provision of Article 218 has been amended, therefore reads as follows:

**Article 218**

Further provisions regarding flight safety and security, airport services, as well as procedures to obtain airport certificate or airport register, and criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

64. Provisions of Article 219 have been amended, therefore read as follows:

**Article 219**

- (1) Every airport business entity or airport management unit is required to provide airport facilities that meets the flight safety and security requirements, as well as airport services in accordance with stipulated service standards.



- (2) Every airport business entity or airport management unit that violate the provisions as referred to in paragraph (1) shall be subject to administrative sanctions.
- (3) Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of administrative sanction as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

65. Provision of Article 221 has been amended, therefore reads as follows:

**Article 221**

Further provisions regarding the operation of airport facilities, as well as criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

66. Provisions of Article 222 have been amended, therefore read as follows:

**Article 222**

- (1) Every airport personnel are required to have license or competency certificate.
- (2) Competency certificate as referred to in paragraph (1) is obtained through education and training conducted by an institution accredited by the Central Government.

67. The provision of 224 has been amended, therefore reads as follows:

**Article 224**

Airport personnel license granted by other countries is declared valid through ratification or validation by the Central Government.

68. Provision of Article 225 has been amended, therefore reads as follows:

**Article 225**

Further provisions regarding requirements, procedures to obtain license, educational and/or training institution, as well as criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

69. Provisions of Article 233 have been amended, therefore read as follows:

**Article 233**

- (1) Airport services as referred to in Article 232 paragraph (2) can be carried out by:
  - a. airport business entities, for commercially operated airports, after fulfilling Business Licensing from the Central Government.
  - b. airport management units, for airports that have not been commercially operated, which are established by and responsible to the Central Government and/or Regional Government in accordance with their authorities.
- (2) Business Licensing as referred to in paragraph (1) is non-transferable.
- (3) Airport related services as referred to in Article 232 paragraph (3) may be conducted by individual Indonesian citizen and/or Indonesian legal entities.
- (4) Airport business entities that transfer the Business Licensing as referred to in paragraph (2) shall be subject to administrative sanction in the form of revocation of their Business Licensing.

70. Provision of Article 237 has been amended, therefore reads as follows:

**Article 237**

The Central Government develops airport businesses through investment in accordance with the provisions of laws and regulations in the investment sector.

71. Provision of Article 238 has been amended, therefore reads as follows:

**Article 238**

Further provisions regarding business activities in airport, as well as criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

72. Provision of Article 242 has been amended, therefore reads as follows:

**Article 242**

Further provisions regarding the responsibility for losses, as well as criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

73. Provisions of Article 247 have been amended, therefore read as follows:

**Article 247**

- (1) In order to support certain activities, Central Government agencies, Regional Government, and/or Indonesian legal entities may build special airport after obtaining approval from the Central Government.
- (2) Provisions of aircraft safety and security on special airports is applicable in accordance with the provisions on airports.

74. Provision of Article 249 has been amended, therefore reads as follows:

**Article 249**

Special airports are prohibited to serve direct flights from and/or to overseas except in certain circumstances and are temporary, after obtaining approval from the Central Government.

75. Provision of Article 250 has been amended, therefore reads as follows:

**Article 250**

Special airports are prohibited to be used for public interests, except in certain circumstances with approval from the Central Government.

76. Provision of Article 252 has been amended, therefore reads as follows:

**Article 252**

Further provisions regarding approval for the construction and operation of special airports, as well as change of status to an airport that can serve public interests shall be regulated under a Regulation of the Government.

77. Provisions of Article 253 have been amended, therefore read as follows:

**Article 253**

The helicopter landing and take-off area (heliport) consists of:

- a. helicopter landing and take-off area on land (surface level heliport);
- b. helicopter landing and take-off area on top of a building (elevated heliport); and
- c. helicopter landing and take-off area on waters (helideck).

78. Provisions of Article 254 have been amended, therefore read as follows:

**Article 254**

- (1) Every operated heliport is required to fulfill the provisions on aviation safety and security.
- (2) Heliport which has fulfilled aviation safety and security as referred to in paragraph (1) is given register mark by the Central Government.

79. Provision of Article 255 has been amended, therefore reads as follows:

**Article 255**

Further provisions regarding procedures for granting approval for the construction and operation of heliport shall be regulated under a Regulation of the Government.

80. Provisions of Article 275 have been amended, therefore read as follows:

**Article 275**

- (1) Air navigation service provider agency as referred to in Article 271 paragraph (2) is required to have air navigation service certificate stipulated by the Central Government.
- (2) Certificate as referred to in paragraph (1) is given to each of air navigation provider service unit.
- (3) Air navigation provider service unit as referred to in paragraph (2) consists of:
  - a. air navigation service units at airports;
  - b. approach navigation service unit; and
  - c. en-route navigation service unit.

81. Provision of Article 277 has been amended, therefore reads as follows:

**Article 277**

Further provisions regarding procedures for the establishment and certification of air navigation service provider agency, as well as air navigation service cost shall be regulated under a Regulation of the Government.

82. Provisions of Article 292 have been amended, therefore read as follows:

**Article 292**

- (1) Every air navigation personnel must have license or competency certificate.
- (2) Air navigation personnel directly related to the implementation of operation and/or maintenance

of air navigation facilities is required to have a legitimate and valid license.

83. Provision of Article 294 has been amended, therefore reads as follows:

**Article 294**

Air navigation personnel license granted by other countries is declared valid through ratification or validation by the Central Government.

84. Provision of Article 295 has been amended, therefore reads as follows:

**Article 295**

Further provisions regarding requirements, procedures to obtain license, and criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

85. Provision of Article 317 has been amended, therefore reads as follows:

**Article 317**

Further provisions regarding aviation service providers' safety management system, criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

86. Provision of Article 389 has been amended, therefore reads as follows:

**Article 389**

Every aviation personnel who already had competency certificate as referred to in Article 388 may be given license by the Central Government after fulfilling the requirements.

87. Provision of Article 392 has been amended, therefore reads as follows:

**Article 392**

Further provisions regarding competency certificate and license, as well as the drafting of training program shall be regulated under a Regulation of the Government.

88. Provision of Article 418 has been amended, therefore reads as follows:

**Article 418**

Every person carrying out foreign unscheduled commercial air transportation without flight approval from the Central Government as referred to in Article 93 paragraph (1) shall be sentenced to imprisonment for a maximum of 1 (one) year or a maximum fine of IDR350,000,000.00 (three hundred and fifty million rupiah).

89. Provisions of Article 423 have been amended, therefore read as follows:

**Article 423**

- (1) Airport personnel who operate and/or maintain airport facilities without license or competency certificate as referred to in Article 222 that resulted in victims, shall be sentenced to imprisonment for a maximum of 1 (one) year or a maximum fine of IDR200,000,000.00 (two hundred million rupiah).

- (2) In the event that the act as referred to in paragraph (1) results in the death of a person, the perpetrator shall be sentenced to imprisonment for a maximum of 15 (fifteen) years or a maximum fine of IDR1,000,000,000.00 (one billion rupiah).

90. Provisions of Article 428 have been amended, therefore read as follows:

#### **Article 428**

- (1) Every person who operates special airport used for public interests without Approval from the Central Government as referred to in Article 250 that resulted in victims, shall be sentenced to imprisonment for a maximum of 3 (three) years or a maximum fine of IDR3,000,000,000.00 (three billion rupiah).
- (2) In the event that the act as referred to in paragraph (1) results in the death of a person, the perpetrator shall be sentenced to imprisonment for a maximum of 15 (fifteen) years or a maximum fine of IDR15,000,000,000.00 (fifteen billion rupiah).

### **Subdivision 11**

#### **Health, Drugs, and Foods**

#### **Article 59**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licenses from the sectors of Health, Drug and Food, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 36 of 2009 on Health (State Gazette of the Republic of Indonesia of 2009 Number 144, Supplement to the State Gazette of the Republic of Indonesia Number 5063);
- b. Law Number 44 of 2009 on Hospitals (State Gazette of the Republic of Indonesia of 2009 Number 153, Supplement to the State Gazette of the Republic of Indonesia Number 5072);
- c. Law Number 5 of 1997 on Psychotropic Drugs (State Gazette of the Republic of Indonesia of 1997 Number 10, Supplement to the State Gazette of the Republic of Indonesia Number 3671);
- d. Law Number 35 of 2009 on Narcotics (State Gazette of the Republic of Indonesia of 2009 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 5062); and
- e. Law Number 18 of 2012 on Food (State Gazette of the Republic of Indonesia of 2012 Number 227, Supplement to the State Gazette of the Republic of Indonesia Number 5360).

#### **Article 60**

Several provisions under Law Number 36 of 2009 on Health (State Gazette of the Republic of Indonesia of 2009 Number 144, Supplement to the State Gazette of the Republic of Indonesia Number 5063) have been amended as follows:

1. Provisions of Article 30 have been amended, therefore read as follows:

#### **Article 30**

- (1) Health service facilities, according to the type of service, consist of:
  - a. individual health services; and
  - b. public health services.
- (2) Health service facilities as referred to in paragraph (1) include:
  - a. first level health service;

- b. second level health service; and
  - c. third level health service.
- (3) The health service facilities as referred to in paragraph (1) shall be implemented by the Central Government, Regional governments and the private sector.
- (4) Every health service facility is obliged to fulfill Business Licensing from the Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.

2. Provisions of Article 35 has been amended, therefore reads as follows:

**Article 35**

Further provisions regarding health service facilities and Business Licensing shall be regulated under a Regulation of the Government.

3. Provisions of Article 60 have been amended, therefore read as follows:

**Article 60**

- (1) Every person providing traditional health services using tools and technology is obliged to fulfill Business Licensing from the Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Provisions of Article 106 have been amended, therefore read as follows:

**Article 106**

- (1) Every person who produces and/or distributes pharmaceutical preparations and medical devices must fulfill the Business Licensing from the Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Pharmaceutical preparations and medical devices can only be circulated after fulfilling the Business Licensing from the Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) The Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government has the authority to revoke the business licensing and order the recall from circulation for pharmaceutical preparations and medical devices that have obtained a business licensing, which are later proven not to meet the quality and/or safety and/or usefulness requirements, and the said medical devices can be confiscated and destroyed in accordance with the provisions of laws and regulations.
- (4) Further provisions regarding Business Licensing related to pharmaceuticals preparation and medical devices as referred to in paragraph (1) and (2) shall be regulated under a Regulation of the Government.

5. Provisions of Article 111 have been amended, therefore read as follows:

**Article 111**

- (1) Food and beverages used for the communities must be based on health standards and/or requirements.
- (2) Food and beverages can only be circulated after fulfilling the Business Licensing from the Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) Food and beverages that do not meet the standard provisions, health requirements, and/or endanger health as referred to in paragraph (1) are prohibited from being circulated, and must be recalled from circulation, the Business Licensing is revoked, and secured/confiscated to be destroyed in accordance with the provisions of laws and regulations.
- (4) Further provisions regarding Business Licensing related to food and drink as referred to in paragraph (2) and paragraph (3) shall be regulated under a Regulation of the Government.

6. Provisions of Article 182 have been amended, therefore read as follows:

**Article 182**

- (1) The Central Government or Regional Governments in accordance with their authorities shall carry out supervision to the communities and every organizers of activities related to resources in the health sector and health efforts based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) The Central Government or Regional Governments in accordance with their authorities in carrying out supervision can grant Business Licensing to every organization of health efforts based on the norms, standards, procedures, and criteria stipulated by the Central Government.
- (3) The Central Government in carrying out supervision can delegate the supervision to Regional Governments and involve the community.

7. Provisions of Article 183 have been amended, therefore read as follows:

**Article 183**

The Central Government or Regional Governments in accordance with their authorities as referred to in Article 182 in carrying out their duties can appoint supervisors with the main task to supervise everything related to resources in the health sector and health efforts.

8. Provision of Article 187 has been amended, therefore reads as follows:

**Article 187**

Further provisions regarding supervision in the organization of efforts in the health sector shall be regulated under a Regulation of the Government.

9. Provision of Article 188 has been amended, therefore reads as follows:

**Article 188**

The Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria stipulated by the Central Government may take administrative action against health workers and health service facilities that violate the provisions as regulated in this Law.

10. Provision of Article 197 has been amended, therefore reads as follows:

**Article 197**



Every Person who deliberately produces or distributes pharmaceutical preparations and/or medical devices that does not have a Business Licensing as referred to in Article 106 paragraph (1) and paragraph (2) shall be sentenced to imprisonment for a maximum of 15 (fifteen) years and a maximum fine of IDR1,500,000.000.00 (one billion and five hundred million rupiah).

#### **Article 61**

Several provisions under Law Number 44 of 2009 on Hospitals (State Gazette of the Republic of Indonesia of 2009 Number 153, Supplement to the State Gazette of the Republic of Indonesia Number 5072) have been amended as follows:

1. Provisions of Article 17 have been amended, therefore read as follows:

#### **Article 17**

- (1) Hospitals that do not meet the requirements as referred to in Article 7, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, or Article 16 shall be subject to administrative sanctions in the form of:
  - a. written warnings;
  - b. temporary suspension of activity;
  - c. administrative fine;
  - d. suspension of business licensing; and/or
  - e. revocation of business licensing
- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

2. Provisions of Article 24 have been amended, therefore read as follows:

#### **Article 24**

- (1) The government determines the classification of hospitals based on service capabilities, health facilities, supporting facilities and human resources.
- (2) Further provisions regarding the classification of hospitals as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 25 have been amended, therefore read as follows:

#### **Article 25**

- (1) Every hospital administrator is obliged to fulfill Business Licensing.
- (2) Every hospital administrator that does not fulfill the obligations as referred to in paragraph (1) shall be subject to administrative sanctions.
- (3) Further provisions regarding procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

4. Provisions of Article 26 have been amended, therefore read as follows:

#### **Article 26**

- (1) Business Licensing related to Hospitals as referred to in Article 25 is granted by the Central Government and Regional Government in accordance with their authorities based on the

Classification of Hospitals as referred to in Article 24.

- (2) The implementation of Business Licensing related to Hospitals by Regional Governments shall carried out in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

5. Provisions of Article 27 have been amended, therefore read as follows:

**Article 27**

Business licensing regarding Hospital Business Licensing as referred to in Article 25, can be revoked, if:

- a. the validity period expires;
- b. no longer meets requirements and standards;
- c. proven to have violated the provisions of laws and regulations; and/or
- d. by court order in the framework of law enforcement.

6. Provision of Article 28 has been amended, therefore reads as follows:

**Article 28**

Further provisions regarding Business Licensing related to hospitals shall be regulated under a Regulation of the Government.

7. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) Every hospital has the obligation to:
  - a. provide correct information about hospital services to the community;
  - b. provide safe, quality, anti-discrimination, and effective health services by prioritizing the interests of patients according to hospital service standards;
  - c. provide emergency services to patients according to their service capabilities;
  - d. play an active role in providing health services in disasters their service capabilities;
  - e. providing facilities and services for poor or impoverished people;
  - f. carry out social functions by, among others, providing service facilities for poor/impoverished patients, emergency services without down payment, free ambulances, services for victims of disasters and extraordinary events, or social services for humanitarian missions;
  - g. create, implement, and maintain health service quality standards in hospitals as a reference in serving patients;
  - h. organize medical records;
  - i. provide adequate public facilities and infrastructure, including religious facilities, parking, waiting room, facilities for disabled people, breastfeeding women, children, and the elderly;
  - j. implementing the referral system;
  - k. refuse patients' wishes that are contrary to professional and ethical standards and provisions of laws and regulations.

- l. provide true, clear, and honest information regarding the rights and obligations of patients;
  - m. respect and protect patient rights;
  - n. implementing Hospital ethics;
  - o. have an accident prevention and disaster management system;
  - p. implementing government programs in the health sector, both regionally and nationally;
  - q. make a list of medical personnel who practice medicine or dentistry and other health workers;
  - r. compile and implement hospital bylaws;
  - s. protect and provide legal assistance for all hospital staff in carrying out their duties; and
  - t. enforce the entire hospital environment as a smoke-free area.
- (2) The violation of obligation as referred to in paragraph (1) shall be subject to administrative sanctions in the form of:
  - a. reprimands;
  - b. written reprimands;
  - c. fine; and/or
  - d. revocation of Hospital Business Licensing
- (3) Further provisions regarding Hospital obligations as referred to in paragraph (1) and the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

8. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) In an effort to improve the quality of hospital services, accreditation must be carried out periodically at least once in 3 (three) years.
- (2) Hospital accreditation as referred to in paragraph (1) shall be performed by an independent institution, both from within and outside the country based on the applicable accreditation standards
- (3) The independent institution as referred to in paragraph (1) shall be determined by the Central Government.
- (4) Further provisions regarding Hospital Accreditation as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

9. Provisions of Article 54 have been amended, therefore read as follows:

**Article 54**

- (1) The Central Government and Regional Governments with the norms, standards, procedures, and criteria stipulated by the Central Government shall carry out guidance and supervision toward hospitals by involving professional organizations, hospital associations, and other community organizations in accordance with their respective duties and functions.
- (2) Guidance and supervision as intended in paragraph (1) is directed to:
  - a. fulfillment of health service needs that are affordable by the community;
  - b. improving the quality of health services;

- c. patient safety;
  - d. expansion of service coverage; and
  - e. increasing the ability of hospital independence.
- (3) In carrying out supervisory duties, the Central Government and Regional Governments in accordance with their authorities shall appoint supervisory personnel according to their competence and expertise.
- (4) The supervisory personnel as intended in paragraph (3) shall carry out supervision of a medical technicality and hospital technicality nature.
- (5) In the framework of guidance and supervision, the Central Government as referred to in paragraph (1) and paragraph (2) may impose administrative sanctions in the form of:
  - a. reprimands;
  - b. written reprimands;
  - c. fines; and/or
  - d. revocation of Hospital Business Licensing.
- (6) Further provisions regarding guidance and supervision as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) as well as the criteria, types, and procedures for the imposition of administrative sanctions as referred to in paragraph (5) shall be regulated under a Regulation of the Government.

10. Provision of Article 62 has been amended, therefore reads as follows:

#### **Article 62**

Every person who deliberately operates a hospital without Business Licensing as referred to in Article 25 paragraph (1) which results in victim/damage to health, safety, security and the environment, shall be sentenced to imprisonment for a maximum of 2 (two) years and a maximum fine of IDR7,000,000,000.00 (seven billion rupiah).

#### **Article 62**

Several provisions under Law Number 5 of 1997 on Psychotropics (State Gazette of the Republic of Indonesia of 1997 Number 10, Supplement to the State Gazette of the Republic of Indonesia Number 3671) have been amended as follows:

1. Provision of Article 5 has been amended, therefore reads as follows:

#### **Article 5**

Psychotropics can only be produced by pharmaceutical industries that have fulfilled the Business Licensing from the Central Government

2. Provisions of Article 9 have been amended, therefore read as follows:

#### **Article 9**

- (1) Psychotropics in the form of drugs can only be circulated after fulfilling the Business Licensing from the Central Government
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) Psychotropic exports can only be carried out by pharmaceutical industries or pharmaceutical wholesalers that have fulfilled the Business Licensing from the Central Government
- (2) Psychotropic imports can only be carried out by:
  - a. Pharmaceutical industries or pharmaceutical wholesalers that have fulfilled the Business Licensing from the Central Government;
  - b. Research institutions or educational institutions.
- (3) Research institutions and/or educational institutions as referred to in paragraph (2) letter b are prohibited from circulating the psychotropics imported by them.
- (4) Further provisions regarding Business Licensing shall be regulated under a Regulation of the Government.

4. Provisions of Article 18 have been amended, therefore read as follows:

**Article 18**

- (1) In order to obtain export approval or import approval, exporters or importers as referred to in Article 17 shall submit an application to the Central Government.
- (2) Application to obtain a psychotropic export approval shall be enclosed with a psychotropic import approval that has obtained approval from and/or is issued by the government of the psychotropic importing country.
- (3) Further provision regarding psychotropic export approval and psychotropic import approval shall be regulated under a Regulation of the Government.

5. Provision of Article 19 has been amended, therefore read as follows:

**Article 19**

The Central Government submits an import approval related to the import of psychotropics to the government of the psychotropic exporting country.

6. Provision of Article 20 has been amended, therefore reads as follows:

**Article 20**

Further provisions regarding psychotropic export or import activities shall be regulated under a Regulation of the Government.

7. Provisions of Article 21 have been amended, therefore read as follows:

**Article 21**

- (1) Every transportation of psychotropic exports must be equipped with a psychotropic export approval issued by the Central Government.
- (2) Every transportation of psychotropic imports must be equipped with a psychotropic export approval issued by the government of the exporting country.

8. Provisions of Article 22 have been amended, therefore read as follows:

**Article 22**

- (1) Psychotropic exporters are required to provide a psychotropic export approval issued by the Central Government and a psychotropic import approval issued by the government of the importing country to the person in charge of the export transportation company.
- (2) The person in charge of the export transportation company is obliged to provide the psychotropic export approval issued by the Central Government and psychotropic import approval issued by the government of the importing country to the person in charge of transporting.
- (3) The person in charge of transporting psychotropic exports is obliged to carry and be responsible for the completeness of the psychotropic export approval issued by the Central Government and the psychotropic import approval issued by the government of the importing country.
- (4) The person in charge of transporting psychotropic imports entering the territory of the Republic of Indonesia is obliged to carry and be responsible for the completeness of the psychotropic import approval issued by the Central Government and the psychotropic export approval issued by the government of the exporting country.

**Article 63**

Several provisions under Law Number 35 of 2009 on Narcotics (State Gazette of the Republic of Indonesia of 2009 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 5062) have been amended as follows

1. Provisions of Article 11 have been amended, therefore read as follows:

**Article 11**

- (1) Certain pharmaceutical industries can produce narcotics after fulfilling the Business Licensing from the Central Government.
- (2) The Central Government controls the production of Narcotics in accordance with the Narcotic annual requirement plan as referred to in Article 9.
- (3) The Central Government shall supervise the raw materials, production process, and final result of the Narcotic production in accordance with the Narcotic annual requirement plan as referred to in Article 9.
- (4) Further provisions regarding procedures for the granting of Business Licensing, control, and supervision as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

2. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) State-owned pharmaceutical industries or pharmaceutical wholesalers can import narcotics after fulfilling the Business Licensing from the Central Government.
- (2) In certain circumstances, the Central Government may grant Business Licensing to companies other than state-owned companies as referred to in paragraph (1) that fulfill Business Licensing.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

3. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) Narcotic importers must possess an Import Approval issued by the Central Government every time they import Narcotics.
- (2) The Narcotics Import Approval as referred to in paragraph (1) shall be given based on the results of an audit by the Central Government toward the plan on the demand for and production and/or usage realization of Narcotics.
- (3) The Import Approval for Narcotics Category I in a very limited number can only be given for the purpose of the development of science and technology.
- (4) The Import Approval as referred to in paragraph (1) shall be submitted to the government of the exporting country.

4. Provisions of Article 18 have been amended, therefore read as follows:

**Article 18**

- (1) Pharmaceutical industries or pharmaceutical wholesalers can export narcotics after fulfilling the Business Licensing from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Provisions of Article 19 has been amended, therefore reads as follows:

**Article 19**

- (1) Narcotic Exporters must possess an Export Approval issued by the Central Government every time they export Narcotics.
- (2) To obtain the Narcotics Export Approval as referred to in paragraph (1), the applicant must enclose an approval issued by the importing country.

6. Provision of Article 22 has been amended, therefore reads as follows:

**Article 22**

Further provisions regarding the requirements and procedures for obtaining an Import Approval and Export Approval shall be regulated under a Regulation of the Government.

7. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

- (1) Every import transportation of Narcotics must be equipped with a valid Narcotic Export approval or document in accordance with the provisions of laws and regulations in the exporting country and a Narcotic Import Approval issued by the Central Government.
- (2) Every export transportation of Narcotics must be equipped with a Narcotic export approval issued by the Central Government and a valid document or Business Licensing related to the import of Narcotics in accordance with the provisions of laws and regulations in the importing country.
- (3) Further provisions regarding the document or approval letter for the export and import of narcotics as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

8. Provisions of Article 26 have been amended, therefore read as follows:



**Article 26**

- (1) Narcotic Exporters are required to provide a Narcotic Export Approval issued by the Central Government and a valid Narcotic Import Approval or document in accordance with the provisions of laws and regulations in the importing country to the person in charge of the export transportation company.
- (2) The person in charge of the export transportation company is obliged to provide the Narcotic Export Approval issued by the Central Government and the valid Narcotic Import Approval or document in accordance with the provisions of laws and regulations in the importing country to the person in charge of transporting.
- (3) The person in charge of transporting Narcotic exports is obliged to carry and be responsible for the completeness of the Narcotic Export Approval issued by the Central Government and the valid Narcotic Import Approval or document in accordance with the provisions of laws and regulations in the importing country.

9. Provisions of Article 36 has been amended, therefore reads as follows:

**Article 36**

- (1) Narcotics in the form of finished drugs can only be circulated after fulfilling the Business Licensing from the Central Government.
- (2) Further provisions regarding the requirements and procedures for Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

10. Provisions of Article 39 have been amended, therefore read as follows:

**Article 39**

- (1) Narcotics can only be distributed by Pharmaceutical Industries, pharmaceutical wholesalers, and government pharmaceutical preparation storage facilities in accordance with the provisions of this Law.
- (2) Pharmaceutical Industries, pharmaceutical wholesalers, and government pharmaceutical preparation storage facilities as referred to in paragraph (1) are required to fulfill Business Licensing from the Central Government.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

**Article 64**

Several provisions under Law Number 18 of 2012 on Food (State Gazette of the Republic of Indonesia of 2012 Number 227, Supplement to State Gazette of the Republic of Indonesia Number 5360) have been amended as follows:

1. Provision of Article 1 number 7 has been amended, therefore Article 1 reads as follows:

**Article 1**

Under this Law, the following definitions are employed:

1. Food is anything that comes from biological sources of agricultural, plantation, forestry, fishery, animal husbandry, waters (perairan), and water (air) products, whether processed or unprocessed which is designated as food or beverage for human consumption, including Food additives, Food raw materials, and other materials used in the preparation, processing and/or production of food or beverages.
2. Food Sovereignty is the right of the state and nation which independently determines the Food

policy that guarantees the right for Food for the people and which gives the right for the community to determine the Food system that is in accordance with the potential of local resources.

3. Food Resilience is the ability of the state and nation in producing various kinds of Food from within the country which can guarantee the fulfillment of Food needs that are sufficient to the individual level by utilizing the potential of natural, human, social, economic resources and local wisdom in a dignified manner.
4. Food Security is a condition of fulfillment of Food for the state to individuals which is reflected in the availability of Food that is sufficient, both in quantity and quality, safe, diverse, nutritious, equitable and affordable and does not conflict with religion, belief, and culture of the community to be able to live healthy, active, and productive in a sustainable manner.
5. Food Safety is the condition and efforts needed to prevent Food from the possibility of contamination by biological, chemical and other objects that can disturb, harm, and endanger human health and do not conflict with religion, belief, and culture of the community so that it is safe for consumption.
6. Food Production is the activity or process of producing, preparing, processing, making, preserving, packaging, repackaging, and/or changing the form of Food.
7. Food Availability is the condition of Food availability from domestic production, National Food Reserves, and Food Import.
8. National Food Reserves is Food supply throughout the territory of the Republic of Indonesia for human consumption and to deal with the problem of Food shortages, supply and price disruptions, as well as state of emergency.
9. Government Food Reserve is Food supply controlled and managed by the Government.
10. Provincial Government Food Reserve is Food supply controlled and managed by the provincial government.
11. Regency/City Government Food Reserve is Food supply controlled and managed by the regency/city government.
12. Village Government Food Reserve is Food supply controlled and managed by the village government.
13. Community Food Reserve is Food supply controlled and managed by the community at the trader, communities, and household levels.
14. Food Administration is the activity of planning, implementation and supervision in the provision, affordability, fulfillment of Food and Nutrition consumption, as well as Food safety by involving coordinated and integrated community participation.
15. Staple Food is Food that is intended as daily main food according to the potential of local resources and wisdom.
16. Food Diversification is an effort to increase the availability and consumption of Food which are diverse, nutritionally balanced, and based on the potential of local resources.
17. Local Food is food that is consumed by the local community in accordance with local potential and wisdom.
18. Fresh Food is Food that has not been processed and can be consumed directly and/or which can be used as raw material for Food processing.
19. Processed Food is food or beverage that is processed in a certain way or method with or without additives.
20. Farmers are Indonesian citizens, both individually and with their families who carry out farming in the Food sector.
21. Fishermen are Indonesian citizens, both individually and with their families whose livelihoods

are carrying out fish catching.

22. Fish Farmers are Indonesian citizens, both individually and with their families whose livelihoods are raising, breeding, and/or nurturing fish and other aquatic biological resources and harvesting the produce in a controlled environment.
23. Food Trade is any activity or a series of activities in the framework of selling and/or purchasing Food, including offers to sell Food and other activities related to the transfer of Food by obtaining reward.
24. Food Export is the activity of exporting Food from the customs area of the Republic of Indonesia which includes land, waters, and air space above it, certain places in the Exclusive Economic Zone, and the continental shelf.
25. Food Import is an activity of importing Food into the customs area of the Republic of Indonesia which includes land, waters, and air space above it, certain places in the Exclusive Economic Zone, and continental shelf.
26. Food Distribution is any activity or series of activities in the framework of distributing Food to the community, whether traded or not.
27. Food Assistance is Staple Food and other Food Assistance provided by the Government, Regional Governments, and/or the community in resolving Food Problems and Food Crisis, increasing Food access for poor and/or Food and Nutrition vulnerable people, and international cooperation.
28. Food Problem is a condition of deficiency, excess, and/or inability of an individual or household to meet Food needs and Food Safety.
29. Food Crisis is a condition of Food scarcity experienced by most people in an area which is caused by, among others, difficulties in Food distribution, the impact of climate change, natural and environmental disasters, and social conflicts, including due to war.
30. Food Sanitation is an effort to create and maintain a healthy and hygienic Food condition that is free from the dangers of contamination of biological, chemical, and other objects.
31. Sanitation Requirements are hygiene and health standards that must be met to ensure Food Sanitation.
32. Food Irradiation is a Food handling method, either by using radioactive substances or accelerators to prevent rot and damage, free Food from pathogenic microorganisms, and prevent shoot growth.
33. Food Genetic Engineering is a process that involves transferring genes (trait carriers) from one biological type to another different or same biological type to obtain a new type capable of producing superior Food products.
34. Genetically Engineered Food Products are Food produced or using raw materials, Food additives and/or other materials resulting from genetic engineering processes.
35. Food Packaging is the material used to contain and/or wrap Food, whether in direct contact with Food or not.
36. Food Quality is a value determined on the basis of safety criteria and Nutrition content for Food.
37. Nutrition is a substance or compound found in Food which consists of carbohydrate, protein, fat, vitamin, mineral, fiber, water, and other components that are beneficial to human growth and health.
38. Every Person is individual or corporation, both incorporated or unincorporated.
39. Food Business is Every Person who is engaged in one or more Food agribusiness subsystems, namely providers of production inputs, production processes, processing, marketing, trading, and support.
40. Central Government, from this point onwards is referred to as the Government, is the President

of the Republic of Indonesia who holds the power of Government of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.

41. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.

2. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) Food supply sources shall be prioritized to come from:
  - a. Domestic Food Production;
  - b. National Food Reserves; and/or
  - c. Food Import.
- (2) Food supply sources as referred to in paragraph (1) shall be carried out with regard to the interests of Farmers, Fishermen, Fish Farmers, and micro- and small-scale Food Business Actors through tariff and non-tariff policies.

3. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) Domestic Food Production shall be used to fulfill Food consumption needs.
- (2) In the event of Food Availability for consumption needs and Food reserves are sufficient, the excess of domestic Food Production can be used for other purposes.

4. Provisions of Article 36 have been amended, therefore read as follows:

**Article 36**

- (1) Food Import is carried out to fulfill domestic needs.
- (2) Staple Food Import is carried out to fulfill consumption needs and national food reserve.
- (3) Food and Staple Food Import as referred to in paragraph (1) and paragraph (2) is determined by the Central Government with regard to the interests of Farmers, Fishermen, Fish Farmers, as well as micro- and small-scale Food Business Actors.

5. Provision of Article 39 has been amended, therefore reads as follows:

**Article 39**

The Central Government determines policies and regulations for Food Import in the context of sustainable farming, Increasing the welfare of farmers, Fishermen, Fish Farmers, as well as micro- and small-scale Food Business Actors.

6. Provisions of Article 68 have been amended, therefore read as follows:

**Article 68**

- (1) The Central Government and Regional Governments shall ensure the realization of Food Safety implementation in each Food chain in an integrated manner.
- (2) The Central Government shall determine norms, standards, procedures, and criteria for Food

Safety.

- (3) Food Business Actors including Micro- and Small-Scale Business Actors must apply norms, standards, procedures, and criteria for Food Safety as referred to in paragraph (2).
- (4) The application of norms, standards, procedures, and criteria for Food Safety as referred to in paragraph (3) shall be carried out in stages based on the type of Food and scale of Food business.
- (5) The Central Government and Regional Governments must guide and supervise the application of norms, standards, procedures, and criteria for Food Safety as referred to in paragraph (3) and paragraph (4).
- (6) Further provisions regarding norms, standards, procedures, and criteria for Food Safety including the stages as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

7. Provisions of Article 72 have been amended, therefore read as follows:

**Article 72**

- (1) Every Person who violates the provision as referred to in Article 64 paragraph (1), Article 71 paragraph (1), and/or paragraph (2) shall be subject to administrative sanction.
- (2) Administrative sanction as referred to in paragraph (1) is in the form of:
  - a. fine;
  - b. temporary suspension of activities, production, and/or distribution;
  - c. recall of Food from distribution by producers;
  - d. indemnity; and/or
  - e. revocation of Business Licensing.
- (3) Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

8. Provisions of Article 74 have been amended, therefore read as follows:

**Article 74**

- (1) The Central Government is obliged to examine the safety of materials which will be used as Food additives whose impact on human health is not known yet in the Food Production activity or process to be distributed.
- (2) Examination of the safety the additives as referred to in paragraph (1) is carried out in the framework of fulfilling Business Licensing from the Central Government.

9. Provisions of Article 77 have been amended, therefore read as follows:

**Article 77**

- (1) Every Person is prohibited to produce Food resulting from Food Genetic Engineering that has not fulfilled Business Licensing from the Central Government.
- (2) Every Person who carries out Food Production activity or process is prohibited to use raw materials, Food additives, and/or other materials resulted from Food Genetic Engineering that has not fulfilled Business Licensing from the Central Government.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

10. Provisions of Article 81 has been amended, therefore reads as follows:

**Article 81**

- (1) Food Irradiation as referred to in Article 80 paragraph (1) is carried out based on Business Licensing from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

11. Article 87 has been removed.

12. Provisions of Article 88 have been amended, therefore read as follows:

**Article 88**

- (1) Food Business Actors in the field of Fresh Food must meet Food Safety and Fresh Food Quality standards.
- (2) The Central Government or Regional Governments in accordance with their authority must guide, supervise, and facilitate the development of Fresh Food businesses to meet the minimum technical requirements for Food Safety and Food Quality based on norms, standards, procedures, and criteria set by the Central Government.
- (3) The application of Food Safety and Fresh Food Quality standards as referred to in paragraph (1) shall be carried out in stages in accordance with the type of Fresh Food as well as type and/or scale of the business.

13. Between Article 89 and Article 90 is inserted one article, namely Article 89A, which reads as follows:

**Article 89A**

- (1) Every Person who violates the provisions as referred to in Article 84 paragraph (1), Article 86 paragraph (2), or Article 89 shall be subject to administrative sanction.
- (2) Administrative sanction as referred to in paragraph (1) is in the form of:
  - a. fine;
  - b. temporary suspension of the activities, production, and/or distribution;
  - c. recall of Food from distribution by producers;
  - d. indemnity; and/or
  - e. revocation of Business Licensing.
- (3) Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of administrative sanction shall be regulated under a Regulation of the Government.

14. Provisions of Article 91 have been amended, therefore read as follows:

**Article 91**

- (1) In the event of safety, quality, and nutrition control of any Processed Food that is made domestically or imported to be traded in retail packaging, Food Business Actors are required to fulfill Business Licensing from the Central Government or Regional Governments in accordance with their authority based on norms, standards, procedures, and criteria set by the Central Government.



- (2) The obligation to fulfill Business Licensing as referred to in paragraph (1) is exempted toward certain Processed Food products produced by Micro- and Small-Scale Business Actors.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

15. Provision of Article 133 has been amended, therefore reads as follows:

**Article 133**

Food Business Actors who deliberately stockpile or store more than the maximum amount as referred to in Article 53 with the intention of obtaining a profit which causes Staple Food prices to become expensive or soared, shall be sentenced to a maximum imprisonment of 7 (seven) years or a maximum fine of IDR150,000,000,000.00 (one hundred and fifty billion rupiah).

16. Provisions of Article 134 have been amended, therefore read as follows:

**Article 134**

- (1) Every person who carries out certain Processed Food Production to be traded, and who deliberately not applying Food processing procedures capable of inhibiting the decrease or loss of Nutritional content of Food raw materials used as referred to in Article 64 paragraph (1) and that result in victims/damage to health, safety, security, and the environment shall be sentenced to a maximum imprisonment of 1 (one) year or a maximum fine of IDR2,000,000,000.00 (two billion rupiah).
- (2) The provision as referred to in paragraph (1) is exempted from the imposition of criminal sanction toward violations committed by any person engaging in businesses and/or activities with low- or moderate-risks.
- (3) Actors of businesses and/or activities that committed the violation as referred to in paragraph (1) shall be subject to sanction as referred to in Article 72.

17. Provisions of Article 135 have been amended, therefore read as follows:

**Article 135**

- (1) Every Person who carries out activities or processes of Food production, storage, transportation, and/or distribution that do not fulfill the Food Sanitation Requirements as referred to in Article 71 paragraph (2) and that result in victims/damage to health, safety, security, and the environment shall be sentenced to a maximum imprisonment of 2 (two) years or a maximum fine of IDR4,000,000,000.00 (four billion rupiah).
- (2) The provision as referred to in paragraph (1) is exempted from the imposition of criminal sanction toward violations committed by any person engaging in businesses and/or activities with low- or moderate-risks.
- (3) Actors of business and/or activities that committed the violation as referred to in paragraph (2) shall be subject to sanction as referred to in Article 72.

18. Provisions of Article 139 have been amended, therefore read as follows:

**Article 139**

- (1) Every Person who deliberately opens the final packaging of Food to be repackaged and traded as referred to in Article 84 paragraph (1) that result in victim of human health problems shall be sentenced to a maximum imprisonment of 4 (four) years or a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).



- (2) The provision as referred to in paragraph (1) is exempted from the imposition of criminal sanction toward violations committed by any person engaging in businesses and/or activities with low- or moderate-risks.
- (3) Actors of businesses and/or activities that committed the violation as referred to in paragraph (2) shall be subject to sanction as referred to in Article 72.

19. Provisions of Article 140 have been amended, therefore read as follows:

**Article 140**

- (1) Every Person who produces and trades Food that deliberately does not meet the Food Safety standards as referred to in Article 86 paragraph (2) that result in victim of human health problems shall be sentenced to a maximum imprisonment of 2 (two) years or a maximum fine of IDR4,000,000,000.00 (four billion rupiah).
- (2) The provision as referred to in paragraph (1) is exempted from the imposition of criminal sanction toward violations committed by any person engaging in businesses and/or activities with low- or moderate-risks.
- (3) Actors of businesses and/or activities that committed the violation as referred to in paragraph (2) shall be subject to sanction as referred to in Article 89A.

20. Provisions of Article 141 have been amended, therefore read as follows:

**Article 141**

- (1) Every person who deliberately trades Food that is not in accordance with Food Safety and Food Quality listed in the Food Packaging label as referred to in Article 89 that result in victim of human health problems shall be sentenced to a maximum imprisonment of 2 (two) years or a maximum fine of IDR4,000,000,000.00 (four billion rupiah).
- (2) The provision as referred to in paragraph (1) is exempted from the imposition of criminal sanction toward violations committed by any person engaging in businesses and/or activities with low- or moderate-risks.
- (3) Actors of businesses and/or activities that committed the violation as referred to in paragraph (2) shall be subject to sanction as referred to in Article 89A paragraph (2).

21. Provisions of Article 142 have been amended, therefore read as follows:

**Article 142**

- (1) Food Business Actor who deliberately does not have Business Licensing related to Processed Food made domestically or imported for trading in retail packaging as referred to in Article 91 paragraph (1) shall be sentenced to a maximum imprisonment of 2 (two) years or a maximum fine of IDR4,000,000,000.00 (four billion rupiah).
- (2) The provision as referred to in paragraph (1) is exempted from the imposition of criminal sanction toward violations committed by any person engaging in businesses and/or activities with low- or moderate-risks.
- (3) Actors of businesses and/or activities that committed the violation as referred to in paragraph (2) shall be subject to sanction as referred to in Article 89A paragraph (2).

**Subdivision 12**

**Education and Culture**

**Article 65**

- (1) The implementation of licensing in the education sector may be conducted through Business Licensing as referred to in this Law.
- (2) Further provisions for the implementation of licensing in the education sector as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

**Article 66**

To make it easier for film business actors to carry out business activities, this Law amends, removes, or stipulates new arrangements regulated under Law Number 33 of 2009 on Film (State Gazette of the Republic of Indonesia of 2009 Number 141, Supplement to the State Gazette of the Republic of Indonesia Number 5060) which has been amended, as follows.

1. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) The type of film business as referred to in Article 8 paragraph (2) must fulfill the Business Licensing from the Central Government.
  - (2) Business Licensing as referred to in paragraph (1) does not include Business Licensing related to film shows conducted through television broadcasting or information technology networks.
  - (3) Further provisions regarding Business Licensing shall be regulated under a Regulation of the Government.
2. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

- (1) Filmmaking by filmmaking businesses as referred to in Article 16 paragraph (3) must fulfill the Business Licensing from the Central Government.
  - (2) Further provisions regarding the Business Licensing related to filmmaking shall be regulated under a Regulation of the Government.
3. Provisions of Article 22 have been amended, therefore read as follows:

**Article 22**

- (1) Filmmaking by foreign parties that uses locations in Indonesia shall be carried out based on approval from the Central Government that is free of charge.
  - (2) Filmmaking that uses foreign filmmakers shall be carried out in accordance with the provisions of laws and regulations.
  - (3) Further provisions regarding the approval for the use of locations and foreign filmmakers as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.
4. Provisions of Article 78 have been amended, therefore read as follows:

**Article 78**

- (1) Violation of the provisions as referred to in Article 6, Article 7, Article 10 paragraph (1) or paragraph (2), Article 11 paragraph (1), Article 14 paragraph (1) or paragraph (2), Article 15, Article 17 paragraph (1), Article 20 paragraph (1), Article 21 paragraph (2), Article 22 paragraph

(1) or paragraph (2), Article 26 paragraph (1), Article 27 paragraph (1), Article 31, Article 33 paragraph (1), Article 39 paragraph (1), Article 43, or Article 57 paragraph (1) shall be subject to administrative sanctions.

- (2) The administrative sanctions as referred to in Article 78 may be in the form of:
  - a. written reprimand;
  - b. administrative fines;
  - c. temporary closure; and/or
  - d. dissolution or revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions shall be regulated under a Regulation of the Government.

5. Article 79 has been removed.

### **Subdivision 13**

#### **Tourism**

#### **Article 67**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing from the tourism sector, several provisions under Law Number 10 of 2009 on Tourism (State Gazette of the Republic of Indonesia of 2009 Number 11, Supplement to the State Gazette of the Republic of Indonesia Number 4966) have been amended, as follows:

1. Provisions of Article 14 have been amended, therefore Article 14 reads as follows:

#### **Article 14**

- (1) Tourism business includes:
  - a. tourist attraction;
  - b. tourism area;
  - c. tourist transportation services;
  - d. tour and travel services;
  - e. food and beverage services;
  - f. provision of accommodation
  - g. organization of entertainment and recreation activities;
  - h. organization of meetings, incentive trips, conferences and exhibitions;
  - i. tourist information services;
  - j. tourism consulting services
  - k. tour guide services;
  - l. water-based tourism; and
  - m. spa.
- (2) Tourism businesses other than as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

2. Provisions of Article 15 have been amended, therefore read as follows:

**Article 15**

- (1) To be able to run the tourism business as referred to in Article 14, tourism businesses are required to fulfill Business Licensing from the Central Government or Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria set by the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Article 16 has been removed.

4. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) Every tourism businesses must:
  - a. maintain and respect the religious norms, customs, culture and values that live in the local community;
  - b. provide accurate and responsible information;
  - c. provide non-discriminatory services;
  - d. provide comfort, friendliness, security protection and safety of tourists;
  - e. provide insurance protection for tourism business with high-risk activities;
  - f. develop partnerships with micro- and small-scale businesses and local cooperatives that need, strengthen and benefit each other;
  - g. prioritize using local community products, domestic products, and provide opportunities for local workers;
  - h. improve workforce competence through training and education;
  - i. play an active role in efforts to develop infrastructure and community empowerment programs;
  - j. participate in preventing all forms of actions that violate decency and activities that violate the law in the environment where the business is carried out;
  - k. maintain a healthy, clean and beautiful environment;
  - l. maintain the preservation of the natural and cultural environment;
  - m. maintain the image of the state and nation of Indonesia through responsible tourism business activities; and
  - n. fulfill the Business Licensing from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) letter n shall be regulated under a Regulation of the Government.

5. Provisions of Article 29 have been amended, therefore read as follows:

**Article 29**

- (1) Provincial governments are authorized to:
  - a. formulate and stipulate the provincial tourism development master plan;

- b. coordinate the implementation of tourism in their territory;
  - c. issue Business Licensing;
  - d. determine provincial tourism destinations;
  - e. determine provincial tourist attraction;
  - f. facilitate the promotion of tourism destinations and tourism products in their territory;
  - g. maintain provincial assets that become provincial tourist attractions; and
  - h. allocate a tourism budget.
- (2) The issuance of Business Licensing as referred to in paragraph (1) letter c shall be carried out in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

6. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) Regency/city governments are authorized to:
- a. formulate and stipulate the regency/city tourism development master plan;
  - b. determine regency/city tourism destinations;
  - c. determine regency/city tourist attractions;
  - d. issue Business Licensing;
  - e. regulate the operation and management of tourism in their territory;
  - f. facilitate and promote tourism destinations and tourism products in their territory;
  - g. facilitate the development of new tourist attractions;
  - h. conduct tourism training and research within the regency/city scope;
  - i. maintain and preserve tourist attractions in their territory;
  - j. organize tourism awareness community guidance; and
  - k. allocate a tourism budget.
- (2) The issuance of Business Licensing as referred to in paragraph (1) letter d shall be carried out in accordance with the norms, standards, procedures, and criteria stipulated by the Central Government.

7. Provisions of Article 54 have been amended, therefore read as follows:

**Article 54**

- (1) Tourism products, services, and business management shall have business standards.
- (2) The business standard as referred to in paragraph (1) shall be implemented in compliance with the provisions of Business Licensing.
- (3) Further provisions regarding business standards as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

8. Article 56 has been removed.

9. Article 64 has been removed.

## **Subdivision 14 Religious Affairs**

### **Article 68**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing from the religious sector, several provisions under Law Number 8 of 2019 on the Implementation of Hajj and Umrah (State Gazette of the Republic of Indonesia of 2019 Number 75, Supplement to State Gazette of the Republic of Indonesia Number 6388) have been amended, as follows:

1. Provisions of Article 1 number 11 and number 19 have been amended, therefore Article 1 reads as follows:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Hajj is the fifth pillar of Islam for Moslems who are able to carry out a certain series of worship at the Baitullah, the masyair, as well as certain places, times and conditions.
2. Umrah is a visit to Baitullah outside the Hajj season with the intention of performing Umrah, which is followed by performing tawaf, sai, and tahalul.
3. Organization of Hajj and Umrah is an activity of planning, organizing, implementing, monitoring, evaluating and reporting the Hajj and Umrah.
4. Hajj Pilgrims are citizens who are Moslem and have registered to perform Hajj in accordance with the stipulated requirements.
5. Regular Hajj Pilgrims are Hajj Pilgrims who carry out Hajj organized by the Minister.
6. Special Hajj Pilgrims are Hajj Pilgrims who carry out Hajj organized by special Hajj organizers.
7. Umrah Pilgrim is someone who carries out Umrah.
8. Organization of Regular Hajj is the Organization of Hajj which is carried out by the Minister with general management, financing and services.
9. Hajj Organizing Officer (Petugas Penyelenggara Ibadah Haji), from this point onwards is referred to as PPIH, is the officer appointed and/or designated by the Minister, and who is tasked with providing guidance, service and protection, as well as controlling and coordinating the organization of Hajj operations in the country and/or in Saudi Arabia.
10. Organization of Special Hajj is the Organization of Hajj which is carried out by special Hajj organizers with special management, financing and services.
11. Special Hajj Organizer (Penyelenggara Ibadah Haji Khusus), from this point onwards is referred to as PIHK, is a legal entity that has the Business Licensing to carry out special Hajj.
12. Hajj Travel Cost (Biaya Perjalanan Ibadah Haji), from this point onwards is referred to as Bipih, is the amount of money that must be paid by citizens who are going to carry out Hajj.
13. Hajj Organization Costs (Biaya Penyelenggaraan Ibadah Haji), from this point onwards is referred to as BPIH, are the amount of funds used for the operation of Hajj Organization.
14. Benefit Value is the fund obtained from the results of the hajj financial development through placement and/or investment.
15. Efficiency Fund is the fund obtained from the efficiency of the operational costs for Hajj organization.

16. Special Hajj Travel Cost (Biaya Perjalanan Ibadah Haji Khusus), from this point onwards is referred to as Special Bipih, is the amount of money that must be paid by Hajj Pilgrims who are going to perform a special Hajj.
17. Recipient Banks for Hajj Travel Cost (Bank Penerima Setoran Biaya Perjalanan Ibadah Haji), from this point onwards is referred to as BPS Bipih, are sharia commercial banks and/or sharia business units appointed by the Hajj Financial Management Agency.
18. Jemaah Deposit is an amount of money submitted by Hajj Pilgrims through BPS Bipih.
19. Umrah Travel Organizer (Penyelenggara Perjalanan Ibadah Umrah), from this point onwards is referred to as PPIU, is a travel agency that has Business Licensing to organize Umrah travels.
20. Hajj and Umrah Guidance Group (Kelompok Bimbingan Ibadah Haji dan Umrah), from this point onwards is referred to as KBIHU, is a group that organizes Hajj and Umrah guidance and has fulfilled Business Licensing.

2. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) PIHK that does not report the departure of Indonesian citizens who receive a Mujamalah Hajj visa invitation from the government of the Kingdom of Saudi Arabia as referred to in Article 18 paragraph (3) shall be subject to administrative sanctions.
- (2) The administrative sanctions as referred to in paragraph (1) include:
  - a. verbal reprimand;
  - b. written reprimand;
  - c. temporary suspension of activities;
  - d. administrative fines;
  - e. government coercion; and/or
  - f. revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

3. Provisions of Article 20 have been amended, therefore read as follows:

**Article 20**

The Central Government shall supervise PIHK that sends off Indonesian citizens who have received the Mujamalah Hajj visa invitation from the government of the Kingdom of Saudi Arabia.

4. Provisions of Article 58 have been amended, therefore read as follows:

**Article 58**

To obtain Business Licensing to become a PIHK, a legal entity shall meet the following requirements:

- a. owned and managed by Indonesian citizens who are Moslem;
- b. registered as an accredited PPIU;
- c. have the technical ability, personnel competence and financial capacity to organize special Hajj which are proven by a bank guarantee; and
- d. have the commitment to improve the quality of the Organization of Special Hajj.



5. Provisions of Article 59 have been amended, therefore read as follows:

**Article 59**

- (1) The implementation of Special Hajj shall be carried out by PIHK after fulfilling the Business Licensing from the Central Government.
- (2) The Business Licensing as referred to in paragraph (1) shall remain valid as long as the PIHK carries out the Special Hajj Organization business activities.
- (3) Further provisions regarding Business Licensing in the context of organizing the Special Hajj shall be regulated under a Regulation of the Government.

6. Provisions of Article 61 have been amended, therefore read as follows:

**Article 61**

Further provisions regarding the requirements for PIHK and the opening of PIHK branch offices as referred to in Article 58 and Article 60 shall be regulated under a Regulation of the Government.

7. Provisions of Article 63 have been amended, therefore read as follows:

**Article 63**

- (1) PIHK must:
  - a. facilitate the processing of special Hajj travel documents;
  - b. provide guidance and direction for special Hajj;
  - c. provide health services, transportation, accommodation, consumption and protection;
  - d. send off, serve, and return the Special Hajj Pilgrims in accordance with the agreement;
  - e. send off the person in charge of PIHK, health workers, and special Hajj advisors in accordance with the provisions of special Hajj services;
  - f. facilitate the transfer of candidates for Special Hajj Pilgrims to other PIHK at the request of the pilgrim; and
  - g. report the implementation of the Special Hajj to the Minister.
- (2) PIHK that does not carry out the obligations as referred to in paragraph (1) shall be subject to administrative sanctions in the form of:
  - a. written reprimand;
  - b. administrative fines;
  - c. suspension of Business Licensing; or
  - d. revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

8. Provisions of Article 83 have been amended, therefore read as follows:

**Article 83**

- (1) The Central Government shall supervise and evaluate PIHK within 60 (sixty) days from the completion of the Organization of Special Hajj.

- (2) The results of supervision and evaluation as referred to in paragraph (1) shall be reported to the DPR RI.

9. Provisions of Article 84 have been amended, therefore read as follows:

**Article 84**

Further provisions regarding procedures for the supervision and evaluation by the Central Government as referred to in Article 83 paragraph (1) shall be regulated under a Regulation of the Government.

10. Provisions of Article 85 have been amended, therefore read as follows:

**Article 85**

- (1) The Central Government shall carry out the PIHK accreditation.
- (2) The accreditation as referred to in paragraph (1) shall be carried out to assess the performance and quality of PIHK services.
- (3) The Central Government shall determine the PIHK accreditation standard.
- (4) The Central Government shall publish the results of the PIHK accreditation as referred to in paragraph (1) to the public electronically and/or non-electronically.
- (5) Further provisions regarding PIHK accreditation shall be regulated under a Regulation of the Government.

11. Provisions of Article 89 have been amended, therefore read as follows:

**Article 89**

- (1) To obtain Business Licensing to become PPIU, a travel agency must be owned and managed by Indonesian citizens who are Moslem and meet the requirements in accordance with the norms, standards, procedures, and criteria set by the Central Government.
- (2) Provisions regarding norms, standards, procedures, and criteria as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

12. Provisions of Article 90 have been amended, therefore read as follows:

**Article 90**

- (1) The implementation of Umrah shall be carried out by PPIU after fulfilling the Business Licensing from the Central Government.
- (2) The Business Licensing as referred to in paragraph (1) shall remain valid as long as the PPIU carries out Umrah organization business activities.

13. Provisions of Article 91 have been amended, therefore read as follows:

**Article 91**

- (1) A PPIU may open PPIU branch offices outside the company's domicile.
- (2) The opening of PPIU branch offices as referred to in paragraph (1) must be reported to the Central Government.

14. Provisions of Article 92 have been amended, therefore read as follows:

**Article 92**

Further provisions regarding Business Licensing and the opening of PPIU branch offices as referred to in Article 89, Article 90, and Article 91 shall be regulated under a Regulation of the Government.

15. Provisions of Article 94 have been amended, therefore read as follows:

**Article 94**

- (1) PPIU must:

- a. provide at least 1 (one) worship guide for every 45 (forty-five) Umrah pilgrims;
- b. provide travel document, accommodation, consumption and transportation services to the pilgrims in accordance with the written agreement agreed between PPIU and Umrah pilgrims;
- c. have cooperation agreements with healthcare facilities in Saudi Arabia;
- d. send and return the Umrah pilgrims according to the validity period of the Umrah visa in Saudi Arabia;
- e. submit Umrah travel plans to the Minister in writing before departure;
- f. report to the Representative of the Republic of Indonesia in Saudi Arabia upon arrival in Saudi Arabia and before returning to Indonesia.
- g. make a report to the Minister by no later than 10 (ten) days after arriving back in the country;
- h. send off registered Umrah pilgrims in the current Hijriyah year;
- i. follow minimum service standards and reference prices;
- j. follow the principles of sharia; and
- k. open an escrow account that is used to accommodate pilgrims' funds for Umrah activities.

- (2) Further provisions regarding the escrow account as referred to in paragraph (1) letter k shall be regulated under a Regulation of the Government.

16. Provisions of Article 95 have been amended, therefore read as follows:

**Article 95**

- (1) PPIU that does not meet the provisions as referred to in Article 94 shall be subject to administrative sanctions in the form of:

- a. written reprimand;
- b. administrative fines;
- c. suspension of Business Licensing; or
- d. revocation of Business Licensing.

- (2) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

17. Provisions of Article 99 have been amended, therefore read as follows:

**Article 99**

- (1) The Central Government shall supervise and evaluate the implementation of Umrah.

- (2) The supervision and evaluation as referred to in paragraph (1) shall be carried out by officials of the Central Government towards the implementation, guidance, service and protection carried out by the PPIU to the Umrah Pilgrims.
- (3) In carrying out the supervisory and evaluation functions for the implementation of Umrah, the Central Government may form a coordination team for the prevention, supervision and enforcement upon the problems in the organization of Umrah.

18. Provisions of Article 101 have been amended, therefore read as follows:

**Article 101**

- (1) The results of supervision and evaluation of the implementation of Umrah shall be used as the basis for accreditation and imposition of sanctions.
- (2) Further provisions regarding supervision and evaluation shall be regulated under a Regulation of the Government.

19. Provisions of Article 103 have been amended, therefore read as follows:

**Article 103**

The Central Government shall establish PPIU accreditation standards.

20. Provisions of Article 104 have been amended, therefore read as follows:

**Article 104**

- (1) The Central Government shall carry out the PPIU accreditation.
- (2) The accreditation as referred to in paragraph (1) shall be carried out to assess the performance and quality of PPIU services.
- (3) The accreditation of PPIU shall be carried out every 5 (five) years.

21. Provisions of Article 106 have been amended, therefore read as follows:

**Article 106**

Further provisions regarding the accreditation of PPIU shall be regulated under a Regulation of the Government.

22. Between Article 118 and Article 119, 1 (one) Article has been inserted, namely Article 118A, which reads as follows:

**Article 118A**

- (1) PIHK that deliberately causes the failure of departure, neglect, or failure of return of the Special Hajj Pilgrims as referred to in Article 118 shall be subject to administrative sanctions.
- (2) The referred administrative sanctions may be in the form of:
  - a. temporary suspension of activities;
  - b. administrative fines;
  - c. government coercion;
  - d. suspension of business Licensing; and/or
  - e. revocation of business Licensing.

- (3) In addition to the obligations as referred to in paragraph (1), PIHK shall be subject to sanctions in the form of an obligation to return the amount that has been deposited by the Special Hajj Pilgrims and other immaterial losses.
- (4) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

23. Between Article 119 and Article 120, 1 (one) article has been inserted, namely Article 119A, which reads as follows:

**Article 119A**

- (1) PPIU that deliberately causes the failure of departure, neglect, or failure of return of the Umrah Pilgrims as referred to in Article 119 shall be subject to administrative sanctions.
- (2) The referred administrative sanctions may be in the form of:
  - a. temporary suspension of activities;
  - b. administrative fines;
  - c. government coercion;
  - d. suspension of business licensing; and/or
  - e. revocation of business licensing.
- (3) In addition to the obligations as referred to in paragraph (1), PPIU shall be subject to sanctions in the form of an obligation to return the amount that has been deposited by the Umrah Pilgrims and other immaterial losses.
- (4) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under a Regulation of the Government.

24. Provisions of Article 125 have been amended, therefore read as follows:

**Article 125**

In the event that the PIHK who commits the action as referred to in Article 118A does not return the Special Hajj Pilgrims to the country within a maximum period of 5 (five) days, the PIHK shall be sentenced with imprisonment for a maximum of 10 (ten) years or a maximum fine of IDR10,000,000 000.00 (ten billion rupiah).

25. Provisions of Article 126 have been amended, therefore read as follows:

**Article 126**

In the event that the PPIU who commits the action as referred to in Article 119A does not return the Umrah Pilgrims to the country within a maximum period of 5 (five) days, the PPIU shall be sentenced with imprisonment for a maximum of 10 (ten) years or a maximum fine of IDR10,000,000,000,00 (ten billion rupiah).

**Subdivision 15**

**Post, Telecommunication, and Broadcasting**

**Article 69**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing and ease of investment requirements from the sectors of Post, Telecommunication, and Broadcasting, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 38 of 2009 on Post (State Gazette of the Republic of Indonesia of 2009 Number 146, Supplement to the State Gazette of the Republic of Indonesia Number 5065);
- b. Law Number 36 of 1999 on Telecommunication (State Gazette of the Republic of Indonesia of 1999 Number 154, Supplement to the State Gazette of the Republic of Indonesia Number 3881); and
- c. Law Number 32 of 2002 on Broadcasting (State Gazette of the Republic of Indonesia of 2002 Number 139, Supplement to the State Gazette of the Republic of Indonesia Number 4252).

#### **Article 70**

Several provisions under Law Number 38 of 2009 on Post (State Gazette of the Republic of Indonesia of 2009 Number 146, Supplement to the State Gazette of the Republic of Indonesia Number 5065) have been amended as follows:

1. Provisions of Article 10 have been amended, therefore read as follows:

#### **Article 10**

- (1) The Organization of Post can be carried out after fulfilling the Business Licensing from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

2. Provisions of Article 12 have been amended, therefore read as follows:

#### **Article 12**

- (1) The Central Government shall develop Post organizers business through investment in accordance with the provisions of the laws and regulations in the investment sector.
- (2) Foreign Post organizers that have fulfilled the requirements may organize Post in Indonesia.
- (3) Further provisions regarding the requirements for foreign Post organizers as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

3. Article 13 has been removed.

4. Provisions of Article 39 have been amended, therefore read as follows:

#### **Article 39**

- (1) Every person who violates the provisions as referred to in Article 10 paragraph (1), Article 14 paragraph (1), Article 14 paragraph (3), or Article 15 paragraph (4) shall be subject to administrative sanctions.
- (2) Administrative sanctions referred to in paragraph (1) may take form of:
  - a. written reprimand;
  - b. administrative fines; and/or
  - c. revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) and paragraph (2) shall be

regulated under a Regulation of the Government.

#### **Article 71**

Several provisions under Law Number 36 of 1999 on Telecommunication (State Gazette of the Republic of Indonesia of 1999 Number 154, Supplement to the State Gazette of the Republic of Indonesia Number 3881) have been amended:

1. Provisions of Article 11 have been amended, therefore read as follows:

#### **Article 11**

- (1) The organization of telecommunication as referred to in Article 7 paragraph (1) may be carried out after fulfilling the Business Licensing from the Central Government.
- (2) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government

2. Provisions of Article 28 have been amended, therefore read as follows:

#### **Article 28**

- (1) The amount of tariff for the organization of telecommunication networks and/or telecommunication services shall be determined by telecommunication network and/or telecommunication service operators based on the formula determined by the Central Government.
- (2) The Central Government may determine the ceiling tariff and/or floor tariff for the organization of telecommunication by taking public interests and fair business competition into consideration.

3. Provisions of Article 30 have been amended, therefore read as follows:

#### **Article 30**

- (1) In the event that telecommunication network operators and/or telecommunication service operators are not yet able to provide access in certain regions, special telecommunication operators as referred to in Article 9 paragraph (3) letter a may organize telecommunication networks and/or telecommunication services as referred to in Article 7 paragraph (1) letter a and letter b after fulfilling the Business Licensing from the Central Government.
- (2) In the event that telecommunication network operators and/or telecommunication service operators can already provide access in certain regions as referred to in paragraph (1), special telecommunication operators may continue to organize telecommunication networks and/or telecommunication services.
- (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Provisions of Article 32 have been amended, therefore read as follows:

#### **Article 32**

- (1) Every telecommunication equipment and/or device manufactured, assembled, and brought in to be traded and/or used within the Republic of Indonesia must fulfill technical standards.
- (2) Further provisions regarding technical standards for telecommunication equipment and/or device as referred to in paragraph (1) shall be regulated under a Regulation of the Government.



5. Provisions of Article 33 have been amended, therefore read as follows:

**Article 33**

- (1) The use of radiofrequency spectrum and orbit satellite by Business Actors must fulfill Business Licensing from the Central Government.
- (2) The use of radiofrequency spectrum and orbit satellite other than by Business Actors must obtain approval from the Central Government.
- (3) The use of radiofrequency spectrum and orbit satellite as referred to in paragraph (1) and paragraph (2) must be conducted in accordance with its designation and must not cause harmful disruption.
- (4) In the event that the use of radiofrequency spectrum is not optimal and/or there are greater public interests, the Central Government may revoke the Business Licensing or approval for radiofrequency spectrum usage.
- (5) The Central Government may determine the joint use of radiofrequency spectrum.
- (6) Holders of Business Licensing related to the use of radiofrequency spectrum as referred to in paragraph (1) for the organization of telecommunication may:
  - a. enter into radiofrequency spectrum usage cooperation for the implementation of new technology with; and/or
  - b. conduct the transfer of radiofrequency spectrum usage to, other telecommunication operators.
- (7) Radiofrequency spectrum usage cooperation and/or transfer of usage as referred to in paragraph (6) must first obtain approval from the Central Government.
- (8) Guidance, supervision, and control of the use of radiofrequency spectrum and satellite orbit as referred to in paragraph (1) and paragraph (2) shall be implemented by the Central Government.
- (9) Further provisions regarding Business Licensing related to the Use of radiofrequency spectrum and satellite orbit as referred to in paragraph (1), approval for the use of radiofrequency spectrum and satellite orbit as referred to in paragraph (2), the joint use of radiofrequency spectrum, radiofrequency spectrum usage cooperation, and transfer of radiofrequency spectrum usage as referred to in paragraph (5) and paragraph (6) shall be regulated under a Regulation of the Government.

6. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**

- (1) Holders of Business Licensing and approval for the use of radiofrequency spectrum and satellite orbit as referred to in Article 33 paragraph (1) and paragraph (2) must pay the fee for the right to use radiofrequency spectrum of which amount is based on the use of type and width of the radiofrequency band.
- (2) Further provisions regarding the fee for the right to use radiofrequency spectrum as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

7. Between Article 34 and Article 35 is inserted 2 (two) articles, namely Article 34A and Article 34B, which read as follows:

**Article 34A**

- (1) The Central Government and Regional Governments shall provide facilitation and/or ease to telecommunication operators to build telecommunication infrastructures in a transparent,

accountable, and efficient manner.

- (2) In the organization of telecommunication, the Central Government and Regional Governments may participate in providing joint facilities of passive telecommunication infrastructure to be used jointly by telecommunication operators at reasonable prices.
- (3) Further provisions regarding Central Government and Regional Government roles as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

#### **Article 34B**

- (1) Business Actors possessing passive infrastructures that can be used for telecommunication purposes must open access for the utilization of said infrastructures to telecommunication operators.
- (2) Business Actors possessing infrastructures other than as referred to in paragraph (1) in the telecommunication and/or broadcasting sectors may open access for the utilization of said infrastructures to telecommunication operators and/or broadcasting organizers.
- (3) Utilization of passive infrastructures as referred to in paragraph (1) shall be conducted based on fair, reasonable, and non-discriminative cooperation of the parties.
- (4) Utilization of infrastructures as referred to in paragraph (2) shall be conducted based on cooperation of the parties.
- (5) Further provisions regarding the utilization of infrastructures as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the Government.

8. Provisions of Article 45 have been amended, therefore read as follows:

#### **Article 45**

- (1) Violations toward the provisions of Article 16 paragraph (1), Article 18 paragraph (2), Article 19, Article 20, Article 21, Article 25 paragraph (2), Article 26 paragraph (1), Article 29 paragraph (1), Article 29 paragraph (2), Article 32 paragraph (1), Article 33 paragraph (1), Article 33 paragraph (2), Article 33 paragraph (3), Article 33 paragraph (7), or Article 34 paragraph (1) shall be subject to administrative sanctions.
- (2) Administrative sanctions as referred to in paragraph (1) may take the form of:
  - a. written reprimand;
  - b. temporary suspension of activities;
  - c. administrative fines; and/or
  - d. revocation of Business Licensing.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

9. Article 46 has been removed.

10. Provision of Article 47 have been amended, therefore read as follows:

#### **Article 47**

Every person who violates the provisions as referred to in Article 11 paragraph (1) shall be sentenced

to imprisonment for a maximum of 10 (ten) years and/or a maximum fine of IDR1,500,000,000.00 (one billion and five hundred million rupiah).

11. Article 48 has been removed.

#### **Article 72**

Several provisions under Law Number 32 of 2002 on Broadcasting (State Gazette of the Republic of Indonesia of 2002 Number 139, Supplement to the State Gazette of the Republic of Indonesia Number 4252) have been amended as follows:

1. Provisions of Article 16 have been amended, therefore read as follows:

#### **Article 16**

- (1) Private Broadcasting Agency as referred to in Article 13 paragraph (2) letter b is a commercial broadcasting agency in the form of Indonesian incorporated entities whose business area is the organization of radio or television broadcasting service.
  - (2) Foreign citizens may become the management of Private Broadcasting Agency as referred to in paragraph (1) only for financial area and technical area.
2. Provisions of Article 25 have been amended, therefore read as follows:

#### **Article 25**

- (1) Subscription-based Broadcasting Agency as referred to in Article 13 paragraph (2) letter d is a broadcasting agency in the form of Indonesian incorporated entities whose business area is the organization of subscription-based broadcasting service and must first obtain subscription-based broadcasting organization license.
  - (2) Subscription-based Broadcasting Agency as referred to in paragraph (1) may broadcast or distribute broadcasting materials exclusively to the customers through radio, television, multi-media, or other information media.
3. Provisions of Article 33 have been amended, therefore read as follows:

#### **Article 33**

- (1) Broadcasting may be organized after fulfilling the Business Licensing from the Central Government.
  - (2) Broadcasting agency must pay fee for Business Licensing as referred to in paragraph (1) which is regulated based on broadcasting organization zone/region determined with an economic level parameter of each zone/region.
  - (3) Further provisions regarding Business Licensing as referred to in paragraph (1) shall be regulated under a Regulation of the Government with the scope of broadcasting area for the organization of broadcasting that may cover all areas throughout Indonesia.
4. Article 34 has been removed.
  5. Provisions of Article 55 have been amended, therefore read as follows:

#### **Article 55**

- (1) Every person who violates the provisions as referred to in Article 15 paragraph (2), Article 17

paragraph (3), Article 18 paragraph (1), Article 18 paragraph (2), Article 20, Article 23, Article 24, Article 26 paragraph (2), Article 27, Article 28, Article 33 paragraph (1), Article 33 paragraph (2), Article 36 paragraph (2), Article 36 paragraph (3), Article 36 paragraph (4), Article 39 paragraph (1), Article 43 paragraph (2), Article 44 paragraph (1), Article 45 paragraph (1), Article 46 paragraph (3), Article 46 paragraph (6), Article 46 paragraph (7), Article 46 paragraph (8), Article 46 paragraph (9), Article 46 paragraph (10), or Article 46 paragraph (11) shall be subject to administrative sanctions.

- (2) Administrative sanctions as referred to in paragraph (1) may take form of:
  - a. Written reprimand;
  - b. Temporary suspension of the problematic program after going through certain stages;
  - c. Restriction of broadcasting duration and time;
  - d. Administrative fines;
  - e. Suspension of broadcasting activities for a certain period;
  - f. Not granted extension of Business Licensing for the organization of broadcasting; and/or
  - g. Revocation of Business Licensing for the organization of broadcasting.
- (3) Further provisions regarding the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

6. Provisions of Article 57 have been amended, therefore read as follows:

#### **Article 57**

- (1) Every person who commits violation of provisions as referred to in Article 30 paragraph (1), Article 36 paragraph (5), or Article 36 paragraph (6) in radio broadcasting shall be sentenced to imprisonment for a maximum of 5 (five) years or a maximum fine of IDR 1,500,000,000.00 (one billion and five hundred million rupiah).
- (2) Every person who commits violation of provisions as referred to in Article 30 paragraph (1), Article 36 paragraph (5), or Article 36 paragraph (6) in television broadcasting shall be sentenced to imprisonment for a maximum of 5 (five) years or a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).

7. Provisions of Article 58 have been amended, therefore read as follows:

#### **Article 58**

- (1) Every person who commits violation of provisions as referred to in Article 33 paragraph (1) in radio broadcasting shall be sentenced to imprisonment for a maximum of 2 (two) years and/or a maximum fine of IDR500,000,000.00 (five hundred million rupiah).
- (2) Every person who commits violation of provisions as referred to in Article 33 paragraph (1) in television broadcasting shall be sentenced to imprisonment for a maximum of 2 (two) years and/or a maximum fine of IDR5,000,000,000.00 (five billion rupiah).

8. Between Article 60 and Article 61 is inserted 1 (one) article, namely Article 60A which therefore reads as follows:

#### **Article 60A**

- (1) The organization of Broadcasting shall be conducted in line with the development of technology, including the migration of broadcasting from analog technology to digital technology.

- (2) The migration of terrestrial television broadcasting from analog technology to digital technology as referred to in paragraph (1) and the analog switch-off shall be settled by no later than 2 (two) years after the enforcement of this Law.
- (3) Further provisions regarding the migration of broadcasting from analog technology to digital technology as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

## **Subdivision 16**

### **Defense and Security**

#### **Article 73**

In order to provide an ease for the community, especially Business Actors, in obtaining Business Licensing from the sectors of Defense and Security, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 16 of 2012 on Defense Industry (State Gazette of the Republic of Indonesia of 2012 Number 05, Supplement to State Gazette of the Republic of Indonesia Number 5343); and
- b. Law Number 2 of 2002 on the Police (State Gazette of the Republic of Indonesia of 2002 Number 2, Supplement to the State Gazette of the Republic of Indonesia Number 4168);

#### **Article 74**

Several provisions under Law Number 16 of 2012 on Defense Industry (State Gazette of the Republic of Indonesia of 2012 Number 05, Supplement to State Gazette of the Republic of Indonesia Number 5343) have been amended as follows:

1. Provisions of Article 11 have been amended, therefore read as follows:

##### **Article 11**

The primary equipment industry as referred to in Article 10 paragraph (1) letter a is:

- a. State-owned enterprises;
- b. Privately-owned enterprises.

designated by the Government as the lead integrator who produces the primary weapons system equipment and/or integrates all primary components, components, and raw materials into primary equipment.

2. Provisions of Article 21 have been amended, therefore read as follows:

##### **Article 21**

- (1) In carrying out the functions as referred to in Article 20, the KKIP has the following duties and authorities:
  - a. formulating strategic national policies in the field of Defense Industry;
  - b. preparing and forming a medium- and long-term Defense Industry master plan;
  - c. coordinating the implementation and control of national defense industry policies;
  - d. coordinating foreign cooperation for the purpose of advancing and developing the Defense Industry;
  - e. synchronizing the determination of the need for Defense and Security Equipment

- between Users and the Defense Industry;
  - f. establishing Defense Industry standards;
  - g. formulating Defense Industry funding and/or financing policies;
  - h. formulating sales and purchase mechanisms for Defense and Security Equipment produced by the Defense Industry to and from abroad; and
  - i. carry out monitoring and evaluation of the implementation of Defense Industry policies periodically.
- (2) The draft long-term master plan as referred to in paragraph (1) letter b is submitted to the DPR (House of Representatives) for consideration.

3. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) Production activity is the manufacture of products by the Defense Industry in accordance with the production planning as referred to in Article 37 paragraph (1).
- (2) Defense Industry production activities must prioritize the use of domestic crude materials (bahan mentah), raw materials (bahan baku), and components.
- (3) In the production activities as referred to in paragraph (1), 2 (two) production functions of the Defense Industry can be developed.
- (4) Defense Industry in production activities must first fulfill the Business Licensing from the Central Government.
- (5) Further provisions regarding production activities as referred to in paragraph (1) and Business Licensing as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

4. Provisions of Article 52 have been amended, therefore read as follows:

**Article 52**

- (1) Capital ownership of the primary equipment industry shall be owned by state-owned enterprises and/or privately-owned enterprises that have obtain approval from the minister in charge of government affairs in the defense sector.
- (2) State-owned enterprises and privately-owned enterprises as referred to in paragraph (1) must implement a supervisory system applied by the ministry in charge of government affairs in the defense sector.
- (3) The supervisory system as referred to in paragraph (2) covers the production process to the sale of products, both domestically and abroad.
- (4) Capital ownership of the primary and/or supporting component industries, component and/or supporting (supplies) industries, and raw material industries shall be carried out in accordance with the provisions of laws and regulations in the investment sector.

5. Provisions of Article 55 have been amended, therefore read as follows:

**Article 55**

Every person who exports and/or transfers equipment used for the defense and security of another country is obliged to fulfill the Business Licensing from the Central Government.



6. Provisions of Article 56 have been amended, therefore read as follows:

**Article 56**

- (1) The marketing of Defense and Security Equipment is carried out by fulfilling the Business Licensing from the Central Government.
- (2) In the framework of considering national strategic interests, the DPR may prohibit or grant exemptions from the sale of certain Defense and Security Equipment Tools in accordance with the foreign policy implemented by the Central Government.
- (3) Provisions regarding procedures for the granting of Business Licensing related to the marketing of Defense and Security Equipment as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

7. Provisions of Article 66 have been amended, therefore read as follows:

**Article 66**

Every person is prohibited from divulging confidential information regarding the technology design formulation of Defense and Security Equipment for defense and security.

8. Provisions of Article 67 have been amended, therefore read as follows:

**Article 67**

Every person is prohibited from producing Defense and Security Equipment without fulfilling the Business Licensing from the Central Government.

9. Provisions of Article 68 have been amended, therefore read as follows:

**Article 68**

Every person is prohibited from selling, exporting and / or transferring Defense and Security Equipment without fulfilling the Business Licensing from the Central Government.

10. Provisions of Article 69 have been amended, therefore read as follows:

**Article 69**

Every person is prohibited from buying and/or importing Defense and Security Equipment without fulfilling the Business Licensing from the Central Government.

11. Between Article 69 and 70 is inserted 1 (one) Article, namely paragraph 69A, therefore it reads as follows:

**Article 69A**

- (1) In the event that the activities as referred to in Article 55, Article 56, Article 67, Article 68, and Article 69 are carried out by a government agency, such activities must obtain approval from the Central Government.
- (2) Business Licensing and approval from the Central Government are carried out by the minister in charge government affairs in the field of defense based on stipulated norms, standards, procedures, and criteria.
- (3) Further provisions regarding Business Licensing as referred to in Article 38, Article 39 and Article 56 as well as approval from the Central Government as referred to in Article 55, Article 56, Article 67, Article 68, and Article 69 and the Approval as referred to in paragraph (1) shall be



regulated under a Regulation of the Government.

12. Provisions of Article 72 have been amended, therefore read as follows:

**Article 72**

- (1) Every person who produces Defense and Security Equipment without obtaining the Business Licensing from the Central Government as referred to in Article 67 shall be sentenced to imprisonment for a maximum of 5 (five) years and/or a maximum fine of IDR10,000,000,000.00 (ten billion rupiah).
- (2) In the event that the criminal act as referred to in paragraph (1) is committed in a state of war, the perpetrator shall be sentenced to imprisonment for a maximum of 15 (fifteen) years and/or a maximum fine of IDR 25,000,000,000.00 (twenty-five billion rupiah).

13. Provisions of Article 73 have been amended, therefore read as follows:

**Article 73**

- (1) Every person who sells, exports and/or transfers Defense and Security Equipment without obtaining the Business Licensing from the Central Government as referred to in Article 68 shall be sentenced to imprisonment for a maximum of 12 (twelve) years and/or a maximum fine of IDR200,000,000,000.00 (two hundred billion rupiah).
- (2) In the event that the criminal act as referred to in paragraph (1) is committed in a state of war, the perpetrator shall be sentenced to imprisonment for a maximum of 15 (fifteen) years and/or a maximum fine of IDR500,000,000,000.00 (five hundred billion rupiah).

14. Provisions of Article 74 have been amended, therefore read as follows:

**Article 74**

- (1) Every person who exports and/or transfers equipment used for defense and security purposes of another country without obtaining the Business Licensing from the Central Government as referred to in Article 55 shall be sentenced to imprisonment for a maximum of 5 (five) years and/or a maximum fine of IDR100,000,000,000.00 (one hundred billion rupiah).
- (2) In the event that the criminal act as intended in paragraph (1) is committed in a state of war, the perpetrator shall be sentenced to imprisonment for a maximum of 15 (fifteen) years and/or a maximum fine of IDR500,000,000,000.00 (five hundred billion rupiah).

15. Provisions of Article 75 have been amended, therefore read as follows:

**Article 75**

Every person who purchases and/or imports Defense and Security Equipment without obtaining the Business Licensing from the Central Government as referred to in Article 69 and approval from the Central Government as referred to in Article 69A shall be sentenced to imprisonment for a maximum of 7 (seven) years and/or a maximum fine of IDR100,000,000,000.00 (one hundred billion rupiah).

**Article 75**

Provisions of Article 15 of Law Number 2 of 2002 on the Police (State Gazette of the Republic of Indonesia of 2002 Number 2, Supplement to the State Gazette of the Republic of Indonesia Number 4168) have been amended, as follows.

**Article 15**

- (1) In order to carry out the duties referred to in Article 13 and Article 14, the Indonesian National Police in general has the authority to:
  - a. receive reports and/or complaints;
  - b. help resolve disputes between members of the community that could disturb public order;
  - c. prevent and control the growth of civil disorder (penyakit masyarakat);
  - d. overseeing schools (aliran) that could cause division or threaten the unity and integrity of the nation;
  - e. issue police regulations within the scope of police administrative authority;
  - f. carry out special examinations as part of police action in the framework of prevention;
  - g. perform the first action at the scene;
  - h. take fingerprints and other identities and photograph a person;
  - i. looking for information and real evidence;
  - j. organizing the National Criminal Information Center;
  - k. issuing permits and/or certificates required for public service purposes;
  - l. provide security assistance in trials and execution of court decisions, activities of other agencies, and community activities; and
  - m. receive and store found items temporarily.
- (2) The National Police of the Republic of Indonesia, in accordance with the provisions of laws and regulations, have the authority to:
  - a. grant permits and supervise public crowd activities and other community activities;
  - b. carry out registration and identification of motor vehicles;
  - c. grant motor vehicle driving licenses;
  - d. receive notifications about political activities;
  - e. grant permits and conduct surveillance of firearms, explosives and sharp weapons;
  - f. provide Business Licensing and supervise business entities in the field of security services in accordance with the provisions of laws and regulations in the field of Business Licensing;
  - g. provide instructions, educate and train special police officers and independent security officers in the technical field of the police;
  - h. cooperate with the police of other countries in investigating and eradicating international crimes;
  - i. carry out police functional supervision of foreigners residing in Indonesian territory with related coordination;
  - j. represent the government of the Republic of Indonesia in the international police organization; and
  - k. carry out other authorities that falls within the scope of police duties.
- (3) Procedure for implementing the provisions as referred to in paragraph (2) letter a and d shall be further regulated under a Regulation of the Government.

## Division Five

### Simplification of Investment Requirements in Certain Sectors

## **Subdivision 1**

### **General**

#### **Article 76**

In order to provide an ease for the community, especially Business Actors, to invest in certain sectors, namely investment, banking, and sharia banking, this Law on Job Creation amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
- b. Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1992 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 3472) as amended by Law Number 10 of 1998 on the Amendment to Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1998 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 3790); and
- c. Law Number 21 of 2008 on Sharia Banking (State Gazette of the Republic of Indonesia of 2008 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 4867);

## **Subdivision 2**

### **Investment**

#### **Article 77**

Several provisions under Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724) have been amended as follows:

1. Provision of Article 2 has been amended, therefore reads as follows:

#### **Article 2**

The provisions under this Law shall apply and become the main reference for investment in all sectors within the territory of the Unitary State of the Republic of Indonesia.

2. Provisions of Article 12 have been amended, therefore read as follows:

#### **Article 12**

- (1) All business sectors shall be open to investment activities, except for business sectors that are declared to be closed to investment or activities that can only be carried out by the Central Government.
- (2) Business sectors that are closed to investment as referred to in paragraph (1) includes:
  - a. cultivation and industry of category I narcotics;
  - b. all forms of gambling and/or casino activities;
  - c. capture of fish species listed under Appendix I of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
  - d. utilization or taking of corals (koral) and utilization or taking of reefs (karang) from nature which are used for building materials/lime/calcium, aquarium, and souvenirs/accessories, as well as live coral or recent death coral from nature;

- e. chemical weapon manufacturing industry; and
  - f. chemical industry and ozone-depleting substance industry.
- (3) Further provisions regarding investment requirements as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the President.

3. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) The Central Government or Regional Government in accordance with their authorities shall provide ease, empowerment, and protection to cooperatives and micro-, small-, and medium-scale businesses in the implementation of investment based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) Protection and empowerment as referred to in paragraph (1) are in the form of guidance and development of cooperatives and micro-, small-, and medium-scale businesses through:
  - a. partnership program;
  - b. human resources training;
  - c. increasing competitiveness;
  - d. providing encouragement for innovation and market expansion;
  - e. access to financing; and
  - f. dissemination of information as widely as possible.
- (3) Protection and empowerment as referred to in paragraph (2) shall be carried out by the Central Government and/or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.
- (4) Partnership as referred to in paragraph (2) letter a is a partnership as referred to in the Law in the field of micro-, small-, and medium-scale businesses.

4. Provisions of Article 18 have been amended, therefore read as follows:

**Article 18**

- (1) The Central Government shall provide facilities to investors who make investments.
- (2) Investment facilities as referred to in paragraph (1) may be granted to investments that:
  - a. make business expansion; or
  - b. make a new investment.
- (3) Investment which obtains facilities as referred to in paragraph (2) shall at least meet the following criteria:
  - a. absorbs a lot of manpower;
  - b. falls under high priority scale;
  - c. falls under infrastructure development;
  - d. perform transfer of technology;
  - e. engage in a pioneer industry;
  - f. located in a remote area, underdeveloped area, border area, or other areas deemed necessary;
  - g. preserve environmental sustainability;

- h. conducts research, development, and innovation activities;
  - i. in partnership with micro-, small-, and medium-scale businesses or cooperatives;
  - j. an industry which uses domestically-produced capital goods or machinery or equipment; and/or
  - k. falls under tourism business development.
- (4) The form of facilities provided to investment as referred to in paragraph (2) and paragraph (3) shall be carried out in accordance with the provisions of laws and regulations in the field of taxation.

5. Provisions of Article 25 have been amended, therefore read as follows:

#### **Article 25**

- (1) Investors investing in Indonesia must be carried out in accordance with the provisions as referred to in Article 5.
- (2) Validation of establishment of a domestic investment business entity in the form of incorporated entity or unincorporated entity shall be carried out in accordance with the provisions of laws and regulations.
- (3) Validation of the establishment of a foreign investment business entity in the form of limited liability company shall be carried out in accordance with the provisions of laws and regulations.
- (4) An investment company intending to carry out business activities must fulfil Business Licensing from the Central Government or Regional Government in accordance with their authorities based on norms, standards, procedures, and criteria stipulated by the Central Government.

#### **Subdivision 3**

##### **Banking**

#### **Article 78**

Provisions of Article 22 of Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1992 Number 31, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as amended by Law Number 10 of 1998 on the Amendment to Law Number 7 of 1992 on Banking (State Gazette of the Republic of Indonesia of 1998 Number 182, Supplement to the State Gazette of the Republic of Indonesia Number 3790) have been amended, therefore read as follows:

#### **Article 22**

- (1) Commercial Banks can be established by:
  - a. Indonesian citizens;
  - b. Indonesian legal entities; or
  - c. Indonesian citizens and/or Indonesian legal entities with foreign citizens and/or foreign legal entities by way of partnership.
- (2) Further provisions regarding the requirements for establishment that must be fulfilled by the parties as referred to in paragraph (1) shall be stipulated by the Financial Services Authority.

#### **Subdivision 4**

##### **Sharia Banking**

### Article 79

Provisions of Article 9 of Law Number 21 of 2008 on Sharia Banking (State Gazette of the Republic of Indonesia of 2008 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 4867) have been amended, therefore read as follows:

### Article 9

- (1) Sharia Commercial Banks can only be established and/or owned by:
  - a. Indonesian citizens;
  - b. Indonesian legal entities;
  - c. regional government; or
  - d. Indonesian citizens and/or Indonesian legal entities with foreign citizens and/or foreign legal entities by way of partnership.
- (2) Sharia Rural Banks can only be established and/or owned by:
  - a. Indonesian citizens and/or Indonesian legal entities which are wholly owned by Indonesian citizens;
  - b. regional government; or
  - c. two or more parties as referred to in letter a and letter b.
- (3) The maximum ownership of a Sharia Commercial Bank by foreign legal entities shall be stipulated in accordance with the provisions of laws and regulations in the field of investment.

## CHAPTER IV MANPOWER

### Division One General

### Article 80

For the purpose of strengthening the protection of workers and improving worker/laborer roles and welfare in supporting the investment ecosystem, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- d. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia 4279);
- e. Law Number 40 of 2004 on the National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia 4456);
- f. Law Number 24 of 2011 on the Social Security Agency (State Gazette of the Republic of Indonesia of 2011 Number 116, Supplement to the State Gazette of the Republic of Indonesia 5256); and
- g. Law Number 18 of 2017 on Protection of Indonesian Migrant Workers (State Gazette of the Republic of Indonesia of 2017 Number 242, Supplement to the State Gazette of the Republic of Indonesia 6141).

### Division Two

## Manpower

### Article 81

Several provisions under Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia 4279) have been amended as follows:

1. Provisions of Article 13 have been amended, therefore read as follows:

#### “Article 13

- (1) Work training shall be organized by:
  - a. government-owned work training institutions;
  - b. privately-owned work training institutions; or
  - c. corporate work training institutions.
- (2) Work training may be organized in a training place or workplace.
- (3) The government-owned work training institutions as referred to in paragraph (1) letter a in organizing work training may cooperate with private sectors.
- (4) The government-owned work training institutions as referred to in paragraph (1) letter a, and corporate work training institutions as referred to in paragraph (1) letter c shall register their activities to an agency in charge of the manpower sector at the regency/city-level.”

2. Provisions of Article 14 have been amended, therefore read as follows:

#### “Article 14

- (1) Privately-owned work training institutions as referred to in Article 13 paragraph (1) letter b must comply with Business Licensing that is issued by regency/city Governments.
- (2) For privately-owned work training institutions that have foreign equity participation, Business Licensing as referred to in paragraph (1) shall be issued by the Central Government.
- (3) Business Licensing as referred to in paragraph (1) and paragraph (2) shall fulfill norms, standards, procedures, and criteria that are determined by the Central Government.”

3. Provisions of Article 37 have been amended, therefore read as follows:

#### “Article 37

- (1) Workers placement agency as referred to in Article 35 paragraph (1) shall consist of:
  - a. government agency in charge of the manpower sector; and
  - b. private workers placement agency.
- (2) The private workers placement agency as referred to in paragraph (1) letter b in implementing workers placement services must comply with Business Licensing that is issued by the Central Government.
- (3) Business Licensing as referred to in paragraph (2) shall fulfill norms, standards, procedures, and criteria that are determined by the Central Government.”

4. Provisions of Article 42 have been amended, therefore read as follows:

#### “Article 42



- (1) Any employer who employ foreign workers must possess a foreign workers recruitment plan that is validated by the Central Government.
- (2) Individual Employers are prohibited from employing foreign workers.
- (3) Provisions as referred to in paragraph (1) do not apply to:
  - a. board of directors or commissioners with certain share ownership or shareholders in accordance with provisions of laws and regulations;
  - b. diplomatic and consulate staffs in foreign country representative offices; or
  - c. foreign workers that are required by employers in types of production activities that are stopped due to emergency condition, vocation, technology-based start-up, business trips, and research for a specified period.
- (4) Foreign workers may be employed in Indonesia only in an employment relationship for certain positions and a specified period as well as having competence in accordance with positions that will be occupied.
- (5) Foreign workers are prohibited from occupying the human resources position.
- (6) Provisions on certain positions and specified period as referred to in paragraph (4) shall be regulated under a Regulation of the Government.”

5. Article 43 has been removed.

6. Article 44 has been removed.

7. Provisions of Article 45 have been amended, therefore read as follows:

**“Article 45**

- (1) Employers of foreign workers must:
  - a. appoint Indonesian workers as the understudy of foreign workers who are employed for transfer of technology and transfer of expertise from foreign workers;
  - b. implement occupational education and training for Indonesian workers as referred to in letter a that is in accordance with the qualification of the position that is occupied by foreign workers; and
  - c. repatriate foreign workers to their origin country after the employment relationship is terminated.
- (2) Provisions as referred to in paragraph (1) letter a and letter b do not apply for foreign workers who occupy certain positions.”

8. Article 46 has been removed.

9. Provisions of Article 47 have been amended, therefore read as follows:

**“Article 47**

- (1) Employers must pay compensation for each foreign worker that they employ.
- (2) The obligation to pay compensation as referred to in paragraph (1) does not apply to government agencies, foreign country representatives, international bodies, social institutions, religious institutions, and certain positions in educational institutions.

- (3) Provisions on the amount and the utilization of compensation as referred to in paragraph (1) shall be regulated in accordance with provisions of laws and regulations.”

10. Article 48 has been removed.

11. Provisions of Article 49 have been amended, therefore read as follows:

**“Article 49**

Further provisions regarding the use of foreign workers shall be regulated under a Regulation of the Government.

12. Provisions of Article 56 have been amended, therefore read as follows:

**“Article 56**

- (1) Employment agreement shall be drawn up temporarily (untuk waktu tertentu) or permanently (untuk waktu tidak tertentu).
- (2) The temporary employment agreement as referred to in paragraph (1) shall be based on:
  - a. period of time; or
  - b. completion of a certain work.
- (3) The period of time or completion of certain work as referred to in paragraph (2) shall be determined based on a work agreement.
- (4) Further provisions regarding temporary employment agreement based on a period of time or completion of a certain work shall be regulated under a Regulation of the Government.”

13. Provisions of Article 57 have been amended, therefore read as follows:

**“Article 57**

- (1) A temporary employment agreement shall be drawn up in writing as well as must use the Indonesian language and Latin alphabets.
- (2) In the event that a temporary employment agreement is drawn up in Indonesian language and foreign languages, if in the future there is a difference in interpretation between the two, the temporary employment agreement that is drawn up in Indonesian language shall prevail.”

14. Provisions of Article 58 have been amended, therefore read as follows:

**“Article 58**

- (1) A temporary employment agreement cannot require a probation period.
- (2) If the probation period as referred to in paragraph (1) is required, the probation period that is required shall become null and void, and the term of office is still calculated.”

15. Provisions of Article 59 have been amended, therefore read as follows:

**“Article 59**

- (1) A temporary employment agreement may only be drawn up for certain works that according to its types and nature or its work activities will be completed in a specified period, namely as follows:

- a. work that will be completed at once or its nature is temporary;
  - b. work that its completion is estimated not in a long time;
  - c. work that is seasonal in nature;
  - d. work that is in relation to new products, new activities, or additional products that are still in the experimental or try-out phase; or
  - e. work that its types and nature or its activities are not fixed.
- (2) A temporary employment agreement cannot be drawn up for regular work.
  - (3) A temporary employment agreement that fails to comply with the provisions as referred to in paragraph (1) and paragraph (2) shall become a permanent employment agreement due to law.
  - (4) Further provisions regarding types and nature of work activities, period, and deadline for the extension of a temporary employment agreement shall be regulated under a Regulation of Government."

16. Provisions of Article 61 have been amended, therefore read as follows:

**"Article 61**

- (1) An employment agreement shall be terminated if:
  - a. workers/laborers pass away;
  - b. term of the employment agreement has expired;
  - c. completion of a certain work;
  - d. there is a court decision and/or decision of industrial relations dispute settlement agency that has permanent legal force; or
  - e. there are certain circumstances or events that are stated in the employment agreement, company regulation, or collective employment agreement that may cause the termination of the employment relation.
- (2) An employment agreement shall not be terminated due to businesses who passed away or transfer of rights to the company due to sales, inheritance, or grant.
- (3) In the event of a company transfer, the rights of workers/laborers shall become the responsibility of the new business unless stipulated otherwise in a transfer agreement that does not reduce workers'/laborers' rights.
- (4) In the event that individual business pass away, the business's heirs may terminate the employment agreement after negotiating it with workers/laborers.
- (5) In the event that workers/laborers pass away, workers'/laborers' heirs are entitled to obtain their rights in accordance with laws and regulations or rights that have been regulated in the employment agreement, company regulation, or collective employment agreement."

17. Between Article 61 and Article 62 is inserted 1 (one) article, namely Article 61A, therefore it reads as follows:

**"Article 61A**

- (1) In the event that a temporary employment agreement is terminated as referred to in Article 61 paragraph (1) letter b and letter c, businesses must provide compensation to workers/laborers.
- (2) The compensation as referred to in paragraph (1) shall be given to workers/laborers in accordance with the workers'/laborers' term of office at the relevant company.
- (3) Further provisions regarding the compensation shall be regulated under a Regulation of the

Government.”

18. Article 64 has been removed.

19. Article 65 has been removed.

20. Provisions of Article 66 have been amended, therefore read as follows:

**“Article 66**

- (1) Employment relation between outsourcing companies and workers/laborers which they employ shall be based on an employment agreement that is drawn up in writing, both a temporary employment agreement and a permanent employment agreement.
- (2) Protection of workers/laborers, wage, and welfare, employment requirements as well as disputes that arise shall be implemented at least in accordance with the provisions of laws and regulations and shall become the responsibility of the outsourcing companies.
- (3) In the event that outsourcing companies employ workers/laborers based on a temporary employment agreement as referred to in paragraph (1), the employment agreement shall require a transfer of protection of workers'/laborers' rights if there is a change of the outsourcing company and insofar that the work object still exists.
- (4) The outsourcing companies, as referred to in paragraph (1), shall be incorporated in a legal entity and must comply with Business Licensing that is issued by the Central Government.
- (5) Business Licensing as referred to in paragraph (4) shall comply with norms, standards, procedures, and criteria that are determined by the Central Government.
- (6) Further provisions regarding the protection of workers/laborers as referred to in paragraph (2) and the Business Licensing as referred to in paragraph (4) shall be regulated under a Regulation of the Government.”

21. Provisions of Article 77 have been amended, therefore read as follows:

**“Article 77**

- (1) Any Businesses must implement working hours provisions.
- (2) The working hours as referred to in paragraph (1), shall consist of:
  - a. 7 (seven) hours in 1 (one) day and 40 (forty) hours in 1 (one) week for 6 (six) business days in 1 (one) week; or
  - b. 8 (eight) hours in 1 (one) day and 40 (forty) hours in 1 (one) week for 5 (five) business days in 1 (one) week.
- (3) The working hours provisions as referred to in paragraph (2) do not apply to certain business sectors or works.
- (4) The implementation of working hours for workers/laborers in a company shall be regulated in the employment agreement, company regulation, or collective employment agreement.
- (5) Further provisions regarding the working hours in certain business sectors or works as referred to in paragraph (3) shall be regulated under a Regulation of the Government.”

22. Provisions of Article 78 have been amended, therefore read as follows:

**“Article 78**

- (1) Businesses who employ workers/laborers exceeding the working hour as referred to in Article 77 paragraph (2) shall fulfill the following requirements:
  - a. there is approval from the relevant workers/laborers; and
  - b. overtime working hours may only be conducted maximum for 4 (four) hours in 1 (one) day and 18 (eighteen) hours in 1 (one) week.
- (2) Businesses who employ workers/laborers exceeding the working hours, as referred to in paragraph (1) must pay overtime pay.
- (3) Provisions on overtime working hours, as referred to in paragraph (1) letter b, do not apply to certain business sectors or works.
- (4) Further provisions regarding overtime working hours and overtime pay shall be regulated under a Regulation of the Government.”

23. Provisions of Article 79 have been amended, therefore read as follows:

**“Article 79**

- (1) Businesses must provide:
  - a. time off; and
  - b. leave.
- (2) The time off as referred to in paragraph (1) letter a must be provided for workers/laborers and at least consists of:
  - c. time off between working hours, at least half an hour after working for 4 (four) hours nonstop and that time off does not constitute working hours; and
  - d. weekly time off 1 (one) day for 6 (six) business days in 1 (one) week.
- (3) The leave as referred to in paragraph (1) letter b that must be given to workers/laborers, namely annual leave, at least 12 (twelve) business days after the relevant workers/laborers work for 12 (twelve) months nonstop.
- (4) The implementation of annual leave, as referred to in paragraph (3) shall be regulated in the employment agreement, company regulation, or collective employment agreement.
- (5) Other than time off and leave as referred to in paragraph (1), paragraph (2), and paragraph (3), certain companies may give long leave that is regulated in the employment agreement, company regulation, or collective employment agreement.
- (6) Further provisions regarding certain companies as referred to in paragraph (5) shall be regulated under a Regulation of the Government.”

24. Provisions of Article 88 have been amended, therefore read as follows:

**“Article 88**

- (1) Any workers/laborers are entitled to a decent living for humanity.
- (2) The Central Government shall stipulate a wage policy as an effort to realize workers/laborers right for a decent living for humanity.
- (3) The wage policy as referred to in paragraph (2) shall consist of:
  - a. minimum wage;
  - b. wage structure and scale;
  - c. overtime pay;

- d. wages for not coming to work and/or not doing work for certain reasons;
  - e. form and method of payment of wage;
  - f. matters that may be calculated with wage; and
  - g. wage as the basis for calculation or payment of rights and other obligations.
- (4) Further provisions regarding the wage policy shall be regulated under a Regulation of the Government.”

25. Between Article 88 and Article 89 is inserted 5 (five) articles, namely Article 88A, Article 88B, Article 88C, Article 88D, and Article 88E, therefore they reads as follows:

**“Article 88A**

- (1) The rights of workers/laborers to wages arise when there is an employment relationship between workers/laborers and businesses and ends upon the termination of the employment relationship.
- (2) Any worker/laborer are entitled to obtain equal wages for works that have equal value.
- (3) Businesses must pay wages to workers/laborers in accordance with the agreement.
- (4) Wage regulation that is determined based on an agreement between businesses and workers/laborers or worker unions/labor unions shall not be lower than wage provisions that are determined in laws and regulations.
- (5) In the event that the agreement as referred to in paragraph (4) is lower or in contradiction to laws and regulations, the agreement shall be null and void, and wage regulation shall be implemented in accordance with provisions of laws and regulations.
- (6) Businesses who purposely or negligently cause a delay in payment of wage shall be subject to a fine in accordance with a certain percentage of workers’/laborers’ wage.
- (7) Workers/laborers who committed violations on purpose or due to negligence may be subject to a fine.
- (8) The government shall regulate the imposition of fines to businesses and/or workers/laborers in wage payment.

**Article 88B**

- (1) Wage shall be determined based on:
  - a. unit of time; and/or
  - b. unit of output.
- (2) Further provisions regarding wage based on the unit of time and/or unit of output as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

**Article 88C**

- (1) Governors must stipulate the provincial minimum wage.
- (2) Governors may stipulate the minimum wage at regency/city-level with certain conditions.
- (3) The minimum wage as referred to in paragraph (1) and paragraph (2) shall be based on the economic and manpower conditions.
- (4) Certain conditions as referred to in paragraph (2) shall cover regional economic growth or inflation in the relevant regency/city.

- (5) The minimum wage at regency/city-level as referred to in paragraph (2) shall be higher than the provincial minimum wage.
- (6) The economic and manpower conditions as referred to in paragraph (3) shall use data that are sourced from an agency in charge of the statistics sector.
- (7) Further provisions regarding procedures for the stipulation of the minimum wage as referred to in paragraph (3) and certain conditions as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

#### **Article 88D**

- (1) The minimum wage, as referred to in Article 88C paragraph (1) and paragraph (2), shall be calculated by using a minimum wage calculation formula.
- (2) The minimum wage calculation formula as referred to in paragraph (1) shall contain economic growth or inflation variables.
- (3) Further provisions regarding the minimum wage calculation formula shall be regulated under a Regulation of the Government.

#### **Article 88E**

- (1) The minimum wage as referred to in Article 88C paragraph (1) and paragraph (2) shall apply to workers/laborers with a term of office less than 1 (one) year at the relevant company.
- (2) Businesses are prohibited from paying wages less than the minimum wage.”

26. Article 89 has been removed.

27. Article 90 has been removed.

28. Between Article 90 and Article 91 is inserted 2 (two) articles, namely Article 90A and Article 90B, therefore they reads as follows:

#### **“Article 90A**

Wage above the minimum wage shall be determined based on an agreement between businesses and workers/laborers at the company.

#### **Article 90B**

- (1) The minimum wage provisions, as referred to in Article 88C paragraph (1) and paragraph (2) shall be exempted for Micro- and Small-Scale Businesses.
- (2) The wage in Micro- and Small-Scale Businesses shall be stipulated based on an agreement between businesses and workers/laborers at the company.
- (3) The wage agreement, as referred to in paragraph (2) shall at least in the amount of a certain percentage of average public consumption based on data that are sourced from an agency in charge of the statistics sector.
- (4) Further provisions regarding wage for Micro- and Small-Scale Business shall be regulated under a Regulation of the Government.”



29. Article 91 has been removed.

30. Provisions of Article 92 have been amended, therefore read as follows:

**“Article 92**

- (1) Businesses must formulate wage structure and scale at a company by taking the company's ability and productivity into considerations.
- (2) The wage structure and scale shall be used as guidelines for businesses to determine wages.
- (3) Further provisions regarding wage structure and scale shall be regulated under a Regulation of the Government.”

31. Between Article 92 and Article 93 is inserted 1 (one) article, namely Article 92A, therefore it reads as follows:

**“Article 92A**

Businesses shall conduct a review of wages periodically by taking the company's ability and productivity into considerations.”

32. Provisions of Article 94 have been amended, therefore read as follows:

**“Article 94**

In the event that wage components consist of basic wage and permanent allowance, the amount of basic wage shall be at least 75% (seventy-five percent) of the amount of the basic wage and permanent allowance.”

33. Provisions of Article 95 have been amended, therefore read as follows:

**“Article 95**

- (1) In the event that a company is declared bankrupt or is liquidated based on provisions of laws and regulations, wages and other rights that have not been received by workers/laborers shall become a debt that its payment should be prioritized.
- (2) Workers'/laborers' wage, as referred to in paragraph (1) shall have its payment be prioritized before the payment to all creditors.
- (3) Other rights of workers/laborers as referred to in paragraph (1) shall have its payment be prioritized over all creditors except for creditors who hold collateral rights.”

34. Article 96 has been removed.

35. Article 97 has been removed.

36. Provisions of Article 98 have been amended, therefore read as follows:

**“Article 98**

- (1) In order to provide suggestions and considerations to the Central Government or the Regional Governments in the formulation of wage policy as well as the development of the wage system, the wage board shall be established.

- (2) The wage board shall consist of elements from the Government, businesses organizations, workers union/labor union, experts, and academicians.
- (3) Further provisions regarding procedures for the establishment, membership composition, procedures for appointment and membership dismissal, as well as duties and work procedures of the wage board shall be regulated under a Regulation of the Government.

37. Provisions of Article 151 have been amended, therefore read as follows:

**“Article 151**

- (1) Businesses, workers/laborers, workers union/labor union, and the Government shall make efforts so that there is no termination of employment relationship.
- (2) In the event that the termination of employment relationship is unavoidable, the objectives and reasons for the termination of employment relationship shall be notified by businesses to workers/laborers and/or workers union/labor union.
- (3) In the event that workers/laborers have been notified and rejected the termination of employment relationship, settlement of termination of employment relationships must be conducted through bipartite negotiation between the business and workers/laborers and/or workers union/labor union.
- (4) In the event that the bipartite negotiation as referred to in paragraph (3) fails to reach an agreement, the termination of employment relationship shall be conducted through the next stage in accordance with the mechanism of industrial relationship dispute settlement.”

38. Between Article 151 and Article 152 is inserted 1 (one) article, namely Article 151A, therefore it reads as follows:

**“Article 151A**

The notification as referred to in Article 151 paragraph (2) does not have to be conducted by businesses in the event that:

- a. workers/laborers resigns based on their own will;
- b. workers/laborers and businesses terminate employment relationship in accordance with a temporary employment agreement;
- c. workers/laborers reach pension age in accordance with the employment agreement, company regulation, or collective employment agreement;
- d. workers/laborers pass away.

39. Article 152 has been removed.

40. Provisions of Article 153 have been amended, therefore read as follows:

**“Article 153**

- (1) Businesses are prohibited from terminating employment relationship with workers/laborers due to the following reasons:
  - a. unable to come to work due to illness according to a doctor’s statement for a period that does not exceed 12 (twelve) months consecutively ;
  - b. unable to do their work because they fulfill their obligations to the state in accordance with provisions of laws and regulations;

- c. carry out worship rituals that are ordered by their religions;
  - d. get married;
  - e. pregnancy, giving birth, experiencing miscarriage, or breastfeeding their babies;
  - f. have blood ties and/or marital ties with other workers/laborers in a company;
  - g. establish, become a member and/or management of a workers union/labor union, workers/laborers do workers union/labor union activities outside of working hours, or during working hours based on businesses' approval, or based on provisions that are regulated in the employment agreement, company regulation, or collective employment agreement.
  - h. report businesses to the authorities regarding businesses' actions that have committed a criminal act;
  - i. have a different school (paham), religion, political ideology, ethnicity, skin color, class, gender, physical condition, or marital status; and
  - j. have a permanent disability, illness due to occupational accident, or illness due to employment relationship that, according to the doctor's certificate, the recovery period is not ascertained.
- (2) The termination of employment relationship that is conducted due to the reasons, as referred to in paragraph (1) shall become null and void, and businesses must reemploy the worker/laborer in question."

41. Article 154 has been removed.

42. Between Article 154 and Article 155 is inserted 1 (one) article, namely Article 154A, therefore it reads as follows:

**"Article 154A**

- (1) Termination of employment relationships may occur due to the following reasons:
- a. the company conducts merger, consolidation, acquisition, or spin-off and workers/laborers are not willing to continue the employment relationship or businesses are not willing to accept workers/laborers;
  - b. the company conducts efficiency that is followed by the closing of the company or not followed with the closing of the company due to the company experiencing losses;
  - c. the company closes due to the company experiencing losses for 2 (two) consecutive years;
  - d. the company closes due to force majeure;
  - e. the company is in the suspension of debt payment;
  - f. the company is declared bankrupt;
  - g. there is an application to terminate employment relationship that is submitted by workers/laborers with reasons that businesses commit the following actions:
    - 1. assault, insult in a rude manner or threaten workers/laborers;
    - 2. persuade and/or order workers/laborers to commit actions contrary to laws and regulations;
    - 3. fail to pay wage at the appointed time for 3 (three) months consecutively or more, although businesses pay wage on time after that;

4. fail to perform obligations that have been promised to workers/laborers;
5. order workers/laborers to do work other than those that were agreed upon;
6. give work that endangers life, safety, health, and morality of workers/laborers, while such work is not included in the employment agreement;
- h. there is a decision of the industrial relation dispute settlement agency that declares that businesses do not commit actions as referred to in letter g upon the application that is submitted by workers/laborers and businesses decide to terminate employment relationship;
- i. workers/laborers resign based on their own initiative and shall fulfill the following conditions:
  1. submit resignation in writing by no later than 30 (thirty) days before the resignation date;
  2. not bound by a bond (ikatan dinas); and
  3. remain to implement their obligations until the resignation date;
- j. workers/laborers absent for 5 (five) business days or more without written information that is equipped with valid evidence and have been summoned by businesses for 2 (two) times in an appropriate manner and in writing;
- k. workers/laborers violate provisions that are regulated in the employment agreement, company regulation, or collective employment agreement and previously have been given the first, second, and third warning, each are valid for a maximum of 6 (six) months unless stipulated otherwise in the employment agreement, company regulation, or collective employment agreement;
- l. workers/laborers are unable to do work for 6 (six) months because they are detained by the authorities due to allegedly committing criminal acts;
- m. workers/laborers experience prolonged illness or disability due to occupational accident and are unable to do their work after exceeding 12 (twelve) months;
- n. workers/laborers reach pension age; or
- o. workers/laborers pass away.
- (2) Other than reasons for the termination of employment relationships as referred to in paragraph (1), other reasons for the termination of employment relationships may be established in the employment agreement, company regulation, or collective employment agreement as referred to in Article 61 paragraph (1).
- (3) Further provisions regarding procedures for the termination of employment relationship shall be regulated under a Regulation of the Government.

43. Article 155 has been removed.

44. Provisions of Article 156 have been amended, therefore read as follows:

**“Article 156**

- (1) In the event that there is a termination of employment relationship, businesses must pay severance pay and/or tenure awards and compensation of right that are supposed to be received.
- (2) The severance pay as referred to in paragraph (1) shall be granted with the following conditions:
  - a. term of office is less than 1 (one) year, 1 (one) monthly wage;

- b. term of office is 1 (one) year or more, but less than 2 (two) years, 2 (two) monthly wage;
  - c. term of office is 2 (two) years or more, but less than 3 (three) years, 3 (three) monthly wage;
  - d. term of office is 3 (three) years or more, but less than 4 (four) years, 4 (four) monthly wage;
  - e. term of office is 4 (four) years or more, but less than 5 (five) years, 5 (five) monthly wage;
  - f. term of office is 5 (five) years or more, but less than 6 (six) years, 6 (six) monthly wage;
  - g. term of office is 6 (six) years or more, but less than 7 (seven) years, 7 (seven) monthly wage;
  - h. term of office is 7 (seven) years or more, but less than 8 (eight) years, 8 (eight) monthly wage;
  - i. term of office is 8 (eight) years or more, 9 (nine) monthly wage.
- (3) Tenure award as referred to in paragraph (1) shall be granted with the following conditions:
- a. term of office is 3 (three) years or more, but less than 6 (six) years, 2 (two) monthly wage;
  - b. term of office is 6 (six) years or more, but less than 9 (nine) years, 3 (three) monthly wage;
  - c. term of office is 9 (nine) years or more, but less than 12 (twelve) years, 4 (four) monthly wage;
  - d. term of office is 12 (twelve) years or more, but less than 15 (fifteen) years, 5 (five) monthly wage;
  - e. term of office is 15 (fifteen) years or more, but less than 18 (eighteen) years, 6 (six) monthly wage;
  - f. term of office is 18 (eighteen) years or more, but less than 21 (twenty-one) years, 7 (seven) monthly wage;
  - g. term of office is 21 (twenty-one) years or more, but less than 24 (twenty-four) years, 8 (eight) monthly wage.
  - h. term of office is 24 (twenty-four) years or more, 10 (ten) monthly wage.
- (4) Compensation of right that supposed to be received as referred to in paragraph (1) shall consist of:
- a. annual leave that has not been taken and has not expired;
  - b. fees or return fare for workers/laborers and their family to the place where workers/laborers are accepted to work;
  - c. other matters that are stipulated in the employment agreement, company regulation, or collective employment agreement.
- (5) Further provisions regarding the granting of severance pay, tenure award, compensation of right as referred to in paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the Government.”

45. Provisions of Article 157 have been amended, therefore read as follows:

**“Article 157**

- (1) Wage components that are used as the basis for the calculation of severance pay and tenure award, shall consist of:
  - a. basic wage; and

- b. a permanent allowance that is given to workers/laborers and their family.
- (2) In the event that the income of workers/laborers is paid based on daily calculation, the monthly wage shall equal to 30 (thirty) multiplied with a day's wage.
- (3) In the event that workers'/laborers' wage is paid based on the calculation of the unit of output, the monthly wage is equal to the average income for the last 12 (twelve) months.
- (4) In the event that the monthly wage as referred to in paragraph (3) is lower than the minimum wage, the wage that becomes the basis for the calculation of severance pay is the minimum wage that applicable in the company's domicile area."

46. Between Article 157 and Article 158 is inserted 1 (one) article, namely Article 157A, therefore it reads as follows:

**"Article 157A**

- (1) During the industrial relation dispute settlement, businesses and workers/laborers shall remain to implement their obligations.
- (2) Businesses may take action to suspend workers/laborers who is in the process of terminating employment relationship by continuing to pay wages along with other rights that are usually received by workers/laborers.
- (3) The implementation of the obligation as referred to in paragraph (1) shall be conducted until the completion of the industrial relation dispute settlement process in accordance with its level.

47. Article 158 has been removed.

48. Article 159 has been removed.

49. Provisions of Article 160 have been amended, therefore read as follows:

**"Article 160**

- (1) In the event that workers/laborers are detained by the authorities due to allegedly committing a criminal act, businesses are not obligated to pay wage, but must provide aid to workers'/laborers' family who are their dependents, with the following conditions:
  - a. for 1 (one) dependent, 25% (twenty-five percent) of the wage;
  - b. for 2 (two) dependents, 35% (thirty-five percent) of the wage;
  - c. for 3 (three) dependents, 45% (forty-five percent) of the wage;
  - d. for 4 (four) dependents or more, 50% (fifty percent) of the wage.
- (2) The aid as referred to in paragraph (1) shall be given for a maximum 6 (six) months starting from the first day since workers/laborers are detained by the authorities.
- (3) Businesses may terminate the employment relationship with workers/laborers who, after 6 (six) months, are unable to do their work as properly due to undergoing criminal proceedings, as referred to in paragraph (1).
- (4) In the event that the court decides the criminal case before the 6 (six) months period as referred to in paragraph (3) elapses and workers/laborers are found not guilty, businesses must reemploy the relevant workers/laborers.
- (5) In the event that the court decides the criminal case before the 6 (six) months period elapses and workers/laborers are found guilty, businesses may terminate the employment relationship

with the relevant workers/laborers.”

50. Article 161 has been removed.

51. Article 162 has been removed.

52. Article 163 has been removed.

53. Article 154 has been removed.

54. Article 165 has been removed.

55. Article 166 has been removed.

56. Article 167 has been removed.

57. Article 168 has been removed.

58. Article 169 has been removed.

59. Article 170 has been removed.

60. Article 171 has been removed.

61. Article 172 has been removed.

62. Article 184 has been removed.

63. Provisions of Article 185 have been amended, therefore read as follows:

**“Article 185**

(1) Every person who violates provisions as referred to in Article 42 paragraph (2), Article 68, Article 69 paragraph (2), Article 80, Article 82, Article 88A paragraph (3), Article 88E paragraph (2), Article 143, Article 156 paragraph (1) or Article 160 paragraph (4), shall be subject to imprisonment for a minimum of 1 (one) year and a maximum of 4 (four) years and/or fine for a minimum of IDR100,000,000.00 (one hundred million rupiah) and a maximum of IDR400,000,000.00 (four hundred million rupiah).

(2) The criminal act as referred to in paragraph (1) shall be a felony.”

64. Provisions of Article 186 have been amended, therefore read as follows:



**“Article 186**

- (1) Every person who violates provisions as referred to in Article 35 paragraph (2) or paragraph (3), Article 93 paragraph (2), shall be subject to imprisonment for a minimum of 1 (one) month and a maximum of 4 (four) years and/or fine for a minimum of IDR10,000,000.00 (ten million rupiah) and a maximum of IDR400,000,000.00 (four hundred million rupiah).
- (2) The criminal act, as referred to in paragraph (1), shall be a misdemeanor.”

65. Provisions of Article 187 have been amended, therefore read as follows:

**“Article 187**

- (1) Every person who violates provisions as referred to in Article 45 paragraph (1), Article 67 paragraph (1), Article 71 paragraph (2), Article 76, Article 78 paragraph (2), Article 79 paragraph (1), paragraph (2), or paragraph (3), Article 85 paragraph (3), and Article 144, shall be subject to imprisonment for a minimum of 1 (one) month and a maximum of 12 (twelve) months and/or fine for a minimum of IDR10,000,000.00 (ten million rupiah) and a maximum of IDR100,000,000.00 (one hundred million rupiah).
- (2) The criminal act, as referred to in paragraph (1), shall be a misdemeanor.”

66. Provisions of Article 188 have been amended, therefore read as follows:

**“Article 188**

- (1) Every person who violates provisions as referred to in Article 38 paragraph (2), Article 63 paragraph (1), Article 78 paragraph (1), Article 108 paragraph (1), Article 111 paragraph (3), Article 114, or Article 148, shall be subject to fine for a minimum of IDR5,000,000.00 (five million rupiah) and a maximum of IDR50,000,000.00 (fifty million rupiahs).
- (2) The criminal act, as referred to in paragraph (1), shall be a misdemeanor.

67. Provisions of Article 190 have been amended, therefore read as follows:

**“Article 190**

- (1) The Central Government or Regional Governments in accordance with their authorities shall impose administrative sanctions for violations of provisions as referred to Article 5, Article 6, Article 14 paragraph (1), Article 15, Article 25, Article 37 paragraph (2), Article 38 paragraph (2), Article 42 paragraph (1), Article 47 paragraph (1), Article 61A, Article 66 paragraph (4), Article 87, Article 92, Article 106, Article 126 paragraph (3), or Article 160 paragraph (1) or paragraph (2) of this Law along with its implementing regulations.
- (2) Further provisions regarding administrative sanctions, as referred to in paragraph (1) shall be regulated under a Regulation of the Government.”

68. Between Article 191 and Article 192 is inserted 1 (one) article, namely Article 191A, therefore it reads as follows:

**“Article 191A**

Upon the effective enforcement of this Law:

- a. for the first time, the applicable minimum wage shall be the minimum wage that has been stipulated based on implementing regulations of Law Number 13 of 2003 on Manpower that regulates wage.
- b. for companies that have granted wages higher than the minimum wage that is determined

before this Law, businesses are prohibited from reducing or lowering wages.”

### **Division Three Types of Social Security Program**

#### **Article 82**

Several provisions under Law Number 40 of 2004 on the National Social Security System (State Gazette of the Republic of Indonesia of 2004 Number 150, Supplement to the State Gazette of the Republic of Indonesia 4456) have been amended as follows:

1. Provisions of Article 18 have been amended, therefore read as follows:

#### **“Article 18**

Types of social security program shall consist of:

- a. health insurance;
- b. occupational accident insurance;
- c. old-age insurance;
- d. pension insurance;
- e. death insurance;
- f. unemployment insurance.”

2. Between Article 46 and Article 47 is inserted 1 (one) Division, namely Division Seven Unemployment Insurance, therefore it reads as follows:

### **“Division Seven Unemployment Insurance**

#### **Article 46A**

- (1) Workers/laborers who experience termination of employment relationships are entitled to obtain unemployment insurance.
- (2) Unemployment insurance shall be organized by the social security agency for manpower and the Central Government.
- (3) Further provisions regarding procedures for the organization of unemployment insurance shall be regulated under a Regulation of the Government.”

#### **Article 46B**

- (1) Unemployment insurance shall be organized nationally based on social insurance principles.
- (2) Unemployment insurance shall be organized to maintain a decent living when workers/laborers lost their job.

#### **Article 46C**

- (1) Participants of unemployment insurance are any person who has paid a premium.
- (2) The premium as referred to in paragraph (1) shall be paid by the Central Government.

**Article 46D**

- (1) The benefit of unemployment insurance shall be in the form of cash, access to job market information, and work training.
- (2) The unemployment insurance as referred to in paragraph (1) shall be granted for a maximum of 6 (six) monthly wage.
- (3) The benefit as referred to in paragraph (1) shall be received by participants after they reach a certain membership period.
- (4) Further provisions regarding the benefit as referred to in paragraph (1) and certain membership period as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

**Article 46E**

- (1) The source of funding for unemployment insurance shall originate from:
  - a. government initial capital;
  - b. re-composition of social security program premium; and/or
  - c. operational fund of the BPJS for Employment.
- (2) Further provisions regarding the funding of unemployment benefit, as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

**Division Four  
Social Security Agency****Article 83**

Several provisions under Law Number 24 of 2011 on the Social Security Agency (State Gazette of the Republic of Indonesia of 2011 Number 116, Supplement to the State Gazette of the Republic of Indonesia 5256) have been amended as follows:

1. Provisions of Article 6 have been amended, therefore read as follows:

**“Article 6**

- (1) The BPJS for Health, as referred to in Article 5 paragraph (2) letter a shall organize the health insurance program.
- (2) The BPJS for Health, as referred to in Article 5 paragraph (2) letter b, shall organize the following programs:
  - a. occupational accident insurance;
  - b. old-age insurance;
  - c. pension insurance;
  - d. health insurance; and
  - e. unemployment insurance.”

2. Provisions of Article 9 have been amended, therefore read as follows:

**“Article 9**

- (1) The BPJS for Health, as referred to in Article 5 paragraph (2) letter a shall function to organize the health insurance program.
- (2) The BPJS for Health, as referred to in Article 5 paragraph (2) letter b, shall function to organize the occupational accident insurance program, death insurance program, pension insurance program, old-age insurance, and unemployment insurance.

3. Provisions of Article 42 have been amended, therefore read as follows:

**“Article 42**

- (1) The initial capital as referred to in Article 41 paragraph (1) letter a for BPJS for Health and BPJS for Employment shall be stipulated at a maximum of IDR2,000,000,000,000.00 (two trillion rupiah) each, that is sourced from the State Revenue and Expenditure Budget.
- (2) The initial capital as referred to in Article 41 paragraph (1) letter a for the unemployment insurance program shall be stipulated at a minimum of IDR6,000,000,000,000.00 (six trillion rupiah) that is sourced from the State Revenue and Expenditure Budget.”

**Division Five**

**Protection of Indonesian Migrant Workers**

**Article 84**

Several provisions under Law Number 18 of 2017 on Protection of Indonesian Migrant Workers (State Gazette of the Republic of Indonesia of 2017 Number 242, Supplement to the State Gazette of the Republic of Indonesia 6141) have been amended as follows:

1. Provisions of Article 1 number 9 and number 16 have been amended, therefore read as follows:

**“Article 1**

Under this Law, the following definitions are employed:

1. Indonesian Migrant Worker Candidates are any Indonesian workers who fulfill the requirements as job seekers who will work abroad and are registered in regency/city-level government agencies in charge of the manpower sector.
2. Indonesian Migrant Workers are any Indonesian citizens who will work, are working, or have worked by receiving wages outside of the territory of the Republic of Indonesia.
3. Family of Indonesian Migrant Workers is husband, wife, children, or parents, including relationship due to a court decision and/or order, both those who live in Indonesia and live with Indonesian Migrant Workers abroad.
4. Individual Indonesian Migrant Workers is an Indonesian Migrant Workers who will work abroad without going through placement.
5. Protection of Indonesian Migrant Workers is any effort to protect the interest of Indonesian Migrant Worker Candidates and/or Indonesian Migrant Workers and their family in realizing the guarantee that their rights are fulfilled in overall activities before working, during working, and after working in legal, economic, and social aspects.
6. Protection Before Working is overall activities to provide protection since the registration until the departure.
7. Protection During Working is overall activities to provide protection while Indonesian Migrant Workers and their family members are abroad.
8. Protection After Working is overall activities to provide protection since Indonesian Migrant

Workers and their family members arrive in debarkation in Indonesia until the return to the origin regions, including advanced services to become productive workers.

9. Indonesian Migrant Worker Placement Companies are business entities incorporated in limited liability companies that have obtained a written permit from the Central Government to organize Indonesian Migrant Worker placement services.
10. Business Partner is an agency and/or an incorporated business entity in a placement destination country that is responsible for placing Indonesian Migrant Workers at employers.
11. Employers are government agencies, government legal entities, private legal entities, and/or individuals in a placement destination country that employ Indonesian Migrant Workers.
12. Placement Cooperation Agreement is a written agreement between an Indonesian Migrant Workers Placement Company and Business Partner or Employers that contains the rights and obligations of each party for the purpose of placement and Protection of Indonesian Migrant Workers in a placement destination country.
13. Indonesian Migrant Workers Placement Agreement, from this point onwards is referred to as Placement Agreement, is a written agreement between an Indonesian Migrant Worker placement executive and Indonesian Migrant Worker Candidates that contains the rights and obligations of each party for the purpose of placement of Indonesian Migrant Workers in a placement destination country in accordance with provisions of laws and regulations.
14. Employment Agreement is a written agreement between Indonesian Migrant Workers and Employers that contains work requirements, rights, and obligations of each party, as well as security and safety guarantee while working in accordance with provisions of laws and regulations.
15. Work Visa is a written permit that is granted by authorized officials in a placement destination country that contains approval to enter and do work in the relevant country.
16. Licenses for Companies Engaged in the Placement of Indonesian Migrant Workers (Surat Izin Perusahaan Penempatan Pekerja Migran Indonesia), from this point onwards is referred to as SIP3MI, is a written permit that is granted by the Central Government to business entities incorporated in Indonesia that will become an Indonesian Migrant Worker Placement Company.
17. Indonesian Migrant-Worker Recruitment Licenses (Surat Izin Perekrutan Pekerja Migran Indonesia), from this point onwards is referred to as SIP2MI, is a permit that is granted by the Head of an Agency to an Indonesian Migrant Worker Placement Company that is used to place Indonesian Migrant Workers Candidate.
18. Social Security is one of the forms of social protection to ensure that all people are able to fulfill their basic needs in a decent manner.
19. Person is an individual and/or a corporation.
20. Social Security Agency is a legal entity that organizes the Social Security program for Indonesian Migrant Workers.
21. Central Government is the President of the Republic of Indonesia who holds the administrative power of the state of Republic of Indonesia assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
22. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
23. Village Governments are heads of villages or those who are called with other names and are assisted by village apparatus as elements that organize the village government.
24. Representatives of the Republic of Indonesia Abroad, from this point onwards is referred to as Representatives of the Republic of Indonesia, are diplomatic representatives and consular representatives of the Republic of Indonesia that officially represent and fight for the overall

interests of the nation, state, and government of the Republic of Indonesia in a placement destination country or in international organizations.

25. Minister is the minister in charge of government affairs in the field of manpower.
26. Agency is a non-ministry government agency that has duties as a policy implementer in services and Protection of Indonesian Migrant Workers in an integrated manner.”

2. Provisions of Article 51 have been amended, therefore read as follows:

**“Article 51**

- (1) The Indonesian Migrant Worker Placement Company as referred to in Article 49 letter b must possess a license that complies with Business Licensing and is issued by the Central Government.
- (2) The license as referred to in paragraph (1) cannot be transferred and handed over to other parties.
- (3) Business Licensing as referred to in paragraph (1) shall fulfill norms, standards, procedures, and criteria that are determined by the Central Government.”

3. Provisions of Article 53 have been amended, therefore read as follows:

**“Article 53**

- (1) Indonesian Migrant Worker Placement Companies may establish a branch office outside the domicile of their head office.
- (2) Activities that are conducted by the branch office of Indonesian Migrant Worker Placement Companies shall become the responsibility of the head office of Indonesian Migrant Worker Placement Companies.
- (3) The branch office as referred to in paragraph (1) must fulfill the Business Licensing that is issued by the provincial Governments.
- (4) The Business Licensing as referred to in paragraph (3) shall fulfill norms, standards, procedures, and criteria that are determined by the Central Government.”

4. Provisions of Article 57 have been amended, therefore read as follows:

**“Article 57**

- (1) Indonesian Migrant Worker Placement Companies shall submit data update within 30 (thirty) business days at the latest.
- (2) In the event that Indonesian Migrant Worker Placement Companies fail to submit the data update as referred to in paragraph (1), Indonesian Migrant Workers Placement Companies are allowed to renew their license within 30 (thirty) business days at the latest by paying the late charge.
- (3) Provisions on the late charge as referred to in paragraph (2) shall be implemented in accordance with provisions of laws and regulations.”

5. Between Article 89 and Article 90 is inserted 1 (one) article, namely Article 89A, therefore it reads as follows:

**“Article 89A**

Upon the effective enforcement of Law on Job Creation, the definition or meaning of SIP3MI in Law

Number 18 of 2017 on Protection of Indonesian Migrant Workers shall adjust to the provisions on Business Licensing.

## **CHAPTER V**

### **EASE, PROTECTION, AND EMPOWERMENT OF COOPERATIVES, MICRO-, SMALL-, AND MEDIUM-SCALE BUSINESSES**

#### **Division One**

##### **General**

##### **Article 85**

In order to provide ease, protection, and empowerment to Cooperative and UMKM, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 25 of 1992 on Cooperatives (State Gazette of the Republic of Indonesia of 1992 Number 116, Supplement to the State Gazette of the Republic of Indonesia Number 3502);
- b. Law Number 20 of 2008 on Micro-, Small-, and Medium-Scale Businesses (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866); and
- c. Law Number 38 of 2004 on Roads (State Gazette of the Republic of Indonesia of 2004 Number 132, Supplement to the State Gazette of the Republic of Indonesia Number 4444)."

#### **Division Two**

##### **Cooperatives**

##### **Article 86**

Several provisions under Law Number 25 of 1992 on Cooperatives (State Gazette of the Republic of Indonesia of 1992 Number 116, Supplement to the State Gazette of the Republic of Indonesia Number 3502) have been amended as follows:

1. Provisions under Article 6 have been amended, therefore read as follows:

##### **"Article 6**

- (1) Primary Cooperative is established by at least 9 (nine) persons.
- (2) Secondary Cooperative is established by at least 3 (three) persons."

2. Elucidation of Article 17 has amended as set out under the elucidation.

3. Provisions of Article 21 have been amended, therefore read as follows:

##### **Article 21**

- (1) The organizational instruments of cooperatives consists of:
  - a. Members' Meeting;
  - b. Management; and



c. Supervisor.

- (2) Other than having the organizational instruments of Cooperatives as referred to in paragraph (1), Cooperatives that carries out business activities based on sharia principles must have sharia supervisory board.”

4. Provisions of Article 22 have been amended, therefore read as follows:

**“Article 22**

- (1) Members’ Meeting holds the highest power in a Cooperative.
- (2) Members’ Meeting as referred to in paragraph (1) shall be attended by members in which the organization is regulated in the Articles of Association/Bylaws.
- (3) Members’ Meeting as referred to in paragraph (2) may be held online and/or offline.
- (4) Further provisions regarding Members’ Meeting as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated in the Articles of Association/Bylaws.”

5. Provisions of Article 43 have been amended, therefore read as follows:

**“Article 43**

- (1) Cooperative business is a business that is directly related to members’ interests in order to improve member’s business and welfare.
- (2) Cooperative business as referred to in paragraph (1) may either be single purpose or multipurpose.
- (3) The excess in Cooperative’s service ability may be used to fulfill the needs of the people who are not members of the Cooperative in order to attract the community to become members of the Cooperative.
- (4) Cooperative shall carry out business activities and take up main roles in all areas of the community’s economic life.
- (5) Further provisions regarding Cooperative business activities shall be regulated under a Regulation of the Government.”

6. Between Article 44 and Article 45 is inserted 1 (one) article, namely Article 44A, therefore it reads as follows:

**“Article 44A**

- (1) Cooperative may carry out business activities based on sharia principles.
- (2) Cooperative as referred to in paragraph (1) shall have sharia supervisory board.
- (3) Sharia supervisory board as referred to in paragraph (2) consists of 1 (one) or more person who understands sharia and is appointed by a Members’ Meeting.
- (4) Sharia supervisory board as referred to in paragraph (2) has duties of providing advice and suggestions for the Management and supervising Cooperative activities so that it is in accordance with the sharia principles.
- (5) Sharia supervisory board as referred to in paragraph (2) shall subsequently obtain guidance or capacity building from the Central Government and/or National Sharia Board of the Indonesian Ulama Council.
- (6) Further provisions regarding Cooperative that carries out business activities based on sharia principles shall be regulated under a Regulation of the Government.”

### **Division Three**

#### **Criteria of Micro-, Small-, and Medium-Scale Businesses**

#### **Article 87**

Several provisions under Law Number 20 of 2008 on Micro-, Small-, and Medium-Scale Businesses (State Gazette of the Republic of Indonesia of 2008 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 4866) have been amended as follows:

1. Provisions of Article 6 have been amended, therefore read as follows:

#### **“Article 6**

- (1) Criteria of Micro-, Small, and Medium-Scale Business may contain business capital, turnover, net assets indicator, annual sales, or investment value, incentive and disincentive, implementation of eco-friendly technology, local content, or number of workers in accordance with the criteria of each business sector.
- (2) Further provisions regarding the criteria of Micro-, Small, and Medium-Scale Business shall be regulated under a Regulation of the Government.”

2. Provisions of Article 12 have been amended, therefore read as follows:

#### **“Article 12**

- (1) Business licensing aspects as referred to in Article 7 paragraph (1) letter e shall be aimed to:
  - a. simplify the procedures and types of Business Licensing with the one-stop integrated services system;
  - b. exempt Business Licensing fee for Micro-Scale Business and grant Business Licensing fee relief to Small-Scale Business.
- (2) Further provisions regarding procedures and types of Business Licensing shall be regulated under a Regulation of the Government.”

3. Provisions of Article 21 have been amended, therefore read as follows:

#### **“Article 21**

- (1) The Central Government and Regional Governments shall provide financing for Micro- and Small-Scale Business;
- (2) State-Owned Enterprises shall provide financing from the provision (penyisihan) of annual profit share which is allocated for Micro- and Small-Scale Business in the form of provisions of loans, guarantees, grants, and other financing.
- (3) National and foreign Large-Scale Businesses shall provide financing which is allocated for Micro- and Small-Scale Business in the form of provisions of loans, guarantees, grants, and other financing.
- (4) The Central Government, Regional Governments, and Business World shall provide grants, seek foreign assistance, and seek other forms of valid and non-binding financing sources for Micro- and Small-Scale Business.
- (5) The Central Government and Regional Governments in accordance with their authorities shall provide incentive in the form of ease of licensing requirements, facility and infrastructure tariff reliefs, and other forms of incentives in accordance with the provisions of laws and regulations to Business World that provides financing for Micro- and Small-Scale Business.”

4. Article 25 has been removed.
5. Provision under Article 26 has been amended, therefore reads as follows:

**“Article 26**

Partnership shall be implemented using the following model:

- a. plasma-core;
  - b. subcontract;
  - c. franchise;
  - d. general trading;
  - e. distribution and agency;
  - f. supply chain; and
  - g. other forms of partnership.”
6. Provisions of Article 30 have been amended, therefore read as follows:

**“Article 30**

    - (1) The implementation of partnership in general trading model as referred to in Article 26 letter d, may be conducted in the form of marketing cooperation, or provision of business location from Micro-, Small, and Medium-Scale Business by Large-Scale Businesses which are conducted openly.
    - (2) Fulfillment of goods and services demands needed by Large-Scale Businesses shall be conducted by prioritizing the procurement of Small-Scale Business or Micro-Scale Business production results as long it satisfies the quality standard of the goods and services needed.”
    - (3) Regulation of the payment system shall be conducted in a way that will not harm either parties.
  7. Between Article 32 and Article 33 shall be inserted 1 (one) article namely Article 32A which reads as follows:

**“Article 32A**

The implementation of partnership in supply chain model as referred to in Article 26 letter f, may be conducted through activities from Micro- and Small-Scale Businesses by Medium-Scale Businesses and Large-Scale Businesses which shall at least consist of:

- a. management of products transportations carried out by companies and raw materials providers;
  - b. products distribution from companies to customers; and/or
  - c. management of raw materials availability, raw materials supply as well as fabrication process.”
8. Elucidation of Article 35 has been amended as set out under the elucidation.

**Division Four**  
**Single Data Basis**

**Article 88**

- (1) The Central Government and Regional Governments must organize an integrated UMK-M information and data collection system.
- (2) Result of the data collection as referred to in paragraph (1) shall be the UMK-M single data basis.
- (3) Single data basis as referred to in paragraph (2) must be used as a consideration in determining policies regarding UMK-M.
- (4) Single data basis as referred to in paragraph (2) shall be presented in a timely, accurate, and appropriate manner as well as shall be accessible to the public.
- (5) The Central Government shall updates the information system and single data basis at least once in 1 (one) year.
- (6) Single data basis as referred to in paragraph (2) shall be established by no later than 2 (two) years after the enforcement of this Law.
- (7) Further provisions regarding UMK-M single data basis shall be regulated under a Regulation of the Government.”

**Division Five****Micro- and Small-Scale Business Integrated Management****Article 89**

- (1) The Central Government shall encourage the implementation of Micro- and Small-Scale Business integrated management in the arrangement of clusters through the synergy between the Central Government, Regional Governments, and relevant stakeholders.
- (2) Micro- and Small-Scale Business integrated management as referred to in paragraph (1) is a collection of Micro- and Small-Scale Business groups which interrelate in:
  - a. one general product chain;
  - b. the reliance on similar workers skills; or
  - c. the use of similar technology and complement each other in an integrated manner.
- (3) Complement each other in an integrated manner as referred to in paragraph (2) letter c shall be carried out in a cluster location with stages of establishment/authentication, financing, raw materials provisions, production process, curation, and marketing of Micro- and Small-Scale Business products through electronic/non-electronic trading.
- (4) Determination of Micro- and Small-Scale Business Cluster location shall be arranged in the Central Government and Regional Governments program by taking into consideration the mapping of potentials, regional superiority, and business location determination strategy.
- (5) The Central Government and Regional Governments shall organize accompaniment as Micro- and Small-Scale Business development effort to provide management, human resource, budget, as well as facility and infrastructure supports.
- (6) The Central Government and Regional Governments in providing the management, human resource, budget, as well as facility and infrastructure supports as referred to in paragraph (5) must provide the following facilities:
  - a. cluster location land;
  - b. production aspects;
  - c. infrastructures;

- d. value chain;
  - e. establishment of legal entities;
  - f. certification and standardization;
  - g. promotion;
  - h. marketing;
  - i. digitalization; and
  - j. research and development.
- (7) The Central Government shall coordinate the integrated management of Micro- and Small-Scale Businesses in cluster arrangement.
- (8) The Central Government shall evaluate the integrated management of Micro- and Small-Scale Businesses in cluster arrangement.
- (9) Further provisions regarding the Integrated management of Micro- and Small-Scale Businesses shall be regulated under a Regulation of the Government.

## **Division Six**

### **Partnership**

#### **Article 90**

- (1) The Central Government and Regional Governments in accordance with their authority must facilitate, support, and stimulate the partnership between Medium-Scale Businesses and Large-Scale Businesses with Cooperatives, Micro-Scale Businesses, and Small-Scale Businesses with the purpose of increasing competency and business level.
- (2) Partnership as referred to in paragraph (1) shall include skill transfer process in the sectors of production and processing, marketing, capitalization, human resource, and technology.
- (3) The Central Government and Regional Governments shall provide incentives and ease of business in the framework of partnership in accordance with the provisions of laws and regulations.
- (4) The Central Government and Regional Governments in accordance with their authorities shall supervise and evaluate the implementation of partnership between Medium-Scale Businesses and Large-Scale Businesses with Cooperatives, Micro-Scale Businesses, and Small-Scale Businesses.
- (5) The Central Government shall regulate the provision of incentives to Medium-Scale Businesses and Large-Scale Businesses that entered into partnerships with Cooperatives, Micro-Scale Businesses, and Small-Scale Businesses through innovation and export-oriented product development, absorption of workforce, use of eco-friendly and appropriate technology, as well as organization of education and training.
- (6) Further provisions regarding partnership shall be regulated under a Regulation of the Government.

## **Division Seven**

### **Ease of Business Licensing**

#### **Article 91**

- (1) For the purpose of ease of Business Licensing, the Central Government and Regional Governments in accordance with their authorities must organize guidance and registration for Micro- and Small-Scale Businesses based on the norms, standards, procedures, and criteria established by the Central

Government.

- (2) Registration as referred to in paragraph (1) may be conducted online or offline by enclosing:
  - a. Identity Card (Kartu Tanda Penduduk/KTP);
  - b. Business statement from neighborhood association (rukun tetangga) level government;
- (3) Online registration as referred to in paragraph (2) shall be given business identification number electronically through the Business Licensing system.
- (4) Business identification number as referred to in paragraph (3) are a single licensing which is applicable for all business activities.
- (5) Single licensing as referred to in paragraph (4) includes Business Licensing, Indonesian National Standard, and certification of halal product guarantee.
- (6) The Central Government and Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria established by the Central Government must carry out guidance for Business Licensing, fulfillment of standards, Indonesian National Standard, and certification of halal product guarantee.
- (7) In the event that business activities as referred to in paragraph (4) pose medium or high risks to health, security, and safety as well as the environment, other than registering to obtain business identification number, Micro- and Small-Scale Businesses must also obtain standard certification certificate and/or license.
- (8) The Central Government and Regional Governments in accordance with their authorities based on the norms, standards, procedures, and criteria established by the Central Government shall facilitate the standard certification and/or license as referred to in paragraph (5).
- (9) Further provisions regarding single licensing as referred to in paragraph (5) and standard certification and/or license facilitation as referred to in paragraph (8) shall be regulated under a Regulation of the Government.

## **Division Eight**

### **Ease of Financing Facilities and Fiscal Incentives**

#### **Article 92**

- (1) Micro- and Small-Scale Businesses shall be granted ease/simplification of taxation administration for the submission of financing facilities from the Central Government in accordance with the provisions of the laws and regulations in the taxation sector.
- (2) Micro- and Small-Scale Businesses that submits Business Licensing may be granted incentive in the form of exemption of fee or granted fee relief.
- (3) Export-oriented Micro- and Small-Scale Businesses may be granted with customs incentives in accordance with the provisions of the laws and regulations in the customs sector.
- (4) Certain Micro- and Small-Scale Business may be granted Income Tax incentives in accordance with the provisions of the laws and regulations in the Income Tax sector.

#### **Article 93**

The activities of Micro- and Small-Scale Businesses can be used as program credit guarantees.

#### **Article 94**

- (1) The Central Government and Regional Governments in accordance with their authorities shall ease and simplify the process for Micro- and Small-Scale Businesses in the framework of registration and financing of intellectual property rights, ease of raw materials and industrial auxiliary materials import if cannot be fulfilled domestically, and/or export facilitation.
- (2) Further provisions regarding the ease and simplification of registration and financing of intellectual property rights, ease of raw materials and industrial auxiliary materials import if cannot be fulfilled domestically, and/or export facilitation as referred to in paragraph (1) shall be regulated under a Regulation of the Government.”

### **Division Nine**

#### **Special Allocation Fund, Legal Assistance and Accompaniment, Goods and Services Procurement, and Financial Recordation/Bookkeeping System/Apps and Incubation**

#### **Article 95**

- (1) The Central Government shall allocate Special Allocation Fund to support funding for Regional Governments for the purpose of Micro-Scale Business, Small-Scale Business, and Medium-Scale Business empowerment and development activities.
- (2) The allocation of Special Allocation Fund as referred to in paragraph (1) shall be implemented in accordance with the provisions of the laws and regulations.

#### **Article 96**

The Central Government and Regional Governments in accordance with their authorities must provide legal assistance and accompaniment services for Micro- and Small-Scale Businesses.

#### **Article 97**

The Central Government and Regional Governments must allocate at least 40% (forty percent) of products/services of Micro- and Small-Scale Businesses as well as Cooperatives from the production results of domestic products in Central Government and Regional Government goods/services procurement in accordance with the provisions of the laws and regulations.

#### **Article 98**

The Central Government and Regional Governments in accordance with their authorities must provide training and accompaniment for the utilization of financial recordation/bookkeeping systems/apps that ease the Micro- and Small-Scale Businesses.

#### **Article 99**

The organization of Incubation shall be conducted by the Central Government, Regional Governments, universities, Business World, and/or the community.

#### **Article 100**

Incubation as referred to in Article 99 aims to:

- a. create new business;
- b. strengthen and develop the quality of Micro-, Small, and Medium-Scale Businesses with high



economic value and competitiveness; and

- c. optimize the utilization of educated human resources in driving the economy by utilizing science and technology.

### **Article 101**

The target of incubation development as referred to in Article 99 include:

- a. creation and growth of new business as well as the strengthening of the capacity of highly competitive startup business actors;
- b. creation and growth of new business with high economic value and competitiveness; and
- c. increasing the added-value of economic potential management through the utilization of science and technology.

### **Article 102**

The Central Government, Regional Governments, and Business World shall organize accompaniment to increase Micro-, Small, and Medium-Scale Business's capacity in order to be able to access:

- a. alternative financing for Startup Micro-, Small, and Medium-Scale Businesses;
- b. financing from partnership fund;
- c. government grants;
- d. revolving fund; and
- e. corporate social responsibility.

## **Division Ten**

### **Participation of UMK and Cooperatives in Public Transportation**

### **Article 103**

Between Article 53 and Article 54 under Law Number 38 of 2004 on Roads (State Gazette of the Republic of Indonesia of 2004 Number 132, Supplement to the State Gazette of the Republic of Indonesia Number 4444) is inserted 1 (one) article, namely Article 53A which reads as follows:

### **Article 53A**

- (1) Intercity Toll Road shall be equipped with Rest Area, Services for Toll Road users' interests, as well as provides promotional location and development for Micro-Scale Business, Small-Scale Business, and Medium-Scale Business.
- (2) The promotional location and development for Micro-Scale Business, Small-Scale Business, and Medium-Scale Business, Rest Area and Services as referred to in paragraph (1) shall be organized by allocating area on Toll Road of at least 30% (thirty percent) of the total land of commercial area for Micro-Scale Business, Small-Scale Business, and Medium-Scale Business, both for operating Toll Road and Toll Road that is still in planning and construction phases.
- (3) Provision of promotional location and development for Micro-Scale Business, Small-Scale Business, and Medium-Scale Business as referred to in paragraph (2) shall be conducted with participation from Micro- and Small-Scale Business through partnership model.
- (4) Planting and maintenance of plants in Rest Area and Services as referred to in paragraph (1)

may be carried out by Micro-Scale Business, Small-Scale Business, and Medium-Scale Business.

#### **Article 104**

- (1) For the empowerment of Micro- and Small-Scale Business, the Central Government, Regional Governments, state-owned enterprises, regional enterprises and/or private enterprises must allocate the provision of promotional locations, business locations, and/or development of Micro- and Small-Scale Business in public infrastructure which include:
  - a. terminal;
  - b. airport;
  - c. seaport;
  - d. train station;
  - e. toll road rest areas and services; and
  - f. other public infrastructures determined by the Central Government and/or Regional Governments in accordance with their authorities.
- (2) Allocation of the promotional location and development of Micro- and Small-Scale Business in public infrastructures as referred to in paragraph (1) shall at least be 30% (thirty percent) of the area of strategic shopping and promotional locations in said public infrastructure.
- (3) Provisions regarding the provision of promotional location and development of Micro- and Small-Scale Business in public infrastructures as referred to in paragraph (1) and the size of allocated area as referred to in paragraph (2) shall be regulated under a Regulation of Government.

### **CHAPTER VI**

#### **EASE OF DOING BUSINESS**

##### **Division One**

##### **General**

#### **Article 105**

To make it easier for business actors to invest, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 6 of 2011 on Immigration (State Gazette of the Republic of Indonesia of 2011 Number 52, Supplement to the State Gazette of the Republic of Indonesia Number 5216);
- b. Law Number 13 of 2016 on Patents (State Gazette of the Republic of Indonesia of 2016 Number 173, Supplement to the State Gazette of the Republic of Indonesia Number 5922);
- c. Law Number 20 of 2016 on Trademarks and Geographical Indications (State Gazette of the Republic of Indonesia of 2016 Number 252, Supplement to the State Gazette of the Republic of Indonesia Number 5953);
- d. Law Number 40 of 2007 on Limited-Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);
- e. Staatsblad of 1926 Number 226 juncto Staatsblad of 1940 Number 450 on the Disturbance Law (Hinderordonnantie);
- f. Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 1983 Number

50, Supplement to the State Gazette of the Republic of Indonesia Number 3263), as amended several times, most recently by Law Number 36 of 2008 on the Fourth Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 2008 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 4893);

- g. Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Luxury Goods Sales Tax (State Gazette of the Republic of Indonesia of 1983 Number 51, Supplement to the State Gazette of the Republic of Indonesia Number 3264), as amended several times most recently by Law Number 42 of 2009 on the Third Amendment to Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Luxury Goods Sales Tax (State Gazette of the Republic of Indonesia of 2009 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 5069);
- h. Law Number 6 of 1983 on General Taxation Provisions and Procedures (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262), as amended several times most recently by Law Number 16 of 2009 on the Stipulation of Regulation of the Government in lieu of Law Number 5 of 2008 on the Fourth Amendment to Law Number 6 of 1983 on General Taxation Provisions and Procedures into Law (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);
- i. Law Number 28 of 2009 on Regional Taxes and Regional Levies (State Gazette of the Republic of Indonesia of 2009 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 5049);
- j. Law Number 7 of 2016 on Protection and Empowerment of Fishermen, Fish Farmers, and Salt Farmers (State Gazette of the Republic of Indonesia of 2016 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 5870);
- k. Law of the Republic of Indonesia Number 3 of 1982 on the Mandatory Registration of Companies (State Gazette of the Republic of Indonesia of 1982 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 3214);
- l. Law Number 6 of 2014 on Villages (State Gazette of the Republic of Indonesia of 2014 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 5495); and
- m. Law Number 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3817).

