

**The Guidance and Procedure of Investment Applications
(Regulation of Chairman of the Investment Coordinating Board No.12 /2009)**

BY THE GRACE OF GOD ALMIGHTY

THE CHAIRMAN OF THE INVESTMENT COORDINATING BOARD,

Considering:

- a. that to implement provision in Article 2 and Article 44 of Presidential Decree no.90/2007 on the Investment Coordinating Board;
- b. that to implement provisions in Article 9 paragraph (1) of Government Regulation No.38/2007 on the Sharing of Administrative Affairs among the Government, Provincial Governments and Regency/Municipal Governments;
- c. that to implement provisions in Article 15 paragraph (1) of Presidential regulation No.27/2009 on One-Stop Services in the Field of Investment;
- d. that based on the considerations as referred to in letters a, b, and c, it is necessary to stipulate Regulation of the Chairman of the Investment Coordinating Board on the Guidance and Procedure of Investment Applications;

In view of:

1. Law No.7/1983 on Income Tax (Statute Book of 1983 No.50), Supplement to Statute Book No.3263), as has been several times amended the latest by Law No.36/2008 (Statute Book of 2008 No.133, Supplement to Statute Book No.4893);
2. Law No.10/1995 on Customs Affairs (Statute Book of 1995 No.75, Supplement of Statute Book No.3612), as has been amended by Law No.17/2006 (Statute Book of 2006 No.93, Supplement to Statute Book No.4661);
3. Law No.13/2003 on Manpower (Statute book of 2003 No.39, Supplement to Statute Book No.4279);
4. Law No.32/2004 on Regional Governments (Statute Book of 2004 No.125, Supplement to Statute Book No.4437), as has been several times amended the latest by Law No.12/2008 (Statute Book of 2008 No.59, Supplement to Statute Book No. 4844);
5. Law No.25/2007 (Statute book of 2007 no.67, Supplement to Statute Book No.4724);
6. Law No.40/2007 on Limited Liability Company (Statute Book of 2007 No. 106, Supplement

- to Statute Book No.4756);
7. Law No.20/2008 on Micro, Small and Medium Businesses (Statute Book of 2008 No.93, Supplement to Statute Book No.4866);
 8. Government Regulation No.44/1997 on Partnership (Statute Book of 1997 No.91, Supplement to Statute Book No.3718);
 9. Government Regulation no.27/1999 on Environment Impact Analysis (Statute Book of 1999 No.59, Supplement to Statute Book No.3838);
 10. Government Regulation No.65/2005 on the Guidance of Drawing up and Applying Minimum Service Standards (Statute Book of 2005 No.150, Supplement to Statute book No. 4585);
 11. Government Regulation No.1/2007 on Income Tax Facilities for Investment in Certain Business Fields and/or In Certain Regions (Statute Book of 2007 No.1, Supplement to Statute Book No.4675), as has been several times amended the latest by Government Regulation No.62/2008 (Statute book of 2007 No.132, supplement to Statute Book No.4892);
 12. Government Regulation No.38/2007 on the Sharing of Administrative Affairs among the Government, Provincial Governments and Regency/Municipal Governments (Statute Book of 2007 No.82, Supplement to Statute Book No.4737);
 13. Government Regulation no.45/2008 on the Guidance of Granting Incentives and of Granting Privileges in Regions (Statute Book of 2008 no.68, Supplement to Statute Book No. 4861);
 14. Government Regulation No.24/2009 on Industrial Estates (Statute Book of 2009 No.47, Supplement to Statute Book No.4987);
 15. Presidential Decree No.75/1995 on the Use of Expatriates;
 16. Presidential decree no.90/2000 on the Representative Offices of Foreign Companies;
 17. Presidential Regulation No. 76/2007 on the Criteria and Requirements of Drawing up Closed Business Fields and Open Business Fields under Requirements in the Investment Field;
 18. Presidential Regulation No.77/2007 on the List of Closed Business Fields and Open Business Fields under Requirements in the Investment Field as has been amended by Presidential Regulation No.111/2007;
 19. Presidential Regulation no.90/2007 on the Investment Coordinating Board;
 20. Presidential Regulation no.27/2009 on Integrated One-Stop Services in the Investment Field;
 21. Regulation of the Finance Minister No.176/PMK.011/2009 on Duty-Free Facilities for the Import of Machinery as well as Goods and Materials for the Construction and Development

of Industries within the Framework of Investment;

22. Regulation of the Chairman of the Investment Coordinating Board no.11/2009 on the Procedures of Realizing, Developing and Reporting One-Stop Services in the Investment Field.