## **Division Two**

### **Immigration**

#### **Article 106**

Several provisions under Law Number 6 of 2011 on Immigration (State Gazette of the Republic of Indonesia of 2011 Number 52, Supplement to the State Gazette of the Republic of Indonesia Number 5216) has been amended as follows:

1. Provisions of Article 1 Number 14, Number 18, Number 21 and Number 30 have been amended, therefore Article 1 reads as follows:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Immigration is a matter of traffic of people entering or leaving Indonesian Territory and their supervision in the framework of maintaining the upholding of state sovereignty.
2. The territory of the Republic of Indonesia, from this point onwards is referred to as Indonesian Territory, is the entire territory of Indonesia as well as certain zones which are stipulated by law.

3. The Immigration function is part of state government affairs in providing immigration services, law enforcement, state security, and facilitating community welfare development.
4. Minister is the minister in charge of government affairs in the field of law and human rights.
5. Director-General is the Director-General of Immigration.
6. Directorate General of Immigration is an element implementing the duties and functions of the Ministry of Law and Human Rights in the field of Immigration.
7. Immigration Officials are employees who have gone through special immigration education and possess Immigration technical expertise, as well as have the authority to carry out duties and responsibilities based on this Law.
8. Immigration Civil Servant Investigator (Penyidik Pegawai Negeri Sipil Keimigrasian), from this point onwards is referred to as PPNS for Immigration, is an Immigration Officer who is authorized by law to carry out the investigation of immigration crimes.
9. Foreign Citizen is a person who is not an Indonesian citizen.
10. Immigration Management Information System is an information and communication technology system used to collect, process, and present information to support operations, management, and decision making in carrying out the Immigration Function.
11. Immigration Office is a technical implementation unit that carries out the Immigration Function in a regency, city or sub-district.
12. Immigration Checkpoints are checkpoints at seaports, airports, border crossings, or other places as places to enter and exit Indonesian Territory.
13. Travel Documents are official documents issued by the authorized official of a country, the United Nations, or other international organizations to carry out interstate travels containing the identity of the holder.
14. Immigration Documents are Travel Documents of the Republic of Indonesia and Stay Permits issued by Immigration Officials or foreign service officials.
15. Travel Documents of the Republic of Indonesia are Passports of the Republic of Indonesia and Travel Documents in lieu of Passport of the Republic of Indonesia.
16. Passport of the Republic of Indonesia, from this point onwards is referred to as Passport, is a document issued by the Government of the Republic of Indonesia to Indonesian citizens to carry out interstate travel which is valid for a certain period of time.
17. Travel Documents in lieu of Passport of the Republic of Indonesia, from this point onwards is referred to as Travel Documents in lieu of Passport, is a passport substitute document which are granted in certain circumstances and are valid for a certain period of time.
18. Visa of the Republic of Indonesia, from this point onwards referred to as Visa, is a written statement, either manually or electronically, granted by an authorized official to travel into Indonesian Territory and becomes the basis for granting a Stay Permit.
19. Entry Sign is a certain sign in the form of a stamp affixed to the Travel Documents of Indonesian citizens and Foreign Citizens, either manually or electronically, which is granted by an Immigration Official as a sign that the person concerned entered Indonesian Territory.
20. Exit Sign is a certain sign in the form of a stamp affixed to the Travel Documents of Indonesian citizens and Foreign Citizens, either manually or electronically, which is granted by an Immigration Official as a sign that the person concerned has left Indonesian Territory.
21. Stay Permit is a permit granted to Foreign Citizens by immigration officials or foreign service officials either manually or electronically to be in Indonesian Territory.
22. Statement of Integration is a statement by a Foreign Citizen to the Government of the Republic of Indonesia as one of the conditions for obtaining a permanent stay permit.

23. Permanent Stay Permit is a permit granted to certain Foreign Citizens to reside and settle in the Indonesian Territory as a resident of Indonesia.
24. Re-entry Permit is a written permit granted by an Immigration Official to Foreign Citizens who hold a limited-stay permit and permanent stay permit to re-enter Indonesian territory.
25. Corporation is an organized group of people and/or assets, either in the form of a legal entity or non-legal entity.
26. Guarantor is a person or corporation that is responsible for the existence and activities of Foreign Citizens while in the Indonesian Territory.
27. Means of Transportation are ships, aircraft, or other means of transportation commonly used, both to transport people and goods.
28. Prevention is a temporary prohibition against people to exit from Indonesian Territory based on reasons of immigration or other reasons determined by law.
29. Deterrent is a prohibition against Foreign Citizens to enter Indonesian territory based on reasons of immigration.
30. Immigration Intelligence is the immigration investigation and immigration security activities in the framework of presenting information through analysis in order to determine the estimated immigration circumstances that are being faced or will be faced.
31. Immigration Administrative Measures is an administrative sanction determined by the Immigration Officer against Foreign Citizens outside the judicial process.
32. Human Smuggling is an act that aims to seek profit, either directly or indirectly, for oneself or for other people who bring a person or group of people, whether organized or unorganized, or order other people to bring a person or a group of people, whether organized or unorganized, who do not have the legal right to enter Indonesian Territory or exit Indonesian Territory and/or enter the territory of another country where that person does not have the right to enter the territory legally, either by using valid documents or falsified documents, or without using Travel Documents, whether through immigration checks or not.
33. Immigration Detention Center is the technical implementation unit that carries out the Immigration Function as a temporary shelter for Foreign Citizens who are subject to Immigration Administrative Measures.
34. Immigration Detention Room is a temporary shelter for Foreign Citizens who are subject to Immigration Administrative Measures located at the Directorate General of Immigration and Immigration Offices.
35. Detainees are Foreign Citizens residing in Immigration Detention Centers or Immigration Detention Rooms who have received a detention decision from an Immigration Official.
36. Deportation is the act of forcibly removing Foreign Citizens from Indonesian territory.
37. Person in Charge of Means of Transportation are the owner, manager, agent, vessel captain (nakhoda), ship captain (kapten kapal), captain pilot, or driver of the means of transportation concerned.
38. Passengers are every person on board a means of transportation except for transportation crews.
39. Representatives of the Republic of Indonesia are the Embassy of the Republic of Indonesia, the Consulate General of the Republic of Indonesia, and the Consulate of the Republic of Indonesia.

2. Provision of Article 38 has been amended, therefore reads as follows:

#### **Article 38**

Visitor visa shall be granted to Foreign Citizens who will travel to Indonesian Territory in the context of government duty, education, socio-cultural, tourism, pre-investment, business, family, journalism visits or a stopover to continue their journey to another country.

3. Provisions of Article 39 have been amended, therefore read as follows:

**Article 39**

- (1) Limited-stay visa shall be granted to Foreign Citizens:
  - a. as spiritualists (rohaniawan), experts, workers, researchers, students, investors, second homes, and their families, as well as Foreign Citizens legally married to Indonesian citizens, who will travel to the Indonesian Territory to reside for a limited period of time; or
  - b. in the framework of joining to work on ships, floating equipment, or installations operating in the archipelagic waters, the territorial sea, the continental shelf, and/or the Indonesian Exclusive Economic Zone; or
- (2) Further provisions regarding the Limited-stay visa as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) The granting of visitor visas and limited-stay visas is the authority of the Minister.
- (2) The visa as referred to in paragraph (1) shall be granted and signed by an Immigration Official.
- (3) In the event that the Visa as referred to in paragraph (1) is granted at a Representative of the Republic of Indonesia, the granting of the Visa shall be carried out by an Immigration Official at the Representative of the Republic of Indonesia and/or by a foreign service official.
- (4) Foreign service officials as referred to in paragraph (3) are authorized to grant visas after obtaining a Decree of the Minister.

5. Provisions of Article 46 have been amended, therefore read as follows:

**Article 46**

- (1) Foreign citizens holding a diplomatic visa or service visa with the intention of residing in Indonesian Territory after obtaining an entry sign must submit an application to the Minister of Foreign Affairs or designated official to obtain a diplomatic stay permit or service stay permit.
- (2) Foreign citizens holding a limited-stay visa after obtaining an entry sign must submit an application to the head of an Immigration Office to obtain a limited-stay permit.
- (3) If the Foreign Citizen as referred to in paragraph (1) and paragraph (2) does not carry out these obligations, the Foreign Citizen concerned shall be deemed to be in Indonesian Territory illegally.
- (4) In the event that the Foreign Citizen as referred to in paragraph (2) obtains a Limited-Stay Permit at an Immigration Checkpoint, there is no need to submit an application to the head of an Immigration Office to obtain a Limited-Stay Permit.

6. Provisions of Article 54 have been amended, therefore read as follows:

**Article 54**

- (1) Permanent Stay Permit can be granted to:



- a. Foreign citizens holding a limited-stay permit as spiritualist, workers, investors, and second homes;
  - b. family due to mixed marriage;
  - c. husbands, wives, and/or children of Foreign Citizens holding a permanent stay permit; and
  - d. Foreign citizen ex-Indonesian citizen and ex-child subject to the dual citizenship of the Republic of Indonesia.
- (2) Permanent Stay Permit as referred to in paragraph (1) is not given to Foreign Citizens who do not have a national passport.
- (3) Foreign citizens holding a Permanent Stay Permit are Indonesian residents.
- (4) Further provisions regarding Permanent Stay Permits as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

7. Provisions of Article 63 have been amended, therefore read as follows:

**Article 63**

- (1) Certain Foreign Citizens who are in Indonesian territory are required to have a guarantor who guarantees their existence.
- (2) The guarantor is responsible for the existence and activities of Foreign Citizens who are guaranteed while staying in Indonesian Territory and are required to report any changes in civil status, immigration status, and change of address.
- (3) The guarantor is obliged to pay the costs incurred to return or expel the Foreign Citizen he/she guaranteed from Indonesian Territory if the Foreign Citizen concerned:
  - a. The validity period of his/her Stay Permit has expired; and/or
  - b. Are subject to Immigration Administrative Action in the form of Deportation.
- (4) Provisions regarding guarantee does not apply to:
  - a. Foreign citizens legally married to Indonesian citizens;
  - b. Businesses with Foreign Citizenship investing capital as their investment in Indonesia as referred to in the provisions of laws and regulations regarding investment; and
  - c. Citizens of a country that reciprocally provide insurance exemption.
- (5) The provisions as referred to in Article 62 paragraph (2) letter g do not apply in the event that the holder of said Permanent Stay Permit breaks his/her marital relationship with an Indonesian citizen and then obtain a guarantee that ensure his/her existence as referred to in paragraph (1).
- (6) Foreign citizens as referred to in paragraph (4) letter b shall deposit an immigration collateral as a substitute for the guarantor while in the Indonesian Territory.
- (7) Further provisions regarding immigration guarantee procedures for Foreign Citizens shall be regulated under a Regulation of the Government.

8. Provisions of Article 71 have been amended, therefore read as follows:

**Article 71**

- (1) Every Foreign citizen who is in Indonesian territory must:
  - a. provide all necessary information regarding the identity of him/herself and/or his/her family and report any changes in civil status, nationality, employment, guarantor, or



- change of address to the local Immigration Office; or
  - b. submit Travel Documents or Stay Permit in his/her possession if requested by the Immigration Official on duty in the framework of Immigration control.
- (2) Further provisions regarding the fulfillment of immigration obligations as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

### **Division Three**

#### **Patents**

#### **Article 107**

Several provisions under Law Number 13 of 2016 on Patents (State Gazette of the Republic of Indonesia of 2016 Number 173, Supplement to the State Gazette of the Republic of Indonesia Number 5922) has been amended as follows:

1. Provisions of Article 3 have been amended, therefore read as follows:

#### **Article 3**

- (1) Patents as referred to in Article 2 letter a are granted for inventions that are new, contain inventive steps, and can be applied in industry.
- (2) A simple patent as referred to in Article 2 letter b is granted for every new invention, the development of an existing product or process, has practical uses and can be applied in industry.
- (3) The development of an existing product or process as referred to in paragraph (2) includes:
  - a. simple product;
  - b. simple process; or
  - c. simple method.

2. Provisions of Article 20 have been amended, therefore read as follows:

#### **Article 20**

- (1) Patents must be implemented in Indonesia.
- (2) The implementation of the Patent as referred to in paragraph (1), is as follows:
  - a. the implementation of a product-Patent which includes manufacturing, importing, or licensing the patented product;
  - b. the implementation of a process-Patent which includes manufacturing, importing, or licensing products generated from the patented process;
  - c. the implementation of a method-, system- and utilization-Patent which includes manufacturing, importing, or licensing products generated from the patented method, system and utilization.

3. Provisions of Article 82 have been amended, therefore read as follows:

#### **Article 82**

- (1) A compulsory license is a license to implement a patent which is granted based on a Decree of the Minister based on an application for the following reasons:

- a. Patents are not implemented in Indonesia as referred to in Article 20 within 36 (thirty-six) months after being granted the patent;
  - b. Patents has been implemented by the Patent Holder or the licensee in a form and in a manner that is detrimental to the public interest; or
  - c. Patents resulting from the development of previously granted Patents cannot be implemented without using the patents of other parties which are still under protection.
- (2) The application for a compulsory license as referred to in paragraph (1) shall be subject to a fee.

4. Provisions of Article 122 have been amended, therefore read as follows:

#### **Article 122**

- (1) Simple patent shall be granted for only one Invention.
- (2) Applications for a substantive examination of simple patents shall be filed simultaneously with the submission of applications for simple patents which are subject to a fee.
- (3) If the application for a substantive examination of simple Patents is not filed within the time limit as referred to in paragraph (2) or the fee for substantive examination of a simple Patent is not paid, the application for a simple Patent shall be considered withdrawn.

5. Provisions of Article 123 have been amended, therefore read as follows:

#### **Article 123**

- (1) The announcement of a simple Patent Application shall be made by no later than 14 (fourteen) Days as of the Date of receipt of the Simple Patent Application.
- (2) The announcement as referred to in paragraph (1) shall be made for 14 (fourteen) business days from the date of announcement of the simple Patent Application.
- (3) The substantive examination of a simple Patent Application shall be conducted after the announcement period as referred to in paragraph (2) ends.
- (4) The provisions in Article 49 paragraph (3) and (4) are exempted, that objections to a simple Patent Application are directly used as additional material for consideration during the substantive examination stage.

6. Provisions of Article 124 have been amended, therefore read as follows:

#### **Article 124**

- (1) The Minister is obliged to issue a decision to approve or reject a simple Patent Application by no later than 6 (six) months from the date of receipt of a simple Patent Application.
- (2) Simple patents granted by the Minister are recorded and announced through electronic media and/or non-electronic media.
- (3) The Minister provides a simple Patent certificate to a simple Patent Holder as proof of right.

### **Division Four**

#### **Trademark**

#### **Article 108**

Several provisions under Law Number 20 of 2016 on Trademarks and Geographical Indications (State

Gazette of the Republic of Indonesia of 2016 Number 252, Supplement to the State Gazette of the Republic of Indonesia Number 5953) have been amended as follows:

1. Provisions of Article 20 have been amended, therefore read as follows:

**Article 20**

A Trademark cannot be registered if:

- a. it is contrary to state ideology, laws and regulations, religious morality, morality, or public order;
- b. it is the same as, relating to, or simply mentioning the goods and/or services being applied for registration;
- c. it contains elements that may mislead the public regarding the origin, quality, type, size, variety, purpose of use of the goods and/or services being applied for registration or is the name of protected plant varieties for similar goods and/or services;
- d. contains information that is inconsistent with the quality, benefits or efficacy of the goods and/or services produced;
- e. has no distinguishing power;
- f. is a common name and/or public domain symbol; and/or
- g. contains a functional form.

2. Provisions of Article 23 have been amended, therefore read as follows:

**Article 23**

- (1) A substantive examination is an examination conducted by an Examiner toward an Application for a Trademark registration.
- (2) All objections and/or rebuttals as referred to in Article 16 and Article 17 shall be considered in the substantive examination as referred to in paragraph (1).
- (3) In the event that there are no objections as of the date of expiry of the announcement, a substantive examination shall be performed on the Application.
- (4) The substantive examination as referred to in paragraph (3) shall be completed within a maximum period of 30 (thirty) Days.
- (5) In the event that there is an objection within a maximum period of 30 (thirty) Days as of the date of expiry of the time limit for submitting an objection as referred to in Article 17, a substantive examination shall be carried out on the Application.
- (6) The substantive examination as referred to in paragraph (5) shall be completed within a maximum period of 90 (ninety) days.
- (7) In the event that it is necessary to carry out a substantive examination, an expert Trademark examiner outside the Examiner may be appointed.
- (8) The results of the substantive examination carried out by the expert Trademark examiner outside the Examiner as referred to in paragraph (7) can be deemed the same as the results of substantive examination conducted by the Examiner with the approval of the Minister.

3. Provisions of Article 25 have been amended, therefore read as follows:

**Article 25**

- (1) The Trademark Certificate is issued by the Minister since the Trademark is registered.
- (2) Trademark Certificate as referred to in paragraph (1) contains:

- a. name and complete address of the registered Trademark owner;
- b. the full name and address of the Proxy in the event that the Application is through a Proxy;
- c. Date of Receipt;
- d. the name of the country and the Date of Receipt of the application for the first time in the event that the Application was submitted using Priority Rights;
- e. label of the registered Trademark, including information regarding the variety of color if the Trademark uses color elements, and if the Trademark uses a foreign language, alphabets other than the Latin alphabet, and/or numbers that are not commonly used in the Indonesian language accompanied by translations in the Indonesian language, Latin alphabets and numbers commonly used in Indonesian language and how to pronounce it in Latin spelling;
- f. number and date of registration;
- g. class and type of goods and/or services whose Trademark are registered;
- h. the validity period of the Trademark registration.

## **Division Five**

### **Limited Liability Companies**

#### **Article 109**

Several provisions under Law Number 40 of 2007 on Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 40, Supplement to the State Gazette of the Republic of Indonesia Number 4756) have been amended, as follows:

1. Provisions of Article 1 number 1 have been amended, therefore read as follows:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Limited Liability Company, from this point onwards is referred to as Company, is a legal entity which is a capital partnership, established based upon an agreement, carrying out business activities with an authorized capital wholly divided into shares or Individual Legal Entities that meet the criteria of Micro- and Small-Scale Businesses as regulated under laws and regulations on Micro- and Small-Scale Businesses.
2. Company Organs are the General Meeting of Shareholders, Board of Directors, and Board of Commissioners.
3. Corporate Social and Environmental Responsibility is the commitment of a Company to participate in sustainable economic development in order to enhance the quality of life and environment that are beneficial for the Company itself, local communities, or the public in general.
4. General Meeting of Shareholders (Rapat Umum Pemegang Saham), from this point onward is referred to as RUPS, is the Company Organ having the authorities not vested in the Board of Directors or the Board of Commissioners, within the limits set out under this Law and/or the articles of association.
5. Board of Directors is the Company Organ that is authorized and fully responsible for the management of the Company in the interests of the Company, in accordance with the purposes and objectives of the Company, and represents the Company both in and out of the court in accordance with provisions of the articles of association.

6. Board of Commissioners is the Company Organ in charge of carrying out supervision in general and/or in particular pursuant to the articles of association, and providing advice to the Board of Directors.
7. Publicly-Traded Companies (Perseroan Terbuka) are Public Companies or Companies that carries out a public offering of shares in accordance with provisions of laws and regulations in the capital market sector.
8. Public Companies (Perseroan Publik) are Companies that already met the criteria of total number of shareholders and amount of paid-up capital in accordance with provisions of laws and regulations in the capital market sector.
9. Merger is a legal act performed by one Company or more to merge themselves with another existing Company which results in the assets and liabilities of the merging Company become transferred due to law to the surviving Company, and subsequently the legal entity status of the merging Company become terminated due to law.
10. Consolidation is a legal act performed by two or more Companies to consolidate themselves by way of establishing a new Company which, due to law, acquire the assets and liabilities of the consolidating Companies, and the legal entity status of the consolidating Companies become terminated due to law.
11. Acquisition is a legal act performed by a legal entity or an individual to acquire shares in a Company which results with the transfer of control over the said Company.
12. Separation is a legal act performed by a Company to separate its businesses with the result that all the assets and liabilities of the Company become transferred due to law to 2 (two) or more Companies, or a part of the assets and liabilities of the Company become transferred due to law to 1 (one) Company or more.
13. Registered Mail is a mail addressed to its recipient and may be proven with a receipt from the recipient which is signed while stating the date of receipt.
14. Newspaper is a daily newspaper in the Indonesian language that is circulated nationally.
15. Day is a calendar day.
16. Minister is the Minister whose duties and responsibilities are in the field of law and human rights.

2. Provisions of Article 7 have been amended, therefore read as follows:

#### **Article 7**

- (1) A Company is established by 2 (two) or more persons with a notarial deed made in the Indonesian language.
- (2) Each founder of the Company must subscribe to a portion of the shares at the time the Company is established.
- (3) The provision as referred to in paragraph (2) do not apply in the framework of a Consolidation.
- (4) The Company shall obtain legal entity status after being registered with the Minister and obtained proof of registration.
- (5) After the Company has obtained the legal entity status and the shareholder has become less than 2 (two) persons, within a maximum period of 6 (six) months as of the said condition, the shareholder concerned must:
  - a. transfer some of their shares to other persons; or
  - b. the company issues new shares to other persons.
- (6) In the event that the period as referred to in paragraph (5) has been exceeded, and the shareholder remain less than 2 (two) persons:

- a. the shareholder are personally responsible for all engagements and losses of the Company; and
  - b. at the request of interested parties, the district court may dissolve said Company.
- (7) The provisions which require a Company to be established by 2 (two) or more persons as referred to in paragraph (1), paragraph (5), and paragraph (6) do not apply to:
- a. Persero, the entire shares of which are owned by the state;
  - b. Regionally-Owned Enterprises;
  - c. Village-Owned Enterprises;
  - d. Companies that manage stock exchanges, clearing and guarantee institutions, depository and settlement institutions, and other institutions in accordance with the Law on Capital Market; or
  - e. Companies that meet the criteria for micro- and small-scale businesses.
- (8) Micro- and small-scale businesses as referred to in paragraph (7) letter e shall be micro- and small-scale businesses as regulated under provisions of laws and regulations in the field of micro-, small- and medium-scale businesses.

3. Provisions of Article 32 have been amended, therefore read as follows:

**Article 32**

- (1) A Company is required to have authorized capital of the company.
- (2) The amount of authorized capital of the company as referred to in paragraph (1) shall be determined based on the decision of the company founder.
- (3) Further provisions regarding the authorized capital of the company shall be regulated under a Regulation of the Government.

4. The provision of Article 153 has been amended, therefore reads as follows:

**Article 153**

Provisions regarding individual costs as legal entities shall be regulated in accordance with provisions of laws and regulations in the field of non-tax state revenue.

5. Between Article 153 and Article 154, 10 (ten) articles have been inserted, namely Article 153A, 152B, 153C, 153D, 153E, 153F, 153G, 153H, 153I, and 153J, which read as follows:

**Article 153A**

- (1) Companies that meet the criteria for Micro- and Small-Scale Businesses may be established by 1 (one) person.
- (2) The establishment of a Company for Micro- and Small-Scale Businesses as referred to in paragraph (1) shall be carried out based on a statement of establishment made in the Indonesian Language.
- (3) Further provisions regarding the establishment of a Company for Micro- and Small-Scale Businesses shall be regulated under a Regulation of the Government.

**Article 153B**

- (1) The statement of establishment as referred to in Article 153A paragraph (2) shall contain the

purpose and objective, business activities, authorized capital, and other information relating to the establishment of the Company.

- (2) The statement of establishment as referred to in paragraph (1) shall be registered electronically with the Minister by filling in the entry format.
- (3) Further provisions regarding materials of the statement of establishment as referred to in paragraph (1) and the entry format as referred to in paragraph (2) shall be regulated under a Regulation of the Government.

#### **Article 153C**

- (1) Changes to the statement of establishment of the Company for Micro- and Small-Scale Businesses as referred to in Article 153A shall be determined by the RUPS and shall be notified electronically to the Minister.
- (2) Further provisions regarding the material and entry format of changes to the statement of establishment as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

#### **Article 153D**

- (1) The Board of Directors of the Company for micro- and small-scale businesses as referred to in Article 153A shall carry out the management of the Company for Micro- and Small-Scale Businesses in the interests of the Company in accordance with the purpose and objective of the Company.
- (2) The Director is authorized to carry out the management as referred to in paragraph (1) in accordance with the policies deemed appropriate, within the limits as determined under this Law, and/or the statement of establishment of the Company.

#### **Article 153E**

- (1) Shareholders of the Company for Micro- and Small-Scale Businesses as referred to in Article 153A shall be individuals.
- (2) Founder of the Company may only establish a Limited Liability Company for Micro- and Small-Scale Businesses amounting to 1 (one) Company for micro- and small-scale businesses within 1 (one) year.

#### **Article 153F**

- (1) The Board of Directors of the Company for Micro- and Small-Scale Businesses as referred to in Article 153A must prepare financial statements in order to realize good Corporate Governance.
- (2) Further provisions regarding the obligation to prepare financial reports shall be regulated under a Regulation of the Government.

#### **Article 153G**

- (1) The dissolution of the Company for Micro- and Small-Scale Businesses as referred to in Article 153A shall be carried out by RUPS which are outlined in the statement of dissolution and shall be notified electronically to the Minister.
- (2) The dissolution of the Company for Micro- and Small-Scale Businesses as referred to in paragraph (1) occurred:



- a. based on the resolution of RUPS;
- b. the period of establishment as stipulated in the articles of association has ended;
- c. based on court ruling;
- d. with the revocation of bankruptcy based on a decision of the commercial court which has permanent legal force, the bankruptcy assets of the Company are not sufficient to pay bankruptcy costs;
- e. bankruptcy assets of a Company that has been declared bankrupt are in a state of insolvency as regulated in the Law on Bankruptcy and Postponement of Debt Payment Obligations; or
- f. the revocation of the Company's Business Licensing so that it requires the Company to carry out liquidation in accordance with provisions of laws and regulations.

#### **Article 153H**

- (1) In the event that a Company for Micro- and Small-Scale Businesses no longer meets the criteria for Micro- and Small-Scale Businesses as referred to in Article 153A, the Company must change its status into a Company as referred to in provisions of the prevailing laws and regulations.
- (2) Further provisions regarding the change of Company status for Micro- and Small-Scale Businesses into a Company shall be regulated under a Regulation of the Government.

#### **Article 153I**

- (1) Company for Micro- and Small-Scale Businesses shall be given fee discount related to the establishment of a legal entity.
- (2) Further provisions regarding Company fee discount for Micro- and Small-Scale Businesses as referred to in paragraph (1) shall be regulated in accordance with provisions of laws and regulations in the field of non-tax state revenue.

#### **Article 153J**

- (1) Company shareholders for Micro- and Small-Scale Businesses are not personally responsible for the contract made on behalf of the Company and are not responsible for the Company's losses in excess of the shares owned.
- (2) The provision as referred to in paragraph (1) shall not apply if:
  - a. the requirements of the Company as a legal entity are not yet or not fulfilled;
  - b. the shareholders concerned, either directly or indirectly, in bad faith utilize the Company for their personal gain;
  - c. the shareholders concerned are involved in an unlawful act committed by the Company; or
  - d. The relevant shareholders, either directly or indirectly, unlawfully utilize the Company's assets, which results in the Company's assets being insufficient to settle the Company's debts.

### **Division Six Disturbance Law**

**Article 110**

Staatsblad of 1926 Number 226 juncto Staatsblad of 1940 Number 450 on Disturbance Law (Hinderordonnantie) is revoked and declared invalid.

**Division Seven****Taxation****Article 111**

Several provisions under Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 1983 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 3263) as amended several times, most recently by Law Number 36 of 2008 on the Fourth Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 2008 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 4893) have been amended as follows:

1. Provisions of Article 2 have been amended, therefore read as follows:

**Article 2**

- (1) Tax subjects are:

- a.
  1. individual; and
  2. an undivided inheritance as a unity in lieu of the beneficiaries;
- b. entity; and
- c. permanent establishment.

- (1a) The permanent establishment is a tax subject which tax treatment is equivalent to that of a corporate tax subject.

- (2) The tax subject is divided into domestic tax subject and foreign tax subject.

- (3) Domestic tax subjects are:

- a. an individual, whether an Indonesian citizen or a foreign citizen who:
  1. resides in Indonesia;
  2. has been in Indonesia for more than 183 (one hundred and eighty three) days within a period of 12 (twelve) months; or
  3. resides in Indonesia in a tax year and has the intention to reside in Indonesia;
- b. an entity established or domiciled in Indonesia, except for certain units of government agencies that meet the following criteria:
  1. the establishment is based on the provisions of laws and regulations;
  2. the financing is sourced from the State Revenue and Expenditure Budget or the Regional Revenue and Expenditure Budget;
  3. the revenues are included in the budget of the Central Government or Regional Government; and
  4. the bookkeeping is examined by the state functional supervisory apparatus; and
- c. an undivided inheritance as a unity in lieu of the beneficiaries

- (4) Foreign tax subjects are:
- a. individuals who do not reside in Indonesia;
  - b. foreign citizens who are in Indonesia for no more than 183 (one hundred and eighty three) days within a period of 12 (twelve) months;
  - c. Indonesian citizens who are outside Indonesia for more than 183 (one hundred and eighty three) days within a period of 12 (twelve) months and meet these requirements:
    1. residence;
    2. main activity center;
    3. place to practice habits;
    4. tax subject status; and/or
    5. other specific requirementsof which further provisions regarding said requirements shall be regulated under a Regulation of the Minister of Finance; and
  - d. entities not established and not domiciled in Indonesia who run a business or carry out activities through a permanent establishment in Indonesia or who may receive or earn income from Indonesia not from running a business or carrying out activities through a permanent establishment in Indonesia.
- (5) A permanent establishment is a business form that is used by an individual as referred to in paragraph (4) letter a, letter b, and letter c, and entity as referred to in paragraph (4) letter d to run a business or carry out activities in Indonesia, which may be in the form of :
- a. place of management;
  - b. branch company;
  - c. representative office;
  - d. office building;
  - e. factory;
  - f. workshop;
  - g. warehouse;
  - h. space for promotion and sales;
  - i. natural resource mining and extraction;
  - j. oil and gas mining working area;
  - k. fishery, animal husbandry, agriculture, plantation, or forestry;
  - l. construction, installation, or assembly projects;
  - m. provision of services in any form by an employee or another person as long as it is carried out for more than 60 (sixty) days within a period of 12 (twelve) months;
  - n. a person or an entity acting as an agent whose position is not independent;
  - o. an agent or employee of an insurance company that is not established and is not domiciled in Indonesia who receives insurance premiums or bears risk in Indonesia; and
  - p. computers, electronic agents, or automatic equipment owned, leased, or used by electronic transaction providers to run business activities via the internet.
- (6) The residence of an individual or the domicile of an entity shall be stipulated by the Director-General of Taxes in accordance with the actual situation.

2. Provisions of Article 4 have been amended, therefore read as follows:

**Article 4**

- (1) Those that become tax object is income, namely any additional economic capability received or obtained by a Taxpayer, whether originating from Indonesia or outside Indonesia, which may be used for consumption or to increase the wealth of the Taxpayer concerned, under any name and form, including:
- a. substitution or remuneration in respect of jobs or services received or obtained, including salaries, wages, allowances, honoraria, commissions, bonuses, gratuities, pensions, or other forms of remuneration, unless otherwise stipulated under this Law;
  - b. prize from lotteries, jobs or activities, and awards;
  - c. business profits;
  - d. profits from the sale or transfer of assets, including:
    - 1. profits due to transfer of assets to companies, partnerships, and other entities in lieu of shares or equity participation;
    - 2. profits due to transfer of assets to shareholders, partners, or members obtained by the company, partnership, and other entities;
    - 3. profit due to liquidation, merger, consolidation, expansion, split-off, acquisition of business, or reorganization under any name and form;
    - 4. profits due to the transfer of assets in the form of grants, aid, or donations, except those given to blood relatives in a straight line of one degree and religious bodies, educational bodies, social agencies including foundations, cooperatives, or individuals running micro- and small-scale businesses, the provisions of which shall be further regulated by a Regulation of the Minister of Finance as long as there is no relationship with the business, occupation, ownership or control between the parties concerned; and
    - 5. profits due to the sale or transfer of part or all of mining rights, participation in financing, or capital in mining companies;
  - e. receipt of tax payment refund that have been charged as an additional fee and payment of tax refund;
  - f. interests including premium, discount, and compensation for debt repayment guarantees;
  - g. dividends in any name and form, including dividends from insurance companies to policyholders;
  - h. royalty or remuneration for the use of rights;
  - i. lease and other income in connection with the use of assets;
  - j. receipt or collection of periodic payments;
  - k. profits due to debt relief, except up to a certain amount stipulated under a Regulation of the Government;
  - l. profits from foreign exchange differences;
  - m. surplus due to asset revaluation;
  - n. insurance premium;
  - o. contributions received or obtained by the association from its members, which consist of Taxpayers who run independent businesses or jobs;
  - p. additional net assets originating from income that has not been taxed;

- q. income from sharia-based businesses;
  - r. interest remuneration as referred to in the Law on general taxation provisions and procedures; and
  - s. Bank Indonesia's surplus.
- (1a) Excluded from the provisions as referred to in paragraph (1), foreign citizens who have become domestic tax subjects are subject to Income Tax only for income received or obtained from Indonesia provided that:
- a. possess certain skills; and
  - b. valid for 4 (four) tax years calculated from the time they become domestic tax subjects.
- (1b) Included in the definition of income received or obtained from Indonesia as referred to in paragraph (1a) shall be in the form of income received or obtained by a foreign citizen in connection with a job, service or activity in Indonesia under any name and form that are paid outside Indonesia.
- (1c) The provisions as referred to in paragraph (1a) do not apply to foreign citizens who utilize the Double Taxation Avoidance Agreement between the government of Indonesia and the government of the partner country or partner jurisdiction of the Double Taxation Avoidance Agreement where foreign citizens earn income from outside Indonesia.
- (1d) Further provisions regarding certain expertise criteria and procedures for the imposition of Income Tax for foreign citizens as referred to in paragraph (1a) shall be regulated under a Regulation of the Minister of Finance.
- (2) The following income shall be subject to final tax:
- a. income in the form of interests on deposits and other savings, interests on bonds and government securities, and interest on savings paid by a cooperative to individual cooperative members;
  - b. income in the form of lottery prizes;
  - c. income from transactions in shares and other securities, derivative transactions traded on the exchange, and transactions for the sale of shares or transfer of equity participation in a partner company received by a venture capital company;
  - d. income from transfer of assets in the form of land and/or buildings, construction service business, real estate business, and land and/or building leasing; and
  - e. other certain income,
- which shall be regulated under or based on a Regulation of the Government.
- (3) Those exempted from tax objects are:
- a.
    1. aid or donations, including zakat received by amil zakat bodies or amil zakat institutions established or authorized by the government and received by entitled zakat recipients or mandatory religious donations for adherents of recognized religions in Indonesia, which are received by the religious institutions established or authorized by the government and received by the entitled recipient of donations, the provisions of which shall be regulated by or based on a Regulation of the Government; and
    2. grant assets received by blood relatives in a straight lineage of one degree, religious bodies, educational bodies, social agencies including foundations, cooperatives, or individuals running micro- and small-scale businesses, the provisions of which shall be regulated by or based on a Regulation of the Minister of Finance

as long as there is no relationship with the business, occupation, ownership, or control

- between the parties concerned;
- b. inheritance;
  - c. assets including cash deposits received by the entity as referred to in Article 2 paragraph (1) letter b as a substitute for shares or as a substitute for capital participation;
  - d. substitution or remuneration in connection with jobs or services received or obtained in natural form and/or enjoyment (dalam bentuk natura dan/atau kenikmatan) from the Taxpayer or the Government, except for those provided by non-Taxpayers, Taxpayers who are subject to final tax or Taxpayers who use special calculation norms (deemed profit) as referred to in Article 15;
  - e. payment from an insurance company due to accident, illness, or due to the death of an insured person, and payment of scholarship insurance;
  - f. dividends or other income with the following conditions:
    1. domestic dividends received or obtained by these Taxpayers:
      - a) domestic individuals as long as said dividends are invested in the territory of the Unitary State of the Republic of Indonesia for a certain period of time; and/or
      - b) domestic entities;
    2. dividends originating from overseas and income after tax from an overseas permanent establishment received or obtained by a domestic corporate Taxpayer or domestic individual Taxpayer, as long as they are invested or used to support other business activities in the territory of the Unitary State of the Republic of Indonesia within a certain period of time, and meets the following requirements:
      - a) said invested dividend and income after tax shall at least amount to 30% (thirty percent) of the profit after tax; or
      - b) dividends originating from overseas business entities whose shares are not traded on a stock exchange are invested in Indonesia before the Director-General of Taxes issues a tax assessment on said dividends in connection with the application of Article 18 paragraph (2) of this Law;
    3. dividends originating from overseas as referred to in number 2 shall be:
      - a) distributed dividends originating from overseas business entities whose shares are traded on a stock exchange; or
      - b) distributed dividends originating from overseas business entities whose shares are not traded on a stock exchange in accordance with the proportion of share ownership;
    4. in the event that dividends as referred to in number 3 letter b) and income after tax from an overseas permanent establishment as referred to in number 2 are invested in the territory of the Unitary State of the Republic of Indonesia less than 30% (thirty percent) of the total profit after tax as referred to in in number 2 letter a, the following provisions shall apply:
      - a) for said dividends and income after tax which are invested, shall be exempted from the imposition of Income Tax;
      - b) for the difference of 30% (thirty percent) profit after tax is deducted with dividends and/or income after tax which are invested as referred to in letter a), shall be subject to Income Tax; and
      - c) for the remaining profit after tax deducted by dividends and/or income after tax which are invested as referred to in letter a) and for the difference as referred to in letter b), shall not be subject to Income Tax;



5. in the event that the dividends as referred to in number 3 letter b and income after tax from an overseas permanent establishment as referred to in number 2, shall be invested in the territory of the Unitary State of the Republic of Indonesia in the amount of more than 30% (thirty percent) of the total profit after tax as referred to in number 2 letter a), the following provisions shall apply:
  - a) for dividends and income after tax which are invested, shall be exempted from the imposition of Income Tax; and
  - b) for the remaining profit after tax deducted by dividends and/or income after tax which are invested as referred to in letter a) and for the difference as referred to in letter a), shall not be subject to Income Tax;
6. In the event that dividends originating from overseas business entities whose shares are not traded on a stock exchange are invested in Indonesia after the Director-General of Taxes issues a tax assessment on said dividends in connection with the application of Article 18 paragraph (2) of this Law, such dividends are not exempted from the imposition of Income Tax as referred to in number 2;
7. the imposition of Income Tax on overseas income not through a permanent establishment which is received or obtained by domestic corporate Taxpayers or domestic individual Taxpayers are exempted from the imposition of Income Tax in the event that the said income is invested in the territory of the Unitary State of the Republic of Indonesia within a certain period and meets the following requirements:
  - a) the income originated from active businesses overseas; and
  - b) is not the income from owned companies overseas;
8. tax on income that has been paid or payable overseas on income as referred to in number 2 and number 7, the following provisions shall apply:
  - a) cannot be calculated with payable Income Tax;
  - b) cannot be charged as an expense or deduction of income; and/or
  - c) cannot be requested for a refund of the tax overpayment;
9. in the event that the Taxpayer does not invest the income within a certain period as referred to in number 2 and number 7, the following provisions shall apply:
  - a) the said income from overseas is income in the tax year it is obtained; and
  - b) tax on income that has been paid or payable overseas on the said income is a tax credit as referred to in Article 24 of this Law;
10. further provisions regarding:
  - a) certain criteria, procedures and period for investment as referred to in number 1, number 2, and number 7;
  - b) procedures for the exemption of imposition of income tax as referred to in number 1, number 2, and number 7; and
  - c) changes on the limit of dividends which are invested as referred to in number 4 and number 5,

shall be regulated by a Regulation of the Minister of Finance;
- g. contributions received or obtained by a pension fund whose establishment has been approved by the Minister of Finance, whether paid by the employer or the employee;
- h. income from capital invested by pension funds as referred to in letter g, in certain fields which are stipulated by a Decree of the Minister of Finance;
- i. profit share or dividend (siswa hasil usaha) received or obtained by members of cooperatives, limited partnership whose capital are not divided into shares, partnerships,



associations, firma, and joint venture (kongsi), including holders of collective investment contract units;

- j. has been removed;
- k. income received or earned by a venture capital company in the form of a profit share from a business partner entity established and running a business or activity in Indonesia, on condition that the said business partner entity:
  - 1. is a micro-, small-, medium-scale company, or those that carries out activities in business sectors regulated under or based on a Regulation of the Minister of Finance; and
  - 2. its shares are not traded on a stock exchange in Indonesia;
- l. scholarships that meet certain requirements and the provisions shall be further regulated by or based on a Regulation of the Minister of Finance;
- m. the surplus received or obtained by a non-profit agency or institution engaged in the field of education and/or research and development, which has been registered with the agency in charge of it, is reinvested in the form of facilities and infrastructure for educational and/or research and development activities, within a maximum period of 4 (four) years from the time the surplus is obtained, the provisions of which shall be further regulated by or based on a Regulation of the Minister of Finance;
- n. aid or compensation paid by the Social Security Agency to certain Taxpayers, the provisions of which shall be further regulated by or based on a Regulation of the Minister of Finance;
- o. funds deposited for Hajj Operation Costs (BPIH) and/or special BPIH, and income from the development of Hajj finance in certain financial fields or instruments, shall be received by the Hajj Financial Management Agency (BPKH), the provisions of which shall be regulated by or based on a Regulation of the Minister of Finance and
- p. the surplus received/obtained by a social and religious body or institution registered with the agency in charge of it, which is reinvested in the form of social and religious facilities and infrastructure within a maximum period of 4 (four) years from the time the surplus was obtained, or placed as endowment funds (dana abadi), the provisions of which shall be further regulated by or based on a Regulation of the Minister of Finance.

3. Provisions of Article 26 have been amended, therefore read as follows:

#### **Article 26**

- (1) For the income mentioned below, under any name and form, which are paid, provided to be paid, or the payment is due by a government entity, domestic tax subject, activity organizer, permanent establishment, or other foreign company representative to Foreign Taxpayers other than a permanent establishment in Indonesia shall be subject to 20% (twenty percent) tax withholding of the gross amount by the party obliged to pay:
  - a. dividends;
  - b. interests, including premiums, discounts, and returns in connection with debt repayment guarantees;
  - c. royalties, leases and other income in connection with the use of assets;
  - d. remuneration in connection with services, job and activities;
  - e. prizes and awards;
  - f. pensions and other regular payments;
  - g. swap premiums and other hedging transactions; and/or

- h. profit due to debt relief.
- (1a) The domicile country of a foreign Taxpayer other than those running business or conducting business activities through a permanent establishment in Indonesia as referred to in paragraph (1) is the country of residence or domicile of the foreign Taxpayer who truthfully receives benefits from the income (beneficial owner).
- (1b) The tariff of 20% (twenty percent) of the gross amount by the party obliged to pay interest, including premiums, discounts, and remuneration in connection with the debt repayment guarantees as referred to in paragraph (1) letter b may be reduced by a Regulation of the Government.
- (2) For income from the sale or transfer of assets in Indonesia, except those regulated under Article 4 paragraph (2), which are received or obtained by a foreign Taxpayer other than a permanent establishment in Indonesia, and insurance premiums paid to foreign insurance companies shall be subject to 20% (twenty percent) tax withholding of the estimated net income.
- (2a) For income from the sale or transfer of shares as referred to in Article 18 paragraph (3c) shall be subject to 20% (twenty percent) tax withholding of the estimated net income.
- (3) The implementation of the provisions as referred to in paragraph (2) and paragraph (2a) shall be regulated by or based on a Regulation of the Minister of Finance.
- (4) Taxable income after tax deduction from a permanent establishment in Indonesia shall be subject to tax at 20% (twenty percent), unless the income is reinvested in Indonesia, the provisions of which shall be further stipulated by or based on a Regulation of the Minister of Finance.
- (5) Tax withholding as referred to in paragraph (1), paragraph (2), paragraph (2a), and paragraph (4) is final, except for:
  - a. withholding of income as referred to in Article 5 paragraph (1) letter b and letter c; and
  - b. withholding of income received or obtained by foreign individuals or entities that change their status to become domestic Taxpayers or permanent establishments.”

## Article 112

Several provisions under Law Number 8 of 1983 on Value-Added Tax for Goods and Services and Luxury Goods Sales Tax (State Gazette of the Republic of Indonesia of 1983 Number 51, Supplement to the State Gazette of the Republic of Indonesia Number 3264), as amended several times most recently by Law Number 42 of 2009 on the Third Amendment to Law Number 8 of 1983 on Value-Added Tax for Goods and Services and Luxury Goods Sales Tax (State Gazette of the Republic of Indonesia of 2009 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 5069) have been amended as follows:

1. Provisions of Article 1A have been amended, therefore read as follows:

### Article 1A

- (1) Included in the definition of delivery of Taxable Goods are:
  - a. delivery of rights over Taxable Goods due to an agreement;
  - b. delivery of Taxable Goods due to lease-purchase agreement and/or leasing agreement;
  - c. delivery of Taxable Goods to intermediary trader or through auctioneer;
  - d. own use and/or free use of Taxable Goods;
  - e. Taxable Goods in the form of inventories and/or assets which according to the original purpose were not for sale and still remain at the time the company was dissolved;
  - f. delivery of Taxable Goods from the center to a branch or vice versa and/or delivery of Taxable Goods between branches;

- g. has been removed; and
  - h. delivery of Taxable Goods by Taxable Businesses in the framework of financing agreement based on sharia principles, in which the delivery is considered directly from Taxable Businesses to the parties who need Taxable Goods.
- (2) Not included in the definition of delivery of Taxable Goods are:
- a. delivery of Taxable Goods to a broker as referred to in the Indonesian Commercial Code;
  - b. delivery of Taxable Goods as collateral for debts;
  - c. delivery of Taxable Goods as referred to in paragraph (1) letter f in the event that Taxable Businesses is centralizing the tax payable place;
  - d. delivery of Taxable Goods in the event of merger, consolidation, expansion, split-off, and acquisition of businesses, as well as delivery of Taxable Goods for the purpose of share replacement capital deposit, provided that the party making the delivery and receiving the delivery are Taxable Businesses; and
  - e. Taxable Goods in the form of assets which according to the original purpose were not for sale and still remain at the time the company was dissolved, and which the Input Tax on its acquisition cannot be credited as referred to in Article 9 paragraph (8) letter b and letter c.

2. Provisions of Article 4A have been amended, therefore read as follows:

#### Article 4A

- (1) Has been removed.
- (2) Types of goods that are not subject to Value-Added Tax are certain goods in the following group of goods:
  - a. mining or drilling products taken directly from the source, excluding coal mining products;
  - b. staple goods that are needed by many people;
  - c. foods and beverages served at hotels, restaurant, stalls, and the like, consists of food and beverages whether consumed on the spot or not, including food and beverages delivered by a catering service business; and
  - d. money, gold bar, and securities.
- (3) Types of services that are not subject to Value-Added Tax are certain services in the following group of services:
  - a. medical health services;
  - b. social services;
  - c. postage mailing services (jasa pengiriman surat dengan perangko);
  - d. financial services;
  - e. insurance services;
  - f. religious services;
  - g. education services;
  - h. arts and entertainment services;
  - i. non-advertising broadcasting services;
  - j. land and water public transportation services as well as domestic air transportation services which remains an integral part of foreign air transportation services;

- k. manpower services;
- l. hospitality services;
- m. services provided by the government in the framework of running the government in general;
- n. parking space provision services;
- o. public telephone services using coins;
- p. money transfer service by postal money order; and
- q. catering services.

3. Provisions of Article 9 have been amended, therefore read as follows:

#### **Article 9**

- (1) Has been removed.
- (2) Input Tax in a Tax Period is credited with Output Tax in the same Tax Period.
- (2a) For Taxable Businesses who has not delivered Taxable Goods and/or Taxable Services and/or export of Taxable Goods and/or Taxable Services, Input Tax on the acquisition of Taxable Goods and/or Taxable Services, import of Taxable Goods, as well as utilization of Intangible Taxable Goods and/or utilization of Taxable Services from outside the Customs Area within the Customs Area can be credited as long as it meets the crediting provisions in accordance with this Law.
- (2b) Input Tax that is credited must use Tax Invoice that meet the requirements as referred to in Article 13 paragraph (5) and paragraph (9).
- (3) If within a Tax Period, the Output Tax is greater than Input Tax, then the difference shall be the Value-Added Tax that must be paid by Taxable Businesses.
- (4) If within the Tax Period, Input Tax that can be credited is greater than Output Tax, then the difference shall be a tax excess which is compensated to the next Tax Period.
- (4a) On the excess of Input Tax as referred to in paragraph (4), an application for refund may be submitted at the end of the fiscal year.
- (4b) Exempted from the provisions as referred to in paragraph (4) and paragraph (4a), an application for refund for an excess of Input Tax may be submitted in each Tax Period by:
  - a. Taxable Businesses who exports Tangible Taxable Goods;
  - b. Taxable Businesses who delivers Taxable Goods and/or delivers Taxable Services to Value-Added Tax Collector;
  - c. Taxable Businesses who delivers Taxable Goods and/or delivers Taxable Services for which the Value-Added Tax is not collected;
  - d. Taxable Businesses who exports Intangible Taxable Goods;
  - e. Taxable Businesses who exports Taxable Services; and/or
  - f. Has been removed.
- (4c) Refund for an excess of Input Tax to Taxable Businesses as referred to in paragraph (4b) letter a to letter c, that has a criteria as low-risk Taxable Businesses, is carried out with a preliminary refund of the tax excess according to the provisions as referred to in Article 17C paragraph (1) of Law Number 6 of 1983 on General Taxation Provisions and Procedures and its amendment.
- (4d) Provisions on low-risk Taxable Businesses given preliminary refund of the tax excess as referred to in paragraph (4c) shall be regulated by Regulation of the Minister.
- (4e) The Director-General of Taxes may examine Taxable Businesses as referred to in paragraph

- (4c) and issue tax assessment letter after carrying out preliminary refund of the tax excess.
- (4f) If based on the results of examination as referred to in paragraph (4e), the Director-General of Taxes issues Underpaid Tax Assessment Letter, the amount of underpaid tax plus administrative sanction in the form of interests as referred to in Article 13 paragraph (2) of Law Number 6 of 1983 on General Taxation Provisions and Procedures and its amendment.
- (5) If within a Tax Period the Taxable Businesses, apart from making the tax payable delivery also makes the non-tax payable delivery, as long as a part of the tax payable delivery can be ascertained with certainty from the bookkeeping, the amount of Input Tax that can be credited shall be the Input Tax relating to the tax payable delivery.
- (6) If within a Tax Period the Taxable Businesses, apart from making the tax payable delivery also makes the no-tax payable delivery, while the Input Tax for tax payable delivery cannot be ascertained with certainty, the amount of Input Tax that can be credited for the tax payable delivery shall be calculated using the guidelines regulated in the Regulation of the Minister of Finance.
- (6a) If up to a period of 3 (three) years since the first crediting period of the Input Tax as referred to in paragraph (2a), Taxable Businesses have not made the delivery of Taxable Goods and/or Taxable Services and/or export of Taxable Goods and/or Taxable Services relating to the said Input Tax, the Input Tax that has been credited within said period of 3 (three) years becomes non-creditable.
- (6b) Has been removed.
- (6c) The period as referred to in paragraph (6a) for certain business sectors can be stipulated for more than 3 (three) years.
- (6d) The provisions as referred to in paragraph (6a) also apply for Taxable Businesses that carries out business dissolution (termination), carries out the revocation of Taxable Business in ex officio within a period of 3 (three) years since the first crediting period of the Input Tax.
- (6e) Input Tax that cannot be credited as referred to in paragraph (6a):
- a. must be paid back to the state treasury by Taxable Businesses, in the event that Taxable Businesses:
    1. has received refund for an excess of tax payment for the Input Tax concerned; and/or
    2. has credited the Input Tax concerned with payable Output Tax in a Tax Period; and/or
  - b. cannot be compensated to the next Tax Period and an application for refunds cannot be submitted, after the 3 (three) years period as referred to in paragraph (6a) expires or at the time of business dissolution (termination) or the revocation of a Taxable Business as referred to in paragraph (6d) by a Taxable Business, in the event that the Taxable Business compensates for the excess for the tax payment in question.
- (6f) Refund of Input Tax as referred to in paragraph (6e) letter a shall be made by no later than:
- a. the end of the following month after the expiration date of the 3 (three) years period as referred to in paragraph (6a);
  - b. the end of the following month after the expiration date of the period for certain business sectors as referred to in paragraph (6c); or
  - c. the end of the following month after the date of business dissolution (termination) or the revocation of the Taxable Business as referred to in paragraph (6d).
- (6g) In the event that Taxable Businesses does not fulfil the obligation to refund in accordance with the period as referred to in paragraph (6f), the Director-General of Taxes shall issue a Underpaid Tax Assessment Letter on the amount of tax that should have been refunded as

referred to in paragraph (6e) letter a by the Taxable Businesses plus administrative sanction in the form of interests as referred to in Article 13 paragraph (2a) of Law Number 6 of 1983 on General Taxation Provisions and Procedures and its amendment.

- (7) The amount of Input Tax that can be credited by Taxable Businesses whose business circulation in 1 (one) year does not exceed a certain amount, except if the Taxable Businesses as referred to in paragraph (7a) can be calculated using guidelines for calculating Input Tax crediting.
- (7a) The amount of Input Tax that can be credited by Taxable Businesses who carries out certain business activities is calculated by using guidelines for calculating Input Tax crediting.
- (7b) Provisions on business circulation as referred to in paragraph (7), certain business activities as referred to in paragraph (7a), and guidelines for calculating Input Tax crediting as referred to in paragraph (7) and paragraph (7a) shall be regulated by or based on Regulation of the Minister of Finance.
- (8) Input Tax crediting as referred to in paragraph (2) cannot be enforced to eför:
  - a. has been removed;
  - b. the acquisition of Taxable Goods or Taxable Services that do not have a direct relationship with business activities;
  - c. the acquisition and maintenance of motorized vehicles in the form of sedans and station wagons, unless they are merchandise or leased;
  - d. has been removed;
  - e. has been removed;
  - f. the acquisition of Taxable Goods or Service Goods whose Tax Invoice does not meet the provision as referred to in Article 13 paragraph (5) or paragraph (9) or does not enclose the name, address, and Taxpayer Identification Number of the buyer of Taxable Goods or recipient of Taxable Services;
  - g. the utilization of Intangible Taxable Goods or utilization of Taxable Services from outside of Customs Area whose Tax Invoice does not meet the provision as referred to in Article 13 paragraph (6);
  - h. has been removed;
  - i. has been removed; and
  - j. has been removed.
- (9) Input Tax that can be credited but has not been credited with the Output Tax on the same Tax Period can be credited for the next Tax Period by no later than 3 (three) Tax Periods after the expiration of Tax Period at the time when the Tax Invoice is made as long as it has not been charged as an expense or has not been added (capitalized) to the acquisition price of Taxable Goods or Taxable Services and has complied with the crediting provisions in accordance with this Law.
- (9a) Input Tax for the acquisition of Taxable Goods and/or Taxable Services, import of Taxable Goods as well as utilization of Intangible Taxable Goods and/or utilization of Taxable Services from outside the Customs Area within the Customs Area before the Businesses is established as a Taxable Business, can be credited by Taxable Businesses by using guidelines for Input Tax crediting amounting to 80% (eighty percent) of the Output Tax which should have been collected.
- (9b) Input Tax for the acquisition of Taxable Goods and/or Taxable Services, import of Taxable Goods, as well as utilization of Intangible Taxable Goods and/or utilization of Taxable Services from outside the Customs Area within the Customs Area which are not reported in the Periodic Value-Added Tax Return and which are notified and/or discovered at the time of the audit can be credited by the Taxable Business as long as it meets the crediting requirements in accordance with this Law.



- (9c) Input Tax for the acquisition of Taxable Goods and/or Taxable Services, import of Taxable Goods, as well as utilization of Intangible Taxable Goods and/or utilization of Taxable Services from outside the Customs Area within the Customs Area which is billed by the issuance of a tax assessment may be credited by the Taxable Businesses in the amount of the principal amount of Value-Added Tax listed in the tax assessment on condition that the tax assessment concerned has been paid in full and no legal action has been taken and complies with the crediting requirements in accordance with this Law.
- (10) Has been removed.
- (11) Has been removed.
- (12) Has been removed.
- (13) Further provisions regarding:
- criteria of not yet conducting the delivery of Taxable Goods and/or Taxable Services and/or export of Taxable Goods and/or Taxable Services as referred to in paragraph (2a);
  - calculation and procedure for refunding the excess of Input Tax as referred to in paragraph (4a), paragraph (4b), and paragraph (4c);
  - determination of certain business sectors as referred to in paragraph (6c);
  - procedure for refunding Input Tax as referred to in paragraph (6e) letter a; and
  - procedure for Input Tax crediting as referred to in paragraph (9a), paragraph (9b), and paragraph (9c) shall be regulated by or based on Regulation of the Minister of Finance.
- (14) In the event that there is a delivery of Taxable Goods in the context of merger, consolidation, expansion, split-off, and acquisition of businesses, Input Tax on Taxable Goods which is delivered and has not been credited by the Taxable Businesses who delivers it, it can be credited by the Taxable Businesses who receive the delivery as long as Tax Invoice is received after the delivery and said Input Tax has not been charged as an expense or capitalized.

4. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) Taxable Businesses is required to draw up Tax Invoice for every:
- delivery of Taxable Goods as referred to in Article 4 paragraph (1) letter a or letter f and/or Article 16D;
  - delivery of Taxable Services as referred to in Article 4 paragraph (1) letter c;
  - export of Intangible Taxable Goods as referred to in Article 4 paragraph (1) letter g; and/or
  - export of Taxable Services as referred to in Article 4 paragraph (1) letter h.
- (1a) Tax Invoice as referred to in paragraph (1) must be made:
- at the time of the delivery of Taxable Goods and/or delivery of Taxable Services;
  - at the time of receipt of payment in the event that the receipt of payment occurs before the delivery of the Taxable Goods and/or before the delivery of the Taxable Services;
  - at the time of receipt of term payment in the event that part of the work stages is delivered; or
  - other times regulated by or based on Regulation of the Minister of Finance.
- (2) Exempted from the provision as referred to in paragraph (1), Taxable Businesses may draw up 1 (one) Tax Invoice covering all deliveries made to the same buyer of the Taxable Goods or the same recipient of the Taxable Services for 1 (one) calendar month.



- (2a) Tax Invoice as referred to in paragraph (2) must be made by no later than the end of the delivery month.
- (3) Has been removed.
- (4) Has been removed.
- (5) The Tax Invoice shall include information on the delivery of Taxable Goods and/or delivery of Taxable Services, which at least contains:
  - a. name, address and Taxpayer Registration Number of those who delivers the Taxable Goods or Taxable Services;
  - b. identity of buyer of the Taxable Goods or recipient of the Taxable Service that consists of:
    - 1. name, address, and Taxpayer Registration Number or national identification number (nomor induk kependudukan) or passport number for an individual foreign tax subject; or
    - 2. name and address, in the event that the buyer of the Taxable Goods or the recipient of the Taxable Services is a corporate foreign tax subject or not a tax subject as referred to in Article 3 of the Law on Income Tax;
  - c. types of goods or services, total of Selling Price or Compensation, and discounts;
  - d. collected Value-Added Tax;
  - e. collected Luxury Goods Sales Tax;
  - f. code, serial number, and creation date of Tax Invoice; and
  - g. name and signature of the party entitled to sign the Tax Invoice.
- (5a) A retail merchant Taxable Businesses can draw up a Tax Invoice without enclosing information regarding the buyer's identity as well as name and signature of the seller in delivering Taxable Goods and/or Taxable Services to buyers with end consumer characteristics which are further regulated by Regulation of the Minister of Finance.
- (6) The Director-General may determine certain documents whose position is equivalent to a Tax Invoice.
- (7) Has been removed.
- (8) Further provisions regarding the procedures for drawing up a Tax Invoice and the procedure for correcting or replacing a Tax Invoice shall be regulated by or based on Regulation of the Minister of Finance.
- (9) Tax Invoice must meet the formal and material requirements.

### Article 113

Several provisions under Law Number 6 of 1983 on General Taxation Provisions and Procedures (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262) as amended several times, most recently by Law Number 16 of 2009 on the Enactment of Regulation of the Government in Lieu of Law Number 5 of 2008 on the Fourth Amendment to Law Number 6 of 1983 on General Taxation Provisions and Procedures into Law (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999) have been amended as follows:

- 1. Provisions of Article 8 have been amended, therefore read as follows:

### Article 8

- (1) Taxpayer on their own accord may correct Tax Return that has been submitted by submitting a written statement on condition that the Director-General of Taxes has not conducted the audit.

- (1a) In the event that the correction of Tax Return as referred to in paragraph (1) declares loss or overpayment, the correction of Tax Return shall be submitted by no later than 2 (two) years before the assessment expires.
- (2) In the event that Taxpayers corrects the Annual Tax Return themselves which results in a bigger tax debt, upon them shall be imposed administrative sanction in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance for the amount of underpaid taxes, calculated from the end of the Tax Return submission to the date of payment, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (2a) In the event that Taxpayer corrects the Periodic Tax Return themselves which results in a bigger tax debt, upon them shall be imposed administrative sanction in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance for the amount of underpaid taxes, calculated from the due date of the payment to the date of payment, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (2b) Monthly interest tariff determined by the Minister of Finance as referred to in paragraph (2) and (2a) shall be calculated based on the reference interest rate plus 5% (five percent) and divided by 12 (twelve) which shall be applicable from the start of the calculation of sanction.
- (3) Even though the preliminary evidence audit has been taken, Taxpayers on their own accord may disclose, with a written statement, the wrongfulness of their action, namely:
  - a. failure to submit Tax Return; or
  - b. submit a Tax Return with incorrect or incomplete contents, or enclose information containing incorrect contentsas referred to in Article 38 or Article 39 paragraph (1) letter c and letter d as long as the start of investigation has not been notified yet to the Public Prosecutor through Indonesian National Police officials investigator.
- (3a) Disclosure of wrongful actions as referred to in paragraph (3) shall be followed by the settlement of the underpayment of the amount of tax which are actually payable along with an administrative sanction in the form of fines amounting to 100% (one hundred percent) of the amount of underpaid tax.
- (4) Even though the Director-General of Taxes has conducted the audit, on condition that the Director-General of Taxes has not issued the tax assessment letter yet, Taxpayer on their own accord may disclose, in a separate report, the incorrect filling of Tax Return that has been submitted in accordance with the actual condition, which may result in:
  - a. taxes that still have to be paid become higher or lower;
  - b. losses based on tax provisions become higher or lower;
  - c. amount of assets become higher or lower; or
  - d. amount of capital become higher or lower;and the audit shall continue.
- (5) Underpaid tax that arises as a result of the disclosure of incorrect filling of Tax Return as referred to in paragraph (4) shall be settled by Taxpayer before the separate report is submitted along with the administrative sanction in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance from the underpaid tax, which shall be calculated from:
  - a. the end of the submission of Tax Return deadline to the date of payment, for the disclosure of incorrect filling of Annual Tax Return;
  - b. the end of the payment due date to the date of the payment, for the disclosure of incorrect filling of Periodic Tax Return;

and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.

- (5a) Monthly interest tariff determined by the Minister of Finance as referred to in paragraph (5) shall be calculated based on the reference interest rate plus 10% (ten percent) and divided by 12 (twelve) which shall be applicable from the start of the calculation of sanction.
- (6) Taxpayers may correct Annual Tax Return that has been submitted, in the event that Taxpayer receives tax assessment letter, Objection Decision Letter, Correction Decision Letter, Appeal Decision, or Case Review Decision of the previous Tax Year or several previous Tax Years, which states different fiscal losses with the fiscal losses that have been compensated in said Annual Tax Return that will be corrected, in 3 (three) months after tax assessment letter, Objection Decision Letter, Correction Decision Letter, Appeal Decision, or Case Review Decision is received on condition that the Director-General of Taxes has not conducted the audit.

2. Provisions of Article 9 have been amended, therefore read as follows:

**Article 9**

- (1) The Minister of Finance shall determine the due date of payment and deposit of payable taxes for a certain time or Tax Period for each type of tax by no later than 15 (fifteen) days after the tax becomes payable or the end of the Tax Period.
- (2) Underpayment of payable tax based on Income Tax Annual Tax Return shall be settled before the submission of Income Tax Return.
- (2a) Tax payment or deposit as referred to in paragraph (1), which are made after the due date of the tax payment and deposit, shall be subject to administrative sanction in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance calculated from the due date of the payment until the date of the payment, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (2b) For the tax payment or deposit as referred to in paragraph (2) made after the due date of Annual Tax Return submission, shall be subject to administrative sanction in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance calculated from the end of the Tax Return submission until the date of payment, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (2c) Monthly interest tariff determined by the Minister of Finance as referred to in paragraph (2a) and paragraph (2b) shall be calculated based on the reference interest rate plus 5% (five percent) and divided by 12 (twelve) which shall be applicable from the start of the calculation of sanction.
- (3) Tax Bill, Underpaid Tax Assessment Letter, as well as Additional Underpaid Tax Assessment Letter, Objection Decision Letter, Correction Decision Letter, Appeal Decision, as well as Case Review Decision, which results in the increase of taxes to be paid, shall be settled in 1 (one) month after the date of the issuance.
- (3a) For small-scale business Taxpayer and Taxpayer in certain areas, the period for the settlement as referred to in paragraph (3) may be extended for a maximum of 2 (two) months in which the provisions are regulated by or based on Regulation of the Minister of Finance.
- (4) The Director-General of Taxes on the request of Taxpayer may grant approval to pay in installments or postpone tax payment including the underpayment as referred to in paragraph (2) in which the implementation are regulated by or based on Regulation of the Minister of Finance.

3. Provisions of Article 11 have been amended, therefore read as follows:

**Article 11**

- (1) At the request of the Taxpayer, overpayment of tax as referred to in Article 17, Article 17B, Article 17C, or Article 17D shall be refunded on condition that if it turns out that the Taxpayer has a tax debt, it is immediately calculated to pay off the tax debt in advance.
- (1a) Overpayment of tax due to Objection Decision Letter, Correction Decision Letter, Administrative Sanction Deduction Decision Letter, Administrative Sanction Exemption Decision Letter, Tax Assessment Deduction Decision Letter, and Appeal Decision, or Case Review Decision, as well as Interest Reward Awarding Decision Letter shall be refunded to Taxpayer provided that if it turns out that the Taxpayer has a tax debt, it is immediately calculated to pay off the tax debt in advance.
- (2) The refund of tax overpayment as referred to in paragraph (1) and paragraph (1a) shall be conducted by no later than 1 (one) month after the tax overpayment refund application is received in regards to the issuance of Overpaid Tax Assessment Letter as referred to in Article 17 paragraph (1), or since the issuance of Overpaid Tax Assessment Letter as referred to in Article 17 paragraph (2) and Article 17B, or since the issuance of Advance Tax Overpayment Refund Decision Letter as referred to in Article 17C or Article 17D, or since the issuance of Objection Decision Letter, Correction Decision Letter, Administrative Sanction Deduction Decision Letter, Administrative Sanction Exemption Decision Letter, Tax Assessment Deduction Decision Letter, Tax Assessment Deduction Decision Letter, Tax Assessment Cancellation Decision Letter, or Interest Reward Awarding Decision Letter, or since the receipt of Appeal Decision or Case Review Decision which cause tax overpayment.
- (3) If the refund of tax overpayment is conducted after a period of 1 (one) month, the Government shall grant an interest reward amounting to monthly interest tariff determined by the Minister of Finance for the late refund of tax overpayment calculated from the end of the Tax Overpayment Refund Decision Letter deadline until the refund of overpayment and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (3a) The monthly interest tariff determined by the Minister of Finance as referred to in paragraph (3) shall be calculated based on the reference interest rate and divided by 12 (twelve) which shall be applicable from the start of the calculation of interest reward.
- (4) Procedures for the calculation and refund of tax overpayment shall be regulated in or based on Regulation of the Minister of Finance.

4. Provisions of Article 13 have been amended, therefore read as follows:

#### **Article 13**

- (1) Within a period of 5 (five) years after the tax becomes payable or the end of the Tax Period, part of Tax Year, or Tax Year, the Director-General of Taxes may issue Underpaid Tax Assessment Letter under the following circumstances:
  - a. if based on audit result, the tax payable is not paid or underpaid;
  - b. if the Tax Return is not submitted within the period as referred to in Article 3 paragraph (3) and after reprimanded in writing is still not submitted on time as determined in the Reprimand Letter;
  - c. if based on audit result on Value-Added Tax and Luxury Goods Sales Tax the excess of tax difference should have not been compensated or should have not been subject to 0% (zero percent) tariff;
  - d. if the obligation as referred to in Article 28 or Article 29 is not fulfilled so the amount of tax payable is unknown;
  - e. if the Taxpayer is issued Tax Identification Number and/or established as Taxable Businesses ex officio as referred to in Article 2 paragraph (4a); or
  - f. Taxable Businesses do not deliver Taxable Goods and/or Taxable Services and/or export of Taxable Goods and/or Taxable Services and have been given a refund of Input VAT or

have credited Input VAT as referred to in Article 9 paragraph (6e) of the 1984 Value-Added Tax Law and its amendments.

- (2) The amount of underpaid payable tax in the Underpaid Tax Assessment Letter as referred to in paragraph (1) letter a and letter e shall be added with administrative sanction in the form of interest amounting to monthly interest tariff determined by the Minister of Finance which shall be calculated from the date the tax becomes payable or the end of Tax Period, part of Tax Year, or Tax Year until the issuance of Underpaid Tax Assessment Letter, and shall be imposed for a maximum of 24 (twenty four) months, and part of month shall be counted as 1 (one) full month.
- (2a) The Amount of underpaid payable tax in the Underpaid Tax Assessment Letter as referred to in paragraph (1) letter f shall be added with administrative sanction in the form of interest amounting to monthly interest tariff determined by the Minister of Finance which shall be calculated from the end of the due date for repayment until the date the Underpaid Tax Assessment Letter is issued, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (2b) The monthly interest tariff determined by the Minister of Finance as referred to in paragraph (2) and paragraph (2a) shall be calculated based on the reference interest rate plus 15% (fifteen percent) and divided by 12 (twelve) which shall be applicable from the start of the calculation of interest reward.
- (3) The amount of tax in the Underpaid Tax Assessment Letter as referred to in paragraph (1) letter b, letter c, and letter d shall be added with administrative sanction in the form of increase of:
  - a. 50% (fifty percent) of Income Tax that is not paid or underpaid in one Tax Year;
  - b. 100% (one hundred percent) of Income Tax that is not or is under-withheld, not collected or under-collected, not paid or underpaid, and withheld or collected but not or under-paid; or
  - c. 100% (one hundred percent) of Value-Added Tax and Luxury Goods Sales Tax that is not paid or underpaid.
- (3a) In the event that there are imposition of administrative sanction in the form of interest and increase bases on the audit result of Value-Added Tax and Luxury Goods Sales Tax as referred to in paragraph (1) letter a and letter c, only one type of administrative sanction with the highest value of sanction is implemented.
- (4) Toward the amount of tax payable notified to Taxpayer in Tax Return shall become certain in accordance with the provisions of the laws and regulations if within 5 (five) years as referred to in paragraph (1), after the tax becomes payable or the end of Tax Period, part of Tax Year, or Tax Year, a tax assessment letter shall not be issued, except if Taxpayer committed criminal act in the taxation sector in the Tax Period, part of Tax Year, or Tax Year in question.
- (5) Has been removed.
- (6) Procedures for the issuance of Underpaid Tax Assessment Letter as referred to in paragraph (1) shall be regulated in or based on Regulation of the Minister of Finance.

5. Article 13A has been removed.

6. Provisions of Article 14 have been amended, therefore read as follows:

#### **Article 14**

- (1) Director-General of Taxes may issue Tax Bill if:
  - a. Income Tax in the current year is not paid or underpaid;
  - b. from the result of research there is tax underpayment due to miswriting and/or miscalculation;



- c. Taxpayers are subject to administrative sanctions in the form of fines and/or interest;
  - d. businesses that have been established as Taxable Businesses, but does not prepare tax invoice or late in preparing tax invoice;
  - e. businesses that have been established as Taxable Businesses that do not completely fill the Tax Invoice as referred to in Article 13 paragraph (5) and paragraph (6) of the 1984 Value-Added Tax Law and its amendments, other than the identity of buyer of Taxable Goods or recipient of Taxable Services as well as the name and signature as referred to in Article 13 paragraph (5) letter b and letter g of the 1984 Value-Added Tax Law and its amendments in the event that the submission is conducted by retailer Taxable Businesses;
  - f. has been removed;
  - g. has been removed; or
  - h. there is an interest reward which are not supposed to be granted to Taxpayer, in the event of:
    - 1. the issue of a decree;
    - 2. the receipt of a decision; or
    - 3. the finding of data or information
 indicating there is an interest reward which are not supposed to be granted to Taxpayer.
- (2) Tax Bill as referred to in paragraph (1) has the same legal force as tax assessment letter.
- (3) The amount of payable tax underpayment in the Tax Bill as referred to in paragraph (1) letter a and letter b shall be added with administrative sanction in the form of interest amounting to monthly interest tariff determined by the Minister of Finance which shall be calculated from the date the tax becomes payable or the end of Tax Period, part of Tax Year, or Tax Year until the issuance of Tax Bill, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (4) Toward businesses or Taxable Businesses as referred to in paragraph (1) letter d and letter e, other than paying payable tax, shall each be subject to administrative sanction in the form of fines amounting to 1% (one percent) of the Tax Basis.
- (5) Has been removed.
- (5a) Monthly interest tariff determined by the Minister of Finance as referred to in paragraph (3) shall be calculated based on the reference interest rate plus 5% (five percent) and divided by 12 (twelve) which shall be applicable from the start of the calculation of sanction.
- (5b) Tax Bill shall be issued by no later than 5 (five) years after the date the tax becomes payable or the end of Tax Period, part of Tax Year, or Tax Year.
- (5c) The following shall be exempted from provisions on the deadline of the issuance as referred to in paragraph (5b):
- a. Tax Bill for the administrative sanction as referred to in Article 19 paragraph (1) shall be issued by no later than in accordance with the expiry of billing of Underpaid Tax Assessment Letter, and Correction Decision Letter, Objection Decision Letter, Appeal Decision, or Case Review Decision which result in the increase of the tax that should be paid;
  - b. Tax Bill for the administrative sanction as referred to in Article 25 paragraph (9) may be issued by no later than 5 (five) years after the issuance of Objection Decision Letter if Taxpayer does not file for an appeal; and
  - c. Tax Bill for the administrative sanction as referred to in Article 27 paragraph (5d) may be issued by no later than 5 (five) years after the Appeal Decision is read by Tax Court judge in an open-to-public trial.

- (6) Procedures for the issuance of Tax Bill shall be regulated in or based on Regulation of the Minister of Finance.