DECIDES:

To Stipulate: REGULATION OF THE CHAIRMAN OF THE INVESTMENT COORDINATING BOARD ON THE GUIDANCE AND PROCEDURE OF INVESTMENT APPLICATIONS

**CHAPTER I
GENERAL PROVISIONS**

Article 1

Referred to in this Regulation as:

1. Investment is all sorts of investment made by domestic and foreign investors to do business in the territory of the republic of Indonesia.
2. Foreign investment is the act of investing to do business in the territory of Republic of Indonesia, carried out by foreign investors, either those that fully using foreign capital or those establishing joint venture with domestic investors.
3. Domestic investment is the act of investing to do business in the territory of the Republic of Indonesia, carried out by domestic investors using domestic capital.
4. Investor is either individual or corporate body making investment in the form of domestic investment and foreign investment.
5. Integrated one-stop service, hereinafter referred to as PTSP, is the act of providing licensing and non-licensing services by receiving the delegation of authority from institutes or agencies having the licensing and non-licensing authority, ranging from the process of applying for licenses to the process of issuing documents in one place.
6. Licensing is all sorts of approvals of investment, issued by the government and regional governments having the authority according to the law and regulation.
7. Non-licensing is all sorts of service facilities, fiscal facilities and information on investment, according to the law and regulation.
8. Investment company is a corporate body in the form of legal entity or non-legal entity that makes investment.
9. Investment expansion is the expansion of production capacity to exceed the permissible production capacity.
10. Application for the registration of investment is an application field by an investor for the

- government's preliminary approval of investment plan.
11. Registration of investment, hereinafter referred to as registration, is a kind of the government's preliminary approval as the basis to start an investment plan.
 12. Application for the registration of the investment expansion is an application filed by an investor for the government's preliminary approval of investment expansion plan.
 13. Registration of investment expansion is a kind of the government's preliminary approval as the basis to start an investment expansion plan.
 14. Application for the investment permit in principle is an application filed by a company for a permit from the government to start investment activity.
 15. Investment permit in principle, hereinafter referred to as permit to start investment activity in the business filed that deserves to receive fiscal facilities and requires fiscal facilities to realize investment.
 16. Application for investment expansion permit in principle is an application filed by a company for a permit from the government to start an investment expansion plan.
 17. Investment expansion permit in principle, hereinafter referred to as expansion permit in principle, is a permit to start an investment expansion plan in the business field that deserves to receive fiscal facilities and requires fiscal facilities to realize investment.
 18. Application for permit in principle to make a change in investment is an application filed by a company for a permit from the government to make a change in provisions set in the permit in principle/expansion permit in principle.
 19. Permit in principle for a change in investment, hereinafter referred to as permit in principle for change, is a permit to make a change in provisions set in the previous permit in principle.
 20. Application for a permit from the representation office of foreign company (KPPA) is an application filed by a foreign company for a permit from the government to set up a representation office in Indonesia.
 21. Permit of the representative office of foreign company (KPPA) is a permit to set up the representative office of foreign company in Indonesia.
 22. Application for business permit is an application filed by a company at the time is ready to conduct commercial production/operation both the production of goods and services as the implementation of the registration/permit in principle/investment approval owned by the company, except otherwise stipulated by the sectoral law and regulation.
 23. Business permit is a permit owned by a company to conduct commercial production/operation both the production of goods and services as the implementation of the registration/permit in principle/investment approval owned by the company, except otherwise stipulated by sectoral law and regulation.
 24. Application for expansion business permit is an application filed by a company at the time it is ready to conduct commercial production/operation in connection with the expansion of production capacity to exceed the permissible production capacity, as the implementation of expansion permit in principle/expansion approval owned by the company, except otherwise stipulated by the sectoral law and regulation.
 25. Expansion business permit is a permit owned by a company to conduct commercial production/operation in connection with the expansion of production capacity to exceed the permissible production capacity, as the implementation of expansion permit in principle/expansion approval, except otherwise stipulated by the sectoral law and regulation.

26. Application for a business permit for the merger of investment companies is an application filed by a surviving company for a permit to conduct commercial production/operation after the merger.
27. Business permit for the merger of investment companies is a permit that must be owned by a surviving company after the merger to conduct commercial production/operation of the merged companies.
28. Application for a business permit for change is an application filed by a company for a permit from the government to make a change in provisions set in the business permit/expansion.
29. Business permit for change is a permit owned by a company to make a change in provisions set in the previous business permit/expansion business permit as a result of change in investment.
30. Application for investment facilities is an application filed by a company requiring investment facilities.
31. Approval of the granting of investment facilities is approval given by the BKPM Chairman on behalf of the Finance Minister to grant customs facilities for the import of machinery, goods and materials.
32. Application for income tax facilities is an application filed by a company to benefit from facilities granted by the government.
33. Issuance of proposals/recommendations for the granting of income tax facilities is the proposals/recommendations issued by the BKPM Chairman to the Finance Minister through the Directorate General of taxation for the granting of income tax facilities.
34. Application for Importer Producer's Identification Number (API-P) is an application filed by a company before importing machinery/equipment, goods and materials.
35. Importer Producer's Identification Number (API-P) is an identification number used as a permit to import machinery/equipment, goods and materials for own use in the production process of the relevant investment company.
36. Application for the planned use of expatriates (RITKA), recommendation on work visa (TA.01) and permit to employ expatriates (IMTA) is an application filed by a company to use expatriates to realize its investment.
37. Plan for the use of expatriates (RPTKA) is the endorsement of planned number, post and employment period of expatriates needed as the basis for the endorsement of expatriates employed and the issuance of permit to employ expatriates (IMTA).
38. Recommendation on work visa (TA.01) is a recommendation needed to obtain work visa for expatriates.
39. Permit to employ expatriates (IMTA) is a permit for a company to employ expatriates in certain numbers, posts and period.
40. Report on investment activities, hereinafter referred to as LKPM, is a periodic report on developments in the activities of a company and the obstacles faced by an investor.
41. Report on the results of project audit, hereinafter referred to as LHP, is a report on the results of field audit of investment activities as part of efforts to grant investment facilities, impose and cancel sanctions and control other activities.
42. Provincial apparatuses in the investment field, hereinafter referred to as PDPPM, are elements assisting the regional head in running provincial government, with the model according to the need of each province, tasked with coordinating the investment field in the provincial government.

43. Regency/municipal apparatuses in the investment field, hereinafter referred to as PDKPM, are elements assisting the regional head in running regency/municipal government, with the model according to the need of each regency/municipal government, tasked with coordinating the investment field in the regency/municipal government.
44. The delegation of authority is the handover of tasks, rights, obligations, and responsibilities in the licensing and non-licensing fields, including the signing of documents on behalf of the officials delegating the authority, as follows:
 - a. technical ministers/heads of non-ministerial government institutes (LPDN) to the BKPM Chairman as provided for in Article 26 paragraph (2) of Law No.25/2007 on Investment;
 - b. Governors to PDPPM heads;
 - c. Regents/mayors to PDKPM heads, stipulated in clear description.
45. The delegation of authority is the handover of tasks, rights, obligations, and responsibilities in the licensing and non-licensing fields, including the signing of documents on behalf of the officials delegating the authority, as follows:
 - a. Technical ministers/ heads of non-ministerial government institutes (LPDN) to the BKPM Chairman as provided for in Article 26 paragraph (2) of Law No.25/2007 on Investment; or
 - b. The BKPM chairman to governors as provided for in Article 30 paragraph (8) of Law No.25/2007 on Investment, stipulated in clear description.
46. Assignment is the handover of tasks, rights, authority, obligations, and responsibilities, including the signing of documents on behalf of officials receiving the authority, from the BKPM Chairman to regency/municipal governments to run administrative affairs in the investment field that become the authority of the government based on the substitution rights as provided for in Article 30 paragraph (8) of Law No.25/2007 on Investment, stipulated in clear description.
47. Liaison official of ministry/LPND, provincial government, or regency/municipal government appointed to assist the settlement of licensing and non-licensing affairs, and give information, facilities and privileges in the technical minister/head of LPND, governor or regent/mayor, with clear description of tasks, rights, authority, obligation and responsibilities.
48. Central government, hereinafter referred to as the government, is the President of the Republic of Indonesia holding the administrative power of the Republic of Indonesia as provided for in the Constitution of 1945.
49. Regional government is the governor, regents, mayor, and regional apparatuses as elements running the regional government.
50. Investment Coordinating Board, hereinafter referred to as BKPM, is a non-ministerial government agency responsible in the investment field. Led by a chief seconded and responsible to the President.
51. Electronic System of Information Licensing Services, hereinafter referred to as SPIPSE, is an integrated electronic system of licensing and non-licensing services between BKPM and Ministries/LPND having the licensing and non-licensing authority, PDPPM and PDKPM.