7. Provisions of Article 15 have been amended, therefore read as follows:

#### **Article 15**

- (1) The Director-General of Taxes may issue an Additional Underpaid Tax Assessment Letter within a period of 5 (five) years after the time the tax becomes payable or the end of the Tax Period, Part of Tax Year, or Tax Year if new data is found which results in an increase in the amount of tax payable after an audit is conducted in the framework of issuing Additional Underpaid Tax Assessment Letter.
- (2) The amount of payable tax underpayment in the Additional Underpaid Tax Assessment Letter shall be added with administrative sanction in the form of increase amounting to 100% (one hundred percent) of said tax underpayment.
- (3) Increase as referred to in paragraph (2) shall not be imposed if the Additional Underpaid Tax Assessment Letter is issued based on written statement from Taxpayer on their own accord, on condition that the Director-General of Taxes has not conduct audit for the issuance of Additional Underpaid Tax Assessment Letter.
- (4) Has been removed.
- (5) Procedures for the issuance of Additional Underpaid Tax Assessment Letter as referred to in paragraph (2) shall be regulated in or based on Regulation of the Minister of Finance.

8. Provisions of Article 17B have been amended, therefore Article 17B reads as follows:

#### **Article 17B**

- (1) Director-General of Taxes after examining the tax overpayment refund application, other than the overpayment refund application from Taxpayer as referred to in Article 17C and Taxpayer as referred to in Article 17D, shall issue a tax assessment letter by no later than 12 (twelve) months since the application letter is duly received.
- (1a) Provision as referred to in paragraph (1) is not applicable for Taxpayer who is undergoing preliminary evidence examination for criminal act in the taxation sector in which the provisions are regulated in or based on Regulation of the Minister of Finance.
- (2) If after the deadline as referred to in paragraph (1) has been exceed the Director-General of Taxes does not issue a Decision Letter, the tax overpayment refund application shall be deemed approved and Overpaid Tax Assessment Letter shall be issued by no later than 1 (one) month after the end of said deadline.
- (3) In case of late issuance of Overpaid Tax Assessment Letter as referred in paragraph (2), Taxpayer shall be awarded with interest rewards amounting to the monthly interest tariff determined by the Minister of Finance calculated from the end of the deadline as referred to in paragraph (2) until the issuance of Overpaid Tax Assessment Letter.
- (4) If the preliminary evidence examination for criminal act in the taxation sector as referred to in paragraph (1a):
  - a. is not followed by investigation;
  - b. followed by investigation, but is not followed by prosecution of criminal act in the taxation sector; or
  - c. followed by investigation and prosecution of criminal act in the taxation sector, but is ruled out or acquitted from all legal prosecution based on court decision that already have permanent legal force



and in the event that Taxpayer is issued Overpaid Tax Assessment Letter, said Taxpayer should be awarded with interest rewards amounting to the monthly interest tariff determined by the Minister of Finance calculated from the end of the 12 (twelve) months period as referred to in paragraph (1) until the issuance of Overpaid Tax Assessment Letter.

- (5) Interest reward as referred to in paragraph (4) shall not be granted in the event that the preliminary evidence examination for criminal act in the taxation sector:
  - a. is not followed by investigation due to Taxpayer on their own accord disclose the wrongfulness of their action as referred to in Article 8 paragraph (3); or
  - b. followed by investigation, but is not followed by the prosecution of criminal act in the taxation sector due to the termination of prosecution of criminal act in the taxation sector as referred to in Article 44B.
- (6) Interest reward as referred to in paragraph (3) and paragraph (4) shall be awarded for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (7) The monthly interest tariff determined by the Minister of Finance as referred to in paragraph (3) and paragraph (4) shall be calculated based on the reference interest rate and divided by 12 (twelve) which shall be applicable from the start of the calculation of interest reward.

9. Provisions of Article 19 have been amended, therefore read as follows:

#### **Article 19**

- (1) If the Tax Underpayment Tax Assessment or Additional Tax Underpayment Tax Assessment, as well as Correction Decision Letter, Objection Decision Letter, Appeal Decision, or Case Review Decision, which result in the increase of the tax that should be paid, on the date the settlement is due is not paid or underpaid, said amount of tax that is not paid or underpaid shall be subject to an administrative sanction in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance for the entire period, calculated from the due date until the date of the payment or the issuance of Tax Bill, and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (2) In the event that Taxpayer is allowed to pay in installment or postpone the payment of tax, an administrative sanction shall also be imposed in the form of interest amounting to the monthly interest tariff determined by the Minister of Finance from the amount of unpaid tax and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (3) In the event that Taxpayer is allowed to postpone the submission of Annual Tax Return and the temporary calculation of payable tax as referred to in Article 3 paragraph (5) is less than the actual amount of payable tax over said tax underpayment, Taxpayer shall be subject to interest amounting to the monthly interest tariff determined by the Minister of Finance which is calculated from the end of the Annual Tax Return submission deadline as referred to in Article 3 paragraph (3) letter b and letter c until the payment of said underpayment and shall be imposed for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (4) The monthly interest tariff determined by the Minister of Finance as referred to in paragraph (1), paragraph (2) and paragraph (3) shall be calculated based on the reference interest rate and divided by 12 (twelve) which shall be applicable from the start of the calculation of sanction.

10. Article 27A has been removed.

11. Between Article 27A and Article 28 is inserted 1 (one) article, namely Article 27B which reads as follows:

**Article 27B**

- (1) Taxpayer shall be awarded with interest reward in the event that the objection filing, appeal filing, or case review application is granted partly or entirely which results in tax overpayment.
- (2) Interest reward as referred to in paragraph (1) shall be awarded for the tax overpayment at a maximum of the amount of the overpayment approved by Taxpayer in the final discussion of the result of Tax Return auditing which states the overpayment issued in:
  - a. Underpaid Tax Assessment Letter;
  - b. Additional Underpaid Tax Assessment Letter;
  - c. Overpaid Tax Assessment Letter; or
  - d. Nil Tax Assessment.
- (3) Taxpayer shall be awarded with interest rewards in the event that the correction application, deduction or cancellation application for tax assessment letter, or deduction or cancellation application for Tax Bill is granted partly or entirely which results in tax overpayment.
- (4) Interest reward as referred to in paragraph (1) and paragraph (3) shall be awarded:
  - a. based on the monthly interest tariff determined by the Minister of Finance based on the reference interest rate and divided by 12 (twelve); and
  - b. for a maximum of 24 (twenty-four) months, and part of month shall be counted as 1 (one) full month.
- (5) The monthly interest tariff as referred to in paragraph (4) used as basis for the calculation or interest reward is the monthly interest tariff applicable from the start of the calculation of interest.
- (6) Interest reward as referred to in paragraph (1) shall be calculated from the date of the issuance of Underpaid Tax Assessment Letter, Additional Underpaid Tax Assessment Letter, Overpaid Tax Assessment Letter, or Nil Tax Assessment until the issuance of the Objection Decision Letter, Appeal Decision and Case Review Decision.
- (7) Interest reward as referred to in paragraph (3) shall be calculated:
  - a. from the payment of the Underpaid Tax Assessment Letter or Additional Underpaid Tax Assessment until the date of the issuance of Correction Decision Letter, deduction Decision Letter, or tax assessment cancellation letter;
  - b. from the issuance of Overpaid Tax Assessment Letter or Nil Tax Assessment until the date of the issuance of Correction Decision Letter, deduction Decision Letter, or tax assessment cancellation letter; or
  - c. from the payment of Tax Bill until the date of the issuance of Correction Decision Letter, deduction Decision Letter, or tax assessment cancellation letter.
- (8) Further provisions regarding procedures for the awarding of interest reward shall be regulated in or based on the Regulation of the Minister of Finance.

12. of Article 38 has been amended, therefore reads as follows:

**Article 38**

Any person which due to their negligence:

- a. failed to submit Tax Return; or
- b. submitted Tax Return, but the content is incorrect or incomplete, or enclose incorrect information which results in losses to state income shall be fined at least 1 (one) time of the amount of payable tax that is not paid or underpaid and a maximum of 2 (two) times of the amount of payable tax that is not paid or underpaid, or sentenced to imprisonment for at least 3 (three) months or a maximum of 1 (one)

year.

13. Provisions of Article 44B have been amended and therefore Article 44B reads as follows:

**Article 44B**

- (1) For the interest of state revenue, at the request of the Minister of Finance, the Attorney General may terminate the investigation of the criminal act in the taxation sector in a maximum period of 6 (six) months from the date of the request letter.
- (2) Termination of investigation of the criminal act in the taxation sector as referred to in paragraph (1) are only conducted after Taxpayer settle the tax debt that is not paid or underpaid or which is not supposed to be refunded, added with an administrative sanction in the form of fines amounting to 3 (three) times of the amount of tax that is not paid or underpaid, or that is not supposed to be refunded.
- (3) Further provisions regarding the request for termination of investigation of the criminal act in the taxation sector as referred to in paragraph (1) shall be regulated in or based on Regulation of the Minister of Finance.

**Article 114**

Several provisions under Law Number 28 of 2009 on Regional Taxes and Regional Levies (State Gazette of the Republic of Indonesia of 2009 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 5049) have been amended as follows:

1. Provisions of Article 141 have been amended, therefore read as follows:

**Article 141**

Certain types of licensing levies include:

- a. Levy for Business Licensing related to building approval, from this point onwards is referred to as Building Approval Levy;
  - b. Levy for Business Licensing related to the place of selling alcoholic beverages, from this point onward referred to as Levy for Permit for the Place of Selling Alcoholic Beverages;
  - c. Business Licensing Levy related to routes, from this point onward referred to as Route Permit Levy; and
  - d. Fishery related business licensing levies, from this point onward referred to as Fishery Business Permit Levies.
2. Article 144 has been removed.
3. Between Chapter VI and Chapter VII is inserted 1 (one) Chapter, namely Chapter VIIA, as follows:

**CHAPTER VIIA**

**NATIONAL FISCAL POLICY RELATED TO TAXES AND LEVIES"**

4. Between Article 156 and Article 157 is inserted 2 (two) articles, namely Article 156A and 156B, therefore they reads as follows:

**Article 156A**

- (1) In the framework of implementing national fiscal policies and to support the ease of investment policy as well as the growth of industries and/or businesses that are highly competitive and

provide fair regulation and protection, the Government in accordance with the national priority program can make adjustments to the Tax and Levy policies set by Regional governments.

- (2) The national fiscal policy relating to taxes and levies as referred to in paragraph (1) is in the form of:
  - a. can change the tax tariff and levy tariff by determining the tax tariff and levy tariffs that apply nationally; and
  - b. monitoring and evaluation of Regional Regulations regarding Taxes and Levies that hinder the investment ecosystem and ease of doing business.
- (3) The determination of tax tariff that applies nationally as referred to in paragraph (2) letter a includes the tariff for types of Provincial Tax and types of Regency/city Tax as stipulated in Article 2.
- (4) The determination of Levy tariff that applies nationally as referred to in paragraph (2) letter a includes the objects of Levy as referred to in Article 108.
- (5) Provisions regarding the procedures for determining tax tariffs and levy tariffs that apply nationally as referred to in paragraph (1) shall be further regulated under a Regulation of the Government.

#### **Article 156B**

- (1) In supporting the policy of ease of investment, governors/regents/mayors can provide fiscal incentives to business actors in their regions.
- (2) Fiscal incentives as referred to in paragraph (1) are in the form of reduction, relief, and exemption, or elimination of tax principal and/or sanctions.
- (3) Fiscal incentives as referred to in paragraph (2) can be given at the request of a taxpayer or given in an ex officio manner by the head of region based on rational considerations.
- (4) The granting of fiscal incentives as referred to in paragraph (2) shall be notified to DPRD (Regional House of Representatives) by enclosing the head of region's considerations in granting said fiscal incentives.
- (5) The granting of fiscal incentives as referred to in paragraph (2) shall be stipulated by the Regulation of the Head of Region.

5. Between Article 157 paragraph (5) and paragraph (6) is inserted 1 (one) paragraph, namely paragraph (5a), therefore it reads as follows:

#### **Article 157**

- (1) The draft provincial regulations on taxes and levies that have been mutually approved by the governor and the provincial DPRD before being stipulated shall be submitted to the Minister of Interior Affairs and the Minister of Finance by no later than 3 (three) business days from the date of said approval.
- (2) The Draft Regency/City Regulations on Taxes and Levies that have been mutually approved by the regents/mayors and the Regency/City DPRD before being stipulated are submitted to the governor, the Minister of Interior Affairs and the Minister of Finance by no later than 3 (three) business days from the date of the said approval.
- (3) The Minister of the Interior Affairs shall evaluate the Draft Regional Regulation as referred to in paragraph (1) to assess the conformity of the Draft Regional Regulation in accordance with the provisions of this Law, the public interest, and/or other higher laws and regulations.
- (4) The Governor shall evaluate the Draft Regional Regulation as referred to in paragraph (2) to assess the conformity of the Draft Regional Regulation in accordance with the provisions of this

Law, the public interest, and/or other higher laws and regulations.

- (5) The Minister of Interior Affairs and the governor in conducting the evaluation as referred to in paragraph (3) and paragraph (4) shall coordinate with the Minister of Finance.
- (5a) In the implementation of the coordination as referred to in paragraph (5), the Minister of Finance shall evaluate in terms of national fiscal policy.
- (6) The results of the evaluation which have been coordinated with the Minister of Finance as referred to in paragraph (5) may be in the form of approval or rejection.
- (7) The results of the evaluation as referred to in paragraph (7) shall be submitted by the Minister of Interior Affairs to the governor for the Draft Provincial Regulation and by the Governor to the Regent/Mayor for the Draft Regency/City Regulation by no later than 15 (fifteen) business days from receipt of Draft Regional Regulation concerned with a copy sent to the Minister of Finance.
- (8) The evaluation result in the form of rejection as referred to in paragraph (7) shall be submitted along with the reasons for rejection.
- (9) In the event that the evaluation results are in the form of approval as referred to in paragraph (7), the said Draft Regional Regulation can be immediately stipulated.
- (10) In the event that the evaluation result is in the form of rejection as referred to in paragraph (7), the said Draft Regional Regulation can be revised by the governor, regent/mayor together with the DPRD concerned, to then be submitted again to the Minister of Interior Affairs and the Minister of Finance for the Draft Provincial Regulation and to the governor and the Minister of Finance for the Draft Regency/City Regulation.

6. Provisions of Article 158 have been amended, therefore read as follows:

#### **Article 158**

- (1) Regional Regulations that have been stipulated by the governor/regent/mayor are submitted to the Minister of Interior Affairs and the Minister of Finance by no later than 7 (seven) business days after being stipulated to undergo an evaluation.
- (2) The Minister of Interior Affairs and the Minister of Finance shall evaluate the Provincial/Regency/City Regional Regulations on Taxes and Levies that have come into force to examine the conformity between the Regional Regulation concerned and the public interest as well as between the provisions of the higher laws and regulations and the national fiscal policy.
- (3) In the event that based on the evaluation as referred to in paragraph (1) and paragraph (2), the Regional Regulation is contrary to public interest, higher laws and regulations, and/or national fiscal policy, the Minister of Finance recommends to amend the Regional Regulation concerned to the Minister of Internal Affairs.
- (4) The submission of recommendation to amend the Regional Regulation by the Minister of finance to the Minister of Interior Affairs as referred to in paragraph (3) shall be made by no later than 20 (twenty) working days from the date of receipt of the Regional Regulation as referred to in paragraph (1).
- (5) Based on recommendations to amend regional regulations submitted by the Minister of Finance, the Minister of Interior Affairs instructs the governor/regent/mayor to amend the regional regulation within 15 (fifteen) business days.
- (6) If within 15 (fifteen) business days, the governor/regent/mayor does not make amendment to the regional regulation, the Minister of Interior Affairs submits a recommendation to impose sanctions to the Minister of Finance.

7. Provisions of Article 159 have been amended, therefore read as follows:

#### **Article 159**

- (1) Violation of the provisions as referred to in Article 157 paragraph (1) and paragraph (2), as well as Article 158 paragraph (5) by a Region shall be subject to sanctions in the form of suspension or deduction of the General Allocation Fund and/or Profit Sharing Fund.
- (2) The imposition of sanction by Minister of Finance shall be implemented in accordance with the provisions of laws and regulations.

8. Between Article 159 and Article 160 is inserted 1 (one) Article, namely Article 159A, therefore it reads as follows:

#### **Article 159A**

Further provisions regarding the procedures for:

- a. evaluating the Draft Regional Regulation regarding Regional Taxes and Regional Levies as referred to in Article 157;
- b. supervising the implementation of Regional Regulations regarding Regional Taxes and Regional Levies and the implementing regulations as referred to in Article 158; and
- c. Imposing sanctions as referred to in Article 159

are regulated under the Regulation of the Government

### **Division Eight**

#### **Import of Fishery Commodities and Salt Commodities**

#### **Article 115**

Several provisions under Law Number 7 of 2016 on the Protection and Empowerment of Fishermen, Fish Farmers and Salt Farmers (State Gazette of the Republic of Indonesia of 2016 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 5870) have been amended as follows:

1. Provisions of Article 1 Number 4 have been amended, therefore Article 1 reads as follows:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Protection of fishermen, fish farmers and salt farmers all efforts to assist fishermen, fish farmers and salt farmers in dealing with problems of difficulty in conducting fishery business or salt business.
2. Empowerment of fishermen, fish farmers and salt farmers is all efforts to improve the ability of fishermen, fish farmers and salt farmers to carry out fishery business or salt business better.
3. Fisherman is every person whose livelihood is catching fish.
4. Small-scale fishermen are people whose livelihoods are catching fish to meet their daily needs, either using fishing vessels or not using fishing vessels.
5. Traditional fishermen are fishermen who catch fish in waters which are traditional fishery rights that have been used from generation to generation in accordance with local culture and wisdom.
6. Labor Fishermen are Fishermen who provide their labor to participate in Fishing business.
7. Owner fishermen are fishermen who own fishing vessels that are used in fishing business and actively catch fish.
8. Fishing is an activity to obtain fish in waters that are not cultivated by means of tools and methods that prioritize the principles of sustainability and preservation, including activities using ships to load, transport, store, cool, handle, process and/or preserve them.



9. Fish Farmer is every person whose livelihood is cultivating freshwater fish, brackish water fish and sea water fish.
10. Small-scale fish farmers are fish farmers who carry out fish farming to fulfill their daily needs.
11. Farming area cultivators are fish farmers who provide their labor in fish farming.
12. Farming area owners are fish farmers who have rights or permits over a land and are actively engaged in fish farming activities.
13. Fish Farming is an activity to maintain, raise and/or breed fish and harvest the results in a controlled environment, including activities that use ships to load, transport, store, cool, handle, process and/or preserve them.
14. Salt farmer is every person who carries out salt business activities.
15. Small-scale salt farmers are salt farmers who carries out salt business on their own land with a maximum area of 5 (five) hectares and salt boilers.
16. Salt Farm Cultivators are salt farmers who provides their labor in the salt business.
17. Salt farm owner is a salt farmer who has rights to the land used for salt production and is actively engaged in salt business.
18. Fish are all types of organisms whose all or party of their life cycle are in the aquatic environment.
19. Salt is a chemical compound whose main component is sodium chloride and can contain other elements, such as magnesium, calcium, iron, and potassium with or without iodine additives.
20. Fishery is all activities related to the management and utilization of fish resources and their environment starting from pre-production, production, post-production, and processing to marketing which are carried out in a fishery business system.
21. Salt is all matters related to pre-production, production, post-production, processing, and marketing of salt.
22. Fishery business is an activity carried out with a fishery business system which includes pre-production, production, post-production, processing, and marketing.
23. Salt business is an activity carried out with a salt business system which includes pre-production, production, post-production, processing, and marketing.
24. Fishery Commodities are products from fishery businesses that can be traded, stored and/or exchanged.
25. Salting commodity is the result of salting business which can be traded, stored and/or exchanged.
26. Every person is an individual or a corporation, both incorporated and unincorporated.
27. Business Actor is an individual or corporation that operates fishery production infrastructure and/or facilities, salt production infrastructure and/or facilities, processing and marketing of fishery products, as well as salt production which is domiciled in the jurisdiction of the Republic of Indonesia.
28. Institutional is an institution that is developed from, by, and for fishermen, fish farmers or salt farmers or based on local culture and wisdom.
29. Fishery Insurance is an agreement between a fisherman or fish farmer and an insurance company to bind themselves in the coverage of fishing or fish farming risks.
30. Salt insurance is an agreement between a salt farmer and an insurance company to bind themselves in the coverage of salt business risks.
31. Guarantee is the activity of providing guarantees by a guarantee company for the fulfillment of the financial obligations of fishermen, fish farmers and salt farmers to financing companies and



banks.

32. Central Government is the President of the Republic of Indonesia who holds the governmental power of the Republic of Indonesia, assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
33. Regional Government is the head of the region as an element of regional administration that leads the implementation of government affairs which fall under the authority of the autonomous region.
34. The Minister is the minister in charge of government affairs in the field of maritime affairs and fisheries.

2. Provisions of Article 37 have been amended, therefore read as follows:

**Article 37**

- (1) The Central Government controls imports of fishery commodities and salt commodities.
- (2) Further provisions regarding the control of imports of fisheries and salt commodities as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

3. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) Every person is prohibited from importing fishery commodities and salt commodities that are not in accordance with the entry point, type, time of entry, and/or mandatory quality standards that are stipulated.
- (2) Further provisions regarding the entry point, type, time of entry, and/or quality standards as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

4. Between Article 38 and 39 is inserted 1 (one) article, namely Article 38A, therefore it reads as follows:

**Article 38A**

- (1) Every person who imports fishery commodities and salt commodities that are not in accordance with the entry point, type, time of entry, and/or mandatory quality standards stipulated by the government as referred to in Article 38 shall be subject to administrative sanctions in the form of:
  - a. temporary suspension of activities;
  - b. suspension of business license;
  - c. administrative fines;
  - d. government coercion; and/or
  - e. revocation of business licensing.
- (2) Further provisions on the criteria, types, amount of fines, and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Provision of Article 74 have been amended, therefore read as follows:

**Article 74**

Every person who imports fishery commodities and salt commodities that are not in accordance with

the entry point, type, time of entry, and/or mandatory quality standards stipulated by the government as referred to in Article 38 which results in casualties/damage to health, safety and/or the environment shall be sentenced with imprisonment for a maximum of 4 (four) years and/or a maximum fine of IDR6,000,000,000.00 (six billion rupiah)."

## **Division Nine**

### **Mandatory Company Registration**

#### **Article 116**

Law Number 3 of 1982 on Mandatory Company Registration (State Gazette of the Republic of Indonesia of 1982 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 3214) has been revoked and declared invalid.

## **Division Ten**

### **Village-Owned Enterprises**

#### **Article 117**

Several provisions under Law Number 6 of 2014 on Village (State Gazette of the Republic of Indonesia of 2014 Number 7, Supplement to the State Gazette of the Republic of Indonesia Number 5495) have been amended as follows:

1. Provision of Article 1 number 6 has been amended therefore Article 1 reads as follows:

#### **Article 1**

Under this Law, the following definitions are employed:

1. Village is villages and traditional village or called by other names, which further called as Village, is a legal community unit that has territorial boundaries which is authorized to regulate and administer government affairs, local community interests based on community initiatives, rights of origin, and/or traditional rights that are recognized and respected in the government system of the Republic of Indonesia.
2. Village Administration is an administration of government affairs and local community interests in the government system of the Republic of Indonesia.
3. Village Government is Village Head or called by other names, assisted by village apparatus as the elements of Village Government administrators.
4. Village Consultative Agency or called by other names is an agency that carries out government functions whose members are representative of the villagers based on regional representation and determined democratically.
5. Village Deliberations or called by other names is discussion between Village Consultative Agency, Village Government, and community elements organized by Village Consultative Agency to agree on strategic things.
6. Village Owned Enterprises, from this point onwards is referred to as BUM Village is a Legal Entity established by the village and/or along with villages to manage businesses, utilize assets, develop investment and productivity, provide services, and/or provide other types of business for the maximum welfare of the Village community.
7. Regulation of the Village is laws and regulations set by Village Head after it has been discussed and agreed along with Village Consultative Agency.

8. Village Development is an effort to improve life quality and life for the maximum welfare of the Village community.
9. Rural Area is an area that has the main agricultural activities, including the management of natural resources with an area function structure as a place for rural settlements, government services, social services, and economic activities.
10. Village Finance is all the rights and obligations of the Village which can be valued in money as well as everything in the form of money and goods related to the implementation of the rights and obligations of the Village.
11. Village Assets are items that belong to the Village originating from the original Village assets, purchased or obtained at the expense of the Village Income and Expenditure Budget or other legal right acquisition.
12. Village Community Empowerment is an effort to develop community independence and welfare by increasing knowledge, attitudes, skills, behavior, abilities, awareness, and utilizing resources through the establishment of policies, programs, activities, and assistance in accordance with the essence of problems and priority needs of the Village community.
13. Central Government, from this point onwards is referred to as Government, is the President of the Republic of Indonesia who holds the administrative power of the state of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
14. Regional Administration is the administration of governmental affairs by the Regional Government and Regional House of Representatives according to the principle of autonomy and co-administration task with the principle of the broadest possible autonomy within the system and the principle of the Unitary State of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia. Regional Government is the head of a region as an organizing element of the Regional Administration who leads the implementation of governmental affairs that fall under the authority of autonomous region.
15. Minister is the minister in charges of Village.”

2. Provisions of Article 87 have been amended, therefore reads as follows:

#### **Article 87**

- (1) Village may establish BUM Village.
- (2) BUM Village as referred to in paragraph (1) is managed with a spirit of kinship and mutual cooperation.
- (3) BUM Village may run a business in the field of economic and/or public services in accordance with the provisions of laws and regulations.
- (4) BUM Village as referred to in paragraph (1) may form a business unit with a legal entity in accordance with the needs and objectives.
- (5) Further provisions on BUM Village as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the Government.

### **Division Eleven**

#### **Prohibition of Monopolistic Practices and Unfair Business Competition**

#### **Article 118**

Several provisions under Law Number 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 3817) have been amended as follows:

1. Provisions of Article 44 have been amended, therefore read as follows:

**Article 44**

- (1) Within 30 (thirty) days after the businesses receives the notification of the Commission's decision as referred to in Article 43 paragraph (4), the businesses is obliged to implement the decision and submit a report on its implementation to the Commission.
- (2) Businesses may field an objection to the Commercial Court no later than 14 (fourteen) days after receiving Commission's decision.
- (3) Businesses who does not field an objection within the period as referred to in paragraph (2) deemed to have accepted the Commission's decision.
- (4) If the provisions as referred to in paragraph (1) and paragraph (2) are not executed by the businesses, the Commission submits the decision to the investigator to carry out an investigation in accordance with the provisions of the applicable laws and regulations.
- (5) Commission's decision as referred to in Article 43 paragraph (1) is the preliminary evidence which sufficient for investigators to carry out investigations."

2. Provisions of Article 45 have been amended, therefore read as follows:

**Article 45**

- (1) Commercial Court must examine the objection of the businesses as referred to in Article 44 paragraph (2) within 14 (fourteen) days after the objection is received.
- (2) Parties who object to the decision of the Commercial Court as referred to in paragraph (1) within 14 (fourteen) days can file an appeal to the Supreme Court of the Republic of Indonesia.
- (3) Provision on procedures of examination in Commercial Court and Supreme Court of the Republic of Indonesia shall be carried out in accordance with the provisions of laws and regulations."

3. Provisions of Article 47 have been amended, therefore reads as follows:

**Article 47**

- (1) Commission is authorized to impose sanctions in the form of administrative actions against businesses who violate the provisions of this Law.
- (2) Administrative actions as referred to in paragraph (1) may in the form of:
  - a. determination of the cancellation of the agreement as referred to in Article 4, Article 5, Article 6, Article 7, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 15, and Article 16;
  - b. orders to businesses to terminate the vertical integration as referred to in Article 14;
  - c. orders to businesses to terminate activities proven to have caused monopolistic practices, causing unfair business competition, and/or detrimental to the public as referred to in Article 17, Article 18, Article 19, Article 20, Article 21, Article 22, Article 23, Article 24, Article 26, and Article 27;
  - d. orders to businesses to terminate abuse of dominant position as referred to in Article 25;
  - e. determination of cancellation of the merger or consolidation of business entities and acquisition of shares as referred to in Article 28;
  - f. determination of compensation payments; and/or
  - g. imposition of a fine of at least IDR 1,000,000,000.00 (one billion rupiah).

- (3) Further provisions regarding criteria, types, amount of fine, and procedures for the imposition of sanction as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

4. Provision of Article 48 has been amended, therefore reads as follows:

**Article 48**

Violation to the provision of Article 41 of this Law shall be sentenced to a maximum fine of IDR 5,000,000,000,00 (five billion rupiah) or a maximum imprisonment of 1 (one) year as a substitute for a fine.

5. Provision of Article 49 has been removed.

**CHAPTER VII  
RESEARCH AND INNOVATION SUPPORT**

**Article 119**

In order to provide research and innovation support in the business sector, this Law amends several provisions regulated under:

- a. Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297); and
- b. Law Number 11 of 2019 on the National System of Science and Technology (State Gazette of the Republic of Indonesia of 2019 Number 148, Supplement to the State Gazette of the Republic of Indonesia 6374).

**Article 120**

Several provisions under Law Number 19 of 2003 on State-Owned Enterprises (State Gazette of the Republic of Indonesia of 2003 Number 70, Supplement to the State Gazette of the Republic of Indonesia Number 4297) have been amended, as follows:

1. The provision for the title of CHAPTER V has been amended, therefore reads as follows:

**CHAPTER V  
PUBLIC SERVICE, RESEARCH, AND INNOVATION OBLIGATIONS**

2. Provisions of Article 66 have been amended, therefore read as follows:

**Article 66**

- (1) The Central Government may grant a special assignment to BUMN to carry out public benefit functions as well as national research and innovation.
- (2) The special assignment to BUMN as referred to in paragraph (1) shall be carried out with due observance of the purposes and objectives, business activities of BUMN, as well as considering the capability of BUMN
- (3) The special assignment plan as referred to in paragraph (1) shall be reviewed jointly between the BUMN concerned and the Central Government.
- (4) If the assignment is not financially feasible, the Central Government must provide compensation

for all costs incurred by said BUMN, including the expected margin as long as it is within a reasonable level in accordance with the given assignment

- (5) The assignment to BUMN as referred to in paragraph (1) must first obtain approval from RUPS or the Minister.
- (6) BUMN in carrying out the special assignment as referred to in paragraph (1) may cooperate with:
  - a. private-owned enterprises;
  - b. regionally-owned enterprises;
  - c. cooperatives;
  - d. BUMN;
  - e. research and development institutions;
  - f. assessment and application institutions; and/or
  - g. universities.

### **Article 121**

Provisions of Article 48 under Law Number 11 of 2019 on the National System of Science and Technology (State Gazette of the Republic of Indonesia of 2019 Number 148, Supplement to the State Gazette of the Republic of Indonesia 6374) have been amended, therefore read as follows:

### **Article 48**

- (1) To carry out integrated Research, Development, Assessment and Application, as well as Invention and Innovation, a national research and innovation agency shall be established.
- (2) To carry out integrated Research, Development, Assessment and Application, as well as Invention and Innovation in the regions, a Regional Government shall establish an agency.
- (3) Further provisions regarding the national research and innovation agency as referred to in paragraph (1) shall be regulated under a Regulation of the President.

## **CHAPTER VIII LAND PROCUREMENT**

### **Division One**

### **General**

### **Article 122**

In order to provide an ease and smoothness in land procurement for the benefit of job creation, this Law amends, removes, or stipulates new arrangement of several provisions regulated under:

- a. Law Number 2 of 2012 on Land Procurement for Development in for Public Interests (State Gazette of the Republic of Indonesia of 2012 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 5280); and
- b. Law Number 41 of 2009 on Protection of Sustainable Food Agricultural Land (State Gazette of the Republic of Indonesia of 2009 Number 149, Supplement to the State Gazette of the Republic of Indonesia Number 5068).

## **Division Two**

### **Land Procurement for Development for Public Interests**

#### **Article 123**

Several provisions under Law Number 2 of 2012 on Land Procurement for Development for Public Interests (State Gazette of the Republic of Indonesia of 2012 Number 22, Supplement to State Gazette of the Republic of Indonesia Number 5280) have been amended, as follows:

1. Provisions of Article 8 have been amended, therefore read as follows:

#### **Article 8**

- (1) The Entitled Party and the party controlling the Land Procurement Object for Public Interests must comply with the provisions under this Law.
- (2) In the case of Land Procurement plan, there are Land Procurement Objects that are included in forest areas, village treasury lands, waqf land, ulayat/customary land, and/or land assets of the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises, the settlement of the land status shall be carried out up to the location determination.
- (3) The settlement of forest area change as referred to in paragraph (2) shall be carried out through the forest area release mechanism or borrow-to-use forest area in accordance with the provisions of laws and regulations in the forestry sector.
- (4) Changes in Land Procurement Objects that are included in forest areas as referred to in paragraph (2), especially for priority projects of the Central Government, shall be carried out through the following mechanisms:
  - a. forest area release, in the event that the Land Procurement is carried out by an agency; or
  - b. forest areas release or borrow-to-use forest areas, in the event that the Land Procurement is carried out by a private party.

2. Provisions of Article 10 have been amended, therefore read as follows:

#### **Article 10**

Land for Public Interests as referred to in Article 4 paragraph (1) shall be used for the development of:

- a. national defense and security;
- b. public roads, toll roads, tunnels, railways, train stations and railway operating facilities;
- c. reservoirs, dams, weirs, irrigation, waterways and sanitation and other irrigation structures;
- d. ports, airports and terminals;
- e. oil, gas and geothermal infrastructures;
- f. electricity generators, transmissions, substations, networks, and/or distribution;
- g. government telecommunications and informatics networks;
- h. waste disposal and processing sites;
- i. Central Government or Regional Government hospitals;
- j. public safety facilities;
- k. Central Government or Regional Government public cemeteries;
- l. social facilities, public facilities, and public green open spaces;



- m. nature reserves and cultural reserves;
- n. . Central, Regional, or Village Government offices;
- o. arrangement of urban slum settlements and/or land consolidation as well as housing for low-income community with rental status including for the construction of common houses and special houses;
- p. educational infrastructure or schools of Central Government or Regional Government;
- q. Central Government or Regional Government sports infrastructure;
- r. public markets and public parking lots;
- s. Oil and Gas Upstream and Downstream Industrial areas initiated and/or controlled by the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises;
- t. Special Economic Zones initiated and/or controlled by the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises;
- u. Industrial areas initiated and/or controlled by the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises;
- v. Tourism areas initiated and/or controlled by the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises;
- w. Food Security areas initiated and/or controlled by the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises; and
- x. technology development areas initiated and/or controlled by the Central Government, Regional Government, State-Owned Enterprises, or Regionally-Owned Enterprises.

3. Provisions of Article 14 have been amended, therefore read as follows:

**Article 14**

- (1) Agencies which require land shall prepare a Land Procurement planning for Public Interests by involving ministries/agencies in charge of government affairs in the land sector in accordance with the provisions of laws and regulations.
- (2) Land Procurement Planning for Public Interests as referred to in paragraph (1) shall be based on the Regional Spatial Layout Plan and development priorities listed in the Medium-Term Development Plan, Strategic Plan and/or Work Plan of the Government/agency concerned.

4. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) Public Consultation on the development plan as referred to in Article 18 paragraph (3) shall be carried out to obtain an agreement on the location of the development plan from:
  - a. Entitled Parties;
  - b. State-Owned Asset/Regionally-Owned Asset Managers; and
  - c. State-Owned Asset/Regionally-Owned Asset Users.
- (2) Public Consultation as referred to in paragraph (1) shall be carried out by involving the Entitled Parties, State-Owned Asset/Regionally-Owned Asset Managers, State-Owned Asset/Regionally-Owned Asset Users and affected communities, and shall be carried out at the location of the development plan for the Public Interest or at the agreed location.
- (3) The involvement of Entitled Parties, State-Owned Asset/Regionally-Owned Asset Managers,

and State-Owned Asset/Regionally-Owned Asset Users as referred to in paragraph (2) may be carried out through representatives with a power of attorney from and by the Entitled Party, State-Owned Asset/Regionally-Owned Asset Manager, and State-Owned Asset/Regionally-Owned Asset Users for the location of the development plan.

- (4) The agreement as referred to in paragraph (1) shall be stated in the form of official report of the agreement.
- (5) On the basis of the agreement as referred to in paragraph (4), the agency requiring land shall submit an application for location determination to the governor.
- (6) The Governor shall determine the location as referred to in paragraph (5) within a maximum period of 14 (fourteen) Days from the date the application for determination by the Agency requiring land was received.
- (7) Entitled Parties, State-Owned Asset/Regionally-Owned Asset Managers, and State-Owned Asset/Regionally-Owned Asset Users who do not attend the Public Consultation after being properly invited 3 (three) times shall be deemed to have approved the development plan as referred to in paragraph (1).
- (8) Further provisions regarding Public Consultation as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

5. Between Article 19 and Article 20 are inserted 3 (three) articles, namely Article 19A, Article 19B and Article 19C, which read as follows:

#### **Article 19A**

- (1) In the framework of efficiency and effectiveness, Land Procurement for Public Interests, the area of which are no more than 5 (five) hectares may be carried out directly by the Agency requiring land with the Entitled Party.
- (2) Land Procurement for Public Interest as referred to in paragraph (1) must be carried out in accordance with the conformity to regional spatial layout.

#### **Article 19B**

In the event that Land Procurement for Public Interests, the area of which are no more than 5 (five) is carried out directly between the Entitled Party and the Agency requiring the land as referred to in Article 19A paragraph (1), the regent/mayor shall determine the location.

#### **Article 19C**

After the determination of location for Land Procurement is carried out, the following requirements are no longer required:

- a. Conformity to Space Utilization Activities;
- b. technical considerations;
- c. outside forest areas and outside mining areas;
- d. outside peatland areas/coastal borders; and
- e. environmental impact analysis.

6. Provisions of Article 24 have been amended, therefore read as follows:

#### **Article 24**

- (1) Determination of the location of development for Public Interests as referred to in Article 19 paragraph (6) or Article 22 paragraph (1) shall be given for a period of 3 (three) years and may be extended 1 (one) time for a period of 1 (one) year.
- (2) The application for an extension of the location determination period shall be submitted by no earlier than 6 (six) months before the validity period of the location determination ends.

7. Provisions of Article 28 have been amended, therefore read as follows:

**Article 28**

- (1) Inventory and identification of control, ownership, use and utilization of land as referred to in Article 27 paragraph (2) letter a shall include the following activities:
  - a. measuring and mapping area per plot of land; and
  - b. data collection of Entitled Parties and Land Procurement Objects.
- (2) Inventory and identification of control, ownership, use and utilization of land as referred to in paragraph (1) shall be carried out within a maximum period of 30 (thirty) days.
- (3) Data collection of Entitled Parties and Land Procurement Objects as referred to in paragraph (1) letter b may be carried out by licensed surveyors.

8. Provisions of Article 34 have been amended, therefore read as follows:

**Article 34**

- (1) The Compensation Value assessed by the Appraiser as referred to in Article 33 is the value at the time of announcement of the determination of development location for Public Interest as referred to in Article 26.
- (2) The amount of Compensation value based on the Appraiser's assessment as referred to in paragraph (1) shall be submitted to the Land Agency accompanied by an official report.
- (3) The amount of Compensation value based on the Appraiser's assessment as referred to in paragraph (1) is final and binding.
- (4) The amount of the compensation value as referred to in paragraph (2) shall be used as the basis for determining the form of Compensation.
- (5) The deliberation to determine the form of Compensation as referred to in paragraph (4) shall be carried out by the Head Executive of Land Procurement along with the Appraiser and the Entitled Parties.

9. Provisions of Article 36 have been amended, therefore read as follows:

**Article 36**

- (1) Compensation may be given in the form of:
  - a. money;
  - b. substitute land;
  - c. resettlement;
  - d. share ownership; or
  - e. other forms agreed by both parties.
- (2) Further provisions regarding the provision of Compensation in the form of substitute land, resettlement, share ownership, or other forms as referred to in paragraph (1) shall be regulated

under a Regulation of the Government.

10. The Elucidation of Article 40 has been amended as listed in the Elucidation.

11. Provisions of Article 42 have been amended, therefore read as follows:

**Article 42**

- (1) In the event that the Entitled Party refuses the form and/or amount of Compensation based on the results of deliberation as referred to in Article 37, or the decision of the district court/Supreme Court as referred to in Article 38, the Compensation shall be deposited at the local district court.
- (2) The deposit of Compensation other than as referred to in paragraph (1) shall also carried out toward:
  - a. the Entitled Party to receive Compensation whose whereabouts are unknown; or
  - b. Land Procurement Object to be given Compensation that:
    1. is currently the object of a case in court;
    2. its ownership is still disputed;
    3. is being confiscated by the authorized official; or
    4. becomes collateral at the Bank.
- (3) District Court must receive the deposit of Compensation as referred to in paragraph (1) and paragraph (2) no later than 14 (fourteen) Days.

12. Provisions of Article 46 have been amended, therefore read as follows:

**Article 46**

- (1) The release of Land Procurement Objects as referred to in Article 45 paragraph (1) and paragraph (2) shall not be given Compensation, except for:
  - a. Land Procurement Object that is used in accordance with the duties and functions of the government;
  - b. Land Procurement Object that is owned/controlled by the State-Owned Enterprises/Regionally-Owned Enterprises; and/or
  - c. village treasury Land Procurement Object;
- (2) Compensation for Land Procurement Objects as referred to in paragraph (1) letter a shall be given in the form of land and/or building or relocation.
- (3) Compensation for Land Procurement Objects as referred to in paragraph (1) letter b may be given in the form as referred to in Article 36.
- (4) Compensation for the Village Treasury Land Procurement Object as referred to in paragraph (1) letter c may be given in the form as referred to in Article 36.
- (5) The value of Compensation as referred to in paragraph (2), paragraph (3), and paragraph (4) shall be based on the results of the assessment of Compensation as referred to in Article 34 paragraph (2).
- (6) The value of Compensation for Land Procurement Objects in the form of waqf assets shall be determined to be the same as the value of the Appraiser's assessment of the replaced waqf assets."

### **Division Three**

#### **Protection of Sustainable Food Agricultural Land**

##### **Article 124**

Several provisions under Law Number 41 of 2009 on Protection of Sustainable Food Agricultural Land (State Gazette of the Republic of Indonesia of 2009 Number 149, Supplement to State Gazette of the Republic of Indonesia Number 5068) have been amended, as follows:

1. Provisions of Article 44 have been amended, therefore read as follows:

##### **Article 44**

- (1) Land that has been designated as Sustainable Food Agricultural Land shall be protected and shall be prohibited from being converted.
- (2) In the event that for the public interest and/or Nationally Strategic Projects, Sustainable Food Agricultural Land as referred to in paragraph (1) may be converted and shall implemented in accordance with the provisions of laws and regulations.
- (3) The conversion of land that has been designated as Sustainable Food Agricultural Land for the public interest as referred to in paragraph (2) may only be carried out on condition that:
  - a. a strategic feasibility study has been carried out;
  - b. a land conversion plan has been formulated;
  - c. its rights ownership has been released from the owner; and
  - d. a substitute land for the converted Sustainable Food Agricultural Land has been provided.
- (4) In the event there is a disaster so that the conversion of land for infrastructure cannot be postponed, the requirements as referred to in paragraph (3) letter a and letter b shall not be enforced.
- (5) Provision of substitute land for Sustainable Food Agricultural Land which is converted to infrastructure due to the disaster as referred to in paragraph (4) shall be carried out by no later than 24 (twenty four) months after the conversion is carried out.
- (6) Release of land rights ownership which has been converted as referred to in paragraph (3) letter c shall be carried out by providing compensation in accordance with the provisions of laws and regulations.

2. The provision of Article 73 has been amended, therefore reads as follows:

##### **Article 73**

Every Government official who issues approval for the conversion of Sustainable Food Agricultural Land not in accordance with the provisions as referred to in Article 44 paragraph (1) shall be sentenced with imprisonment for a minimum of 1 (one) year and a maximum of 5 (five) years and/or a fine of at least IDR1,000,000,000.00 (one billion rupiah) and a maximum of IDR5,000,000,000.00 (five billion rupiah).

### **Division Four**

#### **Land**

##### **Paragraph 1**

## Land Bank

### Article 125

- (1) The Central Government shall establish a land bank agency.
- (2) The land bank agency as referred to in paragraph (1) is a special agency that manage land.
- (3) The land bank agency's assets are separated state assets.
- (4) The land bank agency has the function to carry out planning, acquisition, procurement, management, utilization and distribution of land.

### Article 126

- (1) The land bank agency shall guarantee the availability of land in the framework of a just economy for:
  - a. public interest;
  - b. social interests;
  - c. national development interests;
  - d. economic equity;
  - e. land consolidation; and
  - f. agrarian reform.
- (2) The availability of land for agrarian reform as referred to in paragraph (1) letter f shall be at least 30% (thirty percent) of the state land earmarked for land bank.

### Article 127

In carrying out its duties and authorities, the land bank agency shall be transparent, accountable and non-profit.

### Article 128

The source of land bank agency's assets may originate from:

- a. State Revenue and Expenditure Budget;
- b. Own income;
- c. State equity participation; and
- d. other legitimate sources in accordance with the provisions of laws and regulations.

### Article 129

- (1) Land managed by a land bank agency shall be given the right-to-manage.
- (2) The land rights over the right-to-manage as referred to in paragraph (1) may be given the right-to-cultivate, right-to-build and right-to-use.
- (3) The period of the right-to-build on top of the right-to-manage as referred to in paragraph (2) may be given right extension and renewal if it has been used and/or utilized in accordance with the purpose of the granting of the rights.
- (4) In order to support investment, the holder of the land bank agency's right-to-manage are given the authority to:

- a. formulate master plan;
  - b. help providing ease of Business Licensing/approval;
  - c. carry out land procurement; and
  - d. determine service rates.
- (5) The Central Government shall supervise and control the use and/or utilization of land on top of the right-to-manage as referred to in paragraph (2) in accordance with the provisions of laws and regulations.

#### **Article 130**

The land bank agency as referred to in Article 125 shall consist of:

- a. Committee;
- b. Supervisory Board; and
- c. Implementing Agency.

#### **Article 131**

- (1) The Committee as referred to in Article 130 letter a shall be chaired by the minister in charge of government affairs in the land sector and consists of the relevant ministers and chairperson.
- (2) The chairperson and members of the Committee shall be determined by a Decree of the President based on a recommendation from the minister in charge of government affairs in the land sector.

#### **Article 132**

- (1) The Supervisory Board shall have a maximum number of 7 (seven) persons, consisting of 4 (four) professional elements and 3 (three) persons selected by the Central Government.
- (2) The Central Government shall carry out a selection process for prospective professional elements as referred to in paragraph (1) which shall be then submitted to the House Representatives of the Republic of Indonesia to be selected and approved.
- (3) Prospective professional elements submitted to the House of Representatives of the Republic of Indonesia as referred to in paragraph (2) shall at least amount to 2 (two) times the required number.

#### **Article 133**

- (1) Implementing Agency shall consist of a Head and Deputies.
- (2) The number of Deputies as referred to in paragraph (1) shall be determined by the Chairperson of the Committee.
- (3) The Head and Deputies shall be appointed and dismissed by the Chair of the Committee.
- (4) The appointment and dismissal of Head and Deputies as referred to in paragraph (3) may be proposed by the Supervisory Board.

#### **Article 134**

Further provisions regarding the Committee, Supervisory Board and Implementing Agency shall be regulated under a Regulation of the President.



### **Article 135**

Further provisions regarding the establishment of a land bank agency shall be regulated under a Regulation of the Government.

### **Paragraph 2** **Strengthening of Right-to-Manage**

### **Article 136**

Right-to-Manage are the right to control of the state which the implementing authority is partly delegated to the right holders.

### **Article 137**

- (1) Part of the authority of the right to control of the state in the form of land may be given right-to-manage to:
  - a. Central Government agencies;
  - b. Regional Government;
  - c. Land bank agency;
  - d. State-Owned Enterprises/Regionally-Owned Enterprises;
  - e. State/regionally owned legal entity; or
  - f. Legal entity appointed by the Central Government.
- (2) The right-to-manage as referred to in paragraph (1) shall grant the authority to:
  - a. formulate a plan for the designation, use and utilization of land in accordance with the spatial layout plan;
  - b. use and utilize all or part of the land under right-to-manage to be self-used or in cooperation with third parties; and
  - c. determine tariffs and receive income/compensation and/or mandatory annual money from third parties in accordance with the agreement.
- (3) The granting of right-to-manage as referred to in paragraph (1) shall be granted over the state land with a decision to grant rights over state land.
- (4) Right-to-Manage rights may be released to parties that meets the requirements.

### **Article 138**

- (1) The handover of utilization of part of the land under right-to-manage to a third party as referred to in Article 137 paragraph (2) letter b shall be carried out by means of a Land utilization agreement.
- (2) On top of land with right-to-manage, the utilization of which is handed over to a third party, either partially or completely, may be granted Right-to-Cultivate, Right-to-Build, and/or Right-to-Use in accordance with the provisions of laws and regulations.
- (3) The period for the right-to-build on top of right-to-manage as referred to in paragraph (2) may be given right extension and renewal if it has been used and/or utilized in accordance with the purpose of the granting of the rights.
- (4) The Central Government shall supervise and control the use and/or utilization of land on top of right-to-manage as referred to in paragraph (3) in accordance with the provisions of laws and regulations.

- (5) In the event that the land rights located on top of right-to-manage have expired, the land shall return to the land of right-to-manage.

#### **Article 139**

- (1) In certain circumstances, the Central Government may cancel and/or revoke the right-to-manage partly or wholly.
- (2) The procedure for cancellation of right-to-manage shall be carried out in accordance with the provisions of laws and regulations.

#### **Article 140**

- (1) In the event that part of the land parcel of right-to-manage is granted with freehold title, the part of land parcels of right-to-manage shall be automatically nullified.
- (2) Freehold title as referred to in paragraph (1) shall only be granted for common house and transmigration purposes.

#### **Article 141**

In the context of controlling the utilization of land rights on top of right-to-manage, within a certain period of time, an evaluation of the utilization of land rights shall be carried out.

#### **Article 142**

Further provisions regarding right-to-manage shall be regulated under a Regulation of the Government.

### **Paragraph 3**

#### **Multistory Housing Unit for Foreign Citizens**

#### **Article 143**

Freehold title over Multistory Housing Units are separate ownership rights over individual multistory housing unit with joint rights over common parts, common objects, and common land.

#### **Article 144**

- (1) Freehold title over Multistory Housing Units may be given to:
  - a. Indonesian citizens;
  - b. Indonesian legal entities;
  - c. foreign citizens who have a permit in accordance with the provisions of laws and regulations;
  - d. foreign legal entities that have representatives in Indonesia; or
  - e. representatives of foreign countries and international agencies that are located or have representatives in Indonesia.
- (2) Freehold title over Multistory Housing Units can transfer or be transferred and guaranteed.
- (3) Freehold title over Multistory Housing Units may be guaranteed by being encumbered with mortgage rights in accordance with the provisions of laws and regulations.

**Article 145**

- (1) Multistory housings may be built on these Land:
  - a. right-to-build or right-to-use on top of state land; or
  - b. right-to-build or right-to-use on top of right-to-manage land.
- (2) The granting of the right-to-build multistory housings as referred to in paragraph (1) letter a may be granted simultaneously with the right extension after obtaining a function worthiness certificate.
- (3) The granting of the right-to-build for multistory housings as referred to in paragraph (1) letter b may be given right extension and renewal if it has obtained a certificate of functional eligibility.

**Paragraph 4****The Granting of Land Rights/Right-to-Manage at Aboveground Spaces and Underground Spaces****Article 146**

- (1) Land or space that is formed on the above and/or underground space and is used for certain activities may be given right-to-build, right-to-use, or right-to-manage.
- (2) Land ownership limit for the aboveground space by land rights holders shall be given in accordance with the building coverage ratio, floor coverage ratio, and spatial layout plan which are determined in accordance with the provisions of laws and regulations.
- (3) Land ownership limit for the underground space by land rights holders shall be given in accordance with the depth limit of utilization which is regulated in accordance with the provisions of laws and regulations.
- (4) The use and utilization of land in the above and/or underground space by different rights holders may be given right-to-build, right-to-use, or right-to-manage.
- (5) Further provisions regarding the use of land in the aboveground space and/or underground space as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) shall be regulated under a Regulation of the President.

**Article 147**

Proof of land rights, freehold title for Multistory Housing Units, right-to-manage, and mortgage rights, including deeds of transfer of land rights and other documents relating to land may be in electronic form.

**CHAPTER IX  
ECONOMIC ZONE****Division One  
General****Article 148**

In order to create jobs and make it easier for Business Actors to invest, this Law amends, removes, or stipulates new arrangements of several provisions regulated under:

- a. Law Number 39 of 2009 on Special Economic Zone (State Gazette of the Republic of Indonesia of 2009 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 5066);
- b. Law Number 36 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2000 Number 251, Supplement to the State Gazette of the Republic of Indonesia Number 4053) as amended by Law Number 44 of 2007 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2007 on the Amendment to Law Number 36 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2000 concerning Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2007 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 4775); and
- c. Law Number 37 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 2 of 2000 on Sabang Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2000 Number 252, Supplement to the State Gazette of the Republic of Indonesia Number 4054).

### **Article 149**

Economic Zone consists of:

- a. Special Economic Zone; and
- b. Free Trade Zone and Free Port.

## **Division Two**

### **Special Economic Zone**

### **Article 150**

Several provisions under Law Number 39 of 2009 on Special Economic Zone (State Gazette of the Republic of Indonesia of 2009 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 5066) have been amended as follows:

1. Provisions of Article 1 number 4, number 5, number 6, and number 7 have been amended, therefore Article 1 reads as follows:

### **Article 1**

Under this Law, the following definitions are employed:

1. Special Economic Zone (Kawasan Ekonomi Khusus), from this point onward is referred to as KEK, is an area with certain boundaries within the jurisdiction of the Unitary State of the Republic of Indonesia which is determined to carry out economic functions and obtain certain facilities.
2. Zone is an area within KEK with certain boundaries whose utilization in accordance with the allotment.
3. National Council is the council established at the national level to organize KEK.
4. Zone Council is a council established at the provincial level or in more than one province, to assist the National Council in organizing KEK.
5. Administrator is a work unit in charge of organizing Business Licensing, other licensing, services, and supervision in KEK.
6. Business Entity is the business entity organizing KEK business activities.
7. Business Actor is the businesses who runs business activities in KEK.

2. Provisions of Article 3 have been amended, therefore read as follows:

**Article 3**

- (1) Business activities in KEK consists of:
  - a. production and processing;
  - b. logistic and distribution;
  - c. technology development;
  - d. tourism;
  - e. education;
  - f. health;
  - g. energy; and/or
  - h. other economy.
- (2) The implementation of education business activity as referred to in paragraph (1) letter e may only be carried out based on approval granted by the Central Government.
- (3) The implementation of health business activity as referred to in paragraph (1) letter f shall be carried out in accordance with the requirements established by the Central Government.
- (4) Other economic activities as referred to in paragraph (1) letter a shall be stipulated by the National Council.
- (5) Within KEK, supporting facilities and housing for workers may be built.
- (6) The implementation of business activities as referred to in paragraph (1) shall be carried out in accordance with the zoning in KEK.
- (7) Within KEK, it is provided locations for micro-, small-, and medium-scale businesses, and cooperatives, whether as a Business Actor or as a support for the activities of companies within KEK.

3. Provisions of Article 4 have been amended, therefore read as follows:

**Article 4**

The location which can be proposed to become KEK must meet the following criteria:

- a. in accordance with Regional Spatial Layout Plan and does not have the potential to disturb protected areas;
- b. have clear boundaries; and
- c. the land that is proposed to be KEK shall, at least 50% (fifty percent) of what was planned, has been partly or wholly controlled.

4. Provisions of Article 5 have been amended, therefore read as follows:

**Article 5**

- (1) The establishment of KEK shall be proposed to National Council by:
  - a. Business Entity; or
  - b. Regional Government.
- (2) Business Entity as referred to in paragraph (1) letter a consists of:

- a. state-owned enterprises;
  - b. regionally-owned enterprises;
  - c. cooperatives;
  - d. private enterprises in the form of limited liability company; or
  - e. joint venture or consortium.
- (3) Regional Government as referred to in paragraph (1) letter b consists of:
- a. Provincial Government; or
  - b. Regency/city Government.

5. Provisions of Article 6 have been amended, therefore read as follows:

**Article 6**

- (1) Proposal as referred to in Article 5 paragraph (1) must meet the criteria as referred to in Article 4.
- (2) Proposal as referred to in paragraph (1) shall at least be equipped with the following requirements:
  - a. a development location map as well as the proposed area which are separate from residential areas;
  - b. the proposed KEK spatial layout plan equipped with zoning arrangements;
  - c. financing plans and sources;
  - d. Environmental approval;
  - e. results of economic and financial feasibility studies;
  - f. the period of a KEK and strategic plan; and
  - g. control of the land that has been controlled at least 50% (fifty percent) of what was planned.

6. Between Article 8 and Article is inserted 1 (one) article, namely Article 8A which reads as follows:

**Article 8A**

The Central Government and Regional Government must support KEKs that have been stipulated as referred to in Article 7 and Article 8.

7. Provisions of Article 10 have been amended, therefore read as follows:

**Article 10**

After a KEK has been stipulated:

- d. The Business Entity that proposed KEK is stipulated as KEK developer and manager;
- e. Central Government and Regional Government as proposer shall stipulate a Business Entity to develop and manage the KEK.

8. Article 11 has been removed.

9. Provisions of Article 13 have been amended, therefore read as follows:

**Article 13**

- (1) Financing for the infrastructure development and maintenance within KEK can be sourced from:
  - a. the Central Government and/or Regional Government;
  - b. private sector;
  - c. cooperation between the Central Government, Regional Government, and private sector; and/or
  - d. other legitimate sources in accordance with the provisions of laws and regulations.
- (2) The National Council may establish a separate policy in cooperation between the Central Government, Regional Government, and private sector in infrastructure development and maintenance within KEK.

10. Provisions of Article 16 have been amended, therefore read as follows:

**Article 16**

- (1) (1) The National Council is chaired by the minister who coordinates government affairs in the economic sector and consists of ministers and heads of non-ministry government agencies.
- (2) (2) To assist the implementation of the National Council's duties as referred to in paragraph (1), the Secretariat General of the National Council is established.
- (3) (3) Provisions on the National Council and Secretariat General of the National Council as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

11. Provisions of Article 17 have been amended, therefore read as follows:

**Article 17**

The National Council is in charge of:

- a. determining general strategies and policies for the establishment and development of KEK;
- b. forming an Administrator;
- c. establishing management standards within KEK;
- d. conducting assessment on a proposed area to become KEK;
- e. providing recommendations for the establishment of KEK;
- f. assessing and recommending development measures in regions where the potential is not yet developed;
- g. resolving strategic problems in the implementation, management, and development of KEK; and
- h. monitoring and evaluating the sustainability of KEK and recommending follow-up measures to evaluation results to the President, including proposing the revocation of KEK status.

12. Provisions of Article 19 have been amended, therefore read as follows:

**Article 19**

- (1) The Zone Council may be established in accordance with the needs at provincial level where part of its areas is determined as KEK.
- (2) In the event that the area of a KEK covers more than 1 (one) province, 1 (one) Zone Council



can be established by involving the relevant province.

- (3) The Zone Council as referred to in paragraph (1) and paragraph (2) shall be proposed by the National Council to the President to be stipulated by a Decree of the President.
- (4) The Zone Council as referred to in paragraph (1) and paragraph (2) shall be responsible to the National Council.
- (5) To assist implementation of the Zone Council's duties, the Secretariat of the Zone Council shall be established.

13. Article 20 has been removed.

14. Provisions of Article 21 have been amended, therefore read as follows:

#### **Article 21**

The Zone Council is in charge of:

- a. carrying out general strategies and policies which have been stipulated by the National Council in the establishment and development of KEK;
- b. assisting the National Council in supervising the implementation of Administrator's duties;
- c. establishing strategic measures for solving problems in the implementation of KEK activities in its working area;
- d. submitting KEK management report to the National Council at the end of each year; and
- e. submitting incidental report in the event of strategic problems to the National Council.

15. Provisions of Article 22 have been amended, therefore read as follows:

#### **Article 22**

- (1) In the implementation of duties as referred to in Article 21, the Zone Council may:
  - a. request explanation from an Administrator regarding the implementation of Business Licensing, other licensing, services, and supervision in KEK;
  - b. request input and/or assistance from Central Government agencies or experts as needed; and/or
  - c. cooperate with other parties as needed.
- (2) Further provisions regarding Zone Council as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

16. Provisions of Article 23 have been amended, therefore read as follows:

#### **Article 23**

- (1) An Administrator is in charge of organizing:
  - a. Business Licensing and other licensing needed by Business Entities and Business Actors;
  - b. Non-licensing services needed by Business Entities and Business Actors; and
  - c. supervision and control of KEK operation.
- (2) An Administrator's duties as referred to in paragraph (1) is carried out in accordance with norms, standards, procedures, and criteria stipulated by the Central Government.

- (3) In carrying out the duties as referred to in paragraph (1), an Administrator shall submit reports to the National Council with a copy sent to the Zone Council.

17. Provisions of Article 24 have been amended, therefore read as follows:

**Article 24**

In carrying out provision and control of KEK operations as referred to in Article 23 paragraph (1) letter c, an Administrator is authorized to obtain report or explanation from Business Entities and/or Business Actors regarding their activities.

18. Between Article 24 and Article 25 are inserted 3 (three) articles, namely Article 24A, Article 24B, and Article 24C, which read as follows:

**Article 24A**

- (1) The implementation of an Administrator's duties is carried out according to the governance and principles of good governance in accordance with the provisions of laws and regulations.
- (2) An Administrator can be held by state civil apparatus or non-state civil apparatus who have the competency, qualification, and other requirements chosen selectively in accordance with the criteria and qualifications determined by the National Council.

**Article 24B**

Further provisions regarding Administrator as referred to in Article 23, Article 24, and Article 24A shall be regulated under a Regulation of the Government.

**Article 24C**

- (1) An Administrator may implement the financial management pattern of Public Service Agencies.
- (2) The implementation of the financial management pattern of Public Service Agencies as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

19. Provisions of Article 25 have been amended, therefore read as follows:

**Article 25**

- (1) The National Council, Secretariat-General of the National Council, Zone Council, Secretariat of the Zone Council, and Administrator obtain financing sourced from:
  - a. State Revenue and Expenditure Budget;
  - b. Regional Revenue and Expenditure Budget; and/or
  - c. other sources in accordance with the provisions of laws and regulations.
- (2) Further provision on financing sources as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

20. Provisions of Article 26 have been amended, therefore read as follows:

**Article 26**

- (1) Business Entities that carries out the development and management of KEK as referred to in Article 10 letter a shall be in charge of:

- a. building and developing facilities and infrastructure within KEK;
  - b. organizing the management of facility and infrastructure services to Business Actors; and
  - c. organizing promotions.
- (2) The organization of promotions as referred to in paragraph (1) letter c can be carried out in an integrated manner with promotions carried out by the ministries/non-ministry government agencies and/or the relevant Regional Governments.

21. Provisions of Article 27 have been amended, therefore read as follows:

**Article 27**

- (1) In KEK, import and export prohibition provisions which are regulated based on the provisions of laws and regulations shall apply.
- (2) Toward the import of goods into KEK, restriction provisions have not been applied.
- (3) For goods that endanger health, safety, security and/or the environment may be subject to restrictions if the goods in question are not raw materials for business activities and the relevant technical institutions specifically impose restriction provisions in KEK.
- (4) The implementation of provisions on import and export shall be carried out through a nationally integrated electronic system.
- (5) The Central Government shall develop the nationally integrated electronic system as referred to in paragraph (4).

22. Provisions of Article 30 have been amended, therefore read as follows:

**Article 30**

- (1) Taxpayers who carries out business activities in KEK shall be granted with Income Tax facilities.
- (2) Other than Income Tax facilities as referred to in paragraph (1), additional Income Tax facilities can be granted according to the type of business activity in KEK.
- (3) Further provision on the granting of Income Tax facilities as referred to in paragraph (1) and paragraph (2) shall be regulated under or based on a Regulation of the Government.

23. Article 31 has been removed.

24. Provisions of Article 32 have been amended, therefore read as follows:

**Article 32**

- (1) Imports of goods to KEK shall be given facilities in the form of:
  - a. import duty exemption or suspension;
  - b. excise exemption as long as the goods are raw materials or auxiliary materials for production;
  - c. Value-Added Tax or Value-Added Tax and Luxury Goods Sales Tax on Luxury Goods not collected for taxable goods; and
  - d. import Income Tax is not collected.
- (2) Delivery of tangible Taxable Goods from Other Places in the Customs Area, Free Trade Zone and Free Port, and Bonded Storage Zone to KEK is granted with the Value-Added Tax or Value-Added Tax and Luxury Goods Sales Tax not collected facility.

- (3) Utilization of intangible Taxable Goods and Taxable Services in KEK is granted with the Value-Added Tax or Value-Added Tax and Luxury Goods Sales Tax not collected facility.
- (4) Delivery of tangible Taxable Goods, intangible Taxable Goods, and Taxable Services from KEK to Other Places in the Customs Area shall be subject to Value-Added Tax or Value-Added Tax and Luxury Goods Sales Tax unless addressed to an area or a party that obtain Value-Added Tax or Value-Added Tax and Luxury Goods Sales Tax facilities.
- (5) Provisions on the criteria and details for tangible Taxable Goods, intangible Taxable Goods, and/or Taxable Services as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated under or based on a Regulation of the Government.

25. Between Article 32 and Article 33 is inserted 1 (one) article, namely Article 32A, which reads as follows:

**Article 32A**

- (1) Imports of consumer goods to KEKs whose main activities are not production and processing are granted with the following facilities:
  - a. for consumer goods which are not Excisable Goods with a certain amount and type in accordance with the business sector, shall be granted with import duty exemption facilities and tax in the framework of import not collected; and
  - b. for consumer goods in the form of Excisable Goods, shall be subject to excise and are granted with import duty exemption facilities and tax in the framework of import not collected.
- (2) Consumer goods of import origin that are released to other places within the customs area, the import duty and/or tax in the framework of import must be paid in full.

26. Between Article 33 and Article 34 is inserted 1 (one) article, namely Article 33A, which reads as follows:

**Article 33A**

- (1) An Administrator can be appointed to carry out independent customs service activities based on the criteria established by the minister in charge of government affairs in the financial sector.
- (2) Supervision and services for the movement of goods within KEK are carried out manually and/or using information technology connected to the ministry in charge of government affairs in the financial sector.

27. Provisions of Article 35 have been amended, therefore read as follows:

**Article 35**

- (1) Taxpayers conducting business in a KEK are given incentives in the form of exemption or relief from regional taxes and regional levies in accordance with the provisions of laws and regulations.
- (2) The incentives as referred to in paragraph (1) can be in the form of reduction of Acquisition Duty of Right on Land and Building (Bea Perolehan Hak atas Tanah dan Bangunan) and reduction of Land and Building Tax.
- (3) Other than the regional tax and regional levy incentives as referred to in paragraph (1), the Regional Government can provide other facilities and ease.

28. Provisions of Article 36 have been amended, therefore read as follows:

**Article 36**

- (1) KEK are given an ease, acceleration, and special procedures in obtaining land rights, granting extensions, and/or renewals.
- (2) The provision as referred to in paragraph (1) shall be regulated under a regulation of the minister in charge of government affairs in the agrarian/land sector after obtaining approval from the National Council.

29. Provisions of Article 38 have been amended, therefore read as follows:

**Article 38**

- (1) KEKs are given ease and relief in the sector of Business Licensing, other licensing, business activities, industries, trades, port, and immigration for foreign citizens, as well as given security facilities.
- (2) Provision on ease and relief as referred to in paragraph (1) shall be regulated under or based on a Regulation of the Government.

30. Between Article 38 and Article 39 is inserted 1 (one) article, namely Article 38A, which reads as follows:

**Article 38A**

The determination of KEK which conducts business activities related to industry is simultaneously the determination of industrial area as referred to in the Law governing Industry.

31. Provisions of Article 40 have been amended, therefore read as follows:

**Article 40**

- (1) Other than the granting of facility and ease as referred to in Article 30 to Article 39, Business Entity and Business Actors in KEK based on this Law, the Central Government may grant other facility and ease.
- (2) Provision on forms of other facility and ease as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

32. The provision of Article 41 has been amended, therefore reads as follows:

**Article 41**

Ratification of the plan for recruiting foreign workers who have positions as directors or commissioners is given once and is valid as long as the relevant foreign workers becomes directors or commissioners.

33. Provisions of Article 43 have been amended, therefore read as follows:

**Article 43**

- (1) In KEK, a Special Tripartite Cooperation Institution can be formed by the governor.
- (2) Further provision on Special Tripartite Cooperation Institution as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

34. Article 44 has been removed.
35. Article 45 has been removed.
36. The provision of Article 47 has been amended, therefore reads as follows:

**Article 47**

At companies where a trade/labor union has been formed, a collective work agreement shall be made between the trade/labor union and the entrepreneur.

37. Provisions of Article 48 have been amended, therefore read as follows:

**Article 48**

- (1) At the time this Law comes into force, part or all of Free Trade Zones and Free Ports, namely Batam, Bintan, and Karimun, that were formed based on Law Number 36 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2000 Number 251, Supplement to the State Gazette of the Republic of Indonesia Number 4053) as amended by Law Number 44 of 2007 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2007 on the Amendment to Law Number 36 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2007 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 4775), before or after the stipulated period expires, can be determined to become KEK.
- (2) The determination of part or all of the Batam, Bintan, and Karimun Free Trade Zone and Free Ports as KEK as referred to in paragraph (1) is based on proposal from the Batam, Bintan, and Karimun Free Trade Zone and Free Port Council.
- (3) In the event that the Free Trade Zone and Free Port as referred to in paragraph (1) is not stipulated as KEK, the Free Trade Zone and Free Port shall be terminated in accordance with the stipulated period.
- (4) Provisions on the proposal and determination of KEK as referred to in paragraph (2) shall be regulated under a Regulation of the Government.
- (5) Free Trade Zone and Free Ports that are not determined as KEK as referred to in paragraph (3), the location of which are separate from residential areas can have provisions on the traffic of goods be applied and/or be granted with KEK facilities and ease.
- (6) Provisions on the proposal and determination of KEK as referred to in paragraph (2) and the application of provisions on the traffic of goods and/or the granting of KEK facilities and ease as referred to in paragraph (5) shall be regulated under a Regulation of the Government.

**Division Three**

**Free Trade Zone and Free Port**

**Subdivision 1**

**General**

**Article 151**

- (1) Free Trade Zone and Free Port as referred to in Article 141 letter b consists of:
  - a. Free Trade Zone and Free Port; and
  - b. Sabang Free Trade Zone and Free Port.
- (2) Free Trade Zone and Free Port as referred to in paragraph (1) letter a consists of:
  - a. Batam Free Trade Zone and Free Port;
  - b. Bintan Free Trade Zone and Free Port; and
  - c. Karimun Free Trade Zone and Free Port.

## **Subdivision Two**

### **Free Trade Zone and Free Port**

#### **Article 152**

Several provisions under Law Number 36 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2000 Number 251, Supplement to the State Gazette of the Republic of Indonesia Number 4053) as amended by Law Number 44 of 2007 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2007 on the Amendment to Law Number 36 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2007 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 4775) have been amended as follows:

1. Provisions of Article 6 have been amended, therefore read as follows:

#### **Article 6**

- (1) The President determines Free Trade Zone and Free Port Council at the regions, from this point onward is referred to as Zone Council.
  - (2) Further provisions regarding the determination of Zone Council as referred to in paragraph (1) shall be regulated under a Regulation of the Government.
2. Provisions of Article 7 have been amended, therefore read as follows:

#### **Article 7**

- (1) The Zone Council establishes Free Trade Zone and Free Port Authority, from this point onward is referred to as the Authority.
  - (2) The Head and Members of the Authority shall be determined by the Zone Council.
  - (3) The Authority is responsible to the Zone Council.
  - (4) Further provisions regarding the establishment of the Authority and determination of the Head and Members of the Authority shall be regulated under a Regulation of the Government.
3. Provisions of Article 10 have been amended, therefore read as follows:

#### **Article 10**

- (1) To expedite the activities of the Free Trade Zone and Free Port, the Authority is authorized to issue Business Licensing and other licensing necessary for entrepreneurs who establish and run business in the Free Trade Zone and Free Port.
  - (2) Further provision on the implementation of authority as referred to in paragraph (1) shall be



regulated under a Regulation of the Government.

4. Provisions of Article 11 have been amended, therefore read as follows:

#### **Article 11**

- (1) Goods subject to the prohibition provisions are prohibited from entering the Free Trade Zone and Free Port.
- (2) The import and export of goods to and from the Free Trade Zone and Free Port can only be carried out by entrepreneurs who have fulfilled the Business Licensing from the Authority.
- (3) The entrepreneurs as referred to in paragraph (2) can only import goods into the Free Trade Zone and Free Port related to their business activities.
- (4) The import and export of goods to and from the Free Trade Zone and Free Port through designated ports and airports under customs supervision are granted with import duty exemption, value-added tax exemption, and luxury goods sale tax exemption.
- (5) The facilities as referred to in paragraph (4) also include excise exemption which are provided in accordance with the provisions of laws and regulations in the excise sector.
- (6) The import and export of goods to and from the Free Trade Zone and Free Port to the Customs Area are subject to customs management in the import and export sector and provisions in the excise sector.
- (7) Importation of consumer goods from outside the Customs Area for the needs of residents in the Free Trade Zone and Free Port is granted with exemption from import duty, value-added tax, and luxury goods sales tax.
- (8) The amount and types of goods granted with facilities as referred to in paragraph (7) is determined by the Authority.

#### **Subdivision Three**

#### **Sabang Free Trade Zone and Free Port**

#### **Article 153**

Provisions of Article 9 of Law Number 37 of 2000 on the Stipulation of Regulation of the Government in Lieu of Law Number 2 of 2000 on Sabang Free Trade Zone and Free Port into Law (State Gazette of the Republic of Indonesia of 2000 Number 252, Supplement to the State Gazette of the Republic of Indonesia Number 4054) have been amended as follows:

#### **Article 9**

- (1) Goods subject to the prohibition provisions are prohibited from entering Sabang Zone.
- (2) The import and export of goods to and from Sabang Zone can only be carried out by entrepreneurs who have obtained Business Licensing from the Sabang Authority.
- (3) The Entrepreneur as referred to in paragraph (2) can only import goods into Sabang Zone related to their business activities.
- (4) The import and export of goods to and from Sabang Zone through designated ports and airports and are under customs supervision are granted with exemption from import duty, exemption from value-added tax, and exemption from luxury goods sales tax.
- (5) The facilities as referred to in paragraph (4) also include excise exemption in accordance with the provisions of laws and regulations in the excise sector.
- (6) The import and export of goods to and from Sabang Zone to Customs Area are subject to

customs management in the import and export sector and provisions in the excise sector.

- (7) Import of consumer goods from outside the Customs Area for the needs of residents in Sabang Zone is granted with exemption from import duty, value-added tax, and luxury goods sales tax.
- (8) The amount and types of goods granted with the facilities as referred to in paragraph (7) shall be determined by Sabang Authority.

## **CHAPTER X**

### **CENTRAL GOVERNMENT INVESTMENT AND EASE OF NATIONALLY-STRATEGIC PROJECTS**

#### **Division One**

#### **Central Government Investment**

##### **Subdivision 1**

##### **General**

#### **Article 154**

- (1) Central Government investment shall be implemented for the purpose of improving investment and strengthening the economy to support strategic policies in job creation.
- (2) Purposes and objectives of the Central Government investment as referred to in paragraph (1) includes:
  - a. obtaining economic benefits, social benefits, and/or other predetermined benefits;
  - b. providing donations for the development of the national economy in general and state revenue in particular;
  - c. obtaining profits; and/or
  - d. organizing public benefits, but not limited to the creation of job opportunities.
- (3) The Central Government Investment as referred to in paragraph (1) shall be implemented by:
  - a. the Minister of Finance as the State General Treasurer in accordance with provisions of laws and regulations governing Central Government investment; and/or
  - b. an agency that is granted with special authority (*sui generis*) for the purpose of investment management, from this point onwards is referred to as Agency.
- (4) The Minister of Finance as the State General Treasurer and the Agency in implementing the investment as referred to in paragraph (3) has the authority to:
  - a. make the placement of fund in the form of financial instruments;
  - b. conduct asset management activities;
  - c. cooperate with other parties including trust fund entities;
  - d. determine potential investment partners;
  - e. provide and receive loans; and/or
  - f. administer assets that they own.

#### **Article 155**

- (1) In implementing the investment as referred to in Article 154 paragraph (3) letter a, the Minister of Finance may stipulate and/or appoint public service agencies, state-owned enterprises, and/or other legal entities.
- (2) The Minister of Finance shall establish the State General Treasurer Investment Account to accommodate the Central Government investment funds.
- (3) Funds that are accommodated in the State General Treasurer Investment Account as referred to in paragraph (2) may be reused directly to obtain economic benefits, social benefits, and/or other benefits.
- (4) The governance of the Central Government investment by the Minister of Finance as the State General Treasurer as long as it is not specifically regulated based on this Law shall be implemented in accordance with provisions of laws and regulations.

#### **Article 156**

- (1) In implementing the investment as referred to in Article 154 paragraph (3) letter b, the Central Government shall establish an Agency.
- (2) The Agency as referred to in paragraph (1) is an Indonesian legal entity that is fully owned by the Indonesian Government.
- (3) The Agency as referred to in paragraph (1) shall be responsible to the President.

#### **Article 157**

- (1) The Central Government investment that is conducted by the Agency as referred to in Article 154 paragraph (3) letter b may be sourced from state assets, state-owned enterprises' assets, and/or other legitimate sources.
- (2) State assets and state-owned enterprises' assets that are made into the Central Government investment at the Agency as referred to in paragraph (1) shall be transferred to the Agency's assets which subsequently become the property and responsibility of the Agency.
- (3) State assets and state-owned enterprises' assets that are made into the Central Government investment at the Agency, with approval from the Agency may be transferred directly to a joint-venture company established by the Agency.
- (4) The transfer of assets as referred to in paragraph (2) and paragraph (3) shall be conducted through sales-and-purchase, made into equity participation, or other methods in accordance with provisions of laws and regulations.
- (5) State assets that are transferred to become the Agency's assets as referred to in paragraph (2) or become assets of the joint venture company established by the Agency as referred to in paragraph (3) shall not be in dispute, and there is no ownership of special rights of any party.
- (6) State-owned enterprises' assets that are transferred to become the Agency's assets as referred to in paragraph (2) or become assets of the joint venture company established by the Agency as referred to in paragraph (3) shall not be in dispute, not currently under criminal or civil foreclosure, and there is no ownership of special rights of any party unless it is agreed by the rights owner.
- (7) Provisions on the transfer of state-owned enterprises' assets to the Agency as referred to in paragraph (2) or to the joint venture company established by the Agency as referred to in paragraph (2) shall be stipulated in a General Meeting of Shareholders (Rapat Umum Pemegang Saham/RUPS) for a Limited Liability Company (Persero) or is stipulated by the minister in charge of government affairs in the state-owned enterprises sector for a Public Company (Perum).
- (8) Further provisions regarding transfer of state assets to the Agency as referred to in paragraph (2) or to the joint venture company established by the Agency as referred to in paragraph (3) shall be regulated under a Regulation of the Government.

### Article 158

- (1) Capital of the Agency as referred to in Article 154 paragraph (3) letter b originates from state equity participation and/or other sources.
- (2) Any changes to the state equity participation at the Agency, both in the form of capital reduction and addition originating from the sources as referred to in paragraph (1) shall be stipulated with a Regulation of the Government.
- (3) The Agency may implement investment, both directly and indirectly, cooperate with third parties, or through the establishment of a special entity in the form of an Indonesian legal entity or a foreign legal entity.
- (4) Profit or loss that is experienced by the Agency in implementing investment as referred to in paragraph (3) shall be the profit or loss of the Agency.
- (5) In the event that the Agency experiences profit as referred to in paragraph (4), part of the profit shall be determined as the Central Government's share of profit to be deposited to the state treasury, after making reserves to cover/bear risks of loss in investing and/or conducting capital accumulation.
- (6) The equity participation as referred to in paragraph (1) and paragraph (2) that becomes the Agency's assets shall be recorded in the Central Government's Financial Statement.
- (7) Further provisions regarding reserves to cover/bear risks of loss in investing and/or conducting capital accumulation as referred to in paragraph (5) shall be regulated with or based on a Regulation of the Government.

### Article 159

- (1) In order to increase asset value, the Agency may conduct asset management through cooperation with third parties.
- (2) The cooperation with third parties as referred to in paragraph (1) shall be implemented by the Agency through:
  - a. management authority;
  - b. establishment of a joint venture company; and/or
  - c. other forms of cooperation.
- (3) In the event that the cooperation is conducted through the establishment of a joint venture company as referred to in paragraph (2) letter b, the Agency's asset may be transferred to be made into equity participation in the joint venture company.
- (4) Equity participation as referred to in paragraph (3) shall be conducted in accordance with provisions of laws and regulations.
- (5) Assets that are made into equity participation as referred to in paragraph (3) are prohibited from being in the following state:
  - a. in dispute;
  - b. foreclosed, both criminal foreclosure and civil foreclosure;
  - c. there is an ownership of special rights of any party unless it is agreed by the rights owner; and/or
  - d. in binding as debt collateral, unless it is agreed by creditors.
- (6) Further provisions regarding procedures for the management of the Agency's assets shall be regulated with or based on a Regulation of the Government.

**Article 160**

- (1) The Agency's asset may originate from:
  - a. equity participation as referred to in Article 158 paragraph (1);
  - b. proceeds of business development and development of the Agency's assets;
  - c. transfer of state asset or state-owned enterprises' assets;
  - d. grants; and/or
  - e. other legitimate sources.
- (2) The Agency's assets may be encumbered for the purpose of withdrawing a loan.
- (3) Any party is prohibited from foreclosing the Agency's assets unless for assets that have been encumbered for loan purposes.
- (4) Management of the Agency's assets is fully conducted by the Agency's organ based on the principles of good governance, accountability, and transparency.

**Article 161**

Audit of management and financial accountability of the Agency shall be conducted by public accountants who are registered with the Audit Board of the Republic of Indonesia and the Financial Services Authority.

**Article 162**

- (1) Organs and employees of the Agency are not state administrators, except for those who come from ex-officio state officials.
- (2) The Agency shall stipulate the staffing system, payroll system, awards, pension program, and old-age allowance, as well as other income for the Agency's employees.
- (3) The Agency cannot be declared bankrupt unless it may be proven to be in an insolvent condition.

**Article 163**

The Minister of Finance, the Ministry of Finance's officials, and organs and employees of the Agency cannot be held accountable legally for loss of investment if they can prove that:

- c. the loss is not due to their mistakes or negligence;
- d. have implemented management in good faith and prudently in accordance with purposes and objectives of investment and governance;
- e. have no conflict-of-interest, both directly and indirectly, over investment management actions; and
- f. does not obtain personal gain illegally.

**Article 164**

- (1) Further provisions regarding the governance of the Agency shall be regulated with or based on a Regulation of the Government.
- (2) Insofar that it is regulated under this Law, provisions of laws and regulations governing the management of state finance, state assets, and/or state-owned business entities do not apply to the Agency.

**Subdivision 2**

## **The Investment Management Agency**

### **Article 165**

- (1) For the purpose of investment management as referred to in Article 154 paragraph (3) letter b, for the first time based on this Law, an Investment Management Agency shall be established.
- (2) The establishment of the Investment Management Agency is intended to increase and optimize asset value in the long-term for the purpose of supporting sustainable development.
- (3) Organs of the Investment Management Agency shall consist of:
  - a. a Supervisory Board; and
  - b. a Board of Directors.

### **Article 166**

- (1) The Supervisory Board as referred to in Article 165 paragraph (3) letter a consists of:
  - a. the Minister in charge of government affairs in the state financial sector as the chairperson concurrently as a member;
  - b. the Minister in charge of government affairs in the state-owned enterprises sector as a member; and
  - c. 3 (three) persons who come from the professional element as members.
- (2) Members of the Supervisory Board as referred to in paragraph (1) shall be appointed and dismissed by the President.
- (3) In order to select members of the Supervisory Board from the professional element as referred to in paragraph (1) letter c, the President shall establish a selection committee.
- (4) The selection committee shall conduct:
  - a. announcement of acceptance and registration of candidates;
  - b. selection process; and
  - c. submission of candidate names to the President.
- (5) Submission of candidate names to the President shall be conducted within a maximum period of 3 (three) months since the establishment of the selection committee.
- (6) The President shall submit candidate names to be consulted to the House of Representatives of the Republic of Indonesia within a maximum period of 10 (ten) business days since the list of candidate names is received from the selection committee.
- (7) The House of Representatives of the Republic of Indonesia shall hold a consultation session with the President within a maximum period of 10 (ten) business days since the list of candidate names is received from the President.
- (8) The President shall stipulate and appoint members of the Supervisory Board from professional element within a maximum period of 14 (fourteen) business days starting from the consultation as referred to in paragraph (7) has been completed.
- (9) In the event that the consultation session is not implemented in accordance with the predetermined period as referred to in paragraph (7), the President shall stipulate and appoint members of the Supervisory Board from professional element within a maximum period of 14 (fourteen) business days as referred to in paragraph (8).
- (10) Further provisions regarding the selection of members of the Supervisory Board from the professional element shall be regulated under a Regulation of the Government.



- (11) Fellow members of the Supervisory Board are prohibited from having familial relationship up to the second degree or in-laws with fellow members of the Supervisory Board and/or with members of the Board of Directors.
- (12) Members of the Supervisory Board from the professional element are appointed for a 5 (five) years term of office and may only be reappointed for 1 (one) subsequent term of office.
- (13) For the purpose of appointment of members of the Supervisory Board from the professional element for the first time, the President shall stipulate the term of office of 3 (three) members of the Supervisory Board as follows:
  - a. 1 (one) member shall be appointed for a 5 (five) years term of office;
  - b. 1 (one) member shall be appointed for a 4 (four) years term of office; and
  - c. 1 (one) member shall be appointed for a 3 (three) years term of office.
- (14) The Supervisory Board as referred to in paragraph (1) has the duty to implement supervision for the organization of Investment Management Agency by the Board of Directors.
- (15) In implementing duties as referred to in paragraph (14), the Supervisory Board has the following authorities:
  - a. approving a work plan and annual budget as well as a key performance indicator that is proposed by the Board of Directors;
  - b. evaluating the achievement of key performance indicator;
  - c. receiving and evaluating an accountability report from the Board of Directors;
  - d. submit an accountability report from the Supervisory Board and the Board of Directors to the President;
  - e. stipulate and appoint members of the Advisory Board;
  - f. appoint and dismiss the Board of Directors;
  - g. stipulate remuneration for the Supervisory Board and the Board of Directors;
  - h. propose increase and/or decrease of the Agency's capital to the President;
  - i. approve the annual financial statement of the Agency;
  - j. temporarily dismiss one or more members of the Board of Directors and appoint an interim replacement for the Board of Directors; and
  - k. approve the appointment of an auditor for the Agency.
- (16) To assist the Supervisory Board in implementing its duties and authorities, the Supervisory Board may establish a committee.

#### **Article 167**

- (1) The Board of Directors as referred to in Article 165 paragraph (3) letter b consists of 5 (five) persons from the professional element.
- (2) Members of the Board of Directors as referred to in paragraph (1) shall be appointed and dismissed by the Supervisory Board.
- (3) Fellow members of the Board of Directors are prohibited from having familial relationship up to the second degree or in-laws with fellow members of the Board of Directors and/or with members of the Supervisory Board.
- (4) Members of the Board of Directors shall be appointed for a 5 (five) years term of office and may be reappointed for 1 (one) subsequent term of office.
- (5) For the purpose of appointing members of the Board of Directors for the first time, the Supervisory



Board shall stipulate the term of office of 5 (five) members of the Board of Directors as follows:

- a. 2 (two) members shall be appointed for a 5 (five) years term of office;
  - b. 2 (two) members shall be appointed for a 4 (four) years term of office; and
  - c. 1 (one) member shall be appointed for a 3 (three) years term of office.
- (6) The Board of Directors, as referred to in paragraph (1) has the duty to organize the operational management of the Investment Management Agency.
- (7) In implementing the duty as referred to in paragraph (6), the Board of Directors has the following authorities:
- a. formulating and stipulating the agency's policy;
  - b. implementing policy and operational management of the agency;
  - c. drawing up and proposing remuneration for the Supervisory Board and the Board of Directors to the Supervisory Board;
  - d. drawing up and proposing a work plan and annual budget as well as a key performance indicator to the Supervisory Board;
  - e. drawing up the organizational structure of the agency and organizing employment affair management including appointment, dismissal, payroll system, remuneration, awards, pension program and old-age allowance, as well as other income for the Investment Management Agency's employees; and
  - f. representing the Investment Management Agency in and out of court.
- (8) The Board of Directors may delegate duties and/or authorities in implementing the operation of the Investment Management Agency to the Investment Management Agency's employees and/or other parties who are specifically appointed for that purpose.
- (9) The division of each member of the Board of Directors shall be stipulated by the Board of Directors.

#### Article 168

In order to be appointed as members of the Supervisory Board from the professional element and members of the Board of Directors, prospective members of the Supervisory Board from the professional element and prospective members of the Board of Directors shall fulfill the following requirements:

- a. Indonesian citizen;
- b. able to perform legal acts;
- c. physically and mentally healthy;
- d. have a maximum age of 65 (sixty-five) years old upon the first appointment;
- e. not management and/or members of a political party;
- f. have experience and/or expertise in the investment, economy, financial, banking, legal, and/or company organization sectors;
- g. have never been imprisoned due to committing criminal acts;
- h. have never been declared bankrupt or have never been the management of a company who cause the bankruptcy of that company; and
- i. have never been declared as reprehensible individuals in the investment sector and other sectors based on laws and regulations.

#### Article 169

- (1) If necessary, the Investment Management Agency may establish an Advisory Board to provide advice and guidance to the Investment Management Agency in matters related to investment.
- (2) Members of the Advisory Board as referred to in paragraph (1) shall be appointed and dismissed by the Supervisory Board.

#### **Article 170**

- (1) The initial capital of the Investment Management Agency may be in the form:
  - a. cash funds;
  - b. state-owned goods;
  - c. state receivables in state-owned enterprises or limited liability companies; and/or
  - d. state-owned shares in state-owned enterprises or limited liability companies.
- (2) The initial capital of the Investment Management Agency is stipulated at a minimum of IDR15,000,000,000,000.00 (fifteen trillion rupiah) in the form of cash funds.
- (3) In the event that the capital of the Investment Management Agency decreases significantly, the Government may increase the capital of the Investment Management Agency.
- (4) The initial equity participation as referred to in paragraph (2) shall be stipulated with a Regulation of the Government.

#### **Article 171**

- (1) The Investment Management Agency that is established by this law may only be dissolved with a law.
- (2) The development of the Investment Management Agency shall be implemented by the Minister of Finance.
- (3) Further provisions regarding the Investment Management Agency shall be regulated under a Regulation of the Government.

#### **Article 172**

- (1) The Investment Management Agency may make transactions both directly and indirectly with entities that they own.
- (2) Taxation treatment on transactions that involve the Investment Management Agency and/or entities that they own, including transactions as referred to in paragraph (1), shall be regulated with or based on a Regulation of the Government.

### **Division Two**

#### **Ease of Nationally-Strategic Projects**

#### **Article 173**

- (1) The Central Government or Regional Governments in accordance with their authorities based on norms, standards, procedures, and criteria that are stipulated by the Central Government shall be responsible for providing land and Business Licensing for nationally-strategic projects from the Central Government, Regional Governments, State-Owned Enterprises, or Regionally-Owned Enterprises.
- (2) In the event that land procurement has not been able to be implemented by the Central Government or Regional Governments in accordance with their authorities based on norms, standards, procedures,

and criteria that are stipulated by the Central Government, land procurement for nationally-strategic projects may be conducted by business entities.

- (3) The land procurement for nationally-strategic projects, as referred to in paragraph (1) and paragraph (2) shall be implemented by taking state financial ability and fiscal sustainability principles into considerations.
- (4) In the event that the land procurement, as referred to in paragraph (2) is conducted by business entities, the land procurement mechanism shall be implemented in accordance with provisions of laws and regulations on land procurement for the public interest.
- (5) Further provisions regarding land procurement and Business Licensing for nationally-strategic projects shall be regulated under a Regulation of the Government.

## CHAPTER XI

### IMPLEMENTATION OF GOVERNMENT ADMINISTRATIVE TO SUPPORT JOB CREATION

#### Division One

##### General

#### Article 174

With the enactment of this Law, the authority of ministers, heads of institutions, or regional governments that have been stipulated in law to implement or form laws and regulations must be interpreted as exercising the authority of the President.

#### Division Two

##### Government Administration

#### Article 175

Several provisions under Law Number 30 of 2014 on Government Administration (State Gazette of the Republic of Indonesia of 2014 Number 292, Supplement to the State Gazette of the Republic of Indonesia Number 5601) have been amended as follows:

1. Between Article 1 Number 19 and Article 1 Number 20 is inserted 1 (one) number, namely Number 19a, therefore it reads as follows:

#### Article 1

Under this law, the following definitions are employed:

- (1) Government Administration is the management in the making of decision and/or action taking by government agencies and/or officials.
- (2) Government Function is a function in implementing Government Administration which encompass the regulatory, service, development, empowerment, and protection function.
- (3) Government agency and/or Official is the element that implements the Government Function, both within the government and other state administrators.
- (4) Superior Official is the direct superior of an Official who has a higher position in the government organization or level.
- (5) Authority is the right possessed by Government Agencies and/or Officials or other state administrators to make decisions and/or take actions in government administration.

- (6) Government Authority, from this point onward is referred to as Authority, is the power of Government Agencies and/or Officials to act in the realm of public law.
- (7) Government Administration Decree which is also known as State Administration Decree, from this point onward is referred to as Decree, is the written resolution issued by Government Agencies and/or Officials in government administration.
- (8) Government Administration Action, from this point onward is referred to as Action, is the act of Government Officials or other state administrators to carry out and/or not carry out concrete actions in the framework of government administration.
- (9) Discretion is the Decree and/or Action established and/or carried out by Government Officials to overcome concrete issues faced in government administration in the event of laws and regulations that provide a choice, does not regulate it, are incomplete or obscure, and/or there is government stagnation.
- (10) Official Assistance is the cooperation between Government Agencies and/or Officials for the smooth service of Government Administration in a government agency that needs it.
- (11) Electronic Decree is the Decree which is made or delivered using or utilizing electronic media.
- (12) Validation is the statement of Government Agencies and/or officials as regards the validity of a copy of Government Administration letter or document declared to be in accordance with the original.
- (13) Authority Dispute is the claim of use of Authority conducted by 2 (two) or more Government Officials caused by overlapping or obscure Government Officials who are authorized to handle a government affair.
- (14) Conflict of Interest is the condition in which Government Officials have personal interest to benefit themselves and/or other persons in the use of Authorities so that it can affect the neutrality and quality of Decrees and/or Actions made and/or taken by them.
- (15) Community Member is an individual or private legal entity related to a Decree and/or Action.
- (16) Administrative Efforts is the dispute settlement process carried out within Government Administration due to the issuance of adverse Decrees and/or Actions.
- (17) General Principles of Good Governance (Asas-asas Umum Pemerintahan yang Baik), from this point onward is referred to as AUPB, are the principles used as a reference for the use of authority for Government Officials in issuing Decrees and/or Actions in government administration.
- (18) Court is the State Administrative Court.
- (19) License is the Decree of authorized Government Officials as a form of approval over the request of Community Members in accordance with the provisions of laws and regulations.
- (19a) Standard is the Decree of authorized Government Officials or Institutions recognized by the Central Government as a form of approval over a statement for the fulfillment of all requirements that have been stipulated in accordance with the provisions of laws and regulations.
- (20) Concession is the Decree of authorized Government Officials as a form approval of an agreement between Government Agencies and/or Officials and other than Government Agencies and/or Officials in the management of public facilities and/or natural resources and other management in accordance with the provisions of laws and regulations.
- (21) Dispensation is the Decree of authorized Government Officials as a form of approval over the request of Community Members which are an exemption toward a prohibition or an order in accordance with the provisions of laws and regulations.
- (22) Attribution is the granting of Authority to Government Agencies and/or Officials by the 1945 Constitution of the Republic of Indonesia or a Law.
- (23) Delegation is the delegation of Authority from superior Government Agencies and/or Officials to

inferior Government Agencies and/or Officials whereby the responsibility and liability being fully transferred to the recipient of the delegation.

- (24) Mandate is the delegation of Authority from superior Government Agencies and/or Officials to inferior Government Agencies and/or Officials whereby the responsibility and liability remain with the mandate giver.
- (25) Minister is the minister in charge of government affairs in the field of State Apparatus Utilization.

2. Provision of Article 24 has been amended, therefore reads as follows:

#### **Article 24**

Government Officials who use Discretion should meet the following requirements:

- a. be in accordance with the purpose of Discretion as referred to in Article 22 paragraph (2);
- b. be in accordance with the AUPB;
- c. be based on objective reasons;
- d. does not cause any Conflict of Interest; and
- e. are carried out in good faith.

3. Provision of Article 38 has been amended, therefore reads as follows:

#### **Article 38**

- (1) Government Agencies and/or Officials may issue Electronic Decrees.
- (2) An Electronic Decree must be made or delivered toward a Decree which are processed by an electronic system established by the Central Government.
- (3) An Electronic Decree has the same legal force with a written Decree and is valid from the receipt of the said Decree by the party concerned.
- (4) In the event that an electronic Decree is made, a written Decree shall not be made.

4. Division five has been amended, therefore it reads as follows:

#### **Division Five**

#### **License, Standard, Dispensation, and Concession**

#### **Article 39**

- (1) An authorized Government Official can issue License, Dispensation, and/or Concession by referring to the AUPB and be based on the provisions of laws and regulations.
- (2) The Decree of a Government Agency and/or Official shall be in the form of a License:
  - a. approval has been issued before the implementation of the activity; and
  - b. the activity to be carried out is an activity that requires special attention and/or meets the provisions of laws and regulations.
- (3) The Decree of a Government Agency and/or Official shall be in the form of a Standard if:
  - a. approval has been issued before the implementation of the activity; and
  - b. The activities to be carried out are standardized activities.
- (4) The Decree of a Government Agency and/or Official shall be in the form of Dispensation if:

- a. approval has been issued before the implementation of the activity; and
  - b. the activity to be carried out is an activity of exception toward a prohibition or an order.
- (5) The Decree of a Government Agency and/or Official shall be in the form of a Concession if:
- a. approval has been issued before the implementation of the activity;
  - b. the approval is secured based on a consensus between the Government Agency and/or Official and State-Owned Enterprises, Regionally-Owned Enterprises, and/or private parties; and
  - c. the activity to be carried out is an activity that requires special attention.
- (6) Any License, Dispensation, or Concession submitted by an applicant should be given approval or rejection by the Government Agency and/or Official by no later than 10 (ten) business days from the receipt of the application, unless stipulated otherwise under the provisions of laws and regulations.
- (7) A standard is in effect since the applicant states its commitment to fulfill the standard elements.
- (8) Any License, Dispensation, or Concession should not cause state losses.

5. Between Article 39 and Article 40 is inserted 1 (one) article, namely Article 39A which reads as follows:

**Article 39A**

- (1) Government agencies and/or officials must carry out guidance and supervision over the implementation of License, Standards, Dispensations and/or Concessions.
- (2) Guidance and supervision toward Licenses, Standards, Dispensations, and/or Concessions as referred to paragraph (1) may be cooperated with or performed by a profession that has a certificate of expertise in accordance with the field of supervision.
- (3) Provisions regarding the types, forms, and mechanisms of guidance and supervision for Licenses, Standards, Dispensations, and/or Concessions that can be made by the profession as referred to in paragraph (2) shall be regulated under a Presidential Regulation.

6. Provisions of Article 53 have been amended, therefore read as follows:

**Article 53**

- (1) The time limit for the obligation to establish and/or carry out Decrees and/or Actions shall be in accordance with the provisions of laws and regulations.
- (2) If the provisions of laws and regulations does not determine a time limit for the obligation as referred to in paragraph (1), Government Agencies and/or Officials should establish and/or carry out Decrees and/or Actions within a maximum period of 5 (five) business days after a complete application was received by Government Agencies and/or Officials.
- (3) In the event that the application is processed through an electronic system and all requirements in the electronic system have been met, the electronic system shall establish Decrees and/or Actions as Decrees or Actions of authorized Government Agencies or Officials.
- (4) If within the time limit as referred to in paragraph (2), Government Agencies and/or Officials do not establish and/or carry out Decrees and/or Actions, then said applications shall be deemed as legally accepted.
- (5) Further provisions regarding the form of establishment of Decrees and/or Actions which are considered to be legally granted as referred to in paragraph (3) shall be regulated under a Regulation of the President.



## **Division Three Regional Government**

### **Article 176**

Several provisions under Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587), as most recently amended by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to State Gazette of the Republic of Indonesia Number 5679) have been amended as follows:

1. Provisions of Article 16 have been amended, therefore read as follows:

#### **Article 16**

- (1) The Central Government in carrying out concurrent government affairs as referred to in Article 9 paragraph (3) has the authority to:
  - a. establish norms, standards, procedures, and criteria in the framework of implementing Government Affairs; and
  - b. carry out guidance and supervision toward the organization of Government Affairs which become the authority of the Region.
- (2) The establishment of norms, standards, procedures, and criteria as referred to in paragraph (1) letter a refers to or adopts good practices.
- (3) The norms, standards, procedures and criteria as referred to in paragraph (1) letter a are in the form of provisions of laws and regulations established by the Central Government as implementing regulations in the implementation of concurrent government affairs which become the authority of the Central Government and which become the authority of the Regional Government.
- (4) The Central Government may delegate implementing regulations of norms, standards, procedures, and criteria as referred to in paragraph (3) to the head of region which are established with the Regulation of the Head of Region.
- (5) The Authority of the Central Government as referred to in paragraph (1) letter b is assisted by ministries and non-ministry government agencies.
- (6) The implementation of authorities which are carried out by non-ministry government agencies as referred to in paragraph (5) must be coordinated with the relevant ministries.
- (7) The stipulation of norms, standards, procedures, and criteria as referred to in paragraph (1) letter a shall be carried out by no later than 2 (two) years from the promulgation of government regulations regarding the implementation of concurrent government affairs.

2. Provision of Article 250 has been amended, therefore reads as follows:

#### **Article 250**

Perda (Regional Regulations) and Perkada (Regulation of the Head of Region) as referred to in Article 249 paragraph (1) and paragraph (3) are prohibited from contradicting the provisions of higher laws and regulations, the principle of the formation of good laws and regulations, the principle of material content of laws and regulations, and court decisions.

3. Provision of Article 251 has been amended, therefore reads as follows:

#### **Article 251**



In order not to contradicting the provisions of higher laws and regulations, the principle of the formation of good laws and regulations, the principle of material content of laws and regulations, and court decisions, the drafting of Perka and Perkada shall be in coordination with the ministry in charge of interior government affairs and involving experts and / or vertical agencies in the regions that carry out government affairs in the field of formation of laws and regulations.

4. Provisions of Article 252 have been amended, therefore read as follows:

**Article 252**

- (1) Provincial or regency/city Regional Government Administrators who still enforce Regional Regulations that are not in accordance with the provisions as referred to in Article 250 shall be subject to sanctions.
- (2) The sanctions as intended in paragraph (1) are in the form of administrative sanctions.
- (3) Administrative sanctions as referred to in paragraph (2) shall be imposed on the head of Region and members of the DPRD (Regional House of Representatives) in the form of non-payment of financial rights for 3 (three) months which are regulated by the provisions of laws and regulations.
- (4) In the event that the administrators of the provincial or regency/city Regional Government still stipulate Regional Regulations regarding regional taxes and/or regional levies that do not get registered numbers, they will be subject to sanctions of postponement or deduction of DAU and/or DBH for the region concerned.

5. Provisions of Article 260 have been amended, therefore read as follows:

**Article 260**

- (1) Regions in accordance with their authority shall prepare a Regional development plans as an integral part of the national development planning system in all areas of life which are based on national research and innovation guided by the values of Pancasila.
- (2) Regional development plans as referred to in paragraph (1) are coordinated, synergized, and harmonized by the Regional Apparatus in charge of Regional development planning.

6. Between Article 292 and 293 is inserted 1 (one) Article, namely Article 292A, therefore it reads as follows:

**Article 292A**

- (1) In the event that simplification of licensing and implementation of Business Licensing by the Regional Government as referred to in this Law causing a reduction in regional revenue, the Central Government shall provide budget incentive support.
- (2) The budget provision as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

7. Provisions of Article 300 have been amended, therefore read as follows:

**Article 300**

- (1) Regions can make loans from the central government, other regions, bank financial institutions, non-bank financial institutions, and the public.
- (2) The head of the can issue Regional bonds and/or Regional sukuk (Islamic bonds) to finance infrastructure and/or investment in the form of public service provision activities which become the affairs of the Regional Government after obtaining consideration from the Minister and

approval from the minister in charge of government affairs in the finance sector.

8. Provisions of Article 349 have been amended, therefore read as follows:

**Article 349**

- (1) Regions can simplify the types and procedures of public services to improve service quality and competitiveness of the Region and in accordance with the norms, standards, procedures, and criteria, as well as Central Government policies.
- (2) The simplification as referred to in paragraph (1) is stipulated by a Regional Regulation.
- (3) Regional governments can utilize information and communication technology in the organization of public services.

9. Provisions of Article 350 have been amended, therefore read as follows:

**Article 350**

- (1) The head of the region are required to provide Business Licensing services in accordance with the provisions of laws and regulations and the norms, standards, procedures, and criteria stipulated by the Central Government.
- (2) In providing Business Licensing services as referred to in paragraph (1), Regions shall form one-stop integrated service units.
- (3) The establishment of a one-stop integrated service unit as referred to in paragraph (2) shall be guided by the provisions of laws and regulations.
- (4) The Business Licensing Service as referred to in paragraph (1) must use the electronic Business Licensing system managed by the Central Government.
- (5) The head of the region may develop a supporting system for the implementation of an integrated electronic Business Licensing system as referred to in paragraph (4) in accordance with the standards set by the Central Government.
- (6) The head of the region that do not provide Business Licensing services as referred to in paragraph (1) and use the electronically integrated Business Licensing system as referred to in paragraph (4) shall be subject to administrative sanctions.
- (7) The administrative sanctions as referred to in paragraph (6) are in the form of a written reprimand to the governor by the Minister and to the regent/mayor by the governor as the representative of the Central Government for violations of an administrative nature.
- (8) The written reprimand as referred to in paragraph (7) may be given by the minister or head of an institution that guides and supervises sectoral Business Licensing after coordinating with the Minister.
- (9) In the event that the written reprimand as referred to in paragraph (7) and paragraph (8) has been delivered 2 (two) times in a row and is still not carried out by the head of the region:
  - a. the minister or head of an institution that guides and supervises sectoral Business Licensing shall take over the granting of business licensing which become the authority of the governor; or
  - b. The governor as the representative of the Central Government shall take over the granting of Business Licensing which become the authority of the regent/mayor.
- (10) The takeover of the granting of Business Licensing by the minister or head of an institution that guides and supervises sectoral Business Licensing as referred to in paragraph (9a) is carried out after coordinating with the Minister.

10. Between Article 402 and 403 is inserted 1 (one) article, namely Article 402A which reads as follows:

**Article 402A**

The division of concurrent government affairs between the Central Government and Provincial Regions as well as Regency/City Regions as set out in the Appendix to Law Number 23 of 2014 on Regional Government as most recently amended by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Regional Government must be read and interpreted in accordance with the provisions regulated in the Law on Job Creation.

**CHAPTER XII  
SUPERVISION AND GUIDANCE**

**Article 177**

- (1) The Central Government must carry out supervision and guidance toward every implementation of the Business Licensing carried out by the Business Licensing holder.
- (2) The implementation of supervision and guidance as referred to in paragraph (1) shall be carried out by State Civil Apparatuses in accordance with their authority.
- (3) The State Civil Apparatuses in carrying out the supervisory and guidance duties as referred to in paragraph (2) may cooperate with a certified profession in accordance with the field of supervision and guidance being carried out.
- (4) In the event that the State Civil Apparatus and certified professions in carrying out their duties find violations toward the provisions contained in each Business License carried out by the Business Licensing holder as referred to in paragraph (1), the State Civil Apparatuses in accordance with their authority may impose administrative sanctions toward the Business Licensing holder.
- (5) Administrative sanctions as referred to in paragraph (4) can be in the form of:
  - a. Warning;
  - b. temporary suspension of business activities;
  - c. imposition of administrative fines;
  - d. imposition of police force;
  - e. revocation of license/certification/approval; and/or
  - f. revocation of Business Licensing.
- (6) The authority of the Central government in carrying out the supervision and guidance as referred to in paragraph (1) and the imposition of administrative sanctions as referred to in paragraph (4) can be delegated to the Regional Government in accordance with the provisions of laws and regulations.
- (7) Further provisions regarding another administrative sanctions and procedures for the imposition of administrative sanctions as referred to in paragraph (4) shall be regulated under a Regulation of the Government.

**Article 178**

Every Business Licensing holder who, in carrying out its activities/businesses cause damage to the environment, apart from being subject to administrative sanctions as referred to in Article 177 paragraph (5), the Business Licensing holder is obliged to recover environmental damage resulting from its activity/business.

**Article 179**

- (1) The Central Government is obliged to supervise State Civil Apparatuses and/or certified professionals carrying out the supervisory and guidance duties and responsibilities.
- (2) State Civil Apparatuses and/or certified professions as referred to in paragraph (1) who does not carry out their supervisory and guidance duties and functions toward the implementation of Business Licensing will be subject to sanctions in accordance with the provisions of laws and regulations
- (3) The authority to carry out supervision as referred to in paragraph (1) may be delegated to the Regional Government in accordance with the provisions of laws and regulations.
- (4) Further provisions regarding the procedures for implementing supervision by the Central Government as referred to in paragraph (1) shall be regulated under a Regulation of the Government.

**CHAPTER XIII  
MISCELLANEOUS PROVISIONS****Article 180**

- (1) Rights, permits, or concessions over land and/or areas that are intentionally not cultivated or neglected within a period of 2 (two) years since it was granted shall be revoked and returned to the state.
- (2) In implementing the return to the state as referred to in paragraph (1), the Central Government may assign such rights, permits or concessions as assets of a Land Bank.
- (3) Further provisions regarding the revocation of rights, permits or concessions and their designation as assets of Land Banks shall be regulated under a Regulation of the Government.

**Article 181**

- (1) At the time this Law comes into force, every laws and regulation under the applicable Law and contrary to the provisions of this Law or contrary to higher laws and regulations, or contrary to a court decision must undergo harmonization and synchronization coordinated by the ministry or agency in charge of government affairs in the field of formation of laws and regulations.
- (2) Harmonization and synchronization related to regional regulations and/or regulation of the head the region, is carried out by the ministry or agency in charge of government affairs in the field of formation of laws and regulations together with the ministry in charge of interior affairs.
- (3) Further provisions regarding the harmonization and synchronization as referred to in paragraph (1) and paragraph (2) shall be regulated under a Regulation of the Government.

**Article 182**

In the framework of establishing Regulation of the Government, the Central Government may consult with:

- a. The Head of the House of Representatives and DPR apparatuses that handles the field of legislation; and/or
- b. The Head of the Regional Representative Council and DPD apparatuses that handles the field of legislation.

**Article 183**

The Central Government must report the implementation of this Law to:

- a. The House of Representatives, through the apparatus that handles the field of legislation; and/or

- b. Representative Council, through the apparatus that handles the field of legislation by no later than 1 (one) year from the time this Law comes into force.

## **CHAPTER XIV TRANSITIONAL PROVISIONS**

### **Article 184**

At the time this Law comes into force:

- a. Business Licensing or sector licenses that have been issued shall remain valid until the expiration of Business Licensing;
- b. Business Licensing and/or sector licenses that have been issued before this Law comes into force may be applicable in accordance with this Law; and
- c. Business Licensing which is currently in the application process shall be adjusted to the provisions of this Law.

## **CHAPTER XV CLOSING PROVISIONS**

### **Article 185**

At the time this Law comes into force:

- a. Implementing regulations of this Law must be stipulated by no later than 3 (three) months; and
- b. All implementing regulations of the Laws amended by this Law are declared to remain valid as long as they do not conflict with this Law and must be adjusted by no later than 3 (three) months.

### **Article 186**

This Law comes into force from the date of its promulgation.

For public cognizance, it is hereby ordered that this Law be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta,  
on 2 November 2020

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed.

JOKO WIDODO

Promulgated in Jakarta,  
on 2 November 2020

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

Signed.  
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 245



**ELUCIDATION OF  
LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 11 OF 2020  
ON  
JOB CREATION**

**I. GENERAL**

The Preamble of the 1945 Constitution of the Republic of Indonesia mandated that the intention of forming the State of the Republic of Indonesia is to realize a community which are prosperous, just, flourishing, and which are even, both materially and spiritually. In line with that intention, Article 27 paragraph (2) of the 1945 Constitution stipulates that “Every citizen has the right to a decent living for humanity”, thus the country needs to carry out various efforts or actions to fulfill the right of citizens to obtain work and decent living. In principle, the fulfillment of right to work and decent living is an important aspect of national development which are implemented in the framework of developing Indonesian people as a whole.

The Central Government has carry out various efforts to create and expand employment opportunities in the framework of reducing the number of unemployment and accommodating new workers, as well as encouraging the development of Cooperative and Micro-, Small- and Medium-Scale Business with the intention to improve national economy which will be able to improve public welfare. Despite open unemployment rate continues to fall, Indonesia still needs quality job creation because:

- a. the number of workforce not fully employed or unemployed is still quite high, namely amounting to 45.84 million, comprising: 7.05 million unemployment, 8.14 million half-unemployed, 28.41 million part-time workers, and 2.24 million new workforce (this number amounts to 34.3% of the total workforce, while the creation of employment opportunities still in the range of up to 2.5 million per year);
- b. the number of population working in informal sector is 70.49 million people (55.72% of the total working population) and tends to decrease, with the largest decrease in the status of business assisted by temporary workers;
- c. an increase in wages has been deemed necessary, the growth of which is in line with economic growth and increase in worker productivity

The Central Government has attempted to expand the social security and assistance program, which are a commitment for the purpose of increasing competitiveness and strengthening the quality of human resources, as well as to accelerate the reduction of poverty and income inequality. Therefore, through the support of social security and assistance, the total benefit is not only received by workers, but it is also felt by the family of the worker.

In this regard, the Central Government needs to take strategic policies to create and expand jobs through increased investment, encouraging quality development and improvement of Cooperatives and Micro-, Small- and Medium-Scale Businesses. To be able to increase job creation and expansion, a stable and consistently rising economic growth annually has been deemed necessary. However, that efforts is faced with current condition, primarily those related to:

- a. Global Condition (External)

In the form of global economic uncertainty and slowdown and geopolitical dynamics in various parts of the world, as well as the occurrence of technological changes, industry 4.0, digital economy;

- b. National Condition (Internal)

Economic growth has averaged around 5% in the last 5 years with investment realization approximately IDR721.3 trillion on 2018 and IDR792 trillion on 2019;



c. Economic and Business Issues

There are overlapping regulations, low investment effectiveness, unemployment rate, new workforce, and number of informal workers, large number of UMK-M but with low productivity.

Indonesia is still facing various obstacles and ease in doing business, including for Cooperatives and UMK-M. Nowadays there is regulatory complexity and obesity, where there are currently 4,451 Central Government regulations and 15,965 Regional Government regulations. Regulations and institutions becomes the main obstacles apart from obstacles toward fiscal, infrastructure and human resources. Regulations does not support business creation and development, in fact they tend to be restrictive.

With currently existing conditions, per capita income is just IDR4.6 million per month. By calculating future potentials of the economy and human resources, then Indonesia will be able to enter the world's top 5 economies by 2045 with a gross domestic product of 7 trillion US dollars and per capita income of IDR27 million per month.

For this reason, there is a need for Job Creation policies and strategic steps that require the involvement of all related parties, and toward that matter, it has been deemed necessary to prepare and enact a Law on Job Creation with the purpose of evenly creating the widest possible jobs for Indonesian people throughout the territory of the State of the Republic of Indonesia in order to fulfill the right to decent living. The Law on Job Creation cover matters relating to:

- a. improvement of investment ecosystems and business activities;
- b. improvement of workers protection and welfare;
- c. ease, empowerment and protection of Cooperatives and UMK-M; and
- d. improvement of government's investment and acceleration of nationally strategic projects.

The creation of employment opportunities which are carried out through regulation relating to improvement of investment ecosystems and business activities shall at least contain regulation as regards the simplification of Business Licensing, investment requirements, ease of doing business, research and innovation, land procurement, and economic areas.

The simplification of Business Licensing through the application of risk-based Business Licensing is the standard method based on the risk level of a business activity in determining the type of Business Licensing and quality/frequency of Supervision. Business Licensing and Supervision are the instruments of the Central Government and Regional Governments in controlling a business activity. The application of risk-based approach requires a change in thinking pattern (change management) and adjustment of work management for the organization of Business Licensing services (business process re-engineering), as well as requires a regulation (re-design) of the business process of Business Licensing in the electronic Business Licensing System. Through the application of this concept, the implementation of issuance of Business Licensing can become more effective and simpler because not all business activity is required to have a License, moreover through the implementation of this concept supervisory activities becomes more structured both from the period and substance that must undergo a supervision.

The creation of employment opportunity which are carried out through regulation regarding an increase in workers protection and welfare shall at least contain regulation regarding: protection of workers with temporary employment agreement, protection of employment relationship for jobs that are based on outsourcing, protection of decent employment needs through minimum wage, protection of workers experiencing a termination of employment, and ease of licensing for foreign workers who have certain skills that are still required for the production process of goods or services.

The creation of employment opportunity conducted through regulation relating to the improvement of investment by the Central Government and Regional Governments and acceleration of nationally strategic projects shall at least contain regulation as regards: implementation of the Central Government's investment through the establishment of investment management institution and land provision and licensing for the acceleration of nationally strategic projects. In order to support that strategic Job Creation policies there is a need for regulation as regards government administration arrangements and imposition of sanctions.

To support the implementation of strategic job creation policies along with their regulations, there is a need for amendment and improvement of various relevant Laws. That Amendment to Law cannot be carried out through conventional means by way of amending Laws one by one like what has been conducted so far, such a method is of course very ineffective and inefficient, as well as takes a long time.

The scope of this Law includes:

- a. improvement of investment ecosystems and business activities;
- b. manpower;
- c. ease, empowerment and protection of cooperatives and UMK-M; and
- d. ease of doing business;
- e. research and innovation support;
- f. land procurement;
- g. economic zones;
- h. Central Government's investment and acceleration of nationally strategic projects;
- i. implementation of government administration; and
- j. imposition of sanctions.

## II. ARTICLE BY ARTICLE

### Article 1

Self-explanatory.

### Article 2

#### Paragraph (1)

- a. "equalization of rights" is that job creation is to fulfill the citizens' rights to work and decent living for the Indonesian people which are carried out evenly throughout the territory of the Unitary State of the Republic of Indonesia.
- b. "legal certainty" is that job creation is carried out in line with the creation of a conducive business climate established through a legal system that ensures consistency between laws and regulations and their implementation.
- c. "ease of doing business" is that job creation supported by a simple, easy and fast business process will encourage increased investment, empowerment of micro-, small- and medium-scale businesses to strengthen the economy which is able to open the widest possible employment opportunities for the Indonesian people.
- d. "togetherness" is that the job creation shall be by encouraging the role of the entire business world and micro-, small- and medium-scale businesses, including cooperatives, together in their activities for the welfare of the people.
- e. "independence" is that the empowerment of micro-, small- and medium-scale businesses, including cooperatives, is carried out by continuing to encourage, maintain, and put forward their potential.

#### Paragraph (2)

Self-explanatory.

## Article 3

Self-explanatory.

## Article 4

Self-explanatory.

## Article 5

Self-explanatory.

## Article 6

Self-explanatory

## Article 7

## Paragraph (1)

“Risk-Based Business Licensing” is the granting of Business Licensing and the implementation of supervision based on the risk level of business and/or activity.

“risk level” is the potential for a hazard to health, safety, environment, utilization of Natural Resources and/or other hazards that fall into the low, medium, or high categories.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

## Letter a

Self-explanatory.

## Letter b

Self-explanatory.

## Letter c

Self-explanatory.

## Letter d

“utilization and management of resources” includes the use of radio frequency.

## Paragraph (4)

“other aspects” includes the aspect of security and defense in accordance with the business activities.

## Paragraph (5)

## Letter a

Self-explanatory.

## Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

“volatility risk” is a kind of risk that has a tendency to change easily.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Paragraph (1)

Letter a

The examples of medium-low risk business activities are, among others, agritourism and hotel management services.

Letter b

The examples of medium-high risk business activities are, among others, refrigeration machinery industry and ready-to-install heavy construction made from steel for buildings.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Self-explanatory.

**Article 12**

Self-explanatory.

**Article 13**

Self-explanatory.

**Article 14**

Self-explanatory.

**Article 15**

Self-explanatory.

**Article 16**

Self-explanatory.

**Article 17****Number 1**

Self-explanatory.

**Number 2**

Self-explanatory.

**Number 3****Paragraph (1)****Letter a**

Self-explanatory.

**Letter b**

Self-explanatory.

**Letter c**

Self-explanatory.

**Letter d**

Self-explanatory.

**Letter e****Article 1****Article 6****Article 8**

Self-explanatory.

Letter f

Cooperation in spatial planning involve other countries so that there is an aspect of relations between countries which are the authority of the Government.

Cooperation in spatial planning between countries include the cooperation in spatial planning within state border area.

The granting of authority to the Government in facilitating cooperation in spatial planning between provinces is intended so that the cooperation in spatial planning will provide optimal benefits for all cooperating provinces.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Letter a

Information dissemination is carried out through electronic media, printed media, and other communication media, as a form of embodiment of the principle of transparency in spatial planning administration.

Letter b

Minimum services standard is the rights and obligations of recipients and service providers which are formulated as the instruments of the Central Government and regional government to ensure equitable access and quality of basic community services.

Minimum services standard in the field of spatial planning is formulated by the Central Government and enforced for all of provincial governments and regency/city governments to ensure equitable quality of basic community services for the purpose of spatial planning administration.

Paragraph (6)

Self-explanatory.

Number 4

## Article 9

Paragraph (1)

Spatial planning administration by the Central Government consists of, among others, the arrangement, guidance, supervision of spatial planning in cross-sector, cross-area, and cross-stakeholder that can be carried out by participatory approach through committee or forum.

Paragraph (2)

Self-explanatory.

Number 5

**Article 10**

Self-explanatory.

Number 6

**Article 11**

Self-explanatory.

Number 7

**Article 14**

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Detailed spatial plan is the explanation of the general spatial plan that can be in the form of strategic area spatial planning of which the determination of the area is covered in area spatial planning.

Detailed spatial plan is the operationalization of general spatial plan that in its implementation with due regard to the aspirations of the community so that the content of the plan can still be refined while still complying with the limits set out in the detailed plan and zoning regulations.

Paragraph (2)

The general spatial plan is differentiated according to government administrative areas because the authority to regulate the utilization of space is divided according to the division of government administration.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

According to government administration, regency spatial plan and city spatial plan have an equal position.

Paragraph (3)

Letter a

Island/archipelago spatial plan and nationally strategic spatial plan are the detailed plan for National Spatial Plan.

Letter b

Regency/city RDTR is the detailed plan for regency/city spatial plan equipped with regency/city zoning regulations.

Paragraph (4)

Self-explanatory.

Paragraph (5)



Letter a

Self-explanatory.

Letter b

The effectivity of spatial plan implementation is greatly influenced by the level of accuracy or depth of arrangement and map scale in the spatial plan. Spatial plan which include a wide area, generally has a not detailed level of accuracy or depth of arrangement and map scale. Therefore, in its application, more detailed planning is needed. If spatial planning covering a large area that allows the arrangement and provision of maps with a high degree of precision, then a detailed plan is not required.

Paragraph (6)

Self-explanatory.

Number 8

#### Article 14A

Self-explanatory.

Number 9

#### Article 17

Paragraph (1)

Self-explanatory.

Paragraph (2)

In the area system, residential center is an urban area which is the center of community's socio-economic activities, both in urban areas and in rural areas. In the urban internal system, the residential center is the service center for urban activities.

Infrastructure network system, among others, includes transportation network systems, energy and electricity network systems, telecommunication network systems, waste and sanitation systems, and water resources network systems.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Determination of the proportion of forest area to watershed is intended to preserve the water balance, because most parts of Indonesia areas have high rainfall and rainfall intensity, and have a configuration of undulating, hilly, and mountainous land that is sensitive to disturbances in the balance of water systems such as floods, erosion, sedimentation, and lack of water.

The distribution of forest area is adjusted with watershed conditions that, among others, consists of morphology, rock type, and forms of draining rivers and creeks (anak sungai). Thus, the forest area does not have to be evenly distributed in every administrative area in the watershed.

Paragraph (6)

Linkage between regions is a form of integration and synergy between regions, namely the national area, provincial area, and regency/city area.

Linkage between area functions is a form of integration and synergy between areas, including, among others, the linkages between protected areas and cultivation areas.

Linkage between area activities is a form of integration and synergy between areas, including, among others, the linkages between urban areas and rural areas.

Paragraph (7)

Spatial plan for security and defense functions, due to its special nature, require a separate arrangement. The special nature is related to the need to maintain the confidentiality of some information for the sake of national defense and security.

Spatial plan related to the defense and security functions as a regional spatial planning subsystem implies that the spatial planning of defense and security areas is an integral part of the overall spatial planning efforts.

Number 10

**Article 18**

Paragraph (1)

Substantial approval from the Central Government is intended so that the regional regulations on spatial planning refers to National Spatial Plan and national policies, while the detailed spatial plan refers to the general spatial plan. Apart from that, this approval is also intended to ensure the conformity of the contents of regional regulations, both with the provisions of laws and regulations as well as with the guidelines in the field of spatial planning.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 11

**Article 20**

Paragraph (1)

Letter a

The objectives of national spatial planning reflect an integrated development between sectors, between regions, and between stakeholders. National spatial planning policies and strategies are the basis for national development that utilizes space.

National spatial planning policies and strategies are formulated by considering science and technology, availability of data and information, as well as development financing.

National spatial planning policies and strategies, among others, are intended to increase national competitiveness in facing global challenges, as well as realizing Archipelagic Concept (Wawasan Nusantara) and National Resilience.

Letter b

National urban system formed from urban areas with a hierarchical service scale covering national scale activity center, regional scale activity center, and local scale activity center. The activity center is supported and equipped with a regional infrastructure network whose service levels are adjusted to the hierarchy of activities and service needs.

Main infrastructure network is a primary system developed to integrate the territory of the Unitary State of the Republic of Indonesia other than to serve national scale activities, which consist of transportation network system, energy and electricity network system, telecommunication network system, and water resources network system.

Included in the planned primary network system is a transportation network to provide the Indonesian Archipelagic Sea Lanes (Alur Laut Kepulauan Indonesia - ALKI) for innocent passage traffic in accordance with the provisions of international law.

Letter c

National spatial patterns is a description of the use of national territory space, both for the use of protection and cultivation that is nationally strategic, which come from various points of view that will be more efficient and effective in supporting the achievement of national development goals.

Nationally protected areas, among others, are protected areas that, ecologically, is a single ecosystem located in more than one province, protected areas that provide protection for subordinate areas located in other provinces, protected areas intended to protect national cultural heritage, upstream watershed of a dam or reservoir, and other protected areas whose management is under the authority of the Government according to the laws and regulations.

Nationally protected areas are areas whose spatial use is prohibited and/or restricted with the main function of protecting the preservation of the environment, which includes natural and artificial resources, cultural and historical heritage, as well as to reduce the impact of natural disasters.

Cultivation areas that have national strategic value, among others, are areas developed to support the national defense and security function, strategic industrial areas, strategic natural resource mining areas, metropolitan urban areas, and other cultivation areas which the licensing and/or management is under the authority of the Government according to the laws and regulations.

Letter d

Nationally strategic areas are areas designated as special area according to the laws and regulations.

Letter e

Indication of the main program is an indication that contains the main program proposals, estimated funding and its sources, implementing agencies, and implementation time in order to realize spatial use that are in accordance with the spatial plan. Indication of the main program is the main reference in the preparation of the spatial utilization program which is the key in achieving the spatial planning objectives, as well as the sectoral reference in preparing the strategic plan and the amount of investment. The five-year main program indication is prepared for a plan period of 20 (twenty) years.

Letter f

Self-explanatory.

Paragraph (2)

National Area Spatial Plan becomes a reference for the central and regional government agencies as well as the community to direct the location and utilize space in formulating development programs related to spatial use.

Paragraph (3)

Spatial plan is formulated for 20 (twenty) years period with a further future vision which is the spatial dimension of the long-term development plan.

If the 20 (twenty) year period of spatial plan expires, in the preparation of a new spatial plan, the rights already owned by a person whose period exceeds the period of the spatial plan is still recognized.

Paragraph (4)

Review of spatial plan is an effort to see the suitability between spatial plan and development needs with due regard to developments in the strategic environment and internal dynamic, as well as the implementation of spatial utilization.

The review result of National Area Spatial Plan contains follow-up recommendations as follow:

- a. revisions need to be made because there are changes in national policies that affect spatial utilization due to technological developments and/or fundamental conditions; or
- b. there are no need for revisions because there are no changes in national policies that affect spatial utilization due to technological developments and fundamental conditions.

Paragraph (5)

Review and revision of National Area Spatial Plan can be carried out more than 1 (one) time within a period of 5 (five) years only if it meets the requirements of an occurrence of strategic environmental changes. The review is carried out not for legalization (pemutihan) of space utilization deviations.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Strategic national policies include, among others, infrastructure development, regional development, and economic development.

Paragraph (6)

Self-explanatory.

Number 12

## Article 22

Self-explanatory.

Number 13

## Article 23

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Provincial spatial structure plan is a direction for the realization of the urban system within the provincial area and the provincial infrastructure network which is developed to integrate provincial areas in addition to serving provincial-scale activities which include transportation network systems, energy and electricity network systems, telecommunication network systems, and water resources network systems, including all the upstream area of the dam/reservoir from the watershed.

Within the provincial spatial plan, it is described the urban system in provincial regions and the laying of the regional infrastructure network that according to the laws and regulations, the development and management falls under the authorities of provincial government with full attention to the spatial structure that has been stipulated in the National Area Spatial Plan.

Provincial spatial plan contains spatial plan set out in National Area Spatial Plan.

Letter c

Provincial spatial patterns is a description of provincial spatial use, both for the use of protection and cultivation, which come from various points of view will be more efficient and effective in supporting the achievement of provincial development goals if it is managed by the provincial government by fully paying attention to the spatial pattern stipulated in the National Spatial Plan.

Provincial protected area is a protected area that, ecologically, is a single ecosystem located in more than one regency/city area, a protected area that provides protection for its subordinate areas located in another regency/city, and other protected areas of which the management is the authority of the provincial government according to the laws and regulations.

Cultivation areas that have provincial strategic value are cultivation areas deemed very important for the efforts to achieve provincial development and/or the licensing and/or management is the authority of the provincial government according to the laws and regulations.

Cultivation areas that have provincial strategic value can be residential areas, forestry areas, agricultural areas, mining areas, industrial areas, and tourism areas. Regency spatial pattern plans contains spatial pattern plan stipulated in National Spatial Plan.

Letter d

Indication of the main program is an indication that contains the main program proposals, estimated funding and its sources, implementing agencies, and implementation time in order to realize spatial use that are in accordance with the spatial plan. Indication of the main program is the main reference in the preparation of the spatial utilization program which is the key in achieving the spatial planning objectives, as well as the sectoral reference in preparing the strategic plan and the amount of investment. The five-year main program indication is prepared for a plan

period of 20 (twenty) years.

Letter d

Self-explanatory.

Paragraph (2)

Provincial spatial plan becomes the reference for regional government agencies as well as the community to direct the location and utilize space in preparing development programs related to spatial utilization in the relevant area. In addition, the plan becomes the basis for providing recommendations for directing spatial utilization.

Provincial spatial plan and provincial long-term development plans as well as provincial medium-term development plans are regional policies that refer to each other.

Paragraph (3)

Spatial plan is formulated for 20 (twenty) years period with a further future vision which is the spatial dimension of the regional long-term development plan.

If the 20 (twenty) year period of spatial plan expires, in the preparation of a new spatial plan, the rights already owned by a person whose period exceeds the period of the spatial plan is still recognized.

Paragraph (4)

Review of spatial plan is an effort to see the suitability between spatial plan and development needs with due regard to developments in the strategic environment and internal dynamic, as well as the implementation of spatial utilization.

The review result of provincial spatial plan contains follow-up recommendations as follow:

- a. revisions need to be made because there are changes in national policies that affect provincial spatial utilization and/or there are internal dynamics in the province that affect the provincial spatial utilization fundamentally; or
- b. there is no need for revisions because there are no changes in national policies and strategies and there are no internal dynamics in the province that affect the provincial spatial utilization fundamentally.

Paragraph (5)

Review and revision in less than 5 (five) years is carried out if the internal dynamics of the province which affect the provincial spatial utilization fundamentally are caused by strategic environmental changes, among others, due to natural disasters, changes in territorial boundaries, changes in regional boundaries and/or changes in strategic national policies that affect provincial spatial utilization and/or internal dynamics in the province that do not change national spatial utilization policies and strategies.

The review is carried out not for the legalization of space utilization deviations.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Strategic national policies include, among others, infrastructure development, regional development, and economic development.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Number 14

Paragraph (2)<sup>4</sup>

Has been removed.

Number 15

#### **Article 25**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Supporting capacity and carrying capacity in the regency are regulated based on the laws and regulations of which the formulation is coordinated by the minister in charge of government affairs in the field of environment.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Number 16

#### **Article 26**

Paragraph (1)

Letter a

Self-explanatory.



## Letter b

The regency spatial structure is a description of the urban regency system and the regency area infrastructure network developed to integrate regency areas in addition to serving regency-scale activities which include transportation network systems, energy and electricity network systems, telecommunications network systems, and water resources network systems, including all upstream areas of dam or reservoir of a watershed.

In the regency spatial plan, it is described that the central system for activities in the regency area and the placement of regional infrastructure networks that, according to the provisions of laws and regulations, its development and management is the authority of the regency government. The regency spatial structure contains the spatial structure plan stipulated in the National Spatial Plan and the provincial spatial plan related to the relevant regency areas.

## Letter c

Regency spatial patterns is a description of regency spatial utilization, both for the utilization that have protection and cultivation function and that have not been stipulated in National Spatial Plan and provincial spatial plan. Regency spatial patterns are developed with full attention to the regional spatial patterns stipulated in the National Spatial Plan and provincial spatial plans. The spatial pattern plan contains the spatial pattern plan stipulated in the National Spatial Plan and provincial spatial plan which related to the relevant regency region.

## Letter d

Self-explanatory.

## Letter e

Self-explanatory.

## Paragraph (2)

Regency spatial plan becomes a guideline for the regional governments to determine the location of development activities in utilizing space and in formulating development programs related to spatial utilization in the area and at the same time being the basis for providing recommendations for directing spatial utilization, so that the utilization of space in the implementation of development is always appropriate with regency spatial planning.

Rural area spatial plan is part of regency spatial plan that can be formulated as a space utilization instrument to optimize agricultural activities which can in the form of an agropolitan area.

Regency spatial plan and long-term regional development plans are regional policies that refer to each other. The formulation of regency spatial plans refers to the regency's long-term development plan and vice versa.

## Paragraph (3)

Self-explanatory.

## Paragraph (5)

Review of spatial plan is an effort to see the suitability between spatial plan and development needs with due regard to strategic environmental developments and internal dynamics, as well as the implementation of spatial utilization. The review result of regency/city spatial plan contains follow-up recommendations as follow:

- a. revisions need to be made because there are changes in national and/or provincial policies and strategies that affect regency spatial utilization and/or there are internal dynamics in the regency that affect regency spatial utilization fundamentally; or

- b. there are no need for revisions because there are no changes in national and/or provincial policies and there are no internal dynamics in the regency that affect regency spatial utilization fundamentally.

Paragraph (6)

Review and revision in less than 5 (five) years or more than 1 (one) time in a period of 5 (five) years are carried out if the spatial use strategy and spatial structure of the relevant regency area require a fundamental change as a result of strategic environmental changes.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Strategic national policies include, among others, infrastructure development, regional development, and economic development

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Number 17

**Article 27**

Has been removed.

Number 18

**Article 34A**

Zoning plan is the marine space management plan that has been stipulated in accordance with the provisions of laws and regulations in the field of management of coastal areas and small islands before this Law comes into force.

Number 19

**Article 35**

Spatial utilization control is intended so that the spatial utilization is carried out in accordance with spatial plan.

Number 20

Self-explanatory.

**Article 37**

Number 21

Self-explanatory.

**Article 48**

Number 22

Has been removed.

**Article 49**

Number 23

Has been removed.

**Article 50**

Number 24

Has been removed.

**Article 51**

Number 25

Has been removed.

**Article 52**

Number 26

Has been removed.

**Article 53**

Number 27

Has been removed.

**Article 54**

Number 28

Letter a

**Article 60**

The community can find out about spatial planning through the State Gazette or the

Regional Gazette, announcement, and/or dissemination by the government.

Said announcement or dissemination can be made known by the community, among other things, from the installation of spatial map for the relevant area in public places, sub-district offices, and/or offices that functionally handle the spatial plan.

Letter b

Added value of space can be seen from the viewpoint of economic, social, cultural, and environmental quality which can be a direct impact toward the improvement of the community's economy, social, culture and environmental quality.

Letter c

"adequate compensation" is that the value or amount of compensation does not reduce the level of welfare of the person who is compensated in accordance with the provisions of laws and regulations.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Number 29

## Article 61

Letter a

Comply with the spatial plan that has been determined is meant as the obligation of every person to have a space utilization license from the authorized official prior to the implementation of space utilization.

Letter b

Utilize space in accordance with the spatial plan is meant as the obligation of everyone to carry out space utilization in accordance with the function of the space.

Letter c

Comply with the provisions stipulated in the requirements for space utilization license is meant as the obligation of every person to comply with the space envelope and space quality requirements.

Letter d

Providing access is meant to ensure that the community can reach areas designated as public property by the laws and regulations. The obligation to provide access is carried out if it meets the following conditions:

- a. for the benefit of society; and/or
- b. there is no other access towards the relevant area.

Areas designated as public property include water sources and coastlines.

Number 30

## Article 62

Self-explanatory.

Number 31

**Article 65**

Self-explanatory.

Number 32

**Article 69**

Self-explanatory.

Number 33

**Article 70**

Self-explanatory.

Number 34

**Article 71**

Self-explanatory.

Number 35

**Article 72**

Self-explanatory.

Number 36

**Article 74**

Self-explanatory.

Number 37

**Article 75**

Self-explanatory.

Article 18

Number 1

**Article 1**

Self-explanatory.

Number 2

**Article 7**

Self-explanatory.

Number 3

**Article 7A**

Self-explanatory.

**Article 7B**

Self-explanatory.

**Article 7C**

Self-explanatory.

Number 4

**Article 8**

Has been removed.

Number 5

**Article 9**

Has been removed.

Number 6

**Article 10**

Has been removed.

Number 7

**Article 11**

Has been removed.

Number 8

**Article 12**

Has been removed.

Number 9

**Article 13**

Has been removed.

Number 10

**Article 14**

Has been removed.

Number 11

**Article 16**

Self-explanatory.

Number 12

**Article 16A**

Self-explanatory.

Number 13

**Article 17**

Self-explanatory.

Number 14

**Article 17A**

Paragraph (1)

“national strategic policy” are, among others, the nationally strategic project or other nationally strategic activities established with the Laws and Regulations.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 15

**Article 18**

Self-explanatory.

Number 16

**Article 19**

Self-explanatory.

Number 17

**Article 20**

Paragraph (1)

“facilitate”, among others, may be in the form of ease of requirements and fast services.



Paragraph (2)  
Self-explanatory.

Number 18

**Article 22**

Self-explanatory.

Number 19

**Article 22A**

Paragraph (1)  
Self-explanatory.

Paragraph (2)  
Included as nationally strategic policies, among others, are infrastructure development, regional development and economic development.

Number 20

**Article 22B**

Self-explanatory.

Number 21

**Article 22C**

Self-explanatory.

Number 22

**Article 26A**

Self-explanatory.

Number 23

**Article 26B**

Self-explanatory.

Number 24

**Article 50**

Self-explanatory.

Number 25

**Article 51**

Self-explanatory.

Number 26

## Article 60

Paragraph (1)

Letter a

Self-explanatory.

Letter b

“traditional fishing area” is the traditional fishing area for fishing activities conducted by traditional fishermen.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Paragraph (2)

Self-explanatory.

Number 27

## Article 71

Self-explanatory.

Number 28

Self-explanatory.

**Article 71A**

Number 29

Self-explanatory.

**Article 73A**

Number 30

Self-explanatory.

**Article 75**

Number 31

Has been removed.

**Article 75A**

Number 32

Self-explanatory.

**Article 78A**

Article 19

Number 1

Self-explanatory.

**Article 1**

Number 2

Self-explanatory.

**Article 32**

Number 3

Self-explanatory.

**Article 42**

Number 4

Paragraph (1)

**Article 43**

Sea spatial planning is a process to produce Sea spatial plans and/or zoning plans to

determine Sea spatial structure and Sea spatial patterns. Sea spatial structure is a structure of Marine growth centers and a system of Sea infrastructure and facility networks that functions as a support for the socio-economic activities of the community which hierarchically have functional relationships.

Sea spatial patterns include general use areas, conservation areas, sea lanes, and certain nationally strategic areas. Sea spatial planning is used to determine areas that are used for economic, and socio-cultural interests, for example, fisheries activities, sea transportation infrastructure, maritime industry, tourism, settlements, and mining; to protect the sustainability of Marine resources; as well as to determine the waters used for shipping lanes, submarine pipes/cables, and migration of marine biota.

Letter a

National sea spatial planning includes territorial waters and jurisdictions.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The nationally strategic area (kawasan strategis nasional - KSN) zoning plan is a plan prepared to determine the direction for spatial utilization in nationally strategic areas.

The certain nationally strategic area zoning plans (Rencana zonasi kawasan strategis nasional tertentu - KSNT) is a plan prepared to determine the direction for spatial utilization in certain nationally strategic areas. "cross-regional area" includes, among others:

- a. Bays such as Tomini Bay, Bone Bay and Cendrawasih Bay;
- b. Straits such as Makassar Strait, Sunda Strait and Karimata Strait; and
- c. Sea such as Java Sea, Arafura Sea and Savu Sea

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Number 5

#### Article 43A

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Sea spatial planning uses complementary properties between spatial planning results. If in a more detailed spatial planning document, there are no spatial allocation or spatial pattern for a sea space utilization, then it shall use a cross-regional area zoning plans.

Number 6

#### **Article 47**

Self-explanatory.

Number 7

#### **Article 47A**

Self-explanatory.

Number 8

#### **Article 48**

Self-explanatory.

Number 9

#### **Article 49**

Self-explanatory.

Number 10

#### **Article 49A**

Self-explanatory.

#### **Article 49B**

Self-explanatory.

Article 20

Number 1

**Article 1**

Self-explanatory.

Number 2

**Article 7**

Self-explanatory.

Number 3

**Article 12**

Has been removed.

Number 4

**Article 13**

Paragraph (1)

“tides” is the rise and fall of sea level caused by the influence of gravitational forces of the moon and sun.

Paragraph (2)

Self-explanatory.

Paragraph (3)

“coastline determined by referring to JKVN” is that the coastline and JKVN form a unit, because tidal observation is required in building JKVN and JKVN is needed to determine the coastline.

Number 5

**Article 17**

Paragraph (1)

“gradually” is carried out in tiered manner, region by region, scale by scale, or at intervals according to priority of interests.

“systematically” is that it is organized regularly in accordance with the mapping system and technique.

“jurisdiction” is an area outside the territory of the Unitary State of the Republic of Indonesia which consists of the Exclusive Economic Zone, Continental Shelf, and Contiguous Zone where the state has sovereign rights and other certain authorities as regulated in laws and regulation and the international law.

Paragraph (2)

“a certain period” is the period for updating the GI which is determined based on conditions, technology, needs, priorities, and available budgets.

“periodically” is a certain period of time, for example every 3 (three) years, 5 (five) years, or 10 (ten) years.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 6

**Article 18**

Self-explanatory.

Number 7

**Article 22A**

Self-explanatory.

Number 8

**Article 28**

Paragraph (1)

Letter a

“restricted area” is an area declared to be off limits by the competent authority for a certain period of time.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 9

**Article 55**

Self-explanatory.

Number 10

**Article 56**

Self-explanatory.

Article 21



Self-explanatory.

## Article 22

### Number 1

#### Article 1

Self-explanatory.

### Number 2

#### Article 20

##### Paragraph (1)

Self-explanatory.

##### Paragraph (2)

###### Letter a

“water quality standard” is the measurement of limit or content of living things, substances, energies, or elements that exist or must exist, and/or pollutants whose existence is tolerable in the water.

###### Letter b

“wastewater quality standard” is the measurement of limit or content of pollutants that is tolerated to be introduced into water media.

###### Letter c

“sea water quality standard” is the measurement of limit or content of living things, substances, energies, or elements that exist or must exist, and/or pollutants whose existence is tolerable in the sea water.

###### Letter d

“ambient air quality standard” is the measurement of limit or content of living things, substances, energies, or elements that exist or must exist, and/or pollutants whose existence is tolerable in the ambient air.

###### Letter e

“emission quality standard” is the measurement of limit or content of pollutants that is tolerated to be introduced into air media.

###### Letter f

“nuisance quality standard” is the measurement of limit or content of pollutants whose existence is tolerable and which includes the elements of vibration, noise, and smell.

###### Letter g

Self-explanatory.

##### Paragraph (3)

Self-explanatory.

##### Paragraph (4)

Self-explanatory.

**Number 3****Article 24****Paragraph (1)**

Self-explanatory.

**Paragraph (2)**

Self-explanatory.

**Paragraph (3)**

Self-explanatory.

**Paragraph (4)**

Self-explanatory.

**Paragraph (5)**

“Decree of Environmental Feasibility” is a decision stating the environmental feasibility of a business and/or activity plan that must be equipped with Amdal.

“approval of the Central Government or Regional Government” is a form of decision issued by the Central Government or Regional Government as a basis for the implementation of activities carried out by the Central Government or Regional Government agencies.

**Paragraph (6)**

Self-explanatory.

**Number 4****Article 25****Letter a**

Self-explanatory.

**Letter b**

Self-explanatory.

**Letter c**

Self-explanatory.

**Letter d**

Self-explanatory.

**Letter e**

Self-explanatory.

**Letter f**

Environmental management and monitoring plan are intended to avoid, minimize, mitigate, and/or compensate the impact of a business and/or activity.

**Number 5****Article 26**

Self-explanatory.

Number 6

**Article 27**

“other parties” are, among others, amdal drafting agencies or consultants.

Number 7

**Article 28**

Self-explanatory.

Number 8

**Article 29**

Removed.

Number 9

**Article 30**

Removed.

Number 10

**Article 31**

Removed.

Number 11

**Article 32**

Self-explanatory.

Number 12

**Article 34**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“Statement of Capability in Environmental Management” is the standard of environmental management and environmental monitoring of the person in charge of a business and/or activity that has been validated by the Central Government or Regional Government for businesses and/or activities that are subject to compulsory UKL-UPL.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)  
Self-explanatory.

Number 13

**Article 35**

Self-explanatory.

Number 14

**Article 36**

Removed.

Number 15

**Article 37**

Self-explanatory.

Number 16

**Article 38**

Removed.

Number 17

**Article 39**

Self-explanatory.

Number 18

**Article 40**

Removed.

Number 19

**Article 55**

Self-explanatory.

Number 20

**Article 59**

Paragraph (1)

The management of B3 waste is a series of activities that include reduction, storage, collection, transportation, utilization and/or processing, including the stockpiling of B3 waste.

Paragraph (2)

Self-explanatory.

Paragraph (3)

“another party” is a business entity carrying out B3 waste management and has obtained a license.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Number 21

#### **Article 61**

Self-explanatory.

Number 22

#### **Article 61A**

Self-explanatory.

Number 23

#### **Article 63**

Self-explanatory.

Number 24

#### **Article 69**

Paragraph (1)

Self-explanatory.

Paragraph (2)

The local wisdom as referred to in this provision is to burn land with a maximum area of 2 (two) hectares per head of family to be planted with local varieties of plants, and which are surrounded by firebreaks to prevent fire from spreading to the surrounding area.

Number 25

#### **Article 71**

Self-explanatory.

Number 26

Self-explanatory.

**Article 72**

Number 27

Self-explanatory.

**Article 73**

Number 28

Self-explanatory.

**Article 76**

Number 29

Self-explanatory.

**Article 77**

Number 30

Removed.

**Article 79**

Number 31

Self-explanatory.

**Article 82**

Number 32

Self-explanatory.

**Article 82A**

Self-explanatory.

**Article 82B**

Self-explanatory.

**Article 82C**

Number 33

**Article 88**

“strict liability” is that the element of fault that does not need to be proven by the plaintiff as a

basis for compensation payments. The provisions of this Article constitute a special provision (lex specialis) in a lawsuit regarding unlawful acts in general. The amount of compensation value that can be charged against polluters or destroyers of the environment according to this article can be determined to a certain extent.

"a certain time limit" is that if according to the stipulation of laws and regulations, insurance requirements (keharusan asuransi) for the business concerned and/or activity or the environmental funds are available have been determined.

Number 34

#### **Article 93**

Removed.

Number 35

#### **Article 102**

Removed.

Number 36

#### **Article 109**

Self-explanatory.

Number 37

#### **Article 110**

Removed.

Number 38

#### **Article 111**

Self-explanatory.

Number 39

#### **Article 112**

Self-explanatory.

#### **Article 23**

Self-explanatory.

Article 24

Number 1

#### **Article 1**

Self-explanatory.



Number 2

Self-explanatory.

**Article 5**

Number 3

Self-explanatory.

**Article 6**

Number 4

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

“traditional building” is a building established based on customary rules or traditions of the community according to their culture, for example traditional house building.

Paragraph (4)

Self-explanatory.

**Article 7**

Number 5

Has been removed.

**Article 8**

Number 6

Has been removed.

**Article 9**

Number 7

Has been removed.

**Article 10**

Number 8

Has been removed.

**Article 11**

Number 9

Has been removed.

**Article 12**

Number 10

Has been removed.

**Article 13**

Number 11

Has been removed.

**Article 14**

Number 12

**Article 15**

**Paragraph (1)**

“significant impact” is a fundamental change in an environment caused by an activity.  
Building which has a significant impact on the environment is a building which can cause:

- a. changes in the physical and/or biological characteristics of the environment, which exceed the environmental quality standards according to the laws and regulations;
- b. fundamental changes in environmental components that exceed recognized criteria based on scientific considerations;
- c. endangerment and/or extinction species that are rare and/or endemic, and/or protected according to laws and regulations or damage to their natural habitat;
- d. damage or disturbance to protected areas (such as protected forests, natural reserves, national parks, and wildlife reserves) which are determined according to the laws and regulations;
- e. damage or extinction of historical heritage buildings and objects of high value;
- f. changes in areas that have high natural beauty value; and/or
- g. the emergence of conflict or controversy with the community and/or the government.

**Paragraph (2)**

Self-explanatory.

Number 13

Has been removed.

**Article 16**

Number 14

Has been removed.

**Article 17**

Number 15

Has been removed.

**Article 18**

Number 16

Has been removed.