CHAPTER II

PURPOSE AND AIM

Article 2

- (1) The purpose of the Guidance of Investment Procedures is to give guidance to the officers of integrated one-stop services in the investment field, investors, and the public in understanding the procedure of filing and the process of setting applications for licensing and non-licensing services in the investment field.
- (2) The aim of the Guidance of Investment Procedures is to:
 - a. create similar and harmonious procedure and process of settling investment applications;
 - b. give common picture and certainty about the time of settling applications for licensing and non-licensing services in the investment field;
 - c. achieve easy, quick, proper, and transparent services.

CHAPTER III THE AUTHORITY OF PROVIDING INVESTMENT SERVICES

Part One

The Provision of PTSP by the Government in the Investment Field

Article 3

- (1) The provision of PTSP by the government in the investment field is carried out by BKPM based on the delegation of authority from technical ministers/LPND heads having the authority over the affairs of the Government in the investment field that become the authority of Government.
- (2) The affairs of the Government in the investment field that become the authority of the Government carried out through PTSP BKPM as referred to in paragraph (1) consist of:
 - a. investment with inter-provincial scope;
 - b. the affairs of the Government in the investment field covering:
 1. investment related to unrenovable natural resources with high risk of environmental destruction;
 2. investment in the industrial field of high priority on a national scale;
 3. investment related to the function of uniting and linking one area to another or having inter-provincial scope;
 4. investment related to national defence and security strategy;
 5. foreign investment and investors using foreign capital from governments of other countries, based on agreements signed by the Government and the

- governments of other countries; and
6. other investment fields that become the affairs of the Government according to the law.
- (3) The foreign Investment and the investor using foreign capital as referred to in paragraph (2) letter b point 5 cover:
- a. foreign investment made by governments of other countries;
 - b. foreign investment made by foreign nationals or corporate bodies;
 - c. investors using foreign capital from governments of other countries, based on agreements signed by the government of other countries.
- (4) The investment fields as referred to in paragraph (2) letter ,points 1, 2, 3, 4 and 6 accord with those set by technical ministers/LPND heads having the licensing and non-licensing authority that become the affairs of the Government in the investment field.
- (5) The BKPM Chairman shall coordinate with the relevant ministers/agency heads in making an inventory of agreements signed by the Government and governments if other countries in the investment field as referred to in paragraph (2) letter b point 5.

Article 4

- (1) The types of licensing and non-licensing needed to provide PTSP in the affairs of the Government in the investment field that become the authority of the Government, shall be set by technical ministers/LPND heads having the licensing and non-licensing authority.
- (2) Licensing and non-licensing authority procedures for each type of licensing and non licensing referred to in paragraph (1) cover:
- a. technical and non-technical requirements;
 - b. phases of licensing and non-licensing; and
 - c. mechanism of control and sanction.

Part Two

The Provision of PTSP by provincial Governments

In the Investment Field

Article 5

- (1) The provision of PTSP by provincial governments in the investment field is conducted by PDPPM.
- (2) To provide PTSP as referred to in paragraph (1), governors shall delegate the authority of licensing and non-licensing in the affairs of the Government in the investment field that become the authority of the provincial governments to PDPPM heads.

Article 6

The authority of the Government in the investment field as referred to in Article 3 paragraph

(2) can be delegated partly or wholly to governors based on deconsentration principles with PTSP qualifications.

Part Three

The Provision of PTSP by Regency/Municipal Governments in the Investment

Article 7

- (1) The provision of PTSP by regency/municipal governments in the investment field is carried out by PDKPM.
- (2) To provide PTSP as referred to in paragraph (1), regents/mayors shall delegate the authority of licensing and non-licensing in the affairs of the Government in the investment field that become the authority of the regency/municipal governments to PDKM heads.

Article 8

The authority of the Government in the investment field can partly or wholly be assigned to regents/mayors based on assignment with PTSP qualifications.

Part Four

The Provision of PTSP in the Investment Field

in Free Trade Areas and Free Ports

Article 9

The Provision of PTSP in the investment field for investment companies located in free trade areas and free ports is carried out based on the law and regulation in the field of free trade areas and free ports.

CHAPTER IV

THE PROVISION OF INVESTMENT SERVICE

Part One

Business Fields and Models of Corporate Bodies

Article 10

- (1) All business fields are open to investment, except business fields or types of businesses declared closed and open with conditions set by the law and regulation.
- (2) Investors who are to make investment shall observe the law and regulation declaring business fields or types of businesses closed and open with conditions.