**Article 19**

Number 17

Has been removed.

**Article 20**

Number 18

Has been removed.

**Article 21**

Number 19

Has been removed.

**Article 22**

Number 20

Has been removed.

**Article 23**

Number 21

Has been removed.

**Article 24**

Number 22

Has been removed.

**Article 25**

Number 23

Has been removed.

**Article 26**

Number 24

Has been removed.

**Article 27**

Number 25

Has been removed.

**Article 28**

Number 26

Has been removed.

**Article 29**

Number 27

Has been removed.

**Article 30**

Number 28

Has been removed.

**Article 31**

Number 29

Has been removed.

**Article 32**

Number 30

Has been removed.

**Article 33**

Number 31

**Article 34**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Provisions regarding Construction Service Providers shall follow the laws and regulations on construction services.

## Paragraph (4)

Self-explanatory.

Number 32

**Article 35**

## Paragraph (1)

Building construction planning is the activity to prepare building technical plan in accordance with the stipulated function and technical requirements, as the guideline in the implementation and supervision of the construction.

The implementation of building construction is the activities of erecting, repairing, adding, changing, or restoring the construction of buildings and/or building installations and/or equipment according to the prepared technical plan.

Supervision of building construction is the supervisory activity of construction implementation starting from field preparation to delivery of the final results of work or building construction management activities.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

“written agreement” is an authentic deed containing provisions regarding the rights and obligations of each party, the validity period of the agreement, and other provisions made before the authorized official.

The agreement as referred above must pay attention to the function of the building and the form of its utilization, whether in whole or in part.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

“construction planning service provider” is, among others, Architect, Structural Expert and Mechanical, Electrical and Plumbing Expert.

## Paragraph (6)

“test” is, among others, in the form of results of laboratory tests, simulations, and/or analysis.

## Paragraph (7)

Self-explanatory.

## Paragraph (8)

The prototype has adapted to the geographical conditions in the building location plan.

Number 33

**Article 36**

Has been removed.

Number 34

**Article 36A**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

“electronic system organized by the Government” is the Building Management Information System designated for non-business buildings, and electronically integrated Business Licensing services designated for business buildings.

**Article 36B**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

## Letter a

Self-explanatory.

## Letter b

Self-explanatory.

## Letter c

Self-explanatory.

## Letter d

“testing” is carrying out the testing of mechanical and electrical installations of buildings.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

Self-explanatory.

## Number 35

**Article 37**

## Paragraph (1)

“feasibility to function” is the functioning of all or part of the building which can ensure the fulfillment of building layout requirements, as well as requirements for the safety, health, comfort, and ease of the building in accordance with the stipulated function.

## Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 36

### **Article 37A**

Self-explanatory.

Number 37

### **Article 39**

Paragraph (1)

Letter a

A building that is not feasible to function and cannot be repaired means that it will endanger the safety of the owner and/or user if the building continues to be used. In the event that the building is declared not feasible to function but can still be repaired, the owner and/or user is given the opportunity to repair it until it is declared feasible to function.

In the event that the owner is unable to do so, for a residence if it is not feasible to function and cannot be repaired, as well as endangers the safety of the occupants or the environment, the building must be vacated. If that building endangers public interest, the implementation of its demolition can be carried out by the Regional Government.

Letter b

“cause hazards” is when the utilization of the building and/or its environment may endanger public and environmental safety.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Paragraph (2)

The Central Government or Regional Government determines the status of the building as can be demolished after obtaining the results of building technical review that are carried out professionally, independently, and objectively.

Paragraph (3)

Exempted for single residence, especially the growing core house (rumah inti tumbuh)



and the simple healthy house. The depth and breadth of the technical review level is very dependent on the complexity and function of the building.

Paragraph (4)

Building demolition technical plan includes plan drawings, detailed drawings, work plans and requirements for demolition implementation, implementation schedules, and environmental safeguard plans.

Paragraph (5)

Self-explanatory.

Number 38

**Article 40**

Self-explanatory.

Number 39

**Article 41**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

It is not justified to utilize buildings that are not in accordance with their determined functions.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Periodic inspection on the feasibility to function of buildings includes inspection toward the fulfillment of the building's administrative and technical requirements in accordance with its function, with the level of periodic inspection adjusted to the type of construction, mechanical and electrical, as well as completeness of the building.

Periodic inspection is carried out in a certain period, or due to changes in the function of the building, or due to a disaster that has significant impact on the reliability of the building, such as fires and earthquakes.

Inspection on the feasibility to function of buildings is carried out by a technical reviewer who are competent and has a certificate in accordance with the laws and regulations.

Letter e

Repairs shall be carried out toward all, parts, components, or materials of the building that are declared not feasible to function from the results of inspection conducted by the technical reviewer, until it is declared to be feasible to function.

Letter f

Other than owners, a user can also be required to demolish a building in the event that the party concerned is bound in an agreement to use buildings that are not feasible to function.

Paragraph (3)

Self-explanatory.

Number 40

**Article 43**

Paragraph (1)

Guidance is carried out in the framework of good governance through regulatory, empowerment and supervisory activities so that every building administration can take place in an orderly manner and building reliability that are in accordance with its function is achieved, as well as the realization of legal certainty.

Regulations are carried out by institutionalizing laws and regulations, guidelines, instructions, and technical standards for building up to the regions and their operations in the community.

Empowerment is carried out toward building administrators and Regional Government officials to develop awareness of their rights, obligations, and roles in building administration.

Supervision is carried out through monitoring toward the implementation of laws and regulations in the building sector and law enforcement efforts.

Paragraph (2)

Communities associated with the buildings include expert communities, professional associations, company associations, building owners and users, and government officials.

Paragraph (3)

Self-explanatory.

Number 41

**Article 44**

Imposition of sanctions does not mean to exempt building owners and/or users from their obligations to comply with the provisions stipulated in this Law.

"administrative sanctions" are sanctions imposed by the administrator (government) to building owners and/or users without going through a judicial process because the provisions of this Law are not fulfilled.

Administrative sanctions include several types, the imposition of which depends on the level of fault committed by building owners and/or users.

"building value" in the provisions on sanctions is the total value of a building while it is being built for those in the process of construction implementation, or the total value of a building that is determined at the time the sanction is imposed for buildings that are already standing.

Number 42

**Article 45**

Self-explanatory.

Number 43

**Article 46**

Self-explanatory.

Number 44

**Article 47A**

Self-explanatory.

Article 25

Number 1

Paragraph (1)

Self-explanatory.

Number 2

**Article 5**

Self-explanatory.

Number 3

**Article 6**

Self-explanatory.

Number 4

**Article 6A**

Self-explanatory.

Number 5

**Article 13**

Self-explanatory.

Number 6

**Article 14**

Self-explanatory.

Number 7

**Article 19**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

“educational institutions, research institutions, and/or development institutions” are institutions of the Central Government, Regional Government, and/or private sector.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Number 8

**Article 28**

Self-explanatory.

## Number 9

**Article 34**

Self-explanatory.

## Number 10

**Article 35**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

“regulatory” are, among others, regulations related to the organization of Architect Profession.

“empowerment” shall be in the form of, among others, the determination of the professional title of Architect (Ar.), the stipulation of architectural education standards, and the stipulation of architectural practice standards.

“supervisory” are, among others, the control of Architectural practices.

## Paragraph (4)

Self-explanatory.

Number 11

Has been removed.

**Article 36**

Number 12

Has been removed.

**Article 37**

Number 13

Self-explanatory.

**Article 38**

Number 14

Has been removed.

**Article 39**

Number 15

Has been removed.

**Article 40**

Number 16

Has been removed.

**Article 41**

Article 26

Self-explanatory.

Article 27

Number 1

Self-explanatory.

**Article 1**

Number 2

Paragraph (1)

Letter a

**Article 7**

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

“fishery vessel monitoring system” is one of the forms of supervisory system in the fishing sector by using the designated fishery vessel monitoring system equipment, such as the vessel monitoring system/VMS.

Letter l

In an effort to increase the productivity of certain waters, new types of fish can be stocked, which may have negative effects on the preservation of local fish resources, so it is necessary to take into consideration how the stocking of new types of fish will be able to adapt to the local fish resource environment and/or not damage the authenticity of fish resources.

Letter m

“aquaculture-based fishing” is the fishing of fish resources that proliferate from the result of restocking.

Letter n

Self-explanatory.

Letter o

Self-explanatory.

Letter p

There are several ways that can be implemented in carrying out rehabilitation and improvement of fish resources and its environment, among others, by planting or reforestation of mangroves, installing artificial coral reefs, making shelters or breeding sites for fish, increasing water fertility by way of fertilization or addition of

food types, construction of fish migration channels (saluran ruaya ikan), or dredging the bottom of the waters.

Letter q

Self-explanatory.

Letter r

“water conservation areas” are water areas that are protected, managed with zoning system, in order to realize the management of fish resources and its environment in a sustainable manner.

Determination fish disease outbreaks and outbreak areas is intended so that the public knows that the area has an outbreak, and measures to prevent the spread of fish disease outbreaks from one area to another are stipulated.

Letter s

Determination fish disease outbreaks and outbreak areas is intended so that the public knows that the area has an outbreak, and measures to prevent the spread of fish disease outbreaks from 1 (one) area to another are stipulated.

Letter t

Self-explanatory.

Letter u

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 3

#### **Article 20A**

Self-explanatory.

Number 4

#### **Article 25A**

Self-explanatory.

Number 5

#### **Article 26**

Self-explanatory.

Number 6

#### **Article 27**



Self-explanatory.

Number 7

#### **Article 27A**

Self-explanatory.

Number 8

#### **Article 28**

Self-explanatory.

Number 9

#### **Article 28A**

Self-explanatory.

Number 10

#### **Article 30**

Self-explanatory.

Number 11

#### **Article 31**

Self-explanatory.

Number 12

#### **Article 32**

Self-explanatory.

Number 13

#### **Article 33**

Self-explanatory.

Number 14

#### **Article 35**

Paragraph (1)

In the context of controlling the utilization of fish resources, the arrangement and control of the procurement of new and/or used vessels need to be controlled so that they are in accordance with the carrying capacity of fish resources.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 15

**Article 35A**

Self-explanatory.

Number 16

**Article 36**

Self-explanatory.

Number 17

**Article 38**

Paragraph (1)

The obligation to keep fishing gear in the hold (palka) shall be applied to every foreign-flagged fishery vessel that crosses Indonesian waters, Indonesian archipelagic sea lanes (alur laut kepulauan Indonesia/ALKI), and the ZEEI.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 18

**Article 40**

Self-explanatory.

Number 19

**Article 41**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Fishery port classification includes, among others, oceanic fishing ports, domestic fishing ports and coastal fishing ports.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

To support and ensure the smooth operation of the fishing port, the boundaries of operation and working areas in geographic coordinates are determined. In the

event that the operation and working areas of a fishery port have borders and/or have the same interests as other agencies, the boundary determination is carried out through coordination with the relevant agencies.

Letter f

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“unload fish” includes the landing (pendaratan) of fish.

Paragraph (5)

Self-explanatory.

Number 20

## Article 42

Paragraph (1)

“harbormaster in fishery port” is the harbormaster appointed specifically in fishery ports for administrative management and to run the function of maintaining sailing safety.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

“logbook” is a captain’s daily report regarding fishing or fish transporting activities.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Letter m

Self-explanatory.

Letter n

Self-explanatory.

Letter o

Self-explanatory.

Letter p

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The harbormaster who will be appointed is intended so that the proposal be coordinated first with the Minister.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 21

#### **Article 43**

Self-explanatory.

Number 22

#### **Article 44**

Self-explanatory.

Number 23

#### **Article 45**

Fishery vessels that sail not from fishing ports, including from ports built by private parties, are only possible if there are no fishery port in that place.

Included as fishery vessels that sail not from fishery ports are, among others the ships sailing from tangkahan port, community ports, and other ports, are obliged to meet the operation worthy standards from fisheries supervisors.

This provision may only apply to fishery vessels where there are indeed no fishery port and/or public port and other facilities in the said region. In this relation, it is possible to issue a Sailing

Permit by the local harbormaster.

Number 24

**Article 49**

Self-explanatory.

Number 25

**Article 89**

Self-explanatory.

Number 26

**Article 92**

Self-explanatory.

Number 27

**Article 93**

Self-explanatory.

Number 28

**Article 94**

Self-explanatory.

Number 29

**Article 94A**

Self-explanatory.

Number 30

**Article 95**

Has been removed.

Number 31

**Article 96**

Has been removed.

Number 32

**Article 97**

Self-explanatory.

Number 33

Self-explanatory.

Number 34

Self-explanatory.

Number 35

Has been removed.

Number 36

Has been removed.

Article 28

Self-explanatory.

Article 29

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

**Article 98**

**Article 100B**

**Article 100C**

**Article 101**

**Article 14**

**Article 15**

**Article 16**

**Article 17**

**Article 18**

Number 6

Self-explanatory.

**Article 24**

Number 7

Self-explanatory.

**Article 30**

Number 8

Has been removed.

**Article 31**

Number 9

Self-explanatory.

**Article 35**

Number 10

Self-explanatory.

**Article 39**

Number 11

Self-explanatory.

**Article 40**

Number 12

Self-explanatory.

**Article 42**

Number 13

Self-explanatory.

**Article 43**

Number 14

Has been removed.

**Article 45**



Number 15

**Article 47**

## Paragraph (1)

"certain scale" is a plantation business carried out by a plantation company in accordance with the business scale determined by the Central Government.

"certain factory capacity" is the minimum capacity of the Plantation Product processing unit determined by the Central Government.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

Number 16

**Article 48**

Self-explanatory.

Number 17

**Article 49**

Has been removed.

Number 18

**Article 50**

Has been removed.

Number 19

**Article 58**

## Paragraph (1)

The obligation to facilitate the development of local community plantations around 20% of the area is only addressed to farmers who obtain land for plantations that originates from other areas of use that are outside the right to cultivate and/or originate from land areas from the release of forest. This obligation arises on plantation land which originates from state land.

In the event that the acquisition of plantation land is carried out directly to the community who is granted with the right to cultivate, that farmer is not obliged to provide facilitation.

Said obligation to facilitate community plantation is integrated with other obligations arising from the acquisition of plantation land, among others, in the case that the land comes from a forest area which grants the obligation to 20% of the land to the community and has been carried out, then this obligation has been deemed to be complete.

However, farmers are still encouraged to provide facilitation to the community on a voluntary basis so that the community may develop the management of their plantations.

## Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 20

#### **Article 60**

Self-explanatory.

Number 21

#### **Article 67**

Paragraph (1)

Maintaining the preservation of environmental functions, including preventing and overcoming environmental pollution and destruction caused by business activities of Plantation Business Actors. In this case, the central, provincial and regency/city governments are obliged to guide and facilitate the preservation of environmental functions, especially to Farmers.

Paragraph (2)

Self-explanatory.

Number 22

#### **Article 68**

Has been removed.

Number 23

#### **Article 70**

Self-explanatory.

Number 24

#### **Article 74**

Paragraph (1)

Certain plantation products made from imported raw materials include sugar cane.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 25

**Article 75**

Self-explanatory.  
Number 26

**Article 93**

Self-explanatory.  
Number 27

**Article 95**

Self-explanatory.  
Number 28

**Article 96**

Self-explanatory.  
Number 29

**Article 97**

Paragraph (1)  
"technical guidance" is the application of good agricultural practices, the application of post-harvest and good handling practices and good manufacturing practices, and the application of sustainable plantation development.

Paragraph (2)  
Self-explanatory.  
Paragraph (3)  
Self-explanatory.

Number 30

**Article 99**

Self-explanatory.

Number 31

**Article 103**

Self-explanatory

Number 32

**Article 105**

Has been removed

Number 33

**Article 109**

Has been removed.

## Article 30

## Number 1

**Article 11**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Provisions that are further regulated in a Regulation of the Government, among others, regulate the application form and the procedures for filling it in, as well as the components and the amount of the application processing fee, samples of special power of attorney, and the format of statement of safety for transgenic variety.

## Number 2

**Article 29**

## Paragraph (1)

If, within 1 (one) month after the end of the announcement, the PVT Office has not received the application for an examination, then the PVT application is deemed withdrawn.

## Paragraph (2)

Self-explanatory.

## Number 3

**Article 40**

## Paragraph (1)

Basically, PVT rights may transfer from or be transferred by the holder of PVT rights to other individuals or legal entities.

"Other causes justified by law" are, for example, the transfer of PVT rights through a court decision.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Provisions that are further regulated in a Regulation of the Government, among others, regulate the requirements for transfer, transfer application form and the supporting documents, as well as the components and the amount of the registration fee for the transfer of PVT rights.

Number 4

#### **Article 43**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Provisions that are regulated further in a Regulation of the Government on the license agreement shall regulate, among others, the rights and obligations of the licensor and licensee, including parts of the implementation of PVT rights which are licensed, period of time and the format of said license agreement.

Number 5

#### **Article 63**

Self-explanatory.

Article 31

Number 1

#### **Article 19**

Self-explanatory.

Number 2

#### **Article 22**

Self-explanatory.

Number 3

#### **Article 32**

Self-explanatory.

Number 4

#### **Article 43**

Self-explanatory.

Number 5

#### **Article 44**

Self-explanatory.

Number 6

**Article 86**

Paragraph (1)

"certain scale" is the limit or percentage that is stipulated by the Central Government to Business Actors in conducting certain Agricultural Cultivation Business.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 7

**Article 102**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

The data and information center shall at least provide data and information on Plant Varieties, location and area size, zones, and Agricultural Cultivation Business units, market demand, market opportunities and challenges, production estimate, price estimate, supply estimate, planting and harvesting season estimate, climate forecasts, Plant Disturbing Organisms and animal pests and diseases, availability of Agricultural Cultivation Infrastructure, and availability of Agricultural Cultivation Facilities.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Number 8

**Article 108**

Self-explanatory.

Number 9

**Article 111**

Has been removed.

## Article 32

## Number 1

Self-explanatory.

## Number 2

## Paragraph (1)

"consumption needs" is the amount of average direct or indirect consumption level per capita (including industrial needs) multiplied by the number of population at a certain time.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Number 3

Has been removed.

**Article 15****Article 30****Article 101**

## Article 33

## Number 1

Self-explanatory.

## Number 2

Self-explanatory.

## Number 3

Self-explanatory.

## Number 4

Self-explanatory.

**Article 15****Article 33****Article 35****Article 35A**



Number 5

**Article 28**

Has been removed.

Number 6

**Article 49**

Paragraph (1)

Recording shall be conducted for guidance and empowerment purposes.

Paragraph (2)

Self-explanatory.

Number 7

**Article 51**

Has been removed.

Number 8

**Article 52**

Self-explanatory.

Number 9

**Article 54**

Paragraph (1)

“minimum technical requirements” are the minimum threshold of a technical specification which is implemented so that the horticultural business is implemented properly, if the quality standard is not yet established.

Paragraph (2)

“food safety for horticultural products” is the condition and effort required to prevent horticultural product foods from the possible contamination of biological, chemical, and other substance which may disrupts, harms, and endanger human’s health.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 10

**Article 56**

Paragraph (1)

“partnership” is cooperation in business linkages, either directly or indirectly between micro- and/or small-scale businesses and medium- and/or large-scale businesses

accompanied with the guidance and development by medium-scale business and/or large-scale business while observing the principles of mutual need, mutual trust, mutually reinforcing, and mutually beneficial.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

“other forms of partnership” such as cultivation contracts, profit sharing, operational cooperation, joint ventures, and outsourcing. The cultivation contract is a sale and purchase agreement with an order at the beginning of planting. Operational cooperation includes cooperation in financing, provision of production facilities, cultivation techniques, management, to marketing.

Paragraph (4)

Self-explanatory.

Number 11

**Article 57**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“introduction in the form of seeds or parent material” is the introduction of Seeds or parent material from abroad for the first time and not to be circulated or traded, but for the purpose of plant breeding.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“group” is a group of business actors who have agreed upon an activity, responsibility or risk management jointly based on similarity in business type, similarity in commodities, and/or similarity in ecosystem.

Paragraph (5)

Self-explanatory.

Number 12

Has been removed.

**Article 63**

Number 13

Self-explanatory.

**Article 68**

Number 14

Self-explanatory.

**Article 73**

Number 15

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Provisions regarding safety and protection of human health, animal, plant and environment refer to the international Sanitary and Phytosanitary Agreement of the Food and Agriculture Organization of the United Nations.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The designation of "entry point" for horticultural product import is intended to facilitate supervision related to the entry of Quarantine OPT, biosafety, invasive foreign species, and food safety.

Paragraph (4)

Self-explanatory.

Number 16

Self-explanatory.

**Article 90**

Number 17

Self-explanatory.

**Article 92**

Number 18

Self-explanatory.

**Article 100**

Number 19

Self-explanatory.

**Article 101**

Number 20

Self-explanatory.

**Article 122**

Number 21

Has been removed.

**Article 126**

Number 21

Has been removed.

**Article 131**

Article 34

Number 1

**Article 6**

Paragraph (1)

“the existence and benefit should be maintained sustainably”, is the effort needed to be done by regency/city government to include common grazing area in regional development program.

Paragraph (2)

Letter a

Self-explanatory

Letter b

“castration” is an action to prevent proper functioning of the testicles by eliminating or hindering its function.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Paragraph (3)

“establish lands as common grazing areas” is the effort that must be done by regency/city government to provide common grazing land such as, among others, panganan land, titisara land or village treasury land.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 2

### Article 13

Self-explanatory.

Number 3

### Article 15

Paragraph (1)

Letter a

“genetic quality” is an expression of the superiority of individual traits.

“genetic diversity” is an expression of the superiority of genetic variation between individuals.

Letter b

Self-explanatory.

Letter c

“lack of Seeds” is the insufficient number of seeds (cement or embryos) of non-native or local (exotic) Livestock used for breeding needs in order to increase productivity and/or genetic quality.

“lack of Breeds” is the insufficient number of exotic Livestock Seeds that have previously been developed or adapted in Indonesia in order to improve the genetic quality of exotic Livestock.

Letter d

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

## Number 4

**Article 16**

## Paragraph (1)

“local Livestock” is the result of a cross between native foreign Livestock and native Indonesian livestock, which have been bred in Indonesia up to the fifth generation or more which are adapted to the local environment and/or management.

## Paragraph (2)

The provision on prohibition toward the export of the best Seeds or Breeds is intended to maintain the population and genetic quality of native and local Livestock.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Number 5

**Article 22**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Good feed manufacturing practices, for example in terms of the production process, and the manufacture of feed must ensure that the feed contains biological, physical, chemical contaminants above the maximum allowable threshold, as well as paying attention to the social impact due to the waste of raw materials and by-products used.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

## Letter a

“feed that are not suitable for consumption” includes feed that:

1. are not labeled;
2. are expired;
3. have damaged packaging, are physically damaged, smells, changes color; and/or
4. fake, namely does not have a registration number, the content does not match the label, uses someone else's trademark.

## Letter b

This provision is intended to prevent mad cow disease (bovine spongiform encephalopathy) or scrapie in sheep/goat.

“ruminant” is a ruminant animal.

## Letter c

“particular hormones” are synthetic hormone.

“antibiotic” is, among others, chloramphenicol and tetracycline.

Paragraph (5)

Self-explanatory.

Number 6

#### **Article 29**

Paragraph (1)

“particular parties” are, among others, Indonesian National Army, police, customs agencies, research institutes, and educational institutions.

“special purposes” is, among others, horses for the cavalry, dogs for tracking criminals, rabbits for research.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“not disturbing public order” is, among others, that Livestock cultivation activities are carried out with due observance of religious principles and/or beliefs as well as the value system adopted by the local community as well as the provisions of laws and regulations.

Paragraph (5)

Self-explanatory.

Number 7

#### **Article 30**

Self-explanatory.

Number 8

#### **Article 36B**

Self-explanatory.

Number 9

#### **Article 36C**

Self-explanatory.

Number 10

#### **Article 7**

“Animal Product processing industry” is an industry that carry out handling and processing activities of animal products aimed at achieving higher added value, by taking into account the



aspects of products that are safe, healthy, intact, and halal for those required.

Number 11

#### Article 52

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

“does not fulfill the quality standards” is, among others, expired and/or has been damaged or undergoes physical, chemical, and biological changes.

Paragraph (3)

Self-explanatory.

Number 12

#### Article 54

Self-explanatory.

Number 13

#### Article 59

Self-explanatory.

Number 14

#### Article 60

Paragraph (1)

“veterinary control number” or NKV (Nomor Kontrol Veteriner) is the registration number of Animal Products business unit as proof that hygiene and sanitation requirements are fulfilled as a basic feasibility of guaranteeing the safety of Animal Products. Animal Products business units distributing fresh Animal Products throughout the territory of the Unitary State of the Republic of Indonesia or importing from within the territory of the Unitary State of the Republic of Indonesia and/or exporting to the outside of the territory of the Unitary State of the Republic of Indonesia must have NKV.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 15

#### Article 62

##### Paragraph (1)

The obligation of regency/city government to have slaughterhouse is intended to provide services to the community in the provision of food of animal origin that is safe, healthy, intact and/or halal.

##### Paragraph (2)

Self-explanatory.

##### Paragraph (3)

Self-explanatory.

##### Paragraph (4)

Self-explanatory.

Number 16

#### Article 69

##### Paragraph (1)

“animal health services” is a series of actions required, among others, to:

- a. perform the prognosis and diagnosis of the disease in clinical, pathological, laboratory, and/or epidemiological manner;
- b. perform acts of therapeutic transaction in the form of consultation and/or initial information (prior informed consent) to animal owners followed by several possible preventive, cooperative, curative, rehabilitative, and promotive measures by avoiding malpractice;
- c. carry out inspection and testing of safety, health, integrity, and halal status (kehalalan) of animal products;
- d. confirm to the referral animal health service unit if necessary;
- e. submit data on disease and service activities to the veterinary authority;
- f. following up Government and/or Regional Government decisions related to animal disease control and prevention and/or Veterinary Public Health; and
- g. conduct client education and/or community education in relation to the healthy paradigm and the application of animal welfare principles.

“veterinary laboratory services” are diagnostic and/or research and development services in the framework of animal health services.

“veterinary examination and testing laboratory services” are diagnostic and/or research and development services in the framework of controlling and overcoming animal or zoonotic diseases, implementing veterinary public health, and/or testing the quality of drugs, residues/contaminants, quality of feed, quality of seeds/breeds, and/or quality of animal products. .

“veterinary medical services” are services related to the competence of veterinarians provided to the community in the framework of veterinary medical practice, such as animal hospitals, animal clinics, joint practice clinics, animal reproductive rehabilitation

clinics, ambulators, veterinary practices, and animal health consulting practices.

“services in animal health center” are veterinary medical services carried out by Regional Governments. This service can be a referral and/or integrated with a veterinary laboratory and/or a veterinary examination and testing laboratory.

Paragraph (2)

Business Licensing qualifications includes:

- a. Animal Hospital;
- b. Veterinary Medical Practice; and
- c. Animal health laboratories and Veterinary Public Health laboratories run by the private sector.

Paragraph (3)

Self-explanatory.

Number 17

**Article 72**

Self-explanatory.

Number 18

**Article 85**

Self-explanatory.

Number 19

**Article 88**

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Number 1

**Article 15**

Paragraph (1)

Letter a

Forest area designation is the preparation activity for the determination of forest area conducted digitally, among others in the form of:

- a. the drawing up of a designation map with a directive nature regarding outer boundary;
- b. the erecting of temporary boundary equipped with boundary passages;
- c. the digging up of boundary trenches in vulnerable locations; and

- d. the announcement of forest area boundary plan, especially in locations bordering with land subject to a right (tanah hak)

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 2

#### **Article 18**

Paragraph (1)

“forest coverage” is a covering of land by vegetation with certain composition and density, so that forest functions can be created, including microclimate, water system (tata air), and a place to live for animals as a forest ecosystem.

“optimization of benefits” is the sustainability between environmental benefits, social benefits and ecosystem benefits in a sustainable manner.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 3

#### **Article 19**

Paragraph (1)

Integrated research is carried out to ensure the objectivity and quality of research results, so research activities are carried out by Government agencies that have competence and have scientific authority together with other related parties.

Paragraph (2)

Self-explanatory.

Number 4

**Article 26**

## Paragraph (1)

Utilization of areas in protected forests is any form of business that uses the area without reducing the main function of the area, such as:

- a. mushroom cultivation,
- b. animal captivity; and
- c. medicinal plants and ornamental plants cultivation.

Utilization of environmental services in protected forests is a form of business that utilizes the potential of environmental services by not damaging the environment and reducing its main functions, such as:

- a. utilization for natural tourism,
- b. water utilization, and
- c. utilization of beauty and comfort.

Collection of non-timber forest products in protected forests is any form of activity to collect non-timber forest products without damaging the main functions of the area, such as:

- a. collecting rattan,
- b. collecting honey, and
- c. collecting fruit.

Utilization and collection business in protected forests are intended to improve the welfare of the community as well as to raise public awareness to maintain and enhance the protection function, as a mandate to realize the sustainability of natural resources and the environment for present generation and future generation.

## Paragraph (2)

Self-explanatory.

Number 5

**Article 27**

Self-explanatory.

Number 6

**Article 28**

Self-explanatory.

Number 7

**Article 29**

Self-explanatory.

Number 8

**Article 29A**

Self-explanatory.

**Article 29B**

Self-explanatory.

Number 9

**Article 30**

Cooperation with local community's cooperative is intended so that people living in and around the forest feel and get the benefits of the forest directly, so as to improve their welfare and quality of life, as well as foster a sense of belonging. In this cooperation, traditional wisdom and the value of virtue (*nilai-nilai keutamaan*), which are contained in the culture of the community and are already rooted, can be made into mutually-agreed rules. The obligation of state-owned enterprises, regionally-owned enterprises, and private enterprises to cooperate with cooperatives aims to empower local community's cooperatives so that they can gradually become strong, independent and professional cooperatives. Local community's cooperatives that have become strong, independent, and professional cooperatives are treated equally with state-owned enterprises, regionally-owned enterprises, and private enterprises. In the event that a local community's cooperative has not yet been formed, state-owned enterprises, regionally-owned enterprises and private enterprises will also encourage the formation of these cooperatives.

Number 10

**Article 31****Paragraph (1)**

"forest sustainability aspect" are, among others:

- a. environmental sustainability,
- b. production sustainability, and
- c. social and cultural functions that are just, equitable and transparent are realized.

"business certainty aspect" are, among others:

- a. regional certainty,
- b. business period certainty, and
- c. certainty on business legal guarantee.

**Paragraph (2)**

Regulation of the Government contains rules among others on:

- a. limitation of area,
- b. limitation of the number of business licenses, and
- c. arrangement of business locations.

Number 11

**Article 32**

Particularly for holders of large-scale Business Licensing, the obligation to protect, maintain and conserve the forest that is their business location, also includes the meaning of empowering communities in and around the forest that is their business location.

Number 12

#### Article 33

Paragraph (1)

Self-explanatory.

Paragraph (2)

“forest products’ processing” is the upstream processing of forest products.

Paragraph (3)

Self-explanatory.

Number 13

#### Article 35

Self-explanatory.

Number 14

#### Article 38

Paragraph (1)

Development purposes outside of forestry activities that can be carried out in protected forest and production forest areas are determined selectively. Activities that can cause serious damage and result in loss of forest function are prohibited.

Development purposes outside of forestry activities are activities for strategic purposes that cannot be avoided, including mining activities, construction of electricity, telephone and water installation networks, religious interests, as well as defense and security interests.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 15

#### Article 48

Paragraph (1)

“forest protection” includes protecting, respecting and fulfilling the rights of customary law communities who are inside and outside the forest area, as long as in fact it still exists and its existence is recognized. The rights of customary law communities are granted based on the provisions of laws and regulations and do not conflict with national interests.



## Paragraph (2)

Self-explanatory.

## Paragraph (3)

The obligation to protect forests by the holder of a Business Licensing includes protecting the forest from damage caused by human actions, livestock, and fire.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

Regulation of the Government contains rules on, among others:

- a. forest protection principles;
- b. authorities of special forestry police;
- c. forest products' circulation administration; and
- d. granting operational authority to regions.

## Number 16

Self-explanatory.

## Number 17

**Article 49****Article 50**

## Paragraph (1)

"person" is a legal subject both individual person, legal entity, and business entity.

"forest damage" is the changes occurring to its physic, physical characteristic, or biology, which cause said forest to be disturbed or cannot act according to its function.

## Paragraph (2)

## Letter a

Self-explanatory.

## Letter b

Self-explanatory.

## Letter c

Self-explanatory.

## Letter d

Self-explanatory.

## Letter e

"authorized officials" are the government officials who are granted the authority by the laws and regulations in the issuance of Business Licensing.

## Letter f

Self-explanatory.

Letter g

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 18

#### **Article 50A**

Self-explanatory.

Number 19

#### **Article 78**

Self-explanatory.

Number 20

#### **Article 80**

Self-explanatory.

Article 37

Number 1

#### **Article 1**

Self-explanatory.

Number 2

#### **Article 7**

"community" is the local community, customary law community, and the general public. Local communities are people who live in and/or around the forest, which are a unity of social communities based on livelihoods that depend on the forest, history, attachment to residence, as well as arrangements for the rules of living together in an institutional forum. Customary law communities are traditional communities that are still associated in the form of associations (paguyuban), have institutional framework in the form of institutions and instruments of customary law that are still adhered to, and still collect forest products in the surrounding forest areas whose existence is confirmed by Regional Regulation. The general public is a community outside the local community and customary law community. Legal entities as referred to in this Law are state-owned enterprises, regionally-owned enterprises, private enterprises, and cooperatives.

Number 3

#### **Article 12**

Letter a

"Business Licensing related to forest utilization" is a licensing to utilize forest in a

production forest area which includes activities in the form of: area utilization, environmental service utilization, utilization of timber forest products, utilization of non-timber forest products, collection of timber forest products, and/or collection of non-timber forest products.

Letter b

"tree logging in forest areas without Business Licensing" is tree logging carried out based on Business Licensing related to forest utilization which are illegally obtained.

Letter c

Self-explanatory.

Letter d

"loading" is loading into the transportation means.

Letter e

Self-explanatory.

Letter f

"tools commonly used to log, cut, or split trees", not included in this provision are tools such as machetes, sabers, cleavers or other similar tools carried by the local community in accordance with cultural traditions and local characteristics. .

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Letter m

Self-explanatory.

Number 4

#### **Article 12A**

Self-explanatory.

Number 5

#### **Article 17**

Self-explanatory.

Number 6

**Article 17A**

Self-explanatory.

Number 7

**Article 18**

Self-explanatory.

Number 8

**Article 24**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"transferring" or "selling the Business Licensing" is limited to the transfer of Business Licensing related to utilization from a Business Licensing holder to another party which is carried out through sale and purchase, but does not include acquisition.

Number 9

**Article 28**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"protecting" is an activity that may hinder the progress of the investigation process against the perpetrator who has been identified as a wanted list (DPO), such as hiding the perpetrator.

Letter d

"assisting" is someone who deliberately help committing the crime and/or who deliberately provides the opportunity and facility for committing illegal logging crimes.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Number 10

**Article 53**

Has been removed.

Number 11

**Article 54**

Has been removed.

Number 12

**Article 82**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"resides in and/or around a forest area" is an individual who lives in and/or around a forest area whose livelihood depends on the forest area.

Paragraph (3)

Self-explanatory.

Number 13

**Article 83**

Self-explanatory.

Number 14

**Article 84**

Self-explanatory.

Number 15

**Article 85**

Self-explanatory.

Number 16

**Article 92**

Self-explanatory.

Number 17

Self-explanatory.

#### **Article 93**

Number 18

Self-explanatory.

#### **Article 96**

Number 19

Self-explanatory.

#### **Article 105**

Number 20

#### **Article 110A**

Paragraph (1)

"have business licensing" in this paragraph refers to every person who has a location permit and/or business permit in the plantation sector issued by an authorized official before this Law comes into force.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

#### **Article 110B**

Paragraph (1)

"without Business Licensing" in this paragraph is every person carrying out business activities without licensing in the forestry sector issued by an authorized official before this Law comes into force.

Letter a

Self-explanatory.

Letter b

Examples of the calculation of the payment of administrative fines for oil palm plantations in forest areas shall be carried out based on, among others, the following criteria:

- a. The extent of forest areas controlled and used for plantation activities.
- b. The duration of control over oil palm plantation activities in forest areas, by calculating the time period from the time of economically productive age of plants for the first time to the last time of the control.
- c. Percentage of fine rates from the value of economic profits obtained per area unit of oil palm plantation activities each year.

The formula for calculating fines for oil palm plantation activities is as follows:

Fines are equal to the area of oil palm plantations multiplied by the duration of plantation activities in the forest area (years) multiplied by the fine rate of the percentage of profit per year (Rupiah).

$$D = L \times J \times TD$$

Remarks:

L = Area of Oil Palm Plantation in Forest Area (Hectares)

J = Duration of plantation activities in the forest area (Year)

TD = Fines Rate from the percentage of profit per year (Rupiah).

Examples of the assumptions for calculating fines (D) which are employed are:

a. (L) The area of oil palm plantations in the forest area (in hectares).  
Example: oil palm plantation areas in forest areas are 10,000 (ten thousand) hectares;

b. (J) Duration of plantation activities in the forest area (in years). The calculation of period starts from the economically productive age until the end of its control. Oil palm plantations will start productive age (UP) when the plants reach the age of 5 years. So that if there is 15 year old oil palm (UT) in 2020, it is assumed that the duration of plantation activity is calculated as follows:

$$\text{Duration (J)} = \text{Plant Age (UT)} - \text{Productive Plant Age (UP)}$$

$$J = 15 \text{ Years} - 5 \text{ Years}$$

$$J = 10 \text{ Years};$$

c. (TD) Percentage of fine rates from the value of economic profits obtained per area unit per year (in Rupiah), namely the value of fines for the percentage of the total value of the total economic profits obtained by oil palm plantation activities for 1 (one) year. An example of the calculation is the assumption that the average net income (PB) per year is IDR25,000,000.00. The percentage of the Fine Rates of Profit Value (DK) is between 20% - 60% of the total net income.

$$TD = \text{Annual Net Income (PB)} \times \% \text{ Fine Rates of Profit Value (DK)}$$

$$TD = \text{IDR}25,000,000.00 \times 20\% \text{ (if the rate is 20\%)} = \text{IDR}5,000,000.00$$

d. So that the calculation of total fines on oil palm with a plant area of 10,000 (ten thousand) hectares, duration of control over the plantation of 10 (ten) years and the fine rates of 20% (twenty percent) (IDR5,000,000) are:

$$D = L \times J \times TD$$

$$D = 10,000 \text{ He} \times 10 \text{ years} \times \text{IDR}5,000,000.00$$

$$D = \text{IDR}500,000,000,000.00$$

Letter c

In order to give executorial effect on administrative sanctions in paragraph (1) letter a and letter b, it has been deemed necessary to regulate coercive sanctions by the Central Government, including the enforcement of physical coercion (paksa badan/gizelling) for persons who do not implement administrative sanctions.



Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 21

#### **Article 111**

Has been removed.

Number 22

#### **Article 112**

Has been removed.

Article 38

Self-explanatory.

Article 39

Number 1

#### **Article 128A**

Self-explanatory.

Number 2

#### **Article 162**

Self-explanatory.

Article 40

Number 1

#### **Article 1**

Self-explanatory.

Number 2

#### **Article 4**

Paragraph (1)

Based on the soul of Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, Oil-and-Gas as strategic natural resources contained within Indonesian Mining Jurisdiction's earth are national assets that are controlled by the state. The aforementioned control by the state is in order for said national assets to be utilized for the maximum prosperity of Indonesian people.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 3

**Article 5**

Self-explanatory.

Number 4

**Article 23**

Self-explanatory.

Number 5

**Article 23A**

Self-explanatory.

Number 6

**Article 25**

Self-explanatory.

Number 7

**Article 52**

Self-explanatory.

Number 8

**Article 53**

Self-explanatory.

Number 9

**Article 55**

Self-explanatory.

Article 41

Number 1

**Article 4**

Self-explanatory.

Number 2

**Article 5**

Self-explanatory.

Number 3

**Article 6**

Letter a

Formulation of national policies shall, among others, take the following forms:

- a. formulation and establishment of standardization;
- b. establishment of Geothermal utilization and conservation policy;
- c. establishment of cooperation and partnership policy;
- d. determination of Geothermal Working Area; and
- e. formulation and determination of tariff for fixed premium and production premium

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Encouraging is conducted in order to increase the added-value of geothermal organization activities' production.

Number 4

**Article 7**

Self-explanatory.

Number 5

**Article 8**

Self-explanatory.

Number 6

**Article 11**

Self-explanatory.

Number 7

**Article 12**

Has been removed.

Number 8

**Article 13**

Has been removed.

Number 9

**Article 14**

Has been removed.

Number 10

**Article 15**

Self-explanatory.

Number 11

**Article 23**

Self-explanatory.

Number 12

**Article 24**

Self-explanatory.

Number 13

**Article 25**

Has been removed.

Number 14

**Article 36**

Self-explanatory.

Number 15

Self-explanatory.

**Article 37**

Number 16

Self-explanatory.

**Article 38**

Number 17

Self-explanatory.

**Article 40**

Number 18

Self-explanatory.

**Article 42**

Number 19

Self-explanatory.

**Article 43**

Number 20

**Article 46**

“detering or hindering Geothermal cultivation” means any form of action that uses violence or threat of violence that may cause material loss.

Number 21

Self-explanatory.

**Article 47**

Number 22

Self-explanatory.

**Article 48**

Number 23

Self-explanatory.

**Article 49**

Number 24

Self-explanatory.

**Article 50**

Number 25

Self-explanatory.

**Article 56**

Number 26

Self-explanatory.

**Article 59**

Number 27

Has been removed.

**Article 60**

Number 28

Self-explanatory.

**Article 67**

Number 29

Self-explanatory.

**Article 68**

Number 30

Self-explanatory.

**Article 69**

Number 31

Self-explanatory.

**Article 70**

Number 32

Self-explanatory.

**Article 71**

Number 33

Self-explanatory.

## **Article 72**

Number 34

Self-explanatory.

## **Article 73**

Number 35

Has been removed.

## **Article 74**

Article 42

Number 1

Self-explanatory.

## **Article 1**

Number 2

## **Article 3**

Paragraph (1)

Considering that electric power is one of the production branches that is important and strategic in national life, the electric power supply business shall be controlled by the state in which the organization is aimed at the maximum interests and prosperity of the people.

Paragraph (2)

Self-explanatory.

Number 3

## **Article 4**

Paragraph (1)

State-owned enterprise under this provision is those that engage in the electric power supply sector.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.



Number 4

**Article 5**

Self-explanatory.

Number 5

**Article 7**

Paragraph (1)

“national energy policies” are national energy policies as referred to in Law on Energy.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 6

**Article 10**

Self-explanatory.

Number 7

**Article 11**

Paragraph (1)

Self-explanatory.

Paragraph (2)

The granting of priority to state-owned enterprise is a realization of state control on electric power supply. State-owned enterprise is a business entity that solely engages in the electric power supply sector.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 8

**Article 13**

Paragraph (1)

“own interests” is the supply of electric power for own use and not to be traded.

Paragraph (2)

“other agencies/business entities” is the representative of foreign agencies or foreign

business entities.

Paragraph (3)

Self-explanatory.

Number 9

#### Article 16

Self-explanatory.

Number 10

#### Article 18

Self-explanatory.

Number 11

#### Article 19

Self-explanatory.

Number 12

#### Article 20

Has been removed.

Number 13

#### Article 21

In the establishment of Business Licensing, the Government considers the electric power supply ability of the holders of Business Licensing for electric power supply that owns local business areas.

Business licensing for electric power supply contains, among others, name and address of business entity, type of business provided, obligation in business organization, technical requirements, and sanction provisions.

Number 14

#### Article 22

Self-explanatory.

Number 15

#### Article 23

Self-explanatory.

Number 16

#### Article 24

Self-explanatory.

Number 17

#### **Article 25**

Self-explanatory.

Number 18

#### **Article 27**

Self-explanatory.

Number 19

#### **Article 28**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

The use of foreign goods and potentials may be conducted if the domestic goods and potentials are not available.

Number 20

#### **Article 29**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

“electric power installation belonging to the customer” is the electric power installation after measuring device or electric power consumption limiter.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 21

#### **Article 30**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Redress of the land right includes for the remaining land that cannot be used by the right holder due to the use of a part of their land by the holder of electric power supply business license.

“directly” is the use of land for the construction of electric power installations such as generator, substation, and transmission tower site.

Paragraph (3)

Indirectly under this provision shall be, among others, the use of land for transmission line trajectory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 22

#### **Article 32**

Self-explanatory.

Number 23

#### **Article 33**

Paragraph (1)

The definition of electric power sales price shall include all costs related to the sales of electric power from power plants.

The definition of lease of electric power grid shall include all costs related to the leasing of electric power distribution and/or transmission network.

Paragraph (2)

In granting approvals for electric power sales price and lease of electric power grid, the Government shall take into consideration the agreement between business entities.

Number 24

**Article 34**

Paragraph (1)

Electric power tariff for consumer shall include all costs related to the use of electric power by consumer such as load cost [biaya beban] (IDR/kVA) and usage cost [biaya pemakaian] (IDR/kWh), reactive power usage cost [biaya pemakaian daya reaktif] (IDR/kVArh), and/or maximum kVa cost paid based on subscription price (IDR/month) in accordance with the power limit used or other forms.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 25

**Article 35**

Self-explanatory.

Number 26

**Article 37**

Self-explanatory.

Number 27

**Article 44**

Self-explanatory.

Number 28

**Article 45**

Self-explanatory.

Number 29

**Article 46**

Self-explanatory.

Number 30

**Article 48**

Self-explanatory.

Number 31

**Article 49**

Self-explanatory.

Number 32

**Article 50**

Self-explanatory.

Number 33

**Article 51A**

Self-explanatory.

Number 34

**Article 52**

Has been removed.

Number 35

**Article 54**

Self-explanatory.

Article 43

Number 1

**Article 2A**

Self-explanatory.

Number 2

**Article 4**

Paragraph (1)

“Supervisory Agency” is a government institution that is under and responsible directly to the President.

Paragraph (2)

Self-explanatory.

Number 3

**Article 9**

Self-explanatory.

Number 4

**Article 9A**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

The obligation to transfer to the State or state-owned enterprises does not apply for an individual or a business entity that already had a license before this Law comes into force.

## Paragraph (7)

Self-explanatory.

## Number 5

**Article 10**

Has been removed.

## Number 6

**Article 14**

## Paragraph (1)

This supervision needs to be carried out considering that in addition to being useful, nuclear power also has radiation hazards.

This supervision is intended so that the danger does not occur.

## Paragraph (2)

“regulation” is that the government in doing the supervision issues a regulation in the field of nuclear safety so that the objectives of supervision are achieved.

“licensing” is that the Government issues licensing instrument to control nuclear utilization activities.

“inspection” is inspection activity either periodically or incidentally to find out the conformity of nuclear utilization to the stipulated regulation.

## Number 7

**Article 17**

## Paragraph (1)

“certain cases” is the utilization of substances, tools, or goods which its radiation emission and activity are smaller than the radiation emission and activities that are supposed to have a permit such as, among others, navigation devices, clocks, petromax light shirts,



and smoke detectors.

Paragraph (2)

“construction” shall include site determination and construction of nuclear installations.

Paragraph (3)

Self-explanatory.

Number 8

#### **Article 18**

Has been removed.

Number 9

#### **Article 20**

Paragraph (1)

Inspection is carried out in the framework of supervising the compliance to the requirements under the licensing and laws and regulations in the field of nuclear safety.

Paragraph (2)

Self-explanatory.

Number 10

#### **Article 25**

Paragraph (1)

Self-explanatory.

Paragraph (2)

The determination of sustainable storage places for high-level radioactive waste needs to be stipulated by the Central Government because it involves a change in an area that originally could be used to become an area which cannot be used for other purposes at all. Radioactive waste originating from overseas is not permitted to be stored in the jurisdiction of the Republic of Indonesia.

Number 11

#### **Article 41**

Self-explanatory.

Article 44

Number 1

#### **Article 15**

Self-explanatory.

Number 2

**Article 48A**

Self-explanatory.

Number 3

**Article 50**

Self-explanatory.

Number 4

**Article 53**

Self-explanatory.

Number 5

**Article 57**

Self-explanatory.

Number 6

**Article 59**

Paragraph (1)

“the entire sequence” shall be supervisory activities in a factory and coordination of supervision in the market with the relevant ministries and non-ministry government institutions.

Paragraph (2)

Self-explanatory.

Number 7

**Article 84**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

Joint ventures between the Central Government and the private sector shall be through majority capital ownership by the Central Government

Letter c

“ownership restrictions” means that foreign investment is not allowed.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

The stipulation of the amount of production, distribution, and the prices of products is carried out in order to maintain the steadiness of national economic stability as well as national defense.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Number 8

#### **Article 101**

Self-explanatory.

Number 9

#### **Article 102**

Has been removed.

Number 10

#### **Article 104**

Self-explanatory.

Number 11

#### **Article 105**

Self-explanatory.

Number 12

#### **Article 105A**

Self-explanatory.

Number 13

#### **Article 106**

Paragraph (1)

“Industrial Companies which will undertake an Industry” shall be a new Industry or those carrying out an expansion at a different location.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 14

#### **Article 108**

Self-explanatory.

Number 15

#### **Article 115**

Self-explanatory.

Number 16

#### **Article 117**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Supervision is carried out through, among others audit, inspection, intensive observation (surveillance), or monitoring.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 45

Self-explanatory.

Article 46

Number 1

**Article 6**

## Paragraph (1)

“Indonesian-language label” is every information regarding Goods in the form of writing Indonesian language, combination between picture and writing in Indonesian language, or other forms containing information on Goods and explanation of Business Actors, as well as other information included on the Goods, put in, affixed/attached to the Goods, printed on the Goods, and/or part of Goods’ packaging.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Number 2

**Article 11**

Self-explanatory.

## Number 3

**Article 14**

## Paragraph (1)

Regulation on the equal and fair development, organization, and guidance for traditional market, shopping center, convenience store, and wholesaler is intended to simplify and provide the certainty of Business Licensing process submitted by Business Actors. The simplification also includes integration with other requirements that are needed and is carried out using electronic systems.

For instance, Business Licensing for convenience store, other than to have Business Identification Number (Nomor Induk Berusaha – “NIB”) also need various other licensing such as, among others, principal license, neighbour license, Building Permit, domicile license, Environment License, Modern Shop Business License, Drug Store License, Franchise Registration Certificate (specific for franchise shop), as well as various recommendation related to firefighting aspect. Such requirements may be different in every region and with a certain period.

This will hamper business development by business actors related to convenience stores.

Therefore, through Law on Job Creation, simplification of Business Licensing is carried out, among others, principal license, Building Permit, Modern Shop Business License, Drug Store License, Franchise Registration Certificate, Domicile License, Environment License, and other various recommendation which is carried out in a centered manner through an electronic system, so that it no longer requires licensing and approval from each region.

By the implementation of this Business Licensing, the Business Licensing process for convenience stores is simpler and nationally standardized. Furthermore, businesses may carry out Business Licensing process through electronic Business Licensing system (online system submission) to obtain Business Identification Number (NIB) and the implementation of standard or permit which are needed in the form of convenience store standards.

“supplier” is Business Actors who regularly supply Goods to retailers with the aim to be resold through business cooperation.

“retailer” is an individual or business entity which the main activities is to carry out a direct selling to the final consumer.

Paragraph (2)

“spatial layout” is the form of spatial structure and spatial pattern by paying attention to the distance and location of establishment as referred to in Law on Spatial Planning.

Paragraph (3)

Self-explanatory.

Number 4

**Article 15**

Self-explanatory.

Number 5

**Article 17**

Self-explanatory.

Number 6

**Article 24**

Self-explanatory.

Number 7

**Article 30**

Self-explanatory.

Number 8

**Article 33**

Self-explanatory.

Number 9

**Article 37**

Self-explanatory.

Number 10

**Article 38**

Self-explanatory.

Number 11

**Article 42**

Self-explanatory.

Number 12

#### **Article 43**

Self-explanatory.

Number 13

#### **Article 45**

Paragraph (1)

Application for the importation of goods is submitted directly to the ministry in charge of government affairs in the trade sector, and approval from the Central Government is given by the ministry in charge of government affairs in the trade sector after the recommendation from other ministries is available, if necessary.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 14

#### **Article 46**

Self-explanatory.

Number 15

#### **Article 47**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"in certain circumstances" is in the case of goods needed by Business Actors takes the form of used capital goods that cannot be fulfilled from domestic sources yet so that they need to be imported in the framework of industrial production processes for the purpose of export development, increasing competitiveness, business efficiency, industrial investment and relocation, infrastructure development, and/or re-exported.

Moreover, in the event of a natural disaster, used goods or equipment are needed for the purpose of recovery and reconstruction as a result of natural disasters as well as used goods for other purposes in accordance with the provisions of laws and regulations.

Paragraph (3)

Self-explanatory.

Number 16

#### **Article 49**



Has been removed.

Number 17

**Article 51**

Self-explanatory.

Number 18

**Article 52**

Self-explanatory.

Number 19

**Article 53**

Self-explanatory.

Number 20

**Article 57**

Self-explanatory.

Number 21

**Article 60**

Self-explanatory.

Number 22

**Article 61**

Self-explanatory.

Number 23

**Article 63**

Self-explanatory.

Number 24

**Article 65**

Self-explanatory.

Number 25

**Article 74**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“other parties” is universities, the business world, business associations, and other stakeholders.

Paragraph (5)

Self-explanatory.

Number 26

#### **Article 77**

Self-explanatory.

Number 27

#### **Article 77A**

Self-explanatory.

Number 28

#### **Article 81**

Self-explanatory.

Number 29

#### **Article 98**

Self-explanatory.

Number 30

#### **Article 99**

Self-explanatory.

Number 31

#### **Article 100**

Self-explanatory.

Number 32

#### **Article 102**

Self-explanatory.

Number 33

#### **Article 104**

Self-explanatory.

Number 34

#### **Article 106**

Self-explanatory.

Number 35

#### **Article 109**

Self-explanatory.

Number 36

#### **Article 116**

Self-explanatory.

Article 47

Number 1

#### **Article 13**

Letter a

Types of measuring, dosage, and weighing instruments, and its equipment are, among others, water meter, gas meter, electricity meter, taxi meter, telephone credit meter, moisture tester, it has been deemed necessary to appoint the places and areas where calibration and recalibration are carried out.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Number 2

#### **Article 17**

Paragraph (1)

Because of the use of measuring, dosage, and weighing instruments, and its equipment are under the supervision of the Central Government institution in charge of meterology, obviously the manufacture of those instruments should have Business Licensing from the Central Government so that it is easy to supervise and guide, and so that those instruments are made by people who have expertise. Similarly, to repair measuring, dosage, and weighing instruments, and its equipment, for example repairing scales,

Business Licensing from the Central Government needs to be obtained, for an easy supervision and guidance.

Therefore, It is hoped that the work of repairing the scales is carried out by people who actually have expertise in that field and with a full sense of responsibility, so that the owners of the scales will not be deceived by people claiming to be scale repairman even though they have no expertise in the job and are merely looking for profit for themselves.

Paragraph (2)

Self-explanatory.

Number 3

#### **Article 18**

Business Licensing is needed to avoid the entry and circulation of measuring, dosage, and weighing instruments, and its equipment that do not meet the requirements, because if it occurs, it will complicate the implementation of this Law.

Number 4

#### **Article 24**

Self-explanatory.

Article 48

Number 1

#### **Article 4A**

Self-explanatory.

Number 2

#### **Article 7**

Letter a

The ministries and/or relevant institutions, among others, are the ministry and/or institution in charge of government affairs in the sectors of industry, trade, health, agriculture, standardization and accreditation, cooperatives and micro-, small- and medium-scale businesses, and drug and food control.

Letter b

Independent LBH.

Letter c

MUI shall include MUI in provinces and the MPU (Majelis Permusyawaratan Ulama) in Aceh.

Number 3

#### **Article 10**

Self-explanatory.

Number 4

**Article 13**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“incorporated Islamic religious institutions” includes, among others, incorporated Islamic mass organizations and Islamic foundations that manage universities.

Paragraph (3)

Self-explanatory.

Number 5

**Article 14**

Self-explanatory.

Number 6

**Article 16**

Self-explanatory.

Number 7

**Article 22**

Self-explanatory.

Number 8

**Article 27**

Self-explanatory.

Number 9

**Article 28**

Self-explanatory.

Number 10

**Article 29**

Self-explanatory.

Number 11

**Article 30**

Self-explanatory.

Number 12

Self-explanatory.

**Article 31**

Number 13

Self-explanatory.

**Article 32**

Number 14

Self-explanatory

**Article 33**

Number 15

Self-explanatory.

**Article 35**

Number 16

Self-explanatory.

**Article 35A**

Number 17

Self-explanatory.

**Article 40**

Number 18

Self-explanatory.

**Article 41**

Number 19

Self-explanatory.

**Article 42**

Number 20

Self-explanatory.

**Article 44**

Number 21

Self-explanatory.

**Article 48**

Number 22

Self-explanatory.

**Article 53**

Number 23

Self-explanatory.

**Article 55**

Number 24

Self-explanatory.

**Article 56**

Article 49

Self-Explanatory.

Article 50

Number 1

Self-explanatory.

**Article 26**

Number 2

Self-explanatory.

**Article 29**

Number 3

Paragraph (1)

The provision of ease of business licensing for legal entities that submit housing development plans for MBR is intended to boost business climate for legal entities in the housing and settlement sector as well as in an effort to fulfill housing needs for MBR.

**Article 33**

Paragraph (2)

Self-explanatory.

Number 4



**Article 35**

Self-explanatory.

Number 5

**Article 36**

Self-explanatory.

Number 6

**Article 40**

Self-explanatory.

Number 7

**Article 42**

Paragraph (1)

"preliminary sale and purchase agreement" is an agreement to do the sale and purchase of a house that is still in the process of construction between a prospective house buyer and a house provider which are known by the authorized official.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

"matters which are agreed upon" is the condition of a house built and sold to consumers, which is marketed through promotional media, including the location of the house, the condition of the land/plot, the shape of the house, the specifications of the building, the price of the house, infrastructure, facilities, public utility funds for housing, other facilities, time to hand over the house, and dispute resolution.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

"housing construction" is the percentage of houses that have been built out of the total number of house units as well as the availability of infrastructure, facilities, and public utilities in a planned housing.

Paragraph (3)

Self-explanatory.

Number 8

**Article 53**

Paragraph (1)

Housing control is intended to maintain and improve the quality of housing so that it can function properly, while at the same time preventing quality degradation and inappropriate utilization.

Paragraph (2)

Letter a

Business licensing are granted to business actors, while approval is given to non-business actors.

Letter b

"controlling" is a way of control which is carried out through law enforcement measures for housings that, in the construction and utilization, are not in accordance with the plan or provisions of laws and regulations.

Letter c

"arrangement" is a way of control which is carried out through improvements in the operation so that it conforms to the objectives of housing operation.

Paragraph (3)

Self-explanatory.

Number 9

**Article 55**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The implementation of this provision only applies under normal conditions, but does not apply in force majeure conditions, such as natural disaster, riot, war, and pandemic.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 10

**Article 107**

Self-explanatory.

Number 11

**Article 109**

Self-explanatory.

Number 12

**Article 114**

Self-explanatory.

Number 13

**CHAPTER IXA**

Self-explanatory.

Number 14

**Article 134**

Self-explanatory.

Number 15

**Article 150**

Self-explanatory.

Number 16

**Article 151**

Self-explanatory.

Number 17

**Article 153**

Self-explanatory

Article 51

Number 1

**Article 16**

Self-explanatory.

Number 2

**Article 24**

Paragraph (1)

Letter a

"administrative requirements" are the licensing required as a condition for carrying out the construction of multi-story housings.

Letter b

"technical requirements" are requirements relating to building structures, building security and safety, environmental health, comfort, and so forth that relates to the design, including the completeness of environmental infrastructure and facilities.

Letter c

"ecological requirements" are requirements that fulfill an environmental impact analysis in the case of multi-story housing construction.

Paragraph (2)

Self-explanatory.

Number 3

**Article 26**

Self-explanatory.

Number 4

**Article 28**

Self-explanatory.

Number 5

**Article 29**

Self-explanatory.

Number 6

**Article 30**

Has been removed

Number 7

**Article 31**

Self-explanatory.

Number 8

**Article 32**

Self-explanatory.

Number 9

**Article 33**

Has been removed.

Number 10

**Article 39**

Paragraph (1)

"feasibility to function" is the functioning of all or part of the multi-story housing which can guarantee that the requirements for building layout and building reliability of the multi-story housing are fulfilled in accordance with the assigned function.

"part of the construction of multi-story housings" is one multi-story housing building or more out of the entire multi-story housing building plan in an environmental unit.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 11

#### Article 40

Paragraph (1)

"multi-story housing environment" is a plot of land with clear boundaries upon which a multi-story building is built, including infrastructure, facilities and public utilities which as a whole constitute a unity of place of residency.

"infrastructure" is the physical basic equipment of a residential environment in a multi-story housing that meets certain standards for the need of a decent, healthy, safe and comfortable place to live, including road networks, drainage, sanitation, clean water and trash cans.

"facilities" are facilities in the residential environment of a multi-story housing which functions to support the organization and development of social, cultural and economic life, including socio-economic facilities (education, health, worship and commerce) and public facilities (green open space, recreation area, sport facilities, public burial places, government facilities, and so forth).

"public utilities" is the supporting equipment for the service of a residential environment of a multi-story housing which includes electricity, telephone and gas networks.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 12

#### Article 43

Self-explanatory.

Number 13

#### Article 54

Self-explanatory.

Number 14

**Article 56**

Paragraph (1)

"preservation" is the activity of maintaining the reliability of the building and its infrastructure and facilities so that it is always feasible to function.

"maintenance" is the activity of repairing and/or replacing parts of a building, components, building materials, and/or infrastructure and facilities so that the building remains feasible to function.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 16

**Article 72**

Self-explanatory.

Number 17

**Article 73**

Has been removed.

Number 18

**Article 107**

Self-explanatory.

Number 19

**Article 108**

Self-explanatory.

Number 20

**Article 110**

Self-explanatory.

Number 21

**Article 112**

Has been removed.

Number 22

**Article 113**

Self-explanatory.

Number 23

**Article 114**

Self-explanatory.

Number 24

**Article 117**

Self-explanatory.

Article 52

Number 1

**Article 5**

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

"Construction Services Supply Chain" is the flow of activities for the production and distribution of materials, equipment and technology used in the implementation of Construction Services.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i



Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Letter m

Self-explanatory.

Letter n

Self-explanatory.

Letter o

Self-explanatory.

Letter p

Self-explanatory.

Letter q

Self-explanatory.

Letter r

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Strategic and pilot training for construction workers includes, among others, the provision of training for the application of new technologies, methods, and competency standards.

Letter d

Self-explanatory.

Letter e

The minimum remuneration standards are set by considering the complexity of types of professional services, costs, risks, and technology of the organization of relevant construction services with the professional service results, and/or the prevailing market price in the province where construction services are organized.

Letter f

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Paragraph (5)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Priority technology shall include:

1. simple, efficient, and labor-intensive technologies;
2. technology related to Indonesia's geographical position;
3. sustainable construction technology;
4. technology of new materials with high potential in Indonesia; and
5. technology and management of infrastructure asset maintenance

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Number 2

Self-explanatory.

**Article 6**

Number 3

Self-explanatory.

**Article 7**

Number 4

Self-explanatory.

**Article 8**

Number 5

Self-explanatory.

**Article 9**

Number 6

Self-explanatory.

**Article 10**

Number 7

Paragraph (1)

Business classification determines the capability limits of a Construction Service business in carrying out Construction Services at the same time.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

**Article 20**

Number 8

Self-explanatory.

**Article 26**

Number 9

	<b>Article 27</b>
Self-explanatory.	
Number 10	<b>Article 28</b>
Self-explanatory.	
Number 11	<b>Article 29</b>
Self-explanatory.	
Number 12	<b>Article 30</b>
Self-explanatory.	
Number 13	<b>Article 31</b>
Has been removed.	
Number 14	<b>Article 33</b>
Self-explanatory.	
Number 15	<b>Article 34</b>
Self-explanatory.	
Number 16	<b>Article 35</b>
Self-explanatory.	
Number 17	<b>Article 36</b>
Has been removed.	
Number 18	<b>Article 38</b>

Paragraph (1)

Self-explanatory.

Paragraph (2)

The organization of Construction Service Business which are self-performed shall be activities whereby the works are planned, worked and/or supervised by the government itself as the person in charge of the budget, and/or community groups.

Paragraph (3)

Self-explanatory.

Number 19

**Article 42**

Has been removed.

Number 20

**Article 44**

Self-explanatory.

Number 21

**Article 57**

Has been removed.

Number 22

**Article 58**

Has been removed.

Number 23

**Article 59**

Self-explanatory.

Number 24

**Article 69**

Self-explanatory.

Number 25

**Article 72**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“professional experience registration certificate” is a document containing and describing the experience of construction workers that has been officially registered with the government.

Paragraph (3)

Self-explanatory.

Number 26

#### **Article 74**

Has been removed.

Number 27

#### **Article 84**

Paragraph (1)

The organization of part of the Central Government's authority includes, among others, registration of Construction Service business entities, accreditation for Construction Service company associations and associations related to Construction Service supply chain, registration of business entities' experience, registration of expert assessors, appoint a registered expert assessor in the event of Building Failure, accreditation for professional associations and license for professional certification agencies, registration of workers, registration professional experience of workers as well as work training and educational institutions in the construction sector, equalization of foreign construction workers, establish professional certification agencies to perform the work competency certification task which has not been able to be performed by professional certification agencies established by professional associations/training and educational institutions.

Paragraph (2)

“institution” shall be the development of Construction Services.

Paragraph (3)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Associations related to construction supply chain includes, among others, association related to construction materials and equipment.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

The regulation of institution establishment includes, among others, procedures for selecting executive board, terms of service, main duties and functions, and work mechanisms of the institution.

Number 28

**Article 89**

Self-explanatory.

Number 29

**Article 92**

Has been removed.

Number 30

**Article 96**

Self-explanatory.

Number 31

**Article 99**

Self-explanatory.

Number 32

**Article 101**

Has been removed.

Number 33

**Article 102**

Self-explanatory.

Article 53

Number 1

**Article 8**

Self-explanatory.

Number 2

**Article 9**



Self-explanatory.

Number 3

**Article 12**

Self-explanatory.

Number 4

**Article 17**

Self-explanatory.

Number 5

**Article 19**

Self-explanatory.

Number 6

**Article 40**

Self-explanatory.

Number 7

**Article 43**

Self-explanatory.

Number 8

**Article 44**

Self-explanatory.

Number 9

**Article 45**

Self-explanatory.

Number 10

**Article 49**

Self-explanatory.

Number 11

**Article 50**

Self-explanatory.

Number 12

Self-explanatory.

**Article 51**

Number 13

Self-explanatory.

**Article 52**

Number 14

Self-explanatory.

**Article 56**

Number 15

Self-explanatory.

**Article 70**

Number 16

Self-explanatory.

**Article 73**

Article 54

Self-explanatory.

Article 55

Number 1

Self-explanatory.

**Article 19**

Number 2

Self-explanatory.

**Article 36**

Number 3

Paragraph (1)

Self-explanatory.

**Article 38**

Paragraph (2)

"main facilities" are the departure route, arrival route, passenger waiting room, passenger boarding area, vehicle parking area, information board, terminal control office and counters.

"supporting facilities" include, among others, facilities for persons with disabilities, health facilities, public facilities, religious facilities, health posts, police posts, and fire extinguishing equipment.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 4

**Article 39**

Paragraph (1)

"terminal work environment" is an environment that is directly related to terminal facilities and bordered by fence.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Private parties include micro-, small- and medium-scale businesses.

Number 5

**Article 40**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Private parties include micro-, small- and medium-scale businesses.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 6

**Article 43**

Paragraph (1)

"public parking" is a place to park a vehicle for a fee.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 7

#### **Article 50**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Private parties includes micro-, small- and medium-scale businesses.

Paragraph (3)

Self-explanatory.

Number 8

#### **Article 53**

Self-explanatory.

Number 9

#### **Article 60**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"have certain quality" is a general repair ship capable of performing types of periodic maintenance work, minor repairs, major repairs, and chassis and body repairs.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 10

**Article 78**

Self-explanatory.

Number 11

**Article 99**

Paragraph (1)

"construction of activity centers, settlements and infrastructures" is a new construction, changes in land use, changes in land use intensity and/or expansion of building floors and/or changes in intensity of use, changes in the density of certain land uses, use of certain lands, including Terminals, public Parking outside the Right of Way, refueling stations, and other public facilities. Traffic impact analysis in its implementation can be integrated with environmental impact analysis.

Paragraph (2)

Self-explanatory.

Number 12

**Article 100**

Has been removed.

Number 13

**Article 101**

Has been removed.

Number 14

**Article 126**

Self-explanatory.

Number 15

**Article 162**

Self-explanatory.

Number 16

**Article 165**

Paragraph (1)

"multimodal transportation" is the transportation of goods using at least 2 (two) different modes of transportation based on 1 (one) contract that uses multimodal transportation documents from 1 (one) place of receipt of goods by the multimodal transport operator to a place determined for the delivery of the goods.

Paragraph (2)

Self-explanatory.

Paragraph (3)  
Self-explanatory.

Paragraph (4)  
Self-explanatory.

Number 17

#### **Article 170**

Paragraph (1)  
“certain location” is a place for the supervision of transportation of goods which is carried out effectively and efficiently.

Paragraph (2)  
Self-explanatory.

Paragraph (3)  
Self-explanatory.

Paragraph (4)  
Self-explanatory.

Number 18

#### **Article 173**

Self-explanatory.

Number 19

#### **Article 174**

Has been removed.

Number 20

#### **Article 175**

Has been removed.

Number 21

#### **Article 176**

Has been removed.

Number 22

#### **Article 177**

Has been removed.

Number 23

Has been removed.

**Article 178**

Number 24

Self-explanatory.

**Article 179**

Number 25

Has been removed.

**Article 180**

Number 26

Paragraph (1)

"certain routes or traffic" are public passenger transportation routes that are not yet profitable financially, including pioneer transportation routes.

**Article 185**

Paragraph (2)

Self-explanatory.

Number 27

Self-explanatory.

**Article 199**

Number 28

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"legal entity" is an entity (association and so forth) which in law is recognized as a legal subject to which can be attached with legal rights and obligations, such as companies, foundations and institutions.

Letter d

Self-explanatory.

Letter e

**Article 220**



Self-explanatory.

Paragraph (2)

Self-explanatory.

Number 29

**Article 222**

Self-explanatory.

Number 30

**Article 308**

Has been removed.

Article 56

Number 1

**Article 24**

Self-explanatory.

Number 2

**Article 24A**

Self-explanatory.

Number 3

**Article 28**

Self-explanatory.

Number 4

**Article 32**

Self-explanatory.

Number 5

**Article 32A**

Self-explanatory.

Number 6

**Article 33**

Self-explanatory.

Number 7

Self-explanatory.

**Article 33A**

Number 8

Self-explanatory.

**Article 77**

Number 9

Self-explanatory.

**Article 80A**

Number 10

Self-explanatory.

**Article 82**

Number 11

Self-explanatory.

**Article 107**

Number 12

Self-explanatory.

**Article 112**

Number 13

Self-explanatory.

**Article 116A**

Self-explanatory.

**Article 116B**

Number 14

Self-explanatory.

**Article 135**

Number 15

**Article 168**

Self-explanatory.

Number 16

**Article 185A**

Self-explanatory.

Number 17

**Article 188**

Self-explanatory.

Number 18

**Article 190**

Self-explanatory.

Number 19

**Article 191**

Self-explanatory.

Number 20

**Article 195**

Self-explanatory.

Number 21

**Article 196**

Self-explanatory.

Number 22

**Article 203**

Self-explanatory.

Number 23

**Article 204**

Self-explanatory.

Number 24

**Article 210**

Self-explanatory.

**Article 57****Number 1****Article 5****Paragraph (1)**

"controlled by the state" means that the state has the right to control over the operation of shipping, the manifestation of which includes regulation, control, and supervisory aspects.

**Paragraph (2)**

Self-explanatory.

**Paragraph (3)**

Self-explanatory.

**Number 2****Article 9****Paragraph (1)**

"intramodal" includes domestic sea transportation, foreign sea transportation, special sea transportation, and public shipping transportation.

"intermodal" is the integration of land transportation, sea transportation and air transportation.

The said Intra and intermodal is a national transportation unity.

**Paragraph (2)**

"fixed and regular route (liner)" is sea transportation service carried out in a fixed and regular manner with a schedule and mention the transit port.

"non-permanent and irregular route (tramper)" is sea transportation service carried out on a non-permanent and irregular basis.

**Paragraph (3)**

"route network" is a collection of routes that becomes a unity of passenger and/or goods transportation services from one port to another.

**Paragraph (4)**

The arrangement of a fixed and regular route network is intended to provide legal and business certainty to service users and sea transportation service providers.

**Paragraph (5)**

Self-explanatory.

**Number 3****Article 13****Paragraph (1)**

Special sea transportation activities include transportation activities carried out by businesses in the industrial, tourism, mining, agricultural sectors as well as special activities such as research, dredging, social activities, and so forth, as well as not serving other parties and not transporting general goods.

Special sea transportation, both domestic and foreign, may be carried out in the context of fulfilling needs which due to the nature of the cargo cannot be operated by public sea transportation service providers.

Paragraph (2)

Self-explanatory.

Number 4

#### **Article 14A**

Paragraph (1)

"not yet available" means the number and schedule when the Indonesian flagged ship is needed are not yet available or is not enough to fulfill the needs.

Paragraph (2)

Self-explanatory.

Number 5

#### **Article 27**

The obligation to fulfill Business Licensing in carrying out water transportation activities is intended as a tool for guiding, controlling, and supervising water transportation to provide business certainty and legal protection for service providers and users.

Number 6

#### **Article 28**

Self-explanatory.

Number 7

#### **Article 30**

Has been removed.

Number 8

#### **Article 31**

Self-explanatory.

Number 9

#### **Article 32**

Self-explanatory.

Number 10

#### **Article 33**

Self-explanatory.

Number 11

Self-explanatory.

**Article 34**

Number 12

Self-explanatory.

**Article 51**

Number 13

Self-explanatory.

**Article 52**

Number 14

Self-explanatory.

**Article 59**

Number 15

Self-explanatory.

**Article 90**

Number 16

Paragraph (1)

Self-explanatory.

**Article 91**

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

"in certain circumstances" means if it turns out that there is a Port Business Entity capable of utilizing Terminal and other port facilities to serve activities that provide commercial benefits.

Paragraph (5)

Self-explanatory.

Number 17

**Article 96**

Self-explanatory.

Number 18

**Article 97**

Self-explanatory.

Number 19

**Article 98**

Self-explanatory.

Number 20

**Article 99**

Self-explanatory.

Number 21

**Article 103**

Has been removed.

Number 22

**Article 104**

Self-explanatory.

Number 23

**Article 106**

Self-explanatory.

Number 24

**Article 107**

Has been removed.

Number 25

**Article 111**

Self-explanatory.

Number 26

**Article 124**

"ship procurement" is the activity of importing ships from outside the country, both used ships

and new ships, to be registered in the Indonesian ship register.

"ship building" is the manufacture of new ships both within and outside the country which directly have Indonesian flag.

"ship work" is the stages of work and activities at the time the ship is overhauled, repaired and maintained.

"ship equipment" is the part included in navigation equipment, supporting devices, smoke detectors and fire extinguishers, ship radio and electronics, and map and nautical publications, as well as meteorological observation equipment for ships of a certain size and shipping area. .

"provisions of international standards" is guided by, among others: Safety of Life at Sea (SOLAS) Convention, 1978 along with its implementing regulations.

Number 27

### Article 125

Paragraph (1)

Self-explanatory.

Paragraph (2)

"overhaul" is an overhaul of construction and requires validation of construction drawings and calculations because it changes the function, stability, structure and dimensions of the ship.

Paragraph (3)

Self-explanatory.

Number 28

### Article 126

Paragraph (1)

Safety certificate is issued to all ships of GT 7 (seven Gross Tonnage) size or more except:

- a. warship;
- b. state ships; and
- c. ships used for sporting purposes.

Paragraph (2)

Letter a

Types of passenger ship certificates include:

- 1) Passenger Ship Safety Certificate (including construction safety, equipment, and ship radio); and
- 2) Exemption Certificate (a certificate that allows exemption from several conditions that must be met).

Letter b

Types of cargo ship safety certificates in accordance with SOLAS 1974 include:

- 1) Cargo Ship Safety Certificate;
- 2) Cargo Ship Construction Safety Certificate;



- 3) Cargo Ship Equipment Safety Certificate;
- 4) Cargo Ship Radio Safety Certificate; and
- 5) Exemption Certificate (a certificate that allows exemption from several conditions that must be met).

Letter c

Certification of fishing ship worthiness and manning is carried out by the Ministry in charge of government affairs in the marine and fisheries sector.

Number 29

#### **Article 127**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

"provisions of international standards" is guided by, among others: Safety of Life at Sea (SOLAS) Convention, 1978 along with its implementing regulations.

Paragraph (4)

Self-explanatory.

Number 30

#### **Article 129**

Self-explanatory.

Number 31

#### **Article 130**

Self-explanatory.

Number 32

#### **Article 133**

Self-explanatory.

Number 33

#### **Article 154**

In order to accelerate the ease of doing business, the process of measuring, registering, and determining the nationality of ships on fishing ships is carried out in an integrated manner via 1 (one) stop service. The Central Government provides facilities and infrastructure for the implementation of the 1 (one) stop system.

Number 34

**Article 155**

## Paragraph (1)

Ship measurement may be carried out by the ministry in charge of government affairs in the transportation sector.

Specifically for fishing ships, the implementation of such measurement may be carried out by the ministry in charge of government affairs in the fisheries sector based on the competence, standards and procedures stipulated by the ministry in charge of government affairs in the transportation sector.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

Number 35

**Article 157**

Self-explanatory.

Number 36

**Article 158**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

"ship registration" is the registration of ownership rights over a ship in accordance with the provisions of laws and regulations.

In addition to fulfilling the provisions for ship registration, which is a requirement for issuing National Identity Certificate for Indonesian Ships for ships flying Indonesian flag as national flag as referred to in this Law, fishing ship owners are required to fulfill the provisions or requirements for the registration of fishing ships as referred to in the Law on fishing ship registration.

## Paragraph (4)

"the first authentic copy (grosse) of registration certificate" is an official copy of the minute (the original of the registration certificate).

Proof of ownership of the ship is a document of ownership submitted by the ship owner upon registering their ship, which includes:

1. For newly constructed ships:
  - a. ship building contract;

- b. official report of ship handover; and
  - c. shipyard certificate.
- 2. For ships that have been registered in other countries
  - a. bill of sale; and
  - b. protocol of delivery and acceptance.

Paragraph (5)

"registration mark" is a series of numbers and letters consisting of the number of the year of registration, the measurement code from the place where the ship is registered, the serial number of the registration certificate, and the ship category code.

Example:

2008 Pst No.49991L

2008 : The year of registration of ships

Pst : The measurement code from the place where the ship is registered

No. : Number

4999 : Ship registration certificate number

L : Ship category code (L category code for marine ships, N category code for fishing ships, P category code for inland ships, namely ships sailing on rivers and lakes).

Number 37

**Article 159**

Self-explanatory.

Number 38

**Article 163**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

"river and lake waters" includes rivers, lakes, reservoirs, canals, channels, and swamps.

Number 39

**Article 168**

Self-explanatory.

Number 40

**Article 169**

## Paragraph (1)

"ships for certain types and sizes" are cargo ships with a size of GT 500 (five hundred Gross Tonnage) or more and passenger ships of all sizes conducting international voyages, while for ships sailing domestically, the type and size shall be determined separately.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

"institution authorized by the Central Government" are classification agencies recognized by the Government.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

Self-explanatory.

## Number 41

**Article 170**

## Paragraph (1)

"certain size" shall be cargo ships with a size of GT 500 (five hundred Gross Tonnage) or more and passenger ships of all sizes conducting international voyages, while for ships sailing domestically, the type and size shall be determined separately.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

For ships sailing domestically, the regulation regarding certificates shall be stipulated separately.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

Self-explanatory.

## Number 42

**Article 171**

Self-explanatory.

Number 43

Self-explanatory.

**Article 197**

Number 44

Self-explanatory.

**Article 204**

Number 45

Self-explanatory.

**Article 213**

Number 46

Self-explanatory.

**Article 225**

Number 47

Self-explanatory.

**Article 243**

Number 48

Self-explanatory.

**Article 273**

Number 49

Self-explanatory.

**Article 288**

Number 50

Self-explanatory.

**Article 289**

Number 51

Self-explanatory.

**Article 290**

Number 52

**Article 291**

Self-explanatory.

Number 53

**Article 292**

Self-explanatory.

Number 54

**Article 293**

Self-explanatory.

Number 55

**Article 294**

Self-explanatory.

Number 56

**Article 295**

Self-explanatory.

Number 57

**Article 296**

Self-explanatory.

Number 58

**Article 297**

Self-explanatory.

Number 59

**Article 298**

Self-explanatory.

Number 60

**Article 299**

Self-explanatory.

Number 61

**Article 307**

Self-explanatory.

Number 62

**Article 308**

Self-explanatory.

Number 63

**Article 310**

Self-explanatory.

Number 64

**Article 313**

Self-explanatory.

Number 65

**Article 314**

Self-explanatory.

Number 66

**Article 321**

Self-explanatory.

Number 67

**Article 322**

Self-explanatory.

Number 68

**Article 336**

Self-explanatory.

Article 58

Number 1

**Article 13**

Self-explanatory.

Number 2

**Article 14**

Has been removed.

Number 3

**Article 15**

Self-explanatory.

Number 4

**Article 16**

Self-explanatory.

Number 5

**Article 17**

Self-explanatory.

Number 6

**Article 18**

Self-explanatory.

Number 7

**Article 19**

Self-explanatory.

Number 8

**Article 20**

Has been removed.

Number 9

**Article 21**

Has been removed.

Number 10

**Article 22**

Has been removed.

Number 11

**Article 26**

Self-explanatory.



Number 12

Self-explanatory.

**Article 30**

Number 13

Has been removed.

**Article 31**

Number 14

Has been removed.

**Article 32**

Number 15

Has been removed.

**Article 33**

Number 16

Self-explanatory.

**Article 37**

Number 17

Self-explanatory.

**Article 40**

Number 18

Self-explanatory.

**Article 41**

Number 19

Has been removed.

**Article 42**

Number 20

Has been removed.

**Article 43**

Number 21

Self-explanatory.

**Article 45**

Number 22

Self-explanatory.

**Article 46**

Number 23

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Personnel who are holders of aircraft maintenance engineer license as referred to in this provision can only carry out aircraft maintenance for non-commercial air transportation companies with a passenger capacity of less than 9 (nine) persons.

**Article 47**

Number 24

Has been removed.

**Article 48**

Number 25

Self-explanatory.

**Article 49**

Number 26

Self-explanatory.

**Article 50**

Number 27

Self-explanatory.

**Article 51**

Number 28

Paragraph (1)

**Article 58**

Aircraft personnel consists of aircraft operation personnel, aircraft operation support personnel, and aircraft maintenance personnel. Aircraft operation personnel consists of:

- a. pilot; and
- b. aircraft engineer.

Aircraft operation support personnel consists of:

- a. flight operations support personnel; and
- b. cabin personnel.

Aircraft maintenance personnel is, personnel who already had aircraft maintenance engineer license.

Paragraph (2)

“legitimate” is issued or legalized by an authorized official.

“valid” is the license granted has a validity period in accordance with the field of work.

Number 29

**Article 60**

Self-explanatory.

Number 30

**Article 61**

Self-explanatory.

Number 31

**Article 63**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“certain circumstances” is:

- a. the unavailability of aircraft capacity in Indonesia;
- b. the unavailability of the types or capabilities of Indonesian aircraft to carry out air transportation activities;
- c. natural disasters; and/or
- d. humanitarian aid.

“in a limited time” is the operating time of foreign aircraft is limited to the extent that certain conditions are handled by Indonesian aircraft.

Paragraph (3)

“interstate agreement” is agreement on delegation of authority for airworthiness function.

Paragraph (4)

“airworthiness requirements” is in accordance with the national and international provisions.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 32

#### **Article 64**

Has been removed.

Number 33

#### **Article 66**

Self-explanatory.

Number 34

#### **Article 67**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“identity mark” is registration mark.

Number 35

#### **Article 84**

Self-explanatory.

Number 36

#### **Article 85**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“certain circumstances” is the need for air transportation capacity on certain routes that cannot be fulfilled by the capacity of scheduled commercial air transportation carried out in accordance with the provisions of unscheduled commercial air transportation, including tour packages, MICE (meetings, incentive travels, conventions, and exhibitions), hajj air transportation, natural disaster relief, humanitarian activities, and national and international activities.

“temporary” is an approval that is given limitedly for a certain period, a maximum of 6 (six) months and can only be extended for 1 (one) time on the same route.

Paragraph (3)

Self-explanatory.

Paragraph (4)  
Self-explanatory.

Number 37

#### **Article 91**

Paragraph (1)  
Self-explanatory.

Paragraph (2)  
Self-explanatory.

Paragraph (3)  
“certain circumstances” is a condition where the request of scheduled commercial air transportation business entity is not fulfilled or not served on a certain route.

Paragraph (4)  
Self-explanatory.

Paragraph (5)  
Self-explanatory.

Number 38

#### **Article 93**

Self-explanatory.

Number 39

#### **Article 94**

Self-explanatory.

Number 40

#### **Article 95**

Self-explanatory.

Number 41

#### **Article 96**

Self-explanatory.

Number 42

#### **Article 97**

Paragraph (1)  
Letter a

“service to the maximum standard (full services)”, among others, providing food and beverages, snacks, and executive lounge for business class and first class.

Letter b

“service to the medium standard (medium services)” are, among others, providing snacks and other facilities of executive lounge for certain economy class passengers.

Letter c

“service to the minimum standard (no frills)” are, among others, there is only 1 (one) class of service, without food and beverages, snacks, executive lounge facilities, and a fee is charged for checked baggage.

Paragraph (2)

Self-explanatory.

Number 43

#### **Article 99**

Has been removed.

Number 44

#### **Article 100**

Self-explanatory.

Number 45

#### **Article 109**

Self-explanatory.

Number 46

#### **Article 110**

Has been removed.

Number 47

#### **Article 111**

Has been removed.

Number 48

#### **Article 112**

Self-explanatory.

Number 49

#### **Article 113**

Paragraph (1)

“to be transferred” is a change in ownership of a part or all shares of a commercial air transportation business entity in the form of a merger or acquisition.

Paragraph (2)

Self-explanatory.

Number 50

**Article 114**

Self-explanatory.

Number 51

**Article 118**

Self-explanatory.

Number 52

**Article 119**

Self-explanatory.

Number 53

**Article 120**

Self-explanatory.

Number 54

**Article 130**

Self-explanatory.

Number 55

**Article 131**

Has been removed.

Number 56

**Article 132**

Has been removed.

Number 57

**Article 133**

Has been removed.

Number 58

Self-explanatory.

**Article 137**

Number 59

Self-explanatory.

**Article 138**

Number 60

Self-explanatory.

**Article 139**

Number 61

Self-explanatory.

**Article 205**

Number 62

Has been removed.

**Article 215**

Number 63

Self-explanatory.

**Article 218**

Number 64

Self-explanatory.

**Article 219**

Number 65

Self-explanatory.

**Article 221**

Number 66

Self-explanatory.

**Article 222**



Number 67

Self-explanatory.

**Article 224**

Number 68

Self-explanatory.

**Article 225**

Number 69

Self-explanatory.

**Article 233**

Number 70

Self-explanatory.

**Article 237**

Number 71

Self-explanatory.

**Article 238**

Number 72

Self-explanatory.

**Article 242**

Number 73

Self-explanatory.

**Article 247**

Number 74

“certain circumstances” are, among others, for medical evacuation and disaster management purposes.

**Article 249**

Number 75

“certain circumstances” may be in the form of:

**Article 250**

- a. there is a natural disaster or other emergency situation that results in the malfunction of public airports; and/or

- b. in the area concerned, there is no public airport and there is no adequate mode of transportation.

Number 76

**Article 252**

Self-explanatory.

Number 77

**Article 253**

Self-explanatory.

Number 78

**Article 254**

Paragraph (1)

“fulfill the provisions on safety and security” includes, among others, having guidebook for operating helicopter landing and take-off area (heliport manual).

Paragraph (2)

Self-explanatory.

Number 79

**Article 255**

Self-explanatory.

Number 80

**Article 275**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Letter a

“air navigation service units at airport” consists of attended aerodrome control, aeronautical flight information services, and unattended aerodrome control.

Letter b

“approach navigation service unit” is air navigation service unit in standard arrival route and standard instrument departure.

Letter c

“cruise flight navigation service unit” is a controlled flight traffic service unit provided to an aircraft that has received approval from the air traffic control

clearance personnel, flight information service, and alerting service.

Number 81

**Article 277**

Self-explanatory.

Number 82

**Article 292**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“air navigation personnel directly related to the implementation of operation and/or maintenance of air navigation facilities” includes:

- a. flight traffic service personnel, consisting of:
  1. flight traffic guide; and
  2. flight communication guide.
- b. aviation telecommunications engineering personnel, consist of:
  1. aviation communications technician;
  2. air navigation radio technician;
  3. flight observation technician; and
  4. flight calibration technician.
- c. aeronautical information service personnel; and
- d. flight procedure designer personnel are personnel whose duties include:
  1. designing an aircraft movement procedure for:
    - a) standard instrument departure. The procedure for the movement of the departure aircraft is a certain flight route from an airport, marked by a navigation facility, which is a guide for the pilot.
    - b) standard instrument arrival route. The procedure for the movement of an arrival aircraft is a certain flight route to an airport, marked by navigation facilities, which is a guide for the pilot.
    - c) instrument approach procedure. The procedure for the movement of instrument approach is a series of maneuvers assigned to the pilot in carrying out the instrument approach procedure by only referring to the instruments contained in the cockpit as well as the communication and navigation facilities.
    - d) en-route. The procedure for the movement of en-route aircraft is the procedures for aircraft movement starting from the departure phase to the beginning of the arrival phase through a flight route with a specified minimum en-route altitude.
  2. conduct aeronautical studies of obstacle objects in the flight operation area.

Number 83

Self-explanatory.

**Article 294**

Number 84

Self-explanatory.

**Article 295**

Number 85

Self-explanatory.

**Article 317**

Number 86

Self-explanatory.

**Article 389**

Number 87

Self-explanatory.

**Article 392**

Number 88

Self-explanatory.

**Article 418**

Number 89

Self-explanatory.

**Article 423**

Number 90

Self-explanatory.

**Article 428**

Article 59

Self-explanatory.

Article 60

Number 1

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

"first level health service" is health service provided by basic health service facility.

Letter b

"second level health service" is health service provided by specialized health service facilities.

Letter c

"third level health service" is health service provided by sub-specialized health service facilities.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 2

**Article 35**

Self-explanatory.

Number 3

**Article 60**

Paragraph (1)

"tools and technology" in this provision are those that do not contradict the traditional treatment measures that are carried out.

Paragraph (2)

Self-explanatory.

Number 4

**Article 106**

Paragraph (1)

"pharmaceutical preparations" are drugs, drug ingredients, traditional medicines, and cosmetics. Included in pharmaceutical preparations are health supplements and quasi drugs.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 5

### **Article 111**

#### Paragraph (1)

"standard" means, among other things, related to the Affixion of marking or label that contains:

- a. Product names;
- b. List of used materials;
- c. Net weight or net content;
- d. Name and address of parties who produce or import food and beverages into Indonesian territory; and
- e. Date, month and year of expiration.

#### Paragraph (2)

Self-explanatory.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (4)

Self-explanatory.

Number 6

### **Article 182**

Self-explanatory.

Number 7

### **Article 183**

Self-explanatory.

Number 8

### **Article 187**

Self-explanatory.

Number 9

### **Article 188**

Self-explanatory.

Number 10

### **Article 197**

Self-explanatory.

**Article 61**

Number 1

Self-explanatory.

Number 2

Paragraph (1)

Service capability is determined by, among others, human resources, buildings, facilities, and equipment.

Paragraph (2)

Self-explanatory.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

Self-explanatory.

Number 6

Self-explanatory.

Number 7

Paragraph (1)

Letter a

Self-explanatory.

Letter b

**Article 17**

**Article 24**

**Article 25**

**Article 26**

**Article 27**

**Article 28**

**Article 29**

"hospital service standards" are all service standards that apply in hospitals, such as Standard Operating Procedures, medical service standards, nursing care standards.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

"poor/impoverished patients" are patients who meets the requirements stipulated under provisions of laws and regulations.

Letter g

Self-explanatory.

Letter h

"organization of medical records" in this paragraph is that it is carried out in accordance with standards which are gradually being strived to reach international standards.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Letter m

Self-explanatory.

Letter n

Self-explanatory.

Letter o

Hospitals are built and equipped with facilities, infrastructure and equipment that can be functioned and maintained in such a way as to provide security, prevent fire/disaster by guaranteeing security, health and safety of patients, officers, visitors, and the hospital environment.

Letter p

Self-explanatory.

Letter r

"Hospital bylaws" shall be corporate bylaws and medical staff bylaws which are formulated in order to carry out good corporate governance and good clinical governance. Under medical staff bylaws is regulated, among others, Clinical



Privilege.

Letter s

Self-explanatory.

Letter t

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 8

#### **Article 40**

Self-explanatory.

Number 9

#### **Article 54**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

"supervision of a medical technicality nature" is a medical audit.

"supervision of a hospital technicality nature" is a hospital performance audit.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 10

#### **Article 62**

Self-explanatory.

Article 62

Number 1

#### **Article 5**

Self-explanatory.

Number 2

#### **Article 9**

Self-explanatory.

Number 3

#### **Article 16**

Self-explanatory.

Number 4

#### **Article 18**

Paragraph (1)

The export approval from the Government contains written information regarding, among others, the name, type, form and quantity of psychotropics approved for export, names and addresses of exporters and importers in the importing country, the period for implementing the export and a statement that the export is for medicinal and/or scientific purposes.

The Import Approval from the Government contains written information regarding, among others, the name, type, form and quantity of psychotropics approved for import, name and addresses of importers and exporters in the exporting country, the period for implementing the import and a statement that the import is for medicinal and/or scientific purposes.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 5

#### **Article 19**

Self-explanatory.

Number 6

#### **Article 20**

Self-explanatory.

Number 7

#### **Article 21**

Self-explanatory.

Number 8

## **Article 22**

Self-explanatory.

Article 63

Number 1

## **Article 11**

Paragraph (1)

This provision opens the possibility to grant Business Licensing to more than one pharmaceutical industry which is entitled to produce Narcotic drugs, but it is carried out very selectively with the intention of making control and supervision of Narcotics easier to be conducted.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 2

## **Article 15**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"in certain circumstances" in this provision is if the big state-owned pharmaceutical company in question is unable to carry out its function in importing Narcotics due to natural disasters, fires and so forth.

Number 3

## **Article 16**

Self-explanatory.

Number 4

## **Article 18**

Paragraph (1)

Pharmaceutical wholesalers in this provision are BUMNs (state-owned enterprise) or private companies.

Paragraph (2)

Self-explanatory.

Number 5

**Article 19**

Self-explanatory.

Number 6

**Article 22**

Self-explanatory.

Number 7

**Article 24**

Self-explanatory.

Number 8

**Article 26**

Self-explanatory.

Number 9

**Article 36**

Self-explanatory.

Number 10

**Article 39**

Paragraph (1)

"pharmaceutical industries and pharmaceutical wholesalers" are pharmaceutical industries and certain pharmaceutical wholesalers that already possess a special license to distribute Narcotics.

Paragraph (2)

This provision emphasizes that Business Licensing for government pharmaceutical preparation storage facilities is required so long as the decision to establish said pharmaceutical preparation storage facility is not issued by the Head of the National Agency for Drug and Food Control.

Paragraph (3)

Self-explanatory.

Article 64

Number 1

**Article 1**

Self-explanatory.

Number 2

**Article 14**

Self-explanatory.

Number 3

**Article 15**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“other purposes” is the use of excess Food Production other than for consumption, among others, for feed, energy raw materials, industry and/or export.

Number 4

**Article 36**

Self-explanatory.

Number 5

**Article 39**

Farming business includes increasing production, welfare of Farmers, Fishermen, Fish Farmers, and micro- and small-scale Food Businesses.

Number 6

**Article 68**

Paragraph (1)

“Food chain” is sequence of stages and operations in the production, processing, distribution, storage, and handling of a Food and its raw materials from production to consumption, including materials related to Food, until the Food is ready for consumption.

“in an integrated manner” is the organization of Food Safety must be done in an integrated and synergistic manner by all stakeholders in each Food chain.

Paragraph (2)

The determination of norms, standards, procedures, and criteria for Food Safety is carried out, among others, on the basis of risk analysis. Risk analysis is a decision-making process that is carried out systematically and transparently based on scientific information which includes risk management, risk assessment, and risk communication.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.	
Paragraph (6)	
Self-explanatory.	
Number 7	<b>Article 72</b>
Self-explanatory.	
Number 8	<b>Article 74</b>
Self-explanatory.	
Number 9	<b>Article 77</b>
Paragraph (1)	
One of the requirements that must be fulfilled in Business Licensing is from the aspect of food safety.	
Paragraph (2)	
“raw materials” is the main materials used in the Food Production activity or process, and that can be in the form of raw materials, semi-finished materials, or finished materials.	
“other materials” is materials which are not included as raw materials or Food additives.	
Paragraph (3)	
Self-explanatory.	
Number 10	<b>Article 81</b>
Self-explanatory.	
Number 11	<b>Article 87</b>
Removed.	
Number 12	<b>Article 88</b>
Self-explanatory.	
Number 13	<b>Article 89A</b>

Self-explanatory.

Number 14

#### **Article 91**

Paragraph (1)

Self-explanatory.

Paragraph (2)

“certain Processed Food” is processed food made by Food home industry, namely the Food industry that has a place of business in a residence with manual to semi-automatic processing equipment.

Paragraph (3)

Self-explanatory.

Number 15

#### **Article 133**

Self-explanatory.

Number 16

#### **Article 134**

Self-explanatory.

Number 17

#### **Article 135**

Self-explanatory.

Number 18

#### **Article 139**

Self-explanatory.

Number 19

#### **Article 140**

Self-explanatory.

Number 20

#### **Article 141**

Self-explanatory.

Number 21

**Article 142**

Self-explanatory.

**Article 65****Paragraph (1)**

The word "may" in this provision means that the obligation to fulfill Business Licensing does not apply to the education sector except for formal educational institutions in special economic zones which are regulated separately.

This Law adheres to the principle that the management of Education unit is non-profit so that it cannot be equated with the management of business activities. Thus the treatment, requirements, and licensing processes required by the Education unit for its operational activities cannot be the same as the treatment, requirements and processes of Business Licensing for activities that may be of profit.

The licensing provisions for Education units shall still follow the provisions of laws and regulations in the education sector, namely:

1. Law Number 20 of 2003 on the National Education System;
2. Law Number 12 of 2012 on Higher Education;
3. Law Number 14 of 2005 on Teachers and Lecturers;
4. Law Number 20 of 2013 on Medical Education;
5. Law Number 18 of 2019 on Islamic Boarding Schools (Pesantren).

These laws are not regulated under this Law and therefore there is no obligation for such Education units, including the non-formal education unit managed by the public, to carry out a licensing process through the Business Licensing system as regulated under this Law.

The provisions of this article provide room for the management of the Education unit on a voluntary basis to be able to use the Business Licensing system process, among others for the process of spatial conformity, environmental approval, and building standards. For the management of the education unit, it is sufficient with the existing process so that it is not carried out through the Business Licensing system as regulated under this Law.

For example, the establishment of Islamic Boarding Schools (Pesantren) has been regulated under Law Number 18 of 2019 on Islamic Boarding Schools which stipulates that the establishment of Islamic Boarding Schools is only by registering to the minister in charge of government affairs in the religious affairs sector. Thus, the establishment of Islamic Boarding Schools does not apply the obligation to use the Business Licensing system under this Law.

**Paragraph (2)**

Self-explanatory.

**Article 66****Number 1****Article 14**

Self-explanatory.

**Number 2****Article 17**



Self-explanatory.

Number 3

#### **Article 22**

Self-explanatory.

Number 4

#### **Article 78**

Self-explanatory.

Number 5

#### **Article 79**

Has been removed.

Article 67

Number 1

#### **Article 14**

Paragraph (1)

Letter a

"tourist attraction" business is a business which activities are to manage natural tourist attractions, cultural tourism attractions, and human-made/guided tourist attractions.

Letter b

"tourism area" business is a business which activities are to build and/or manage an area with a certain size to meet tourism needs.

Letter c

"tourist transportation service" is a special business that provides transportation for tourism needs and activities, not for regular/public transportation.

Letter d

"tour and travel services" business is a tour and travel agency (biro perjalanan wisata) and travel agent (agen perjalanan wisata) business. The tour and travel agency business includes businesses that provide travel planning services and/or tourism services and operations, including organization of religious trips. The travel agent business includes booking services for facilities, such as booking tickets and booking accommodation as well as managing travel documents.

Letter e

"food and beverage service" business is a food and beverage service business equipped with equipment and tools for the manufacturing process, which may be in the form of restaurants, cafes, catering services, and bars/pubs.

Letter f

"provision of accommodation" business is a business that provides lodging

services that may be complemented by other tourism services. The provision of accommodation business may be in the form of hotels, villas, tourist huts, campsites, caravan stops, and other accommodations used for tourism purposes.

Letter g

"organization of entertainment and recreation activities" business is a business which scope of activities is in the form of performing arts business, game arena, karaoke, cinema, as well as other entertainment and recreational activities for tourism purposes.

Letter h

"organization of meetings, incentive trips, conferences and exhibitions" business is a business that provides services for a group meeting of people, organizing trips for employees and business partners as a reward for their achievements, and organizing exhibitions in order to disseminate information and promote goods and services on a national, regional, and international scale.

Letter i

"tourism information services" business is a business that provides data, news, features, photos, videos and research results on tourism which are distributed in the form of printed and/or electronic materials.

Letter j

"tourism consulting services" business is a business that provides advice and recommendations on feasibility studies, planning, business management, research and marketing in the tourism sector.

Letter k

Self-explanatory.

Letter l

"water-based tourism business" is a business that organizes water sports and tourisms, including the provision of facilities and infrastructure as well as other services that are commercially managed at the sea, beaches, rivers, lakes and reservoirs.

Letter m

"spa business" is a treatment business that provides services with a combination of water therapy, aromatherapy, massage, spices, healthy food/beverage services, and physical activity with the aim of balancing body and soul while still paying attention to the traditions and culture of Indonesian people.

Paragraph (2)

Self-explanatory.

Number 2

**Article 15**

Self-explanatory.

Number 3

**Article 16**

Has been removed.

## Number 4

## Article 26

## Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

“tourism business with high-risk activities” includes, among others, diving, rafting, rock climbing, jet coaster games, and visiting certain tourist objects, such as seeing wildlife in the wild.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Letter l

Self-explanatory.

Letter m

Self-explanatory.

Letter n

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Number 5

**Article 29**

Self-explanatory.

Number 6

**Article 30**

Self-explanatory.

Number 7

**Article 54**

Self-explanatory.

Number 8

**Article 56**

Has been removed.

Number 9

**Article 64**

Has been removed.



Article 68

Number 1

**Article 1**

Self-explanatory.

Number 2

**Article 19**

Self-explanatory.

Number 3

**Article 20**

Self-explanatory.

Number 4

**Article 58**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"bank guarantee" is a bank guarantee or deposit in the name of the travel agency.

Letter d

Self-explanatory.

Number 5

**Article 59**

Self-explanatory.

Number 6

**Article 61**

Self-explanatory.

Number 7

**Article 63**

Self-explanatory.

Number 8

**Article 83**

Self-explanatory.

Number 9

**Article 84**

Self-explanatory.

Number 10

**Article 85**

Self-explanatory.

Number 11

**Article 89**

Self-explanatory.

Number 12

**Article 90**

Self-explanatory.

Number 13

**Article 91**

Self-explanatory.

Number 14

**Article 92**

Self-explanatory.

Number 15

**Article 94**

Self-explanatory.

Number 16

**Article 95**

Self-explanatory.

Number 17

**Article 99**

Self-explanatory.

Number 18

**Article 101**

Self-explanatory.

Number 19

**Article 103**

Self-explanatory.

Number 20

**Article 104**

Self-explanatory.

Number 21

**Article 106**

Self-explanatory.

Number 22

**Article 118A**

Self-explanatory.

Number 23

Self-explanatory.

**Article 119A**

Number 24

Self-explanatory.

**Article 125**

Number 25

Self-explanatory.

**Article 126**

Article 69

Self-explanatory.

Article 70

Number 1

Self-explanatory.

**Article 10**

Number 2

Self-explanatory.

**Article 12**

Number 3

Removed.

**Article 13**

Number 4

Self-explanatory.

**Article 39**

Article 71

Number 1

Paragraph (1)

**Article 11**

The fulfillment of Business Licensing in the organization of telecommunication is aimed as an effort of the Government in the context of guidance to encourage healthy growth of organization of telecommunication.

The Government regularly publicized the regions/areas that are open for the organization of telecommunication networks and/or services. The organization of telecommunication must fulfill the requirements determined in Business Licensing.

Paragraph (1)

Self-explanatory.

Number 2

#### Article 28

Paragraph (1)

The formula as referred to in this provision is a calculation pattern to determine the amount of tariff. The tariff formula consists of initial tariff formula and adjustment tariff formula. In determining the initial tariff formula, the costs of components shall be taken into consideration, while to determine the adjustment tariff formula other factors to be taken into considerations are inflation, public ability, and continuity of telecommunication development.

Paragraph (2)

Self-explanatory.

Number 3

#### Article 30

Paragraph (1)

This provision is aimed to solve the problem of telecommunication services demand in certain region where, due to certain circumstances, has not been reached by telecommunication services. Therefore, this Law deemed it necessary to provide an opportunity for special telecommunication operators which originally only operates for their own interests, to be able to provide telecommunication services to the public domiciled within said region.

Paragraph (2)

Special telecommunication operators that organize telecommunication networks and/or services may resume the organization of telecommunication networks and/or services in consideration to the investment that they have provided and the continuity of services for their users. In this case special telecommunication operators in question must fulfill all provisions applicable for the organization of telecommunication networks and/or services.

Paragraph (3)

Self-explanatory.

Number 4

#### Article 32

Self-explanatory.



## Number 5

**Article 33**

## Paragraph (1)

The granting of Business Licensing related to the use of radiofrequency spectrum shall be based on the availability of radiofrequency spectrum and result of technical analysis.

Satellite orbit slot is not national asset.

The granting of Business Licensing related to the use of radiofrequency spectrum shall be conducted through selection or evaluation mechanism.

## Paragraph (2)

The granting of approval relating to the use of radiofrequency spectrum shall be based on the availability of radiofrequency spectrum and result of technical analysis. The granting of approval for the use of radiofrequency spectrum shall be conducted through selection or evaluation mechanism.

## Paragraph (3)

“in accordance with its designation” means the use of radiofrequency spectrum must be in accordance with the radiofrequency spectrum planning and technical provisions of the use of radiofrequency spectrum established by the Central Government.

“harmful disruption” means the type of disruption/interference that may cause harmful effects toward the use of radiofrequency spectrum that obtained protection from the Central Government.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

Self-explanatory.

## Paragraph (7)

Self-explanatory.

## Paragraph (8)

Self-explanatory.

## Paragraph (9)

Self-explanatory.

## Number 6

**Article 34**

## Paragraph (1)

The fee for the right to use radiofrequency spectrum is compensation for the use of frequency in accordance with the received license. In addition to that, the fee for the use of frequency is also intended as supervisory and control measures so that the radiofrequency as limited natural resources may be utilized to its maximum ability. The amount of fee for the use of frequency shall be determined based on the type and width of frequency band. The type of frequency will affect the quality of organization, and the

width of frequency band will affect the capacity/number of information that can be carried/sent.

Paragraph (2)

Self-explanatory.

Number 7

#### **Article 34A**

Self-explanatory.

#### **Article 34B**

Paragraph (1)

“passive infrastructures” shall include, but not limited to, ducting, tower, pole, and others that can be used for the deployment of telecommunication networks.

Paragraph (2)

“infrastructures” in this provision are active infrastructures.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 8

#### **Article 45**

Self-explanatory.

Number 9

#### **Article 46**

Removed.

Number 10

#### **Article 47**

Self-explanatory.

Number 11

#### **Article 48**

Removed.

## Article 72

## Number 1

Self-explanatory.

## Number 2

Self-explanatory.

## Number 3

Self-explanatory.

## Number 4

Removed.

## Number 5

Self-explanatory.

## Number 6

Self-explanatory.

## Number 7

Self-explanatory.

## Number 8

## Paragraph (1)

The organization of Broadcasting shall be in line with the development of technology to improve the efficiency of the utilization of radiofrequency spectrum and other electromagnetic spectrums, the quality of reception and choices of radio and television broadcasting programs for the public, efficiency in the operation of organization of radio and television broadcasting services and the growth of industries related to the broadcasting sector.

## Paragraph (2)

“migration of terrestrial television broadcasting from analog technology to digital

**Article 16****Article 25****Article 33****Article 34****Article 55****Article 57****Article 58****Article 60A**

technology” is the process that begins with the implementation of digital-technology broadcasting system for television broadcasting which are organized through terrestrial transmission media and are conducted in stages, as well as end with the termination of use of analog system nationally.

Paragraph (3)

Self-explanatory.

Article 73

Self-explanatory.

Article 74

Number 1

**Article 11**

Self-explanatory.

Number 2

**Article 21**

Self-explanatory

Number 3

**Article 38**

Self-explanatory

Number 4

**Article 52**

Self-explanatory

Number 5

**Article 55**

Self-explanatory.

Number 6

**Article 56**

Self-explanatory.

Number 7

**Article 66**

Self-explanatory.

Number 8

Self-explanatory.

**Article 67**

Number 9

Self-explanatory.

**Article 68**

Number 10

Self-explanatory.

**Article 60**

Number 11

Self-explanatory.

**Article 69A**

Number 12

Self-explanatory.

**Article 72**

Number 13

Self-explanatory.

**Article 73**

Number 14

Self-explanatory.

**Article 74**

Number 15

Self-explanatory.

**Article 75**

Article 75

Paragraph (1)

Letter a

**Article 15**

Self-explanatory.

Letter b

Self-explanatory.

Letter c

"civil disorder" includes begging and homelessness, prostitution, gambling, drug and narcotics abuse, drunkenness, human trafficking, exploitation/practices of loan sharks, and illegal levies. (2) The authority referred to in this paragraph (1) shall be implemented in an accommodated manner with the relevant agencies in accordance with laws and regulations.

Letter d

"schools" is all schools or views (paham) that can cause division or threaten the unity and integrity of the nation, such as the school of beliefs that are contrary to the basic philosophy of the Republic of Indonesia.

Letter e

Self-explanatory.

Letter f

"Police action" is the use of force (upaya paksa) and/or other action according to the law which is responsible for realizing the order and enforcement of the law and the establishment of public order.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

The information and real evidences concerned are those relating either to criminal proceedings or in the framework of police duties in general.

Letter j

"National Criminal Information Center" is a network system of criminal documentation that contains both data on felonies (kejahatan) and misdemeanors (pelanggaran) and well as traffic accidents and violations, as well as traffic registration and identification.

Letter k

The permit and/or certificate in question is issued on the basis of the request of the interested.

Letter l

That authority shall be implemented on the basis of request from the agency concerned or request from the community

Letter m

"found items" are items whose owner is not known which were found by members of the National Police of the Republic of Indonesia or the community which were handed over to the National Police of the Republic of Indonesia. The found items must be protected by the National Police of the Republic of Indonesia on the condition that if within a certain period of time it is not taken by the entitled party, it will be resolved in accordance with laws and regulations. After receiving found items, the National Police of the Republic of Indonesia are obliged to immediately announce it through printed media, electronic media

and/or other media announcements.

Paragraph (2)

Letter a

"public crowd" in this case is in accordance with the provisions of Article 510 paragraph (1) of the Criminal Code (KUHP), namely a crowd or spectacle for the public and parading on public roads. Other community activities are activities that can endanger public security as regulated in Article 495 (1), 496, 500, 501 (2), and 502 (1) of the Criminal Code.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Political activities that require notification to the National Police of the Republic of Indonesia are political activities regulated under laws in the political field, including general election campaign activities (elections), political parades, distribution of pamphlets, and the display of pictures/paintings with political content which are distributed to the public.

Letter e

"sharp weapons" in this Law are stabbing weapons, piercing weapons and striking weapons, not including items which are in fact used for agriculture, or for domestic work, or for the purpose of carrying out legitimate occupation, or obviously for the purpose of heirlooms, ancient items or magical items as regulated in Law Number 12/Drt/1951.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

"international crimes" are certain crimes that are agreed to be tackled between countries including the crime of narcotics, counterfeit money, terrorism, and human trafficking.

Letter i

Self-explanatory.

Letter j

In carrying out this task, the National Police of the Republic of Indonesia is bound by the provisions of international law, both bilateral and multilateral agreements. In such relationship, the National Police of the Republic of Indonesia can provide assistance to carry out police actions at the request of other countries, on the other hand, the National Police of the Republic of Indonesia can ask for assistance in carrying out police actions from other countries as long as it does not conflict with the legal provisions of the two countries. The international police organizations in question include, among others, the International Criminal Police Organization (ICPO-Interpol). The functions of the National Central Bureau of ICPO-Interpol Indonesia are carried out by the National Police of the Republic of Indonesia.

Letter k

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 76

Self-explanatory.

Article 77

Number 1

## Article 2

The scope of Investment as referred to in this Article does not include indirect or portfolio Investment.

Number 2

## Article 12

Paragraph (1)

The implementation of investment activities shall be based on national interests that encompass, among others, the protection of natural resources, protection, development of Cooperatives and Micro-, Small-, and Medium-Scale Businesses, supervision of production and distribution, increasing technological capacity, domestic capital participation, as well as cooperation with business entities appointed by the Government.

Said national interests may encompass protection for business activities that can endanger health (such as drugs, liquor containing alcohol), empowerment of farmers, fishermen, fish and salt farmers, micro- and small-scale businesses, with certain arrangements and requirements stipulated by the Government, but still pay attention to the aspects of improving the investment ecosystem.

Activities that can only be carried out by the Central Government are activities of a service nature or in the framework of defense and security, encompassing, among others: primary weapons system, government museum, historical and ancient heritages, operation of flight navigation, telecommunications/shipping and vessel navigation aids.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Investment requirements shall be intended for business sectors prioritized by the Government as listed in a form of list of investment priorities regulated under a Regulation of the President that includes, among others:

1. Priority business sectors that are provided with fiscal incentives;
2. Business sectors that are provided with ease of non-fiscal incentives in the form of, among others, ease of Business Licensing, investment locations, infrastructure and energy provision, and so forth;
3. Business sectors for micro-, small-, and medium-scale businesses and partnership requirements between large-scale businesses and micro-, small-, and medium-scale businesses, not including partnership as shareholders; and



4. Business sectors that are open with certain conditions.

Number 3

### Article 13

#### Paragraph (1)

In the framework of protection for Cooperatives and Micro-, Small-, and Medium-Scale Businesses:

1. Foreign investment is only allowed on large-scale businesses and can only partner up with Cooperatives and Micro-, Small-, and Medium-Scale Businesses.
2. Allocating business sectors for Cooperatives and Micro-, Small-, and Medium-Scale Businesses, as well as business sectors for large-scale businesses on the condition that they must cooperate through partnership with Cooperatives and Micro-, Small-, and Medium-Scale Businesses in accordance with the provisions of laws and regulations in the field of Micro-, Small-, and Medium-Scale Businesses.

#### Paragraph (2)

Self-explanatory.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (4)

Self-explanatory.

Number 4

### Article 18

#### Paragraph (1)

Self-explanatory.

#### Paragraph (2)

Self-explanatory.

#### Paragraph (3)

##### Letter a

Self-explanatory.

##### Letter b

Self-explanatory.

##### Letter c

Self-explanatory.

##### Letter d

Self-explanatory.

##### Letter e

“pioneer industry” is an industry that have broad linkages, provide added value and high externality, introduce new technology, and have strategic value for the national economy.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory.

Letter j

Self-explanatory.

Letter k

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 5

#### Article 25

Self-explanatory.

Article 78

#### Article 22

Paragraph (1)

Letter a

Self-explanatory.

Letter b

The definition of Indonesian legal entities include, among others, the State of the Republic of Indonesia, state-owned enterprises, regionally-owned enterprises, Cooperatives, and privately-owned enterprises.

Letter c

Foreign legal entities that establish Commercial Banks must first obtain recommendation from the monetary authority at the country of origin. The recommendation in question shall at least contain information that the relevant foreign legal entity has good reputation and have never committed a disgraceful act in the Banking sector.

Paragraph (2)

Self-explanatory.

Article 79

#### Article 9

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Foreign legal entities that establish Sharia Commercial Banks must first obtain recommendation from the monetary authority at the country of origin.

The recommendation in question shall at least contain information that the relevant foreign legal entity has good reputation and have never committed a disgraceful act in the Banking sector.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Requirements and procedures for the ownership of a Sharia Commercial Bank by foreign legal entities shall be stipulated by the Financial Services Authority.

Article 80

Self-explanatory.

Article 81

Number 1

### Article 13

Paragraph (1)

Letter a

"Government-owned work training institutions" are work training institutions that are owned by the government.

Letter b

"Privately-owned work training institutions" are institutions that are owned by private parties.

Letter c

"Corporate work training institutions" are training units in a corporation.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 2

Self-explanatory.

**Article 14**

Number 3

Self-explanatory.

**Article 37**

Number 4

Self-explanatory.

**Article 42**

Number 5

Has been removed.

**Article 43**

Number 6

Has been removed.

**Article 44**

Number 7

**Article 45**

Paragraph (1)

Letter a

The understudy of foreign workers does not automatically replace or occupy the position of the foreign worker they accompany. Such accompaniment is more emphasized on transfer of technology and transfer of expertise so that the understudy may have the ability, and it is hoped that they can replace the foreign workers that they accompany.

Letter b

Said occupational education and training by employers may be implemented both domestically and by sending Indonesian workers to train abroad.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Number 8

**Article 46**

Has been removed.

Number 9

#### **Article 47**

Paragraph (1)

The obligation to pay compensation is intended for the purpose of supporting the quality improvement of Indonesian human resources.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 10

#### **Article 48**

Has been removed.

Number 11

#### **Article 49**

Self-explanatory.

Number 12

#### **Article 56**

Self-explanatory.

Number 13

#### **Article 57**

Self-explanatory.

Number 14

#### **Article 58**

Self-explanatory.

Number 15

#### **Article 59**

Paragraph (1)

The employment agreement in this paragraph shall be registered with the agency in charge of the manpower sector.

Paragraph (2)

Regular work in this paragraph is a work that is continuous in nature, uninterrupted, timeless, and is part of a production process within a company or a non-seasonal work.

Non-seasonal work is a work that does not depend on the weather or a certain condition. If the work is continuous work, uninterrupted, timeless, and is part of a production process, but depends on the weather or the work is needed due to certain conditions, then the work is a seasonal work which is not a regular job, so it can be the object of a temporary employment agreement.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 16

### Article 61

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Certain circumstances or events such as natural disasters, social unrest, or security disturbance.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Rights in accordance with laws and regulations or rights that have been regulated in the employment agreement, company regulation, or collective employment agreement are rights that must be granted and that are better and more beneficial for the relevant worker/laborer.

Number 17

### Article 61A

Self-explanatory.

Number 18

#### **Article 64**

Has been removed.

Number 19

#### **Article 65**

Has been removed.

Number 20

#### **Article 66**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

"Transfer of protection of workers'/laborers' rights" is that the new outsourcing company provides protection of rights for workers/laborer at least the same as the rights that are granted by the previous outsourcing company.

"The work object still exists" is the work available in 1 (one) employer company that are the same.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 21

#### **Article 77**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

For certain business sectors or works, working hours provisions that are less or more than 7 (seven) hours in 1 (one) day and 40 (forty) hours in 1 (one) week or 8 (eight) hours in 1 (one) day and 40 (forty) hours in 1 (one) week may be applied.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 22

#### **Article 78**

Paragraph (1)

Employ more than the working hours should be avoided as much as possible because workers/laborers must have sufficient time to rest and recover their fitness. However, in certain cases, there are urgent needs that must be resolved immediately and cannot be avoided so that workers/laborers have to work beyond their working hours.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 23

#### **Article 79**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

For companies that have applied long leave, they cannot reduce the existing provisions.

Paragraph (6)

Self-explanatory.

Number 24

#### **Article 88**

Paragraph (1)

Self-explanatory.



## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

"Certain reasons" shall include, among others, reasons because the workers/laborer are unable, carrying out other activities outside of their job, or exercising their right to rest.

Letter e

Self-explanatory.

Letter f

"Matters that may be calculated with wage" shall include, among others, fine, compensation, wage deductions for third parties, advance payment of wages, house rent and/or company property leased by the businesses to workers/laborers, debts or debt installments of workers/ laborers to businesses, or overpayment of wages.

Letter g

"Wage as the basis for calculation or payment of rights and other obligations" shall include wage for payment of severance pay or wage for calculating income tax.

## Paragraph (4)

Self-explanatory.

## Number 25

**Article 88A**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Businesses are prohibited from not paying wages for workers/labor.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

## Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

#### **Article 88B**

Self-explanatory.

#### **Article 88C**

Self-explanatory.

#### **Article 88D**

Self-explanatory.

#### **Article 88E**

Self-explanatory.

Number 26

#### **Article 89**

Has been removed.

Number 27

#### **Article 90**

Has been removed.

Number 28

#### **Article 90A**

Self-explanatory.

#### **Article 90B**

Self-explanatory.

Number 29

#### **Article 91**

Has been removed.

Number 30

**Article 92**

Paragraph (1)

Self-explanatory.

Paragraph (2)

The formulation of wage structure and scale is intended as guidelines for determining wages so that there is certainty in the wage of each worker/laborer and reduces the gap between the lowest and highest wage in the relevant company.

Paragraph (3)

Self-explanatory.

Number 31

**Article 92A**

The review of wage is conducted to adjust to the basic needs price, work performance, development, and company's ability.

Number 32

**Article 94**

"Permanent allowance" is the payment to workers/laborers that is given regularly and is not related to the attendance of workers/labor or achievement of certain work performance.

Number 33

**Article 95**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Have its payment be prioritized" means that payment of workers'/laborers' wage shall be prioritized before all types of creditors, including separatist creditors or creditors who hold collateral rights, property security rights, state rights bills (tagihan hak negara), auction offices and public agencies that are established by the government.

Paragraph (3)

Self-explanatory.

Number 34

**Article 96**

Has been removed.

Number 35

**Article 97**

Has been removed.

Number 36

**Article 98**

Self-explanatory.

Number 37

**Article 151**

Paragraph (1)

Make efforts are positive activities that may ultimately prevent the termination of employment relationship, such as arrangement of working hours, saving (penghematan), improving work methods, and provide coaching for workers/laborers.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 38

**Article 151A**

Self-explanatory.

Number 39

**Article 152**

Has been removed.

Number 40

**Article 153**

Self-explanatory.

Number 41

**Article 154**

Has been removed.

Number 42

**Article 154A**

Paragraph (1)

Self-explanatory.

## Paragraph (2)

Employment agreements, company regulations, or collective employment agreements must not be contrary to laws and regulations or regulate better than laws and regulations.

Number 43

**Article 155**

Has been removed.

Number 44

**Article 156**

Self-explanatory.

Number 45

**Article 157**

Self-explanatory.

Number 46

**Article 157A**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

"Other rights," namely rights that are regulated in employment agreements, company regulations, and collective employment agreements.

Example: leave rights that have not been taken and are still valid.

## Paragraph (3)

"in accordance with its level" is dispute settlement in bipartite levels or mediation/conciliation/arbitration or industrial relation court.

Number 47

**Article 158**

Has been removed.

Number 48

**Article 159**

Has been removed.

Number 49

**Article 160**

## Paragraph (1)

Workers'/laborers' family who are their dependents are wife/husband, children, or a person who legally become the dependent of workers/laborers based on the employment agreement, company regulation, or collective employment agreement.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

Number 50

**Article 161**

Has been removed.

Number 51

**Article 162**

Has been removed.

Number 52

**Article 163**

Has been removed.

Number 53

**Article 164**

Has been removed.

Number 54

**Article 165**

Has been removed.

Number 55

**Article 166**

Has been removed.

Number 56

**Article 167**

Has been removed.

Number 57

**Article 168**

Has been removed.

Number 58

**Article 169**

Has been removed.

Number 59

**Article 170**

Has been removed.

Number 60

**Article 171**

Has been removed.

Number 61

**Article 172**

Has been removed.

Number 62

**Article 184**

Has been removed.

Number 63

**Article 185**

Self-explanatory.

Number 64

**Article 186**

Self-explanatory.

Number 65

**Article 187**

Self-explanatory.

Number 66

**Article 188**

Self-explanatory.

Number 67

**Article 190**

Self-explanatory.

Number 68

**Article 191A**

Self-explanatory.

Article 82

Number 1

**Article 18**

Self-explanatory.

Number 2

**Article 46A**

Self-explanatory.

**Article 46B**

Self-explanatory.

**Article 46C**

Self-explanatory.

**Article 46D**

Self-explanatory.

**Article 46E**

Paragraph (1)

Letter a

Self-explanatory.

Letter b



"Re-composition of premium" is the re-composition of premium that is not sourced from workers/laborers without reducing the benefit of other social security programs that becomes the rights of workers/laborers.

Letter c

Self-explanatory.

#### Article 83

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

#### Article 84

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

#### Article 6

#### Article 9

#### Article 42

#### Article 1

#### Article 51

#### Article 53

#### Article 57

#### Article 89A

Self-explanatory.

Article 85

Self-explanatory.

Article 86

Number 1

#### **Article 6**

Paragraph (1)

This requirement is aimed to protect the business feasibility and life of Cooperatives. Persons who establish Cooperative are those who fulfilled membership requirements and have the same economic interests.

Paragraph (2)

Self-explanatory.

Number 2

#### **Article 17**

Paragraph (1)

As the owner and user of Cooperative services, members are actively participating in Cooperative's activities. Nevertheless, as long as it does not harm their interests, the Cooperative may also provide services to non-members in accordance to the nature of their business, in order to attract non-members into becoming Cooperative members.

Paragraph (2)

Cooperative member register book may be in the form of written documents or electronic documents.

Number 3

#### **Article 21**

Self-explanatory.

Number 4

#### **Article 22**

Self-explanatory.

Number 5

#### **Article 43**

Paragraph (1)

Cooperative business is primarily directed at the business sector that is directly related to the interests of members, both to support their business and their welfare. In this connection, Cooperative business management must be carried out productively,

effectively and efficiently in the sense of business services that can increase added-value and maximize benefits to members while still considering to obtain a reasonable dividend (sisa hasil usaha). To achieve the business capabilities as mentioned above, the Cooperative can make efforts in a flexible manner both upstream and downstream as well as various other types of related businesses. As for the implementation of the Cooperative business, it can be done anywhere, both domestic and abroad, by taking the business feasibility into consideration.

Paragraph (2)

Self-explanatory.

Paragraph (3)

“excess in Cooperative’s service ability” is the excess fund and power capacities of the Cooperative to provide services to its members. Said excess of capacity by Cooperative may be utilized to do business with non-members with the aim of optimizing the economic scale in the sense of increasing business volume and reducing cost per unit which will which provides the maximum benefit to its members and promotes the Cooperative.

Paragraph (4)

In order for Cooperative to realize the functions and roles as referred to in paragraph (4) the Cooperative shall engage in business in every field of economic life and shall take up the main role in the community’s economic life. “community’s economic life” means all economic activities conducted and related to the concerns of many.

Paragraph (5)

Self-explanatory.

Number 6

**Article 44A**

Self-explanatory.

Article 87

Number 1

**Article 6**

Self-explanatory.

Number 2

**Article 12**

Paragraph (1)

Letter a

“simplify the procedures and types of licensing” is to ease the requirements and procedures of licensing as well as the broadest possible information.

“one-stop integrated services system” is a business licensing management process, starting from the application stage to the document issuance stage, which are carried out in one location based on the following principles of service:

- a. simplicity in the process;
- b. clarity in the services;
- c. certainty of the completion time;

- d. certainty of fee;
- e. security of services location;
- f. responsibility of service personnel;
- g. completeness of service facilities and infrastructure;
- h. easy access to services; and
- i. discipline, courtesy, and friendliness of service.

Letter b

Self-explanatory.

Number 3

#### **Article 21**

Self-explanatory.

Number 4

#### **Article 25**

Has been removed.

Number 5

#### **Article 26**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

“other forms of partnerships” such as profit sharing, operational cooperation, joint venture, and outsourcing.

Number 6

#### **Article 30**

Self-explanatory.

Number 7

#### **Article 32A**

Self-explanatory.

Number 8

#### **Article 35**

Paragraph (1)

“own” is the judicial transfer of ownership of business entities/companies and/or properties or assets owned by Micro-, Small, and/or Medium-Scale Business to Large-Scale Business as their business partner in the implementation of partnership relation.

Paragraph (2)

“control” is a judicial transfer of control of business activities that are operated and/or assets or properties owned by Micro-, Small, and/or Medium-Scale Business to Large-Scale Business as their business partner in the implementation of partnership relation.

Article 88

Self-explanatory.

Article 89

Self-explanatory.

Article 90

Self-explanatory.

Article 91

Self-explanatory.

Article 92

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Customs incentives consists of, among others, the granting of import duty relief or exemption

Paragraph (4)

It is necessary for Micro-Scale Businesses to be given support through, among others, the granting of Income Tax incentives in order to increase their business capacity and scale for

development purposes. The provision of support in the form of Income Tax incentives in question shall also be aimed as a learning opportunity for Micro-Scale Businesses in order to better understand taxation rights and obligations.

Income Tax incentives shall be granted to certain Micro-Scale Businesses based on single data basis of Micro-, small, and Medium-Scale Business so that the incentive is appropriately granted.

#### Article 93

Self-explanatory.

#### Article 94

Self-explanatory.

#### Article 95

Self-explanatory.

#### Article 96

Self-explanatory.

#### Article 97

Self-explanatory.

#### Article 98

Self-explanatory.

#### Article 99

Self-explanatory.

#### Article 100

Self-explanatory.

#### Article 101

Self-explanatory.

#### Article 102

##### Letter a

Alternative financing for UMK-M among others include:

- a. crowdfunding;
- b. venture capital;

- c. angel capital;
- d. seed capital;
- e. universal service obligation.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Article 103

#### Article 53A

Self-explanatory.

Article 104

Self-explanatory.

Article 105

Self-explanatory.

Article 106

Number 1

Paragraph (1)

Self-explanatory.

Number 2

#### Article 38

Visitor visa in its application can be granted to carry out activities, including:

1. Tour;
2. Family;
3. Social;
4. Arts and culture;
5. Government Duties;
6. Non-Commercial Sports;
7. Comparative studies, short course, and short training;

8. Provide guidance, counseling and training in the application and innovation of industrial technology to improve the quality and design of industrial products as well as foreign marketing cooperation for Indonesia;
9. Carry out emergency and urgent work;
10. Journalism that has received permission from the authorized agency;
11. Non-commercial film making and has obtained a permit from the authorized agency;
12. Conduct business talks;
13. Make purchase of goods;
14. Giving lectures or attending seminars;
15. Participating in International exhibitions;
16. Attending meetings held with the head office or representative in Indonesia;
17. Conduct audits, production quality control, or inspections at company branches in Indonesia;
18. Prospective foreign workers in a work capacity test;
19. Continuing the journey to another country; and
20. Joining a means of transportation located in Indonesian Territory.

#### Number 3

##### **Article 39**

###### Paragraph (1)

###### Letter a

"Second home limited-stay visa" is the visa granted to foreign citizen and their families to settle in Indonesia for 5 (five) years or 10 (ten) years after fulfilling certain requirements.

###### Letter b

Self-explanatory.

###### Paragraph (2)

Self-explanatory.

#### Number 4

##### **Article 40**

Self-explanatory.

#### Number 5

##### **Article 46**

###### Paragraph (1)

"residing in Indonesian Territory" is in the context of placement assignments at representatives of local countries or representatives of international organizations.

###### Paragraph (2)



Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 6

#### **Article 54**

Paragraph (1)

Letter a

"spiritualist" is the leader of a recognized religion in Indonesia.

Letter b

"family" means husband/wife and children.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Number 7

#### **Article 63**

Self-explanatory.

Number 8

#### **Article 71**

Self-explanatory.

Article 107

Number 1

#### **Article 3**

Paragraph (1)

Self-explanatory.

## Paragraph (2)

A simple patent is granted to an invention in the form of a product which is not only different in technical characteristics, but must have a more practical function/use than the previous invention due to its shape, configuration, construction, or component which includes tools, goods, machines, compositions, formulas, uses, compound, or system. Simple patents are also granted for inventions in the form of new processes or methods.

## Paragraph (3)

Self-explanatory.

## Number 2

**Article 20**

Self-explanatory.

## Number 3

**Article 82**

## Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

This situation usually occurs in the implementation of a Patent which is the result of a refinement or development of an invention that has previously been protected by a Patent. Therefore, the implementation of that new Patent means the implementation of part or all of an invention which has been protected by a Patent owned by another party. If the previous Patent Holder grants a license to the next Patent Holder, which allows such subsequent Patent to be implemented, then in this case there is no problem of Patent infringement. But if the license for that is not granted, this Law should provide a way out. This provision is intended so that a Patent granted later can be implemented without violating the previous Patent through the granting of compulsory license by the Minister.

## Paragraph (2)

Self-explanatory.

## Number 4

**Article 122**

## Paragraph (1)

"one invention" means that a simple Patent is filed only for one independent claim for product or one independent claim for process, but may consist of several derivative claims.

## Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 5

#### **Article 123**

Self-explanatory.

Number 6

#### **Article 124**

Self-explanatory.

Article 108

Number 1

#### **Article 20**

Letter a

"contrary to public order" is that it is not in line with existing regulations in society which are comprehensive in nature, such as offending the feeling of a community or group, offending public decency or general ethics, and offending the peace of a community or group.

Letter b

Said trademark relating to or simply mentioning the goods and/or services being applied for registration.

Letter c

"contains elements that may mislead" are, for example, the trademark "No.1 Soy Sauce" cannot be registered because it is misleading to the public regarding the quality of the goods, the trademark "net 100 grams" cannot be registered because it is misleading the public regarding the size of the goods.

Letter d

"contains information that is inconsistent with the quality, benefits, or efficacy of the goods and/or services produced" is to include information that is inconsistent with the quality, benefits, efficacy and/or risks of the product in question. For example: drugs that can cure a thousand and one diseases, cigarettes that are safe for health.

Letter e

A mark is deemed to have no distinguishing power if it is too simple, such as a line or a dot, or is too complex that it becomes unclear.

Letter f

"common name" are, among others, the "restaurant" trademark for a restaurant, the "coffee shop" trademark for a cafe. Meanwhile "public domain symbol" includes "skull symbol" for dangerous goods, "poison mark" for chemical substances, "spoon and fork symbol" for restaurant services.

Letter g

Self-explanatory.

Number 2

**Article 23**

Self-explanatory.

Number 3

**Article 25**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter f

"date of registration" is the date when a Trademark is registered.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Article 109

Number 1

**Article 1**

Self-explanatory.

Number 2

**Article 7**

Paragraph (1)

"persons" are individuals, either Indonesian or foreign citizen or Indonesian or foreign legal entity. The provision in this paragraph emphasize the principle applicable based on this law that basically as a legal entity, a Company shall be established based on an agreement, therefore have more than 1 (one) shareholder.

Paragraph (2)

Self-explanatory.

Paragraph (3)

In the event of Consolidation, all assets and liabilities of the consolidating Company shall enter into the capital of the Company resulting from the Consolidation and the founders do not subscribe to the shares so that the founder of the Company resulting from the Consolidation is the consolidating Company and the name of the shareholder of the Company resulting from the Consolidation is the name of the shareholder of the consolidating Company.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Engagement and loss of the Company which are the personal responsibility of shareholders are engagements and losses that occur after the said 6 (six) month period has passed.

"interested parties" is the prosecutor's office for the public interest, shareholders, the Board of Directors, the Board of Commissioners, employees of the Company, creditors, and/or other stakeholders.

Paragraph (7)

Due to their special status and characteristics, the requirements for the number of founders for the Company as referred to in this paragraph shall be regulated in separate laws and regulations.

Letter a

"Persero" is a state-owned enterprise in the form of a company whose capital is divided into shares as regulated in the law on state-owned enterprises.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Paragraph (8)

Self-explanatory.

Number 3

**Article 32**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

The provisions under this paragraph are needed to anticipate changes in economic conditions.

Number 4

#### **Article 153**

Self-explanatory.

Number 5

#### **Article 153A**

Self-explanatory.

#### **Article 153B**

Paragraph (1)

The company's authorized capital for micro- and small-scale businesses originated from separated assets of the founders.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

#### **Article 153C**

Self-explanatory.

#### **Article 153D**

Self-explanatory.

#### **Article 153E**

Paragraph (1)

"individual" is a person capable of performing legal actions as regulated in the Civil Code.

Paragraph (2)

Self-explanatory.

#### **Article 153F**

Self-explanatory.

**Article 153G**

Self-explanatory.

**Article 153H**

Self-explanatory.

**Article 153I**

Self-explanatory.

**Article 153J**

Self-explanatory.

**Article 110**

Deleted.

**Article 111**

Number 1

**Article 2****Paragraph (1)****Letter a**

Individuals as tax subjects may reside or be in Indonesia or outside Indonesia. Inheritance that has not been divided as a unity is substitute tax subject, in lieu of the entitled, namely the heirs. The appointment of an undivided inheritance as a substitute tax subject is intended so that the imposition of tax on the income derived from the inheritance may still be implemented.

**Letter b**

Entity is a group of individuals and/or capital which is a unity, whether doing business or not doing business, which includes limited liability companies, limited partnerships, other companies, state-owned enterprises or regionally-owned enterprises under any name and form, firma, joint venture, cooperatives, pension funds, partnerships, associations, foundations, mass organizations, socio-political organizations, or other organizations, institutions, and other forms of entities including collective investment contracts and permanent establishments.

State-owned enterprises and regionally-owned enterprises shall be tax subject regardless of their name and form, so that each particular unit of a Government entity, for example institutions, entities, and so forth, which are owned by the Central Government and Regional Government and run a business or carry out activities to generate income is a tax subject.

The definition of association includes associations, unions, organizations, or bond of parties who have the same interest.

**Letter c**

Self-explanatory.

## Paragraph (1a)

Self-explanatory.

## Paragraph (2)

Tax subjects are divided into domestic tax subjects and foreign tax subjects. Domestic individual tax subjects become Taxpayers if they have received or obtained an income that exceeds the Non-Taxable Income. Domestic corporate tax subjects become Taxpayers from the time they are founded, or are domiciled in Indonesia. Foreign tax subjects, both individuals and entities, also become Taxpayers due to receiving and/or earning income originating from Indonesia or receiving and/or obtaining income originating from Indonesia through a permanent establishment in Indonesia. In other words, a Taxpayer is an individual or entity that has fulfilled subjective and objective obligations. In connection with the ownership of a Taxpayer Identification Number (NPWP), Individual Taxpayers who receive income below Non-Taxable Income (Penghasilan Tidak Kena Pajak-“PTKP”) are not required to register themselves to obtain NPWP.

The important difference between domestic Taxpayers and foreign Taxpayers lies in the fulfillment of their tax obligations, such as:

- a. Domestic Taxpayers are subject to tax on income either received or obtained from Indonesia or outside Indonesia, while foreign Taxpayers are taxed only on income originating from income sources in Indonesia;
- b. Domestic Taxpayers are subject to tax based on net income with a general rate, while foreign Taxpayers are taxed based on gross income with a proportional tax rate; and
- c. Domestic Taxpayers are required to submit an Annual Income Tax Return as a means of determining the payable tax in a tax year, while foreign Taxpayers are not required to submit an Annual Income Tax Return because their tax obligations are fulfilled through the withholding of final tax.

For foreign Taxpayers who run a business or carry out activities through a permanent establishment in Indonesia, the fulfillment of their tax obligations shall be equivalent to the fulfillment of tax obligations of domestic corporate Taxpayers as regulated under this Law and the Laws on general taxation provisions and procedures.

## Paragraph (3)

## Letter a

In principle, an individual who become domestic tax subject is an individual who resides or are in Indonesia. Included in the definition of an individual residing in Indonesia are those who have the intention to reside in Indonesia. Whether a person has the intention to reside in Indonesia which are considered according to the circumstances.

The presence of an individual in Indonesia for more than 183 (one hundred and eighty three) days does not have to be consecutive, but is determined by the number of days the said person has been in Indonesia within a period of 12 (twelve) months since the arrival in Indonesia.

## Letter b

Self-explanatory.

## Letter c

An undivided inheritance left by a domestic individual tax subject is considered a domestic tax subject in the definition of this Law following the status of the inheritor. As for the fulfillment of tax obligations, the said inheritance replaces the obligations



of the entitled heirs. If the inheritance has been divided, the tax obligations are transferred to the heirs.

Undivided inheritance left by an individual as a foreign tax subject who does not run a business or conduct activities through a permanent establishment in Indonesia, is not considered a substitute tax subject because the tax imposition on the income received or obtained by the individual is attached to the object.

#### Paragraph (4)

Foreign tax subjects are individuals or entities residing or domiciled outside Indonesia who may receive or earn income from Indonesia, either through or without a permanent establishment. Individuals who do not reside in Indonesia, but are in Indonesia for no more than 183 (one hundred and eighty three) days within a period of 12 (twelve) months, shall be foreign tax subjects.

If the income is received or earned through a permanent establishment, the individual or entity is subject to tax through the permanent establishment. The said individual or entity retained their status as a foreign tax subject. Thus, the permanent establishment replaces the individual or entity as a foreign tax subject in fulfilling their taxation obligations in Indonesia. In the event that the income is received or obtained without going through a permanent establishment, the tax imposition shall be made directly to the said foreign tax subject.

#### Paragraph (5)

A permanent establishment contains the meaning of a place of business, namely facilities that may be in the form of land and buildings including machinery, equipment, warehouses and computers or electronic agents or automated equipment owned, leased, or used by electronic transaction operators to carry out business activities via the internet.

The said place of business is permanent in nature and is used to run the business or carry out activities of an individual who does not reside or an entity not that is established and is not domiciled in Indonesia.

The definition of permanent establishment also includes an individual or entity as an agent whose position is not independent, acting for and on behalf of an individual or entity that does not reside or are not domiciled in Indonesia. An individual who does not reside or an entity that is not established and is not domiciled in Indonesia cannot be considered as having a permanent establishment in Indonesia if the individual or entity in carrying out business or conducting activities in Indonesia uses an agent, broker or intermediary who has an independent position, provided that the agent or intermediary is in fact acting entirely in the framework of running its own company.

An insurance company which is established and domiciled outside Indonesia is deemed to have a permanent establishment in Indonesia if the insurance company receives insurance premium payments or bears risks in Indonesia through its employees, representatives or agents in Indonesia. Bearing risks in Indonesia does not mean that the event that gave rise to that risk occurred in Indonesia. What needs to be considered is that the insured party resides, is located or is domiciled in Indonesia.

#### Paragraph (6)

Determination of the residence of an individual or the domicile of an entity is important to determine which Tax Service Office has tax jurisdiction over the income received or earned by that individual or entity.

In essence, the residence of an individual or the domicile of an entity is determined according to actual conditions. Thus the determination of residence or domicile is not only based on considerations of a formal nature, but is more based on reality.

Several things that need to be considered by the Director-General of Taxes in determining the residence of an individual or the domicile of an entity includes, among others,

domicile, residential address, family residence, place to run the main business or other matters that need to be considered to facilitate the implementation of fulfilling tax obligations.

Number 2

#### Article 4

##### Paragraph (1)

This Law adheres to the principle of taxation on income in a broad sense, namely that tax is imposed on any additional economic capacity received or obtained by the Taxpayer from any origin that may be used for consumption or to increase the wealth of the Taxpayer.

The definition of income under this Law does not pay attention to the existence of income from certain sources, but to the existence of additional economic capacity. Additional economic capacity received or obtained by the Taxpayer is the best measure regarding the ability of the Taxpayer to share the costs required by the government for routine and development activities.

Judging from the flow of additional economic capacity to Taxpayers, income may be grouped into:

- i. income from job in employment relationship and independent job, such as salary, honorarium, income from medical practices, notaries, actuaries, accountants, lawyers, and so forth;
- ii. income from businesses and activities;
- iii. income from capital, in the form of movable or immovable property, such as interests, dividends, royalties, leases, and profits from the sale of assets or rights that are not used for business; and
- iv. other income, such as debt relief and prizes.

Judging from its utilization, income may be used for consumption and may also be saved to increase the wealth of the Taxpayer.

Because this Law adopts a broad definition of income, all types of income received or earned in a tax year are combined to obtain a tax base. Therefore, if in one tax year a business or activity suffers a loss, the loss is compensated with other income (horizontal compensation), except for losses suffered overseas. Nonetheless, if a type of income is taxed at a final rate or is excluded from the tax object, then that income may not be combined with other income which is subject to general rates.

The examples of income mentioned in this provision are intended to clarify a broad definition of income which is not limited to the said examples.

##### Letter a

All payments or remuneration in connection with job, such as wages, salaries, life insurance premiums, and health insurance paid by the employer, or other forms of remuneration are Tax Objects.

The definition of other forms of remuneration includes remuneration in natural form which essentially constitute an income.

##### Letter b

The definition of prizes includes prizes from lotteries, jobs, and activities such as prize from saving lotteries, prizes from sports competitions and so on.

Awards are remunerations given in connection with certain activities, for example,

remunerations received in connection with the discovery of ancient objects.

Letter c

Self-explanatory.

Letter d

If the Taxpayer sells assets at a price higher than the book value or higher than the acquisition price or value, the price difference constitutes a profit. In the event that the sale of assets occurs between a business entity and its shareholders, the selling price used as the basis for calculating the profit from the sale is the market price.

For example, PT S owns a car which is used in its business activities with a book value of IDR40,000,000.00 (forty million rupiah). The car is sold for IDR60,000,000.00 (sixty million rupiah). Thus, the profit of PT S that was obtained from the sale of the car was IDR20,000,000.00 (twenty million rupiah). If the car is sold to a shareholder for IDR55,000,000.00 (fifty five million rupiah), the selling value of the car is still calculated based on the market price of IDR60,000,000.00 (sixty million rupiah). The difference of IDR20,000,000.00 (twenty million rupiahs) constitutes a profit for PT S and for shareholders who buy the car, the difference of Rp5,000,000.00 (five million rupiah) constitutes an income.

If an entity is liquidated, the profits from the sale of assets, namely the difference between the selling price based on market price and the book value of the assets constitutes a tax object. Likewise, the surplus between market price and book value in the event of a merger, consolidation, expansion, split off and acquisition of a business constitutes an income.

In the event of a transfer of assets as a substitute for shares or equity participation, the profits in the form of the difference between the market price of the assets given up and the book value constitutes an income.

The profits in the form of the difference between the market price and the acquisition value or the book value of the transfer of assets in the form of a grant, aid or contribution constitutes an income for the transferring party unless the asset is given to a blood relative in a straight lineage of one degree. Likewise, profits in the form of the difference between the market price and the acquisition value or the book value of the transfer of assets in the form of aid or donations and grants to religious bodies, educational bodies, social agencies including foundations, cooperatives, or individuals running micro- and small-scale businesses, the provisions of which shall be further regulated by a Regulation of the Minister of Finance does not constitute an income, as long as there is no relationship with the business, occupation, ownership, or control between the parties concerned.

In the event that the Taxpayer who owns the mining rights transfers part or all of the said rights to another Taxpayer, the profits obtained constitutes a tax object.

Letter e

Tax refunds that have been charged as cost in the calculation of Taxable Income constitutes a tax object.

For example, Land and Building Tax that has been paid and is charged as cost, which for some reason is refunded, the amount equal to the refund constitutes an income.

Letter f

The definition of interests also includes premiums, discounts and remuneration in connection with debt repayment guarantees.

Premium occurs when, for example, bonds are sold above their nominal value,

while discount occurs when bonds are purchased below their nominal value. Said premium constitutes an income for the party who issues bonds and discount constitute an income for the party who purchases bonds.

#### Letter g

Dividends are profit share earned by shareholders or insurance policyholders. Included in the definition of dividends are:

- 1) distribution of profit, either directly or indirectly, under any name and form;
- 2) repayment due to liquidation in excess of the paid-up capital;
- 3) provision of bonus shares without deposit, including bonus shares derived from the capitalization of the additional paid-up capital;
- 4) distribution of profit in the form of shares;
- 5) recordation of additional capital without deposit;
- 6) an amount exceeding the amount of their share deposit received or obtained by shareholders due to the buyback of shares by the concerned company;
- 7) repayment in whole or in part of the paid-up capital, if in the past years a profit has been made, unless the repayment is the result of a legal reduction of the authorized capital (statuter);
- 8) payments in respect of signs of profit, including those received as redemption of said signs of profit;
- 9) profit share in connection with bond ownership;
- 10) profit share received by policyholders;
- 11) company expenses for the personal needs of shareholders which are charged as company expenses.

In practice, the distribution or payment of dividends in discreet is often found, for example in the case of shareholders who have fully paid their capital and provided loans to the company in return for interest that is more than normal. If this happens, the surplus between the interest paid and the interest rate prevailing in the market shall be treated as dividends. The portion of interest that is treated as dividends may not be charged as an expense by the concerned party

#### Letter h

Royalty is an amount paid or payable by any means or calculation, whether done periodically or not, as a remuneration for:

1. the use or right to use copyright in the field of literature, art or scientific works, patents, designs or models, plans, secret formulas or processes, trademarks, or other forms of intellectual property/industrial rights or other similar rights;
2. the use or right to use industrial, commercial, or scientific equipment/tools;
3. the provision of scientific, technical, industrial or commercial knowledge or information;
4. the provision of additional or complementary assistance in connection with the use or right to use the rights as referred to in number 1, the use or right to use the equipment/tools as referred to in number 2, or the provision of knowledge or information as referred to in number 3, in the form of:
  - a) the receipt or the right to receive image recordings or sound recordings or both, which are transmitted to the public by means of satellite, cable, optical fiber, or similar technology;

- b) the use or right to use the image recording or sound recording or both, for television or radio broadcast which are broadcasted via satellite, cable, optical fiber, or similar technology;
- c) the use or right to use part or all of the radio communication spectrum;
- 5. the use or right to use motion picture films, films or video tapes for television broadcasts, or sound tapes for radio broadcasts; and
- 6. the release of all or part of the rights relating to the use or granting of intellectual property/industrial rights or other rights as mentioned above.

**Letter i**

The definition of lease includes remuneration received or obtained in any name and form in connection with the use of movable or immovable property, for example car rental, office rental, house rental and warehouse rental.

**Letter j**

Receipts in the form of periodic payments, such as "alimony" or a lifetime allowance that is paid repeatedly over a specified period of time.

**Letter k**

Debt relief by the lender is considered as income for the party who are originally in debt, while for the lender may be charged as an expense. However, with a Regulation of the Government it may be stipulated that debt relief for small-scale debtors, for example, Kredit Usaha Keluarga Prasejahtera (Kukesra), Kredit Usaha Tani (KUT), Kredit Usaha Rakyat (KUR), credit for very simple housing (perumahan sangat sederhana), and other small credits up to a certain amount are excluded as a tax object.

**Letter l**

Profits from fluctuations in foreign currency exchange rates are recognized based on the bookkeeping system adopted and carried out in a faithful to the principle manner in accordance with the principles of Financial Accounting Standards applicable in Indonesia.

**Letter m**

The surplus due to the revaluation of assets as referred to in Article 19 shall constitute an income.

**Letter n**

The definition of insurance premiums include reinsurance premium.

**Letter o**

Self-explanatory.

**Letter p**

Additional net assets are essentially the accumulated income, whether those that have been taxed and those which are not a Tax Object and those that have not been taxed. If it is known that there is an additional net asset that exceeds the accumulated income that has been taxed and which are not a Tax Object, the additional net asset constitutes an income.

**Letter q**

Sharia-based business activities have a different philosophical foundation from conventional business activities. However, income received or obtained from sharia-based business activities remains a tax object according to this Law.

Letter r

Self-explanatory.

Letter s

Self-explanatory.

Paragraph (1a)

Self-explanatory.

Paragraph (1b)

Self-explanatory.

Paragraph (1c)

Self-explanatory.

Paragraph (1d)

Self-explanatory.

Paragraph (2)

In accordance with the provisions in paragraph (1), the income as referred to in this paragraph constitutes a tax object. Based on considerations, among others:

- a need for encouragement in the context of the development of investment and public savings;
- simplicity in tax collection;
- reduced administrative burden for both the Taxpayer and the Directorate General of Taxes;
- equity in tax imposition; and
- paying attention to economic and monetary developments,

over the said income, it has been deemed necessary to provide separate treatment in its tax imposition.

Separate treatment in the imposition of taxes on these types of income including the nature, amount and procedures for the implementation of payment, withholding or collection shall be regulated under a Regulation of the Government.

The bonds as referred to in this paragraph include debt securities with a maturity of more than 12 (twelve) months, such as Medium Term Notes and Floating Rate Notes with a maturity of more than 12 (twelve) months.

Government Securities as referred to in this paragraph include Government Bonds and Treasury Bills.

Paragraph (3)

Letter a

Aid or donation for the receiving party is not a tax object as long as it is received not in the framework of employment relationship, business relationship, ownership relationship, or control relationship between the parties concerned. Zakat received by amil zakat bodies or amil zakat institutions established or legalized by the government and entitled zakat recipients as well as mandatory religious donations for adherents of other religions recognized in Indonesia which are received by religious institutions established or legalized by the government and received by the entitled recipient of donations shall be treated the same as aid or donations. "Zakat" is zakat as referred to in the Law that regulates zakat.



Business relationships between parties who give and receive may occur, for example PT A as a producer of a type of goods whose main raw material is produced by PT B. If PT B makes a donation of raw materials to PT A, the donation of raw material received by PT A is a tax object.

Grant assets for the recipient are not tax object if they are received by blood relatives in a straight lineage of one degree, and by religious bodies, educational bodies, or social agencies including foundations, or individuals running micro- and small-scale business including cooperatives stipulated by the Minister of Finance, as long as it is received not in the context of employment relationship, business relationship, ownership relationship, or control relationship between the parties concerned.

Letter b

Self-explanatory.

Letter c

In principle, assets, including cash deposits, received by an entity are an additional economic capability for the entity. However, due to the assets are received as a substitute for shares or equity participation, based on this provision, the assets received are not tax objects.

Letter d

Substitution or remuneration in natural form or enjoyment in connection with jobs or services is an additional economic capability received not in the form of money. Substitution or remuneration in natural form such as rice, sugar, and so forth, and rewards in the form of enjoyment, such as the use of cars, houses and medical facilities does not constitute tax objects.

If the provider of the remuneration in natural form or enjoyment is not the Taxpayer or Taxpayer who is subject to final income tax and the Taxpayer who is subject to income tax based on deemed profit, the remuneration in natural form or enjoyment is an income for the party who receives or obtains it.

For example, an Indonesian resident becomes an employee at a foreign diplomatic representative in Jakarta. The employee has obtained the enjoyment of occupying the house that the diplomatic representative has rented or other enjoyment.

These enjoyments constitute income for the employee because the diplomatic representative concerned is not a Taxpayer.

Letter e

Substitution or remuneration received by an individual from an insurance company in connection with health insurance, accident insurance, life insurance, endowment insurance and scholarship insurance policies, is not a Tax Object. This is in line with the provisions in Article 9 paragraph (1) letter d, namely that insurance premiums paid by individual Taxpayers for their own interests may not be deducted in the calculation of Taxable Income.

Letter f

Self-explanatory.

Letter g

Exemption as Tax Objects based on this provision only apply to pension funds whose establishment has been validated by the Minister of Finance. Exempted from Tax Objects are contributions received from pension participants, both at their own expense and those borne by the employer. In essence, the contributions received by the pension funds are the pension participants' funds, which will be

paid back to them on time. The imposition of taxes on these contributions means reducing the rights of pension participants, and therefore these contributions are excluded as Tax Objects.

#### Letter h

As referred to in letter g, exemptions as Tax Objects based on this provision shall only apply to pension funds whose establishment has been approved by the Minister of Finance. Exempted from tax objects in this case is income from capital invested in certain fields based on a Decree of the Minister of Finance. Investment by pension funds is intended for development and is a fund for repayment to pension participants at a later date, so that investment needs to be directed at areas that are not speculative or have a high risk. Therefore, the determination of certain sectors shall be stipulated by a Decree of the Minister of Finance.

#### Letter i

For the purpose of tax imposition, the entities as referred to in this provision which is an association of its members are subject to tax as a unity, namely at the corporate level. Therefore, the profit share or dividend received by the members of the entity is no longer a tax object

#### Letter j

Self-explanatory.

#### Letter k

"venture capital company" is a company which business activities are to finance a business entity (as a business partner) in the form of capital participation for a certain period of time. Based on this provision, the profit share received or obtained from a business partner company is not included as a tax object, provided that the business partner company is a micro-, small-, medium-scale company or those that runs a business or carries out activities in certain sectors stipulated by the Minister of Finance, and the company's shares are not traded on a stock exchange in Indonesia.

If the business partner of the venture capital company meets the provisions as referred to in paragraph (3) letter f, dividends received or obtained by the venture capital company does not constitute tax objects.

In order for the activities of venture capital companies to be directed towards sectors of economic activity that have priority for development, for example to increase non-oil and gas exports, the business or activities of the business partner companies shall be regulated by the Minister of Finance.

Considering that venture capital companies are an alternative financing in the form of equity participation, the capital participation that will be carried out by venture capital companies is directed at companies that do not have access to the stock exchange.

#### Letter l

Self-explanatory.

#### Letter m

That in order to support efforts to improve the quality of human resources through education and/or research and development, adequate facilities and infrastructure are needed. For this reason, it is deemed necessary to provide tax facilities in the form of tax exemptions for surplus which are received or obtained as long as the surplus is reinvested in the form of construction and procurement of facilities and infrastructure for the said activity. Reinvesting the surplus must be realized within a maximum period of 4 (four) years from the time the surplus is received or obtained.



To ensure the achievement of the objectives of providing this facility, the institution or agency that provides education must be non-profit. Education as well as research and development that is held shall be open to anyone and has been secure validation from the agency in charge of it.

Letter n

Aid or donation provided by the Social Security Agency (BPJS) to certain Taxpayers is social aid given specifically to Taxpayers or members of the community who are poor or are experiencing natural disasters or are stricken by misfortune.

Letter o

Self-explanatory.

Letter p

Self-explanatory.

Number 3

### Article 26

For income received or obtained by foreign Taxpayers from Indonesia, this Law adopts two tax systems, namely the self-fulfillment of tax obligations for foreign Taxpayers who run a business or carry out activities through a permanent establishment in Indonesia and withholding by the party that is obliged to pay for other foreign taxpayers.

This provision regulates withholding over income originating in Indonesia which are received or obtained by a foreign Taxpayer other than a permanent establishment.

Paragraph (1)

Withholding tax based on this provision must be carried out by government agencies, domestic tax subjects, activity

organizers, permanent establishments, or representatives of other foreign companies that made payments to foreign Taxpayers other than a permanent establishment in Indonesia at a rate of 20% (two twenty percent) of the gross amount.

Types of income for which a withholding are required may be classified into:

1. income sourced from capital in the form of dividends, interests including premiums, discounts, and remuneration for debt repayment guarantees, royalties, and leases and other income in connection with the use of assets;
2. remuneration in connection with services, job, or activities;
3. prizes and awards in any name and form;
4. pensions and other regular payments;
5. swap premiums and other hedging transactions; and/or
6. profit due to debt relief.

In accordance with this provision, for example a domestic tax subject entity pays a royalty of IDR100,000,000.00 (one hundred million rupiah) to a foreign Taxpayer, the domestic tax subject is obliged to withheld Income Tax amounting to 20% (twenty percent) of IDR 100,000,000.00 (one hundred million rupiah).

As another example, an athlete from overseas who takes part in a marathon race in Indonesia then wins a prize in the form of money, the prize shall be subject to a 20% (twenty percent) Income Tax withholding.

#### Paragraph (1a)

The domicile country of a foreign Taxpayer other than those running business or conducting business activities through a permanent establishment in Indonesia that receives income from Indonesia is determined based on the residence or domicile of the Taxpayer who actually receives the benefits of the income (beneficial owner). Therefore, the domicile country is not only determined based on the Certificate of Domicile, but also the residence or domicile of the beneficiary of the income in question.

In the event that the beneficiary is an individual, the domicile country is the country where the individual resides or is located, whereas if the beneficiary is an entity, the country domicile country is the country where the owner or more than 50% (fifty percent) of the shareholders, either individually or jointly, domiciled or effective management is located.

#### Paragraph (1b)

Self-explanatory.

#### Paragraph (2)

This provision regulates tax withholding for income received or obtained by foreign Taxpayers originating in Indonesia, apart from income as referred to in paragraph (1), namely income from the sale or transfer of assets, and insurance premiums, including reinsurance premiums. The said income shall be subject to a 20% (twenty percent) tax withholding of the estimated net income and is final in nature. The Minister of Finance is given the authority to determine the amount of estimated net income in question, as well as other matters in the framework of implementing the said tax withholding.

This provision does not apply if the foreign Taxpayer runs a business or carries out activities through a permanent establishment in Indonesia or if the income from the sale of such assets has been taxed under the provisions of Article 4 paragraph (2).

#### Paragraph (2a)

Self-explanatory.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (4)

Taxable income after tax deduction from a permanent establishment in Indonesia shall be subject to a 20% (twenty percent) tax withholding.

Example:

Taxable income for a permanent establishment in Indonesia in 2021 :	IDR 17,500,000,000.00
---	-----------------------

Income tax	:	$22\% \times \text{IDR } 17,500,000,000.00$	=	IDR 3,850,000,000.00
				(-)

Taxable Income after tax	IDR 13,650,000,000.00
--------------------------	-----------------------

Payable Income Tax Article 26	:	$20\% \times \text{IDR } 13,650,000,000$	=	IDR2,730,000,000.00
-------------------------------	---	--	---	---------------------

If the income after tax of IDR13,650,000,000.00 (thirteen billion six hundred and fifty million rupiah) is reinvested in Indonesia in accordance with or based on a Regulation of the Minister of Finance, the said income is not subject to tax withholding.

#### Paragraph (5)

In principle, tax withholding for a foreign Taxpayer is final in nature, but for the income as

referred to in Article 5 paragraph (1) letter b and letter c, and for the income of an individual Taxpayer or a foreign entity that changed status to become a domestic Taxpayer or a permanent establishment, the tax withholding is not final so that the tax withholding may be credited in the Annual Income Tax Return.

Example:

A as an individual foreign worker enters into a work agreement with PT B as a domestic Taxpayer to work in Indonesia for a period of 5 (five) months starting 1 January 2021. On 20 April 2021, the work agreement is extended to 8 (eight) month so it will end on 31 August 2021.

If the work agreement is not extended, A's status remains as a foreign Taxpayer. With the extension of the work agreement, A's status changed from foreign Taxpayer to domestic Taxpayer starting from 1 January 2021. During January to March 2021, A's gross income has been subject to the withholding of Article 26 Income Tax by PT B.

Based on this provision, to calculate the payable Income Tax on A's income for January to August 2021 period, the Article 25 Income Tax which has been withheld and paid by PT B on A's income up to March, may be credited against A's tax as a domestic Taxpayer.

## Article 112

### Number 1

#### Article 1A

##### Paragraph (1)

###### Letter a

"agreement" includes sale and purchase, exchange, sale and purchase in installments, or other agreements which result in the transfer of rights over goods.

###### Letter b

Delivery of Taxable Goods happens due to lease-purchase agreement and/or leasing agreement.

"delivery of Taxable Goods due to leasing agreement" is delivery of Taxable Goods which is caused by a leasing agreement with option rights.

In the event of delivery of Taxable Goods by Taxable Businesses in the framework of leasing agreement with option rights, Taxable Goods are deemed to be handed over directly from the Taxable Supplier to the lessee.

###### Letter c

"intermediary trader" is an individual or entities that in their business activities or work under their own name make agreements or commitments on and at the expense of others for a certain wage or remuneration, such as a commissioner.

"auctioneer" is a Government auctioneer or those designated by the Government.

###### Letter d

"own use" is the use for the benefit of the entrepreneur itself, management, or employees, both self-produced and non-self-produced goods.

"free use" is a gift given without payment for both self-produced and non-self-produced goods, such as providing samples of goods for promotion to a relative or buyer.

###### Letter e

Taxable Goods in the form of inventories and/or assets which according to the original purpose were not for sale and still remain at the time the company was dissolved, shall be equated with own use so that it is considered as delivery of Taxable Goods.

Exempted from the provision of letter e, is the delivery as referred to in Article 1A paragraph (2) letter e.

Letter f

In the event that a company has more than one tax payable place both as the center and as a branch of the company, the delivery of Taxable Goods between those places constitutes the delivery Taxable Goods.

“center” is the place of residence or domicile.

“branch” includes business location, representatives, marketing units, and similar place of business activities.

Letter g

Has been removed.

Letter h

Example:

In murabahah transaction, sharia banks act as providers of funds to purchase a motorized vehicle from Taxable Business A upon an order from a sharia bank customer (Mr. B). Although based on sharia principles, a sharia bank must first purchase the motorized vehicle and then sell it to Mr. B, based on this Law, the delivery of the motor vehicle is deemed to be carried out directly by Taxable Business A to Mr. B.

Paragraph (2)

Letter a

“broker” is the broker as referred to in the Indonesian Commercial Code, namely intermediary traders appointed by the President or by an official declared by the President to be authorized to do so. They organize their company by doing work for a certain wage or provision, on the mandate and on behalf of other people with whom they have no working relationship.

Letter b

Self-explanatory.

Letter c

In the event that the Taxable Businesses has more than one place of business activities, whether as the center or branch of the company, and said Taxable Businesses has submitted a written notification to the Director-General of Taxes, the delivery of Taxable Goods from one place of business activities to another place of business activities (from center to branch or vice versa or between branches) is considered as not included to the definition of delivery of Taxable Goods, except the delivery of the Taxable Goods between places where the tax is payable.

Letter d

“business split-off” is a separation of business as referred to in the Law regulating limited liability companies.

Delivery of Taxable Goods in the framework of merger, consolidation, expansion, split-off, and acquisition of businesses, as well as delivery of Taxable Goods for the

purpose of share replacement capital deposit, that is carried out by:

- a. Taxable Businesses to other Taxable Businesses, are excluded from the definition of delivery of Taxable Goods so that there is no payable Value-Added Tax;
- b. Businesses not or not yet established as a Taxable Business, are included in the definition of delivery of Taxable Goods so that there is payable Value-Added Tax but it is not collected by the said business because they have not or have not been established as a Taxable Business; or
- c. Taxable Businesses to other businesses that have not been established as a Taxable Business, are included in the definition of delivery of Taxable Goods so that there is payable Value-Added Tax which must be collected by the Taxable Businesses. In the event that the delivered Taxable Goods are in the form of assets which according to its original purpose is not for sale, then the Value-Added Tax imposed for the delivery of said Taxable Goods is carried out in accordance with the provisions regulating the delivery of Taxable Goods in the form of assets which according to its original purpose is not for sale.

Letter e

Taxable Goods in the form of assets which according to the original purpose were not for sale and still remain at the time the company was dissolved, and which the Input Tax on its acquisition cannot be credited because it does not have a direct relationship with business activities as referred to in Article 9 paragraph (8) letter b and/or assets in the form of motorized vehicle of sedan and station wagon of which the Input Tax on its acquisition cannot be credited as referred to in Article 9 paragraph (8) letter c are not included in the definition of delivery of Taxable Goods.

Number 2

#### Article 4A

Paragraph (1)

Has been removed.

Paragraph (2)

Letter a

Mining or drilling products taken directly from the source consists of:

- a. crude oil;
- b. natural gas, excluding natural gas such as LPG for direct consumption by the community;
- c. geothermal;
- d. asbestos, slate, semi-gemstone, limestone, pumice stone, gemstone, bentonite, dolomite, feldspar, halite, graphite, granite/andesite, gypsum, calcite, kaolin, leucite, magnesite, mica, marble, nitrate, opsidien, ocher, sand and gravel, quartz sand, perlite, phosphate, talc, fullers earth, diatomaceous earth, clay, alum, trass, yarosif, zeolite, basalt , and trachyte (trakkit); and
- e. iron ore, tin ore, gold ore, copper ore, nickel ore, silver ore, and bauxite ore.

Letter b

Staple goods that are needed by many people include:

- a. rice;
- b. grain;
- c. corn;
- d. sago;
- e. soy;
- f. salt, both iodized and non-iodized;
- g. meat, namely fresh meat that are unprocessed, but has been slaughtered, skinned, cut, chilled, frozen, packaged or unpackaged, salted, chalked, pickled, preserved in other ways, and/or boiled;
- h. egg, namely unprocessed egg, including cleaned, salted, or packaged eggs;
- i. milk, namely milk (susu perah) both those that have undergo cooling or heating process, does not contain added sugar or other ingredients, and/or packaged or unpackaged;
- j. fruits, namely fresh picked fruits, whether they have been washed, sorted, peeled, cut, sliced, graded, and/or packaged or unpackaged; and
- k. vegetables, namely fresh vegetables that are picked, washed, drained, and/or stored at low temperature, including chopped fresh vegetables.

Letter c

This provision is intended to avoid the imposition of double taxation because it is already the object of imposition of Local Taxes.

Letter d

Self-explanatory.

Paragraph (3)

Letter a

Medical health services consist of:

1. general practitioner, specialist and dentist services;
2. veterinary services;
3. health expert services such as acupuncturist, orthodontist, nutritionist, and physiotherapist;
4. midwifery services and traditional birth attendants;
5. paramedic and nurse services;
6. hospital, maternity hospitals health clinic, health laboratory and sanatorium services;
7. psychologist and psychiatric services; and
8. alternative medical services, including those performed by psychics.

Letter b

Social services consist of:

1. orphanage and nursing home services
2. firefighting services;

3. first aid services in accidents;
4. rehabilitation institute services;
5. services for providing funeral homes or funeral services, including crematoriums; and
6. services in the field of sports, except those that are commercial in nature.

Letter c

Postage mailing services consist of mailing services using postage stamps and using other means as substitute of postage stamps.

Letter d

Financial services consist of:

1. services to collect funds from the community in the form of demand deposits, time deposits, certificates of deposit, savings, and/or other equivalent forms;
2. services of placing funds, borrowing funds, or lending funds to other parties by means of letters, telecommunications facilities or by sight drafts (wesel unjuk), checks, or other means;
3. financing services, including financing based on sharia principles, in the form of:
  - a) leasing with option rights;
  - b) factoring (anjak piutang);
  - c) credit card business; and/or
  - d) consumer financing;
4. lending services on the basis of pawning law, including sharia and fiduciary pawn; and
5. guarantee services.

Letter e

“insurance services” are coverage services which include general insurance, life insurance, and reinsurance, which are carried out by insurance companies to insurance policy holders, excluding insurance support services such as insurance agents, insurance loss appraisers, and insurance consultants.

Letter f

Religious services consist of:

1. house of worship services;
2. sermon or da'wah services;
3. religious activity organizing services; and
4. other services in the religious sector.

Letter g

Education services consist of:

1. school education delivery services, such as delivery services for general education, vocational education, special education, official education, religious education, academic education, and professional education; and
2. non-formal education delivery services.



## Letter h

Arts and entertainment services consist of all kinds of services performed by arts and entertainment workers.

## Letter i

Non-advertising broadcasting services consists of radio or television broadcasting services carried out by government or private institution that are non-commercial and not financed by a commercial sponsor.

## Letter j

Self-explanatory.

## Letter k

Manpower services consist of:

1. manpower services;
2. workforce supply services as long as the entrepreneur that supplied the workforce are not responsible for the work output of said workers; and
3. training services for workers.

## Letter l

Hospitality services consist of:

1. room rental services, including extras in hotels, guest houses, motels, inns, hostels, and facilities related to hotel activities for in-house guests; and
2. room rental services for events or meetings in hotels, guest houses, motels, inns and hostels.

## Letter m

Services provided by the government in the framework of running the government in general consisting of types of services carried out by government institutions, including granting Building Construction Permit, granting Trade Business License, granting Taxpayer Registration Number, and making Identity Card.

## Letter n

"parking space provision services" is parking space provision services performed by parking space owners and/or businesses to parking space users for a fee.

## Letter o

"public telephone services using coins" is public telephone services by using coin, organized by the government or private parties.

## Letter p

Self-explanatory.

## Letter q

Self-explanatory.

## Number 3

**Article 9**

## Paragraph (1)

Has been removed.



#### Paragraph (2)

Taxable Goods buyers, Taxable Service recipients, Taxable Goods importers, parties utilizing Intangible Taxable Goods from outside the Customs Area, or parties utilizing Taxable Services from outside the Customs Area are required to pay Value-Added Tax and are entitled to receive proof of tax collection. Such Value-Added Tax that should have been paid is Input Tax for Taxable Goods buyers, Taxable Service recipients, Taxable Goods importers, parties utilizing Intangible Taxable Goods from outside the Customs Area, or parties utilizing Taxable Services from outside the Customs Area, who has the status as Taxable Businesses.

Such Input Tax that must be paid by Taxable Businesses can be credited with the Output Tax which are collected in the same Tax Period.

#### Paragraph (2b)

Self-explanatory.

#### Paragraph (2b)

For the purpose of Input Tax crediting, Taxable Businesses uses Tax Invoice that meet the provision as referred to in Article 13 paragraph (5).

Other than that, Input Tax that will be credited must also meet the formal and material validity requirements as referred to in Article 13 paragraph (9).

#### Paragraph (3)

Self-explanatory.

#### Paragraph (4)

Input Tax as referred to in this paragraph is Input Tax which can be credited.

Within a Tax Period, a situation where Input Tax which can be credited is greater than the Output Tax can happen. The excess of the Input Tax cannot be reclaimed during the relevant Tax Period, but it is compensated for the next Tax Period.

Example:

May 2021 Tax Period

Output Tax	=	IDR2,000,000.00
Input Tax which can be credited	=	IDR4,500,000.00
		-----(-)
Overpaid Ta	=	IDR2,500,000.00

Said overpaid tax is compensated to the June 2021 Tax Period.

June 2021 Tax Period

Output Tax	=	IDR3,000,000.00
Input Tax which can be credited	=	IDR2,000,000.00
		-----(-)
Underpaid Tax	=	IDR1,000,000.00

Overpaid tax from May 2021 Tax Period which is compensated to June 2021 Tax Period = IDR2,500,000.00

-----(-)

Overpaid Tax on June 2021 Tax Period = IDR1,500,000.00

Said overpaid tax is compensated to the July 2021 Tax Period

#### Paragraph (4a)

The excess of Input Tax in a Tax Period in accordance with the provision of paragraph (4) is compensated to the next Tax Period.

However, if the excess of Input Tax occurs at the end of the fiscal year Tax Period, the excess of Input Tax may be submitted for a refund application (restitution).

Included in the definition of the end of the fiscal year in this provision is the Tax Period at which the Taxpayer terminates the businesses (dissolves).

#### Paragraph (4b)

Self-explanatory.

#### Paragraph (4c)

Self-explanatory.

#### Paragraph (4d)

Self-explanatory.

#### Paragraph (4e)

To reduce the misuse of facilitating the accelerated return of tax excess, the Director-General of Taxes can conduct an audit after providing a preliminary refund of the excess tax.

#### Paragraph (4f)

In the event that the Director-General of Taxes issues Tax Underpayment Assessment Letter after conducting an examination, the sanction of increase as referred to in Article 17C paragraph (5) of Law Number 6 of 1983 on General Taxation Provisions and Procedures and its amendment is not applied although at the previous stage Decree of Tax Excess Preliminary Refund has been issued.

On the contrary, the imposition of administrative sanction shall be in accordance with Article 13 paragraph (2) of Law Number 6 of 1983 on General Taxation Provisions and Procedures and its amendment.

If during the examination it is found that there are indications of criminal acts in the field of taxation, this provision is not applicable.

#### Paragraph (5)

"tax payable delivery" is the delivery of goods or services in accordance with the provision of this Law is subject to Value-Added Tax.

"non-tax payable delivery" is the delivery of goods or services that is not subject to Value-Added Tax as referred to in Article 4A and exempt from Value-Added Tax as referred to in Article 16B.

Taxable Businesses that in a Tax Period carries out tax payable delivery and non-tax payable delivery may only credit the Input Tax related to tax payable delivery. Part of said tax payable delivery must be known with certainty from the bookkeeping of the Taxable

Businesses.

Example:

Taxable Businesses carry out several types of delivery, namely:

- a. tax payable delivery= IDR25,000,000.00  
Output Tax= IDR2,500,000.00
- b. delivery without payable Value-Added Tax: IDR5,000,000.00  
Output Tax= nil.
- c. Delivery that is exempted from the imposition of Value-Added Tax= IDR5,000,000.00  
Output Tax= nil

Input Tax paid on its acquisition:

- a. Taxable Goods and Taxable Services related to tax payable delivery= IDR1,500,000.00
- b. Taxable Goods and Taxable Services related to delivery without payable Value-Added Tax = IDR300,000.00
- c. Taxable Goods and Taxable Services related to delivery that is exempted from the imposition of Value-Added Tax= IDR500,000.00

Based on this provision, Input Tax that can be credited with Output Tax of IDR2,500,000.00 only amounts to IDR1,500,000.00

#### Paragraph (6)

In the event that Input Tax for tax payable delivery cannot be known with certainty, Input Tax crediting is calculated based on the guidelines regulated under a Regulation of the Minister of Finance, which is intended to provide convenience and certainty to Taxable Businesses.

Example:

Taxable Businesses carry out 2 (two) kinds of delivery, namely:

- a. tax payable delivery= IDR35,000,000.00  
Output Tax= IDR3,500,000.00
- b. non-tax payable delivery = IDR15,000,000.00  
Output Tax= nil

Input Tax paid for the acquisition of Taxable Goods and Taxable Services related to the whole delivery amounts to IDR2,500,000.00, while Input Tax related to tax payable delivery cannot be known. In accordance with this provision, the Input Tax of IDR2,500,000.00 not entirely can be credited with Output Tax that amounts to IDR3,500,000.00.

The amount of Input Tax that can be credited is calculated based on the guidelines regulated under a Regulation of the Minister of Finance.

#### Paragraph (6a)

Self-explanatory.

#### Paragraph (6b)

Has been removed.

#### Paragraph (6c)

Self-explanatory.

Paragraph (6d)

Self-explanatory.

Paragraph (6e)

Self-explanatory.

Paragraph (6f)

Self-explanatory.

Paragraph (6g)

Self-explanatory.

Paragraph (7)

In order to simplify the calculation of the Value-Added Tax that must be deposited, Taxable Businesses whose business circulation in 1 (one) year does not exceed a certain amount shall calculate the amount of Input Tax that can be credited using the calculation guideline for Input Tax crediting.

Paragraph (7a)

In order to provide easiness in calculating the Value-Added Tax that must be deposited, Taxable Businesses conducting certain business activities shall calculate the amount of Input Tax which can be credited using the calculation guideline for Input Tax crediting.

Paragraph (7b)

Self-explanatory.

Paragraph (8)

Input Tax can basically be credited with Output Tax. However, for the expenses as referred to in this paragraph, the Input Tax cannot be credited.

Letter a

Has been removed.

Letter b

Expenses directly related to business activities are expenses for production, distribution, marketing and management activities.

This provision applies for all business sectors. To be credited, the Input Tax must also meet the requirements that the expense is related to the delivery with payable Value-Added Tax. Therefore, even though an expense has met the requirements of a direct relationship with business activities, it is still possible that the Input Tax cannot be credited, namely if the said expense has nothing to do with the delivery with payable Value-Added Tax.

Letter c

Self-explanatory.

Letter d

Has been removed.

Letter e

Has been removed.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Has been removed.

Letter i

Has been removed.

Letter j

Has been removed.

Paragraph (9)

Self-explanatory.

Paragraph (9a)

Self-explanatory.

Paragraph (9b)

Self-explanatory.

Paragraph (9c)

Self-explanatory.

Paragraph (10)

Has been removed.

Paragraph (11)

Has been removed.

Paragraph (12)

Has been removed.

Paragraph (13)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Number 4

### **Article 13**

Paragraph (1)

In the event that there is a delivery of Taxable Goods and/or delivery of Taxable Services, Taxable Businesses delivering Taxable Goods and/or delivering Taxable Services must collect payable Value-Added Tax and provide Tax Invoice as proof of tax collection. Tax Invoice does not need to be made specifically or different from a sales invoice. Tax Invoice can be in the form of sales invoice or certain document which is determined as Tax Invoice by the Director-General of Taxes.

Based on this provision, for each delivery of Taxable Goods in the form of assets which according to the original purpose are not for sale and purchase as referred to in Article 16D, a Tax Invoice must be made.

#### Paragraph (1a)

In principle, Tax Invoice must be made at the time of delivery or at the time of receipt of payment in the event that payment occurs prior to delivery. In certain cases, it is possible that the time for making a Tax Invoice is not the same as those times, for example in the event of delivery of Taxable Goods and/or delivery of Taxable Services to government institution. Therefore, the Minister of Finance has the authority to regulate another time as the time to make the Tax Invoice.

#### Paragraph (2)

Exempted from the provisions as referred to in paragraph (1), in order to ease the administrative burden, a Taxable Business is allowed to make 1 (one) Tax Invoice which includes all the delivery of Taxable Goods or the delivery of Taxable Services that occurs during 1 (one) calendar month to the same buyer of Taxable Goods or the same recipient of Taxable Service, which is called as a combined Tax Invoice.

#### Paragraph (2a)

In order to ease the administrative burden, a Taxable Businesses is allowed to make a combined Tax Invoice by no later than the end of the month for the delivery of the Taxable Goods and/or the Taxable Services even though in the month of delivery, partial or complete payments have occurred.

##### Example 1:

In the event that Taxable Business A delivers Taxable Goods to entrepreneur B on 1, 5, 10, 11, 12, 20, 25, 28, and 31 July 2021, but until 31 July 2021 there has been no payment for such deliveries at all, Taxable Business A is allowed to make 1 (one) combined Tax Invoice which includes all deliveries made in July 2021, namely by no later than 31 July 2021.

##### Example 2:

Taxable Business A delivers Taxable Goods to entrepreneur B on September 2, 7, 9, 10, 12, 20, 26, 28, 29, and 30 September 2021. On 28 September 2021, there is a payment made by entrepreneur B for delivery on 2 September 2021. In the event that Taxable Business A makes a combined Tax Invoice, the combined Tax Invoice will be made on 30 September 2021, covering all the deliveries that occurred in September 2021.

##### Example 3:

Taxable Business A delivers Taxable Goods to entrepreneur B on 2, 7, 8, 10, 12, 20, 26, 28, 29, and 30 September 2021. On 28 September 2021, there is a payment for the delivery of 2 September 2021 and down payment for delivery to be made in October 2021 by entrepreneur B. In the event that Taxable Business A makes a combined Tax Invoice, the combined Tax Invoice is made on 30 September 2021 which includes all the deliveries and down payment made in September 2021.

#### Paragraph (3)

Has been removed.

#### Paragraph (4)

Has been removed.

#### Paragraph (5)

Tax Invoice is proof of tax collection and can be used as a means of Input Tax crediting. Tax Invoice must be filled in correctly, completely, and clearly and signed by the party appointed by the Taxable Business to sign it. However, the information regarding Luxury Goods Sales Tax is only filled in if the Luxury Goods Sales Tax is payable upon delivery of the Taxable Goods. Tax Invoice which is not filled in accordance with the provisions in this paragraph results in the Value-Added Tax contained therein cannot be credited in

accordance with the provisions of Article 9 paragraph (8) letter f.

Paragraph (5a)

Self-explanatory.

Paragraph (6)

Exempted from the provisions as referred to in paragraph (5), the Director-General of Taxes may determine documents commonly used in the business world whose position is equivalent to a Tax Invoice.

This provision is needed, among others, because:

1. sales invoices used by entrepreneurs has been known by the community, such as telephone receipts and airplane tickets;
2. for proof of tax collection, there must be a Tax Invoice, while the party that should make Tax Invoice, namely the party delivering Taxable Goods or Taxable Services, is outside the Customs Area, for example, in the case of utilization of Taxable Services from outside the Customs Area, Tax Payment Form can be determined as a Tax Invoice; and
3. there are certain documents that are used in the case of import or export of Tangible Taxable Goods.

Paragraph (7)

Has been removed.

Paragraph (8)

The Tax Invoice that is corrected is, among others, a Tax Invoice that is incorrectly filled in or is incorrectly written. Included in the meaning of incorrectly filled in or incorrectly written are, among others, if there is an adjustment to the Selling Price due to a decrease in the quantity or quality of the Taxable Goods which naturally occurs at the time of delivery.

Paragraph (9)

Tax Invoice meets formal requirements if it is filled correctly, completely, and clearly in accordance with the requirements as referred to in paragraph (5) or the requirements stipulated by the Regulation of the Director-General of Taxes as referred to in paragraph (6).

Tax Invoice or certain documents whose position is equivalent to Tax Invoice meets material requirements if it contains valid or actual information regarding the delivery of Taxable Goods and/or delivery of Taxable Services, export of Tangible Taxable Goods, export of Intangible Taxable Goods, export of Taxable Services, import of Taxable Goods, or utilization of Taxable Services and utilization of Intangible Taxable Goods from outside of the Customs Area within the Customs Area.

Therefore, even though a Tax Invoice or certain document whose position is equivalent to a Tax Invoice has met the formal requirements and the Value-Added Tax has already been paid, if the information contained in the Tax Invoice or certain documents whose position is equivalent to a Tax Invoice is not in accordance with the actual facts regarding the delivery of Taxable Goods and/or delivery of Taxable Services, export of Intangible Taxable Goods, export of Intangible Taxable Goods, export of Taxable Services, import of Taxable Goods, or utilization of Taxable Services and utilization of Intangible Taxable Goods from outside the Customs Area in the Customs Area, the Tax Invoice or certain documents whose position is equivalent to the Tax Invoice does not meet the material requirements.



Number 1

**Article 8**

## Paragraph (1)

Toward mistakes in the filling of Tax Return prepared by Taxpayer, Taxpayer remains eligible to make corrections on their own accord, on condition that the Director-General of Taxes has not conducted the audit. "has not conducted the audit" is at the time that the Tax Audit Notification Letter is delivered to Taxpayer, representative, proxy, employee, or adult family member of Taxpayer.

## Paragraph (1a)

Assessment expiry is a 5 (five) year period after the tax becomes payable or the end of Tax Period, part of Tax Year, or Tax Year, as referred to in Article 13 paragraph (1).

## Paragraph (2)

Self-explanatory.

## Paragraph (2a)

Self-explanatory.

## Paragraph (2b)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (3a)

Self-explanatory.

## Paragraph (4)

Even though the Director-General of Taxes has conducted an audit but has not issued a tax assessment letter, Taxpayer who has or has not corrected the Tax Return is still given the opportunity to disclose the incorrect filing of the Tax Return that has been submitted, which can be in the form of Annual Tax Return or Periodic Tax Return for the year or period which are audited. Disclosure of the incorrect filing of the Tax Return shall be made in a separate report and must reflect the actual situation so that the actual amount of tax payable can be found. However, to prove the truth of the Taxpayer's report, the audit process will continue until it is complete.

## Paragraph (5)

Self-explanatory.

## Paragraph (5a)

Self-explanatory.

## Paragraph (6)

In connection with the issuance of a tax assessment letter, Objection Decision Letter, Correction Decision Letter, Appeal Decision, or Case Review Decision over a Tax Year which results in a fiscal loss that is different from the fiscal loss that has been compensated in the Annual Tax Return for the following year or subsequent years, adjustments will be made to fiscal losses in accordance with the tax assessment letter, Objection Decision Letter, Correction Decision Letter, Appeal Decision, or Case Review Decision in the calculation of income tax for the subsequent years, the limitation of the 3 (three) month period is intended for orderly administration without eliminating Taxpayer rights to compensation for losses.



In the event that the Taxpayer corrects the Tax Return after the period of 3 (three) months or the Taxpayer does not submit a correction as a result of a tax assessment, Objection Decision Letter, Correction Decision Letter, Appeal Decision, or Case Review Decision of the previous Tax Year or several previous Tax Years, which states a fiscal loss which are different from the fiscal loss that has been compensated in the Annual Income Tax Return, the Director-General of Taxes will take this into account in determining the tax obligations of the Taxpayer.

For a clearer explanation the following is the example:

**Example 1:**

PT A submits Annual Tax Return for Income Tax of the year 2021 which states:

Net Income amounting to	=	IDR 200,000,000.00
Compensation for loss based on Annual Tax Return for Income Tax of the year 2020 amounting to	=	IDR 150,000,000.00 (-)
Taxable Income amounting to	=	IDR 50,000,000.00
The Annual Tax Return for Income Tax of the year 2020 is audited, and on 6 January 2023 a tax assessment letter is issued which states fiscal loss amounting to	=	IDR 70,000,000.00

Based on said tax assessment letter the Director-General of Taxes will change the calculation of the Taxable Income of the year 2021 into as follows:

Net Income	=	IDR 200,000,000.00
Loss based on tax assessment for 2020	=	IDR 70,000,000.00 (-)
Taxable Income	=	IDR 130,000,000.00

Thus, the taxable income from the Tax Return which initially is IDR 50,000,000.00 (IDR 200,000,000.00 - IDR 150,000,000.00) after correction become IDR 130,000,000.00 (IDR 200,000,000.00 - IDR 70,000,000.00)

**Example 2:**

PT B submits Annual Tax Return for Income Tax of the year 2021 which states:

Net Income amounting to	=	IDR 300,000,000.00
Compensation for loss based on Annual Tax Return for Income Tax of the year 2020 amounting to	=	IDR 200,000,000.00 (-)
Taxable Income amounting to	=	IDR 100,000,000.00

The Annual Tax Return for Income Tax of the year 2020 is audited, and on 6 January 2023 a tax assessment letter is issued which states fiscal loss amounting to IDR 250,000,000.00.

Based on said tax assessment letter the Director-General of Taxes will change the calculation of the Taxable Income of year 2021 into as follows:

Net Income	=	IDR 300,000,000.00
Loss based on tax assessment of year 2020	=	IDR 250,000,000.00 (-)

Taxable Income = IDR 50,000,000.00

Thus, the taxable income from the Tax Return which initially is IDR 100,000,000.00 (IDR 300,000,000.00 - IDR 200,000,000.00) after correction become IDR 50,000,000.00 (IDR 300,000,000.00 - IDR 250,000,000.00).

## Number 2

### Article 9

#### Paragraph (1)

The due date of payment and deposit of payable taxes for a certain time or Tax Period is determined by the Minister of Finance with a time limit not exceeding 15 (fifteen) days after the time the tax becomes payable or the end of the tax period. The delay in said payment and deposit results in being subject to administrative sanctions in accordance with the provisions of tax laws and regulations.

#### Paragraph (2)

Self-explanatory.

#### Paragraph (2a)

Self-explanatory.

#### Paragraph (2b)

Self-explanatory.

#### Paragraph (2c)

Self-explanatory.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (3a)

Self-explanatory.

#### Paragraph (4)

Self-explanatory.

## Number 3

### Article 11

#### Paragraph (1)

If after calculating the actual amount of tax payable with the amount of tax credit the result shows the difference in excess (the amount of tax credit is greater than the amount of tax payable) or a tax payment that should not have been payable has been made, the Taxpayer has the right to request a refund of tax overpayment, with the condition that Taxpayer does not have tax debt.

In the event that the Taxpayer still has tax debt covering all types of taxes both at the central and branch offices, the excess payment must be calculated first with the tax debt and if there is still excess, shall be refunded to the Taxpayer.

#### Paragraph (1a)

Self-explanatory.

#### Paragraph (2)

In order to guarantee legal certainty for Taxpayer and orderly administration, the deadline for the refund of tax overpayment shall be determined to be 1 (one) month:

- a. for Overpaid Tax Assessment Letter as referred to in Article 17 paragraph (1), calculated from the date the written application is received regarding the refund of tax overpayment;
- b. for Overpaid Tax Assessment Letter as referred to in Article 17 paragraph (2) and Article 17B, calculated from the date of the issuance;
- c. for Advance Tax Overpayment Refund Decision Letter as referred to in Article 17C or Article 17D, calculated from the date of the issuance;
- d. for Objection Decision Letter, Correction Decision Letter, Administrative Sanction Deduction Decision Letter, Administrative Sanction Exemption Decision Letter, Tax Assessment Deduction Decision Letter, Tax Assessment Deduction Decision Letter, Tax Assessment Cancellation Decision Letter, or Interest Reward Awarding Decision Letter, calculated from the date of the issuance;
- e. for Appeal Decision calculated from the date the Appeal Decision is received by the Directorate-General of Taxes Office authorized to implement court decision; or
- f. for Case Review Decision calculated from the date the Case Review Decision is received by the Directorate-General of Taxes Office authorized to implement court decision

until the time the Tax Overpayment Refund Decision Letter is issued.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (3a)

Self-explanatory.

#### Paragraph (4)

Self-explanatory.

### Number 4

#### Article 13

#### Paragraph (1)

Self-explanatory.

#### Paragraph (2)

Self-explanatory.

#### Paragraph (2a)

Self-explanatory.

#### Paragraph (2b)

Self-explanatory.

#### Paragraph (3)

This paragraph regulates the administrative sanction of a tax assessment for violating tax obligations as referred to in paragraph (1) letter b, letter c, and letter d. An administrative sanction in the form of an increase shall be a proportional amount that must be added to

the underpaid tax principal.

The amount of administrative sanctions in the form of increases varies according to the type of tax, namely for the type of Income Tax paid by the Taxpayer, the administrative sanction is in the form of an increase of 50% (fifty percent); for the type of Income Tax withheld by another person or entity, administrative sanctions are in the form of an increase 100% (one hundred percent); while for the type of Value-Added Tax and Luxury Goods Sales Tax, the administrative sanction is in the form of an increase of 100% (one hundred percent).

Paragraph (3a)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Has been removed.

Paragraph (6)

Self-explanatory.

Number 5

#### Article 13A

Has been removed.

Number 6

#### Article 14

Paragraph (1)

Self-explanatory.

Paragraph (2)

According to this paragraph, a Tax Bill is equalized in legal force with a tax assessment so that in the case of collection it can also be done with a Warrant (Surat Paksa).

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Has been removed.

Paragraph (5b)

Self-explanatory.

Paragraph (5c)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 7

## Article 15

### Paragraph (1)

To accommodate the possibility of an Underpaid Tax Assessment Letter which turns out to be lower or the tax payable in a Nil Tax Assessment is lower or an improper tax refund has been made as stipulated in an Overpaid Tax Assessment Letter, the Director-General of Taxes has the authority to issue an Additional Underpaid Tax Assessment Letter within a period of 5 (five) years after the time the tax becomes payable or the end of the Tax Period, part of Tax Year or Tax Year.

Additional Underpaid Tax Assessment Letter is a correction to the previous tax assessment letter. Additional Underpaid Tax Assessment Letter is only issued if a tax assessment has been issued. In principle, in order to issue an Additional Underpaid Tax Assessment Letter, it is necessary to conduct an audit. If a previous tax assessment was issued based on an audit, it is necessary to re-audit it before issuing an Additional Underpaid Tax Assessment Letter. In the event that the previous tax assessment is issued based on other information as referred to in Article 13 paragraph (1) letter a, the Additional Underpaid Tax Assessment Letter must also be issued based on an audit, but not a re-audit.

Therefore, it is impossible to issue an Additional Underpaid Tax Assessment Letter before a tax assessment is issued. The issuance of an Additional Underpaid Tax Assessment Letter shall be carried out on the condition that there is new data including data that was not previously disclosed which causes additional tax payable in the previous tax assessment letter. Accordingly, after an Overpaid Tax Assessment Letter is issued as a result of the 12 (twelve) months that has passed as referred to in Article 17B, an Additional Underpaid Tax Assessment Letter is issued only in the event that new data is found including data that has not been previously disclosed. In the event that new data is still found, including data that was not previously disclosed at the time of the issuance of the Additional Underpaid Tax Assessment Letter, and/or new data including data that was not previously disclosed which is known later by the Director-General of Taxes, the Additional Underpaid Tax Assessment Letter may be published again.

“new data” is data or information regarding everything that is needed to calculate the amount of tax payable which the Taxpayer has not notified at the time of initial determination, either in the Tax Return and its attachments or in the company's bookkeeping submitted at the time of the audit.

In addition, what is included as new data is the data that initially has not been disclosed, namely data that:

- a. has not been disclosed by Taxpayer in Tax Return along with its attachments (including financial statements); and/or
- b. at the time of the audit, the Taxpayer does not disclose data and/or provide other information correctly, completely and in detail so that it is not possible for the tax authorities to apply the provisions of tax laws and regulations correctly in calculating the amount of tax payable.

Even though the Taxpayer has notified the data in the Tax Return or disclosed it at the time of the audit, but if notifying it or disclosing it in such a way as to make it impossible for the tax authorities to correctly calculate the amount of tax payable so that the amount of tax payable is determined to be less than it should be, it shall be included in the meaning of data which was not previously disclosed.

For example:

1. in the Tax Return and/or financial statements it is written that the advertisement cost is IDR 10,000,000.00, when actually said cost comprises of IDR 5,000,000.00 for advertisement in mass media and the remaining IDR 5,000,000.00 are donations or gifts that cannot be charged as expenses.

If at the time of the initial determination the Taxpayer did not disclose these details so that the tax authorities did not make corrections to the expenses in the form of donations or gifts so that the tax payable could not be calculated correctly, the data regarding the expenditures in the form of donations or gifts would be classified as data which had not been disclosed.

2. In the Tax Return and/or financial statements, the classification of fixed assets which are depreciated is stated without accompanied by details of the assets in each group concerned, likewise during the audit for the initial determination, the Taxpayer did not disclose these details so that the tax authorities could not examine the correctness of the classification, for example assets which should be included in the group of group 3 non-building tangible assets, but are grouped into group 2. As a result, no correction is made for the classification of assets, so the tax payable cannot be calculated correctly. If after that it is discovered that there is data stating that the classification of the assets is not correct, then the data is included as data that had not been disclosed.
3. Taxable Businesses purchase a number of goods from other Taxable Businesses and the seller issues a tax invoice for the purchase. Some of these goods are used for activities that have a direct relationship with their business activities, such as expenses for production, distribution, marketing and management activities, and some others do not have a direct relationship. The entire tax invoice is credited as Input VAT by the buyer's Taxable Businesses.

If at the time of the initial determination the Taxable Businesses does not disclose the details of the use of said goods correctly so that the tax authorities do not make a correction on the crediting of said Input VAT, as a result, the Value-Added Tax payable cannot be calculated correctly. If after that it is discovered that there is data or information regarding an error in crediting Input VAT that does not have a direct relationship with the business activity in question, the data or information is data that has not been previously disclosed.

#### Paragraph (2)

In the event that after the issuance of a tax assessment letter, it turns out that new data is still found, including previously undisclosed data that has not been calculated as the basis for the determination, the underpaid tax is collected with an Additional Underpaid Tax Assessment Letter plus administrative sanctions in the form of an increase of 100% (one hundred percent) of underpaid taxes.

#### Paragraph (3)

Self-explanatory.

#### Paragraph (4)

Has been removed.

#### Paragraph (5)

Self-explanatory.

Number 8

### Article 17B

#### Paragraph (1)

“the application letter is duly received” means the Tax Return has been filled completely as referred to in Article 3.

Tax assessment letter issued based on the audit result of overpaid tax refund application may be in the form of Underpaid Tax Assessment Letter or Overpaid Tax Assessment Letter.

Paragraph (1a)

“undergoing preliminary evidence examination” started from the date the preliminary evidence examination notification letter is delivered to the Taxpayer, representative, proxy, employee, or adult family member of Taxpayer.

Paragraph (2)

The deadline as referred to in paragraph (1) is intended to provide legal certainty for the application of Taxpayers or Taxable Businesses so that if the deadline is exceeded and the Director-General of Taxes does not issue a decision, the application is considered granted. In addition, the said deadline is also intended for the purpose of orderly tax administration.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Number 9

**Article 19**

Self-explanatory.

Number 10

**Article 27A**

Has been removed.

Number 11

**Article 27B**

Self-explanatory.

Number 12

**Article 38**

Self-explanatory.

Number 13

#### **Article 44B**

Paragraph (1)

In the interest of state revenue, at the request of the Minister of Finance, the Attorney General may terminate the investigation of tax crime as long as the criminal case has not been submitted to court.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 114

Number 1

#### **Article 141**

Self-explanatory.

Number 2

#### **Article 144**

Has been removed.

Number 3

#### **CHAPTER VIA**

Self-explanatory.

Number 4

#### **Article 156A**

Self-explanatory.

#### **Article 156B**

Self-explanatory.

Number 5

#### **Article 157**

Paragraph (1)

The submission of the Draft Regional Regulation to the Minister of Finance is intended to facilitate and accelerate the coordination process.



Paragraph (2)

Self-explanatory.

Paragraph (3)

Has been removed.

Paragraph (4)

Has been removed.

Paragraph (5)

Self-explanatory.

Paragraph (5a)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Has been removed.

Paragraph (8)

Self-explanatory.

Paragraph (9)

Self-explanatory.

Paragraph (10)

Self-explanatory.

Number 6

Self-explanatory.

**Article 158**

Number 7

Self-explanatory.

**Article 159**

Number 8

Self-explanatory.

**Article 159A**

Article 115

Number 1

Self-explanatory.

**Article 1**

Number 2

**Article 37**

Self-explanatory.

Number 3

**Article 38**

Paragraph (1)

"mandatory quality standards" is the Indonesian national standard (SNI) which is enforced compulsorily on fishery commodities and salt commodities.

Paragraph (2)

Self-explanatory.

Number 4

**Article 38A**

Self-explanatory.

Number 5

**Article 74**

Self-explanatory.

Article 116

Has been removed.

Article 117

Number 1

**Article 1**

Self-explanatory.

Number 2

**Article 87**

Paragraph (1)

BUM Village is established by Village Government to utilize all economic potentials, economic institutions, as well as potential of natural and human resources in order to improve the welfare of the Village community. BUM Village specifically cannot be equated with legal entities such as limited liability companies or cooperatives. Therefore, BUM Village is a village-characterized business entity which in the implementation of its activities aside from assisting the implementation of Village Administration, is also to meet the needs of the Village community. BUM Village can also carry out functions of services, trade, and other economic development. In increasing the source of village income, BUM

Village can collect savings at the local scale of the Village community, among others, through managing revolving funds and savings and loans. BUM Village in its activities is not only oriented towards financial benefits, but also oriented to support the improvement of the welfare of the Village community. BUM Village is expected to be able to develop business units in utilizing economic potential. In the event that business activities can operate and develop well, it is very possible that in time, BUM Village follows the legal entity that has been stipulated in the provisions of laws and regulations.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

In the framework of integrated regional development, a BUM Village and business units under it in carrying out business activities must comply with the regional development master plan.

Paragraph (5)

Self-explanatory.

Article 118

Number 1

**Article 44**

Paragraph (1)

30 (thirty) days is calculated since an excerpt of the Commission's decision has been received by the businesses or its proxy.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Number 2

**Article 45**

Self-explanatory.

Number 3

**Article 46**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Letter a

Self-explanatory.

Letter b

The termination of vertical integration, among others, is carried out by canceling agreements, transferring some companies to other businesses, or changing the form of their production series.

Letter c

What is ordered to be terminated are certain activities or actions and not the business activities of the businesses as a whole.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Compensation is given to businesses and to other parties who are harmed.

Letter g

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 4

**Article 48**

Self-explanatory.

Number 5

**Article 49**

Has been removed.

Article 119

Self-explanatory.

Article 120

Number 1

**CHAPTER V**

Self-explanatory.

Number 2

**Article 66**

Self-explanatory.

Article 121

**Article 48**

Paragraph (1)

"integrated" is an effort to direct and synergize among others in the formulation of planning, programs, budgets, and Science and Technology Resources in the fields of Research, Development, Assessment and Application to produce Inventions and Innovations as a scientific basis in the formulation and stipulation of national development policies.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 122

Self-explanatory.

Article 123

Number 1

**Article 8**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory

Letter b

The borrow-to-use forest area mechanism is used specifically for projects that are not permanent in nature.

Number 2

**Article 10**

Letter a

Self-explanatory.

## Letter b

Self-explanatory.

## Letter c

"dam" is a building in the form of landfill, rock fill, concrete, and/or stone masonry which is constructed not only to hold and contain water but also to hold and accommodate mining waste (tailings) or mud to form a reservoir.

"weir" is an embankment to hold water in rivers, seaside, and so forth.

## Letter d

Self-explanatory.

## Letter e

Self-explanatory.

## Letter f

Self-explanatory.

## Letter g

Self-explanatory.

## Letter h

"waste" is waste in accordance with the law governing waste management.

## Letter i

Self-explanatory.

## Letter j

"public safety facilities" are all facilities needed to mitigate the consequences of a disaster including, among others, emergency hospitals, emergency shelters, and embankments for mitigating the dangers of floods, lava, and landslides.

## Letter k

Self-explanatory.

## Letter l

"social facilities" are used, among others, for prayers or religious purposes.

"public green open space" is a green open space in accordance with the law on spatial planning.

## Letter m

Self-explanatory.

## Letter n

"Central, Regional, or Village Government offices" are facilities and infrastructure for carrying out government functions, including correctional institutions, state detention houses, and other correctional institution technical implementing unit.

## Letter o

"housing for low-income community" is community housing built on the land of Central Government or Regional Government and its residents are given the status of a rental house.

## Letter p

Self-explanatory.

Letter q

Self-explanatory.

Letter r

"public markets and public parking lots" are markets and parking lots that are planned, implemented, managed and owned by the Central Government and/or Regional Government and their management may be carried out in collaboration with State-Owned Enterprises, Regionally-Owned Enterprises, or private business entities.

Letter s

Self-explanatory.

Letter t

Self-explanatory.

Letter u

Self-explanatory.

Letter v

Self-explanatory.

Letter w

Self-explanatory.

Letter x

Self-explanatory.

Number 3

#### **Article 14**

Self-explanatory.

Number 4

#### **Article 19**

Paragraph (1)

"State-Owned Asset/Regionally-Owned Asset managers and users" are as regulated in the provisions of laws and regulations in the field of State treasury.

Paragraph (2)

"affected communities" is for example the community directly adjacent to the location of the land procurement.

Paragraph (3)

"power of attorney" is a power of attorney to represent the Public Consultation in accordance with the provisions of laws and regulations.

"from and by an Entitled Party" is the recipient of the power of attorney and grantor of power of attorney which both originated from the Entitled Party.

Paragraph (4)

Self-explanatory.

Paragraph (5)  
Self-explanatory.  
Paragraph (6)  
Self-explanatory  
Paragraph (7)  
Self-explanatory.  
Paragraph (8)  
Self-explanatory

Number 5

#### **Article 19A**

Self-explanatory.

#### **Article 19B**

Self-explanatory.

#### **Article 19C**

Self-explanatory.

Number 6

#### **Article 24**

Self-explanatory.

Number 7

#### **Article 28**

Paragraph (1)

Inventory and identification are carried out to determine the Entitled Party and the Land Procurement Object. The results of the inventory and identification contain a list of nominations for Entitled Parties and Land Procurement Objects. Entitled Parties include the name, address and occupation of the party who controls/owns the land. Land Procurement Objects include location, area, status, and type of land use and utilization.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Number 8

#### **Article 34**

Self-explanatory.



## Number 9

**Article 36**

## Paragraph (1)

## Letter a

Self-explanatory.

## Letter b

Self-explanatory.

## Letter c

"resettlement" is the process of providing substitute land to the Entitled Party to another location in accordance with the agreement in the Land Procurement process.

## Letter d

"Compensation in the form of share ownership" is the participation of shares in development activities for the relevant Public Interest and/or its management based on an agreement between the parties.

## Letter e

Other forms agreed by both parties include a combination of 2 (two) or more forms of Compensation as referred to in letter a, letter b, letter c, and letter d.

## Paragraph (2)

Self-explanatory.

## Number 10

**Article 40**

In principle, the provision of compensation must be submitted directly to the party eligible to compensation. If unable to do so, the party eligible due to law may grant power of attorney to other parties or the heirs. The recipient of power of attorney may only receive power of attorney from one person who is eligible for the Compensation.

Entitled Parties include:

- a. land rights holders;
- b. right-to-manage holder;
- c. nadzir, for waqf land;
- d. owners of formerly customary land;
- e. customary law communities;
- f. parties who owns the state land in good faith, including abandoned land, land of former western rights.
- g. holders of the basic tenure of land; and/or
- h. owner of buildings, plants or other objects related to land.

"parties who control state land in good faith" are:

1. control of land recognized by laws and regulations;

2. there are no objection from the Customary Law Community, sub-district/village or referred to with other names, or other parties over control of the Land either before or during the announcement; and
3. the control is proven by the testimony of 2 (two) reliable witnesses;

In the provisions, Compensation is given to holders of Land Rights. For the right-to-build or right-to-use over land that does not belong to them, the Compensation is given to the holder of the right-to-build or right-to-use over buildings, plants, or other objects related to the land that they possess or own, while Compensation for the land is given to holders of freehold title or right-to-manage. Compensation for customary land rights is given in the form of substitute land, resettlement, or other forms as agreed by the customary law community concerned. The party who controls state land and who may be compensated is the user of the state land who is in accordance with or does not violate the provisions of laws and regulations.

For example, the former holder of rights that has expired who is still using or utilizing the land concerned, the party who controls the state land based on lease, or other parties who use or utilize free state land without violating the provisions of laws and regulations

"holders of the basic tenure of land" is the party who has evidence issued by an authorized official which proves the existence of control in question over the land concerned, for example, the holder of a sale and purchase deed of Land Rights that has not been transferred, the holder of a sale and purchase deed of customary ownership rights that have not been issued a certificate, and the holder of a residence permit.

Buildings, plants, or other objects related to land yet to be or not owned with a Land Right, the compensation is given to owners of buildings, plants, or other objects related to land.

Number 11

#### Article 42

Self-explanatory.

Number 12

#### Article 46

Self-explanatory.

Article 124

Number 1

#### Article 44

Paragraph (1)

Self-explanatory.

Paragraph (2)

"public interest" is the interest of the majority of the community which includes the interests of building public roads, reservoirs, dams, irrigation, drinking water or clean water channels, drainage and sanitation, irrigation buildings, ports, airports, stations and railways, terminals, public safety facilities, nature reserves, and power plants and grids.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Number 2

## **Article 73**

Self-explanatory.

Article 125

Self-explanatory.

Article 126

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Agrarian reform within the framework of the land bank does not include land in forest areas.

Paragraph (2)

Self-explanatory.

Article 127

Self-explanatory.

Article 128

Self-explanatory.

Article 129

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

"has been used and/or utilized in accordance with the purpose of the granting of the rights" is that the holder of the land rights has a certificate of eligibility to function.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 130

Self-explanatory.

Article 131

Self-explanatory.

Article 132

Self-explanatory.

Article 133

Self-explanatory.

Article 134

Self-explanatory.

Article 135

Self-explanatory.

Article 136

Self-explanatory.

Article 137

Self-explanatory.

Article 138

Self-explanatory.

Article 139

Self-explanatory.

Article 140

Self-explanatory.

Article 141

Self-explanatory.

Article 142

Self-explanatory.

Article 143

Self-explanatory.

Article 144

Paragraph (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Ownership of multistory housing units by foreign citizens shall only be granted in Special Economic Zones, Free Trade and Free Port Zones, Industrial Zones, and other economic zones.

Letter d

Ownership of multistory housing units by foreign legal entities shall only be granted in Special Economic Zones, Free Trade and Free Port Zones, Industrial Zones, and other economic zones.

Letter e

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 145

Self-explanatory.

Article 146

Self-explanatory.

Article 147

Self-explanatory.

Article 148

Self-explanatory.

Article 149

Self-explanatory.

Article 150

Number 1

Self-explanatory.

Number 2

#### Article 1



#### Article 3

Paragraph (1)

Letter a

Self-explanatory.

Letter b

“logistic and distribution” is business activities including, among others: storing, assembling, sorting, packing, distributing, repairing and conditioning activities for domestic and oversea machinery.

Letter c

“technology development” is business activities including, among others: research and technology, building design and engineering, applied technology, and software development activities, as well as services in the information technology sector.

Letter d

“tourism” is business activities including, among others: tourism business activities to support the organization of entertainment and recreation, meetings, incentive trips and exhibitions, as well as related activities.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

“housing for workers” is the construction of housing which are separate from existing business activities in KEK.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Number 3

#### **Article 4**

Letter a

“protected areas” are areas designated with the main function of protecting environmental sustainability that encompass natural resources and artificial resources.

Letter b

“have clear boundaries” are natural boundaries (river or sea) or artificial boundaries (fence or wall).

Letter c

Self-explanatory.

Number 4

#### **Article 5**

Self-explanatory.

Number 5

#### **Article 6**

Paragraph (1)

Self-explanatory.

## Paragraph (2)

## Letter a

The proposed development location can be a new area or the expansion of an existing KEK.

## Letter b

“KEK spatial layout plan” is the space allotment plan in KEK location.

“zoning arrangements” is the KEK development plan determined by Business Entity, Regional Government, Central Government, or KEK Management Business Entity.

## Letter c

Self-explanatory.

## Letter d

Self-explanatory.

## Letter e

Self-explanatory.

## Letter f

Self-explanatory.

## Letter g

Self-explanatory.

## Number 6

Self-explanatory.

**Article 8A**

## Number 7

Self-explanatory.

**Article 10**

## Number 8

Removed.

**Article 11**

## Number 9

**Article 13**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

The cooperation materials and requirements shall include, among others, the cooperation period, accountability for assets originating from the Central Government, Regional



Government and the private sector, as well as ownership rights after the cooperation period ends.

Number 10

**Article 16**

Self-explanatory.

Number 11

**Article 17**

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Management standards within KEK shall regulate, among others, infrastructure and service standards.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

“strategic problems” shall be, among others, the problems that cannot be resolved by Zone Council or related to national and/or regional policies which influence the implementation of KEK management and development.

Letter h

Self-explanatory.

Number 12

**Article 19**

Self-explanatory.

Number 13

**Article 20**

Removed.

Number 14

**Article 21**

Self-explanatory.

Number 15

#### **Article 22**

Self-explanatory.

Number 16

#### **Article 23**

Paragraph (1)

Letter a

Self-explanatory.

Letter b

“non licensing services” is any form of ease of service for fiscal facilities, non-fiscal facilities and information on investment, in accordance with the provisions of laws and regulations.

Examples of non-licensing services are, among others: taxes, customs, excise, traffic of goods, and immigration.

Letter c

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Number 17

#### **Article 24**

Self-explanatory.

Number 18

#### **Article 24A**

Self-explanatory.

#### **Article 24B**

Self-explanatory.

#### **Article 24C**

Paragraph (1)

“the financial management pattern of Public Service Agencies”, is the financial management pattern which provides flexibilities in the form of discretion to implement

healthy business practices to improve services to the community in order to advance public welfare and to enrich the life of the nation.

Paragraph (2)

Self-explanatory.

Number 19

#### **Article 25**

Self-explanatory.

Number 20

#### **Article 26**

Self-explanatory.

Number 21

#### **Article 27**

Paragraph (1)

Self-explanatory.

Paragraph (2)

At areas that are not designated as KEK, there are provisions regarding import restriction. However, the provisions regarding said import restriction cannot be applied for goods imported into a KEK considering that the goods imported into the KEK are used for the construction and operation of KEK. If import restrictions are imposed in a KEK, it can reduce the competitiveness of the KEK.

Paragraph (3)

Self-explanatory.

Paragraph (4)

“nationally integrated electronic system” is the integration of system nationally which allows the submission of single data and information, single and synchronous processing of data and information, and the submission of a single decision to grant licensing in accordance with the provisions of laws and regulations.

Paragraph (5)

Self-explanatory.

Number 22

#### **Article 30**

Self-explanatory.

Number 23

#### **Article 31**

Removed.

## Number 24

**Article 32**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

“utilization of intangible Taxable Goods and Taxable Services in KEK” is the utilization either from within the KEK itself or from other KEKs, Outside the Customs Area, Other Places within the Customs Area, Free Zones, and Bonded Storage Areas.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

## Number 25

**Article 32A**

## Paragraph (1)

“consumer goods” encompass, among others:

- a. Consumer goods needed by Business Actors in KEK whose main activities are not production and processing in running their business;
- b. the usage time is relatively short; and
- c. not intended for use outside of KEK.

The types and amount are proposed by Administrators and approved by the National Council

## Paragraph (2)

Self-explanatory.

## Number 26

**Article 33A**

## Paragraph (1)

“independent customs service” includes, among others, attachment and/or removal of safety signs, services for the entry of goods, services for unloading goods, services for stockpiling goods, services for loading goods, services for releasing goods; and/or other services.

## Paragraph (2)

Self-explanatory.

## Number 27

Number 28

Self-explanatory.

Number 29

Self-explanatory.

Number 30

Self-explanatory.

Number 31

Self-explanatory.

Number 32

#### **Article 35**

#### **Article 36**

#### **Article 38**

#### **Article 38A**

#### **Article 40**

#### **Article 41**

“positions as directors or commissioners” is the position of directors or commissioners listed in the deed of incorporation of the company or its amendment.

This provision is needed in order to increase the competitiveness of KEK.

Number 33

#### **Article 43**

Paragraph (1)

“Special Tripartite Cooperation Institution” is Tripartite Cooperation Institution located in a KEK.

Paragraph (2)

Self-explanatory.

Number 34

#### **Article 44**

Removed.

Number 35

#### **Article 45**

Removed.

Number 36

**Article 47**

“collective work agreement” is a collective work agreement made by a trade union/labor union or several trade unions/labor unions that have been registered with the agency in charge of manpower affairs with entrepreneurs.

Number 37

**Article 48**

Self-explanatory.

Article 151

Self-explanatory.

Article 152

Number 1

**Article 6**

Self-explanatory.

Number 2

**Article 7**

Self-explanatory.

Number 3

**Article 10**

Self-explanatory.

Number 4

**Article 11**

Self-explanatory.

Article 153

**Article 9**

Self-explanatory.

Article 154

Paragraph (1)

In implementing investment, the government shall manage and place a number of funds and/or assets to obtain economic, social, and/or other benefits.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Letter a

Self-explanatory.

Letter b

"Asset management activities" shall refer to, among others, the activities of acquisition, management, company (shares) and fixed asset restructuring, divestments, and so forth that are carried out directly and indirectly, either independently or in cooperation with third parties or through the establishment of a special entity both in the form of an Indonesian legal entity and a foreign legal entity.

Letter c

In cooperating with trust fund entities, the settlor must authorize the trust fund entity in order to manage investment with the Agency.

Letter d

"has the authority to determine potential investment partners" is to appoint partners directly with the consideration of, among others, following business practices that apply internationally and in the framework of accelerating the process of determining potential partners while maintaining good governance. Criteria for potential partners that can be considered shall include, among others, having a good reputation, having the financial capacity to support their investment commitments, and/or having expertise in the investment sector that will be cooperated.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Article 155

Self-explanatory.

Article 156

Self-explanatory.

Article 157

Paragraph (1)

Self-explanatory.

Paragraph (2)

State assets originating from production branches that are important to the state and which affect the lives of many people shall be controlled by the state and cannot be transferred to other people, including the Agency.

State assets that contain or manage land, water, and natural resources contained therein remains to be controlled by the state and are not transferred to become the Agency's assets.

Paragraph (3)

Self-explanatory.

Paragraph (4)

"provisions of laws and regulations," for example: transfer of Ownership Rights to Shares is carried out by Sales-and-Purchase Deed or a Deed of Share Grant; transfer of freehold title to land and/or building is carried out with the Deed of the Land Deed Officials.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

In the decision of the General Meeting of Shareholders for Persero by still referring to provisions and regulations in the articles of association of the said state-owned enterprise or containing, among others, the administrative process for transferring assets including the method of transfer.

Paragraph (8)

Regulation of the Government, among others, regulates the bookkeeping mechanism of the transferred assets, determination of the transferred assets and the fair market value of these assets, and procedures for the transfer.

The regulated mechanism shall take into account business practices that apply internationally and takes into account the principles of independence and transparency of the Agency.

Article 158

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Such cooperation with third parties shall, among others, be conducted with investment partners, state-owned enterprises, government agencies or institutions, or through the appointment of investment managers as incorporated Indonesian or foreign entities.

The Agency, in cooperation with third parties, shall retain its position as the main determinant of business policies and the determinant of decision making in business entities that fulfill the criteria stipulated by the Central Government.

Paragraph (4)

Capital and assets of the Agency shall belong to the Agency, and every loss experienced by the Agency does not constitute losses to the state.

Paragraph (5)



Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

The Regulation of the Government regulates, among others, considerations for making reserves and the use of capital accumulation for reinvestment.

## Article 159

Paragraph (1)

"Third-party" shall include investment partners, investment managers, state-owned enterprises, government agencies or institutions, and/or other entities, both domestic and overseas.

Paragraph (2)

"Other forms of cooperation" may include the establishment of an investment asset under management (fund) with other parties.

The Agency, in cooperation with third parties, shall retain its position as the main determinant of business policies and the determinant of decision making in business entities that fulfill the criteria stipulated by the Central Government.

Paragraph (3)

The transfer of the Agency's assets to be made into equity participation shall take into account the purpose of transfer, asset valuation, and take into account business practices that apply internationally and shall be conducted with sound business principles.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

The Regulation of the Government in this paragraph shall regulate at least:

- a. cooperation with third parties, which includes, among others, the management of the assets under cooperation, profit sharing from cooperation, participation mechanisms, audits of the relevant assets;
- b. the establishment of investment asset under management (fund) which includes capital, the scope of investment objectives, form, type of investment asset under management and investment fund management; and
- c. asset valuation.

Regulation under a Regulation of the Government shall be based on good international practices.

## Article 160

Paragraph (1)

Letter a

Self-explanatory.

## Letter b

Proceeds of business development and development of the Agency's assets may be in the form of profit or fixed assets that are purchased by the Agency during the operational period.

## Letter c

State-owned enterprises' assets may become the Agency's assets through, among others, the sales-and-purchase transaction mechanism.

## Letter d

Self-explanatory.

## Letter e

Other legitimate sources are, among others, assets that are purchased from loans or assets originating from goods that are obtained in accordance with provisions of laws and regulations in the sector of state-/regionally-owned goods.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Article 161

Audit of management and financial accountability of the Agency by public accountants is conducted by following the internationally acknowledged accounting standards as the accounting standards that prevail for similar investment management legal entities.

## Article 162

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

An insolvent condition is a condition in which the Agency lacks capital, which results in difficulties to carry out business activities in the long term.

## Article 163

Self-explanatory.

## Article 164

## Paragraph (1)

The Regulation of the Government regulates, among others, investment policies, disclosure of

information, conflicts of interest, information confidentiality, administration of data and information relating to the managed assets, internal audits, social and environmental responsibility, and risk management by taking into account business practices that apply internationally.

Paragraph (2)

The non-applicability of relevant laws and regulations that regulate the management of state finance/state wealth/state-owned enterprises for the Agency is due to investment and asset management activities have been specifically regulated in this law and its subordinate regulations.

Article 165

Paragraph (1)

The Investment Management Agency may be called with other names, such as: Indonesian Sovereign Wealth Fund or Indonesia Investment Authority.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 166

Self-explanatory.

Article 167

Self-explanatory.

Article 168

Self-explanatory.

Article 169

Self-explanatory.

Article 170

Self-explanatory.

Article 171

Self-explanatory.

Article 172

Self-explanatory.

**Article 173**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

"business entities" are, among others, State-Owned Enterprises and/or Regionally-Owned Enterprises.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

Self-explanatory.

**Article 174**

Self-explanatory.

**Article 175**

## Number 1

Self-explanatory.

**Article 1**

## Number 2

**Article 24**

## Letter a

Self-explanatory.

## Letter b

Self-explanatory.

## Letter c

"objective reasons" are reasons taken based on factual, impartial, and rational facts and conditions and based on the AUPB.

## Letter d

Self-explanatory.

## Letter e

"good faith" is a decision and/or action that is determined and/or carried out based on honesty motives and based on AUPB.

## Number 3

**Article 38**

## Paragraph (1)

Procedures for the utilization of electronic decree shall be guided by the provisions of laws and regulations governing electronic information and transactions.

## Paragraph (2)

Self-explanatory.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Number 4

**Article 39**

## Paragraph (1)

Self-explanatory.

## Paragraph (2)

## Letter a

Self-explanatory.

## Letter b

"requires special attention" is every business or activity conducted or worked by Community Members in the framework of maintaining public order, then Government Agencies and/or Officials need to provide attention and supervision.

## Paragraph (3)

Self-explanatory.

## Paragraph (4)

Self-explanatory.

## Paragraph (5)

## Letter a

Self-explanatory.

## Letter b

"private parties" includes individuals, corporations incorporated in Indonesia, and foreign parties.

## Letter c

Self-explanatory.

## Paragraph (6)

Self-explanatory.

## Paragraph (7)

Self-explanatory.

## Number 5

**Article 39A**

Self-explanatory.

Number 6

**Article 53**

Self-explanatory.

Article 176

Number 1

**Article 16**

Paragraph 1

Self-explanatory.

Paragraph 2

"good practices" is in accordance with standards or provisions that apply internationally.

Paragraph 3

Self-explanatory.

Paragraph 4

Self-explanatory.

Paragraph 5

Self-explanatory.

Paragraph 6

Self-explanatory.

Paragraph 7

Self-explanatory.

Number 2

**Article 250**

"court decision" is a court decision which has been followed by a subsequent judge's decision.

Number 3

**Article 251**

Self-explanatory.

Number 4

**Article 252**

Paragraph 1

Self-explanatory.

Paragraph 2

Self-explanatory.

Paragraph 3

Self-explanatory.

Paragraph 4

The withholding of DAU and/or DBH for the region concerned shall be in the amount of money that has been collected by the region.

Number 5

**Article 260**

Self-explanatory.

Number 6

**Article 292A**

Self-explanatory.

Number 7

**Article 300**

Self-explanatory.

Number 8

**Article 349**

Paragraph 1

"simplification of the types of public services" is combining several types of public services mandated by the provisions of laws and regulations into 1 (one) type of service which accommodates/contains the substance of the combined service within it.

"simplification of public service procedures" is reducing and/or integrating the requirements or steps for service delivery, so as to simplify the process of providing services to the public.

Paragraph 2

Self-explanatory.

Paragraph 3

Self-explanatory.

Number 9

**Article 350**

Self-explanatory.

Number 10

**Article 402A**

Self-explanatory.

## Article 177

Self-explanatory.

## Article 178

Self-explanatory.

## Article 179

Self-explanatory.

## Article 180

Self-explanatory.

## Article 181

Self-explanatory.

## Article 182

Self-explanatory.

## Article 183

Self-explanatory.

## Article 184

Self-explanatory.

## Article 185

Self-explanatory.

## Article 186

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 245

## DISCLAIMER

*"This translation was produced by Hukumonline for the purpose of understanding Indonesian law only and does not constitute an official translation published by the Indonesian Government. Hukumonline has made every effort to ensure the accuracy and completeness of the information that is contained within this translation, however, we are not responsible for any errors, omissions and/or mistakes that occur in the source text. Hukumonline reserves the right to change, modify, add or remove any errors or omissions without any prior notification being given. These services are not intended to be used as legal references, advice and/or opinions and no action should be taken as regards the reliability of any of the information contained herein without first seeking guidance from professional services."*