Article 11

- (1) Foreign investment must be in the form of limited liability company under the Indonesian law and domiciled in the territory of the Republic of Indonesia, except the law stipulates otherwise.
- (2) Domestic investment can be in the form of corporate body in the form of legal entity, non-legal entity or individual business according to the law and regulation.

Article 12

Investors shall implement provisions and conditions applicable to investment activities set by technical agencies having the licensing and non-licensing authority.

Part Two

Scope of Investment Services

Article 13

- (1) The types of investment services are:
 - a. licensing services;
 - b. non-licensing services.
- (2) The types of investment licensing include:
 - a. registration of investment;
 - b. investment permit in principle;
 - c. investment expansion permit in principle;

- d. permit in principle to make a change in investment;
 - e. business permit, expansion business permit, business permit for the merger of investment companies and business permit of change;
 - f. location permit;
 - g. approval of the use of space;
 - h. building construction permit (1MB);
 - i. nuisance act (UUG/HO);
 - j. permit to take ground water;
 - k. corporate registration number (TDP);
 - l. land titles;
 - m. other permits needed for investment.
- (3) The types of non-licensing services and other facilities include:
- a. import duty facilities for the import of machinery;
 - b. import duty facilities for the import of goods and materials;
 - c. proposal to obtain corporate income tax (PPH) facilities;
 - d. producer importer's identification number (API-P);
 - e. plan for the use of expatriates (RPTKA);
 - f. recommendation on work visa (TA.01);
 - g. permit to employ expatriates (IMTA);
 - h. regional incentives;
 - i. information services and complaint services.

Article 14

- (1) The scope of guidance on the procedure of applying for investment licensing and non-licensing referred to in this Regulation covers licensing as referred to in Article 13 paragraph (2) letters a, b, c, d, and e as well as non-licensing as referred to in paragraph (3) letters a, b, c, d, e, f, and g.
- (2) The guidance on the Procedure of Applying for Investment Licensing and Non-

Licensing as referred to in Article 13 paragraph (2) letters f, g, h, I, j, k, l, and m as well as paragraph (3) letter h shall follow provisions issued by the relevant technical agencies/LPND heads, governors and regents/mayors.

Part Three

The Mechanism of Investment Services

Article 15

- (1) Investors can apply for investment licensing and non-licensing as referred to in Article 13 paragraphs (2) and (3) on a manual basis or through SPIPSE to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.
- (2) In connection with the investment licensing as referred to in paragraph (1) applications for investment licensing as referred to in Article 13 paragraph (2) letters f, g, h, i, j, k, l, and m, shall be filed to each of PTSP-PDPPM or PTSP PDKPM according to the location of their projects.
- (3) Investors can apply in parallel for various licensing and non-licensing only by filing one application through SPIPSE.
- (4) Investors who file application through SPIPSE as referred to in paragraph (1) shall submit application forms, agreements among shareholders recorded by notary public (*waarmerking*), letters of statement and original power of attorney at the time they:
 - a. send the applications through SPIPSE, or
 - b. take licensing and non-licensing issued by PTSP.
- (5) The guidance on the procedure of applying for licensing and non-licensing on an electronic basis as referred to in paragraph (1) is to be provided for in the Regulation of the BKPM Chairman.

Paragraph 1

Registration, Permit in Principle, and Business Permit

Article 16

- (1) Foreign investors that are to invest in Indonesia shall apply for registration to PTSP BKPM before or after they have obtained the status of limited liability company.
- (2) Registration filed before obtaining the status of limited liability company shall be followed up by making the limited liability company's articles of corporation.

- (3) Registration that are not followed up as referred to in paragraph (2) no latter than 6 (six) months after the issuance date of registration shall be declared canceled for the sake of the law.
- (4) If before the period of six (6) months as referred to in paragraph (3) there is a change in provisions related to business field, the Registration that has been issued shall be declared canceled for the sake of the law if it contradicts the new provisions.
- (5) Registration filed after the limited liability company's articles of corporation has been made or after the status of limited liability company has been obtained, shall be valid until the company holds a Permit in Principle or is ready to conduct commercial production/operation.
- (6) Domestic investment companies can apply for registration to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority if needed in taking care of licensing to realize their investment.

Article 17

- (1) Foreign investment companies that have obtained the status of limited liability company whose business fields can obtain fiscal facilities and require fiscal facilities to realize their investment, shall hold Investment Permits in Principle.
- (2) Foreign investment companies as referred to in paragraph (1) that have not made registration can directly apply for Permits in Principle.
- (3) Foreign investment companies whose business fields do not obtain fiscal facilities and/or do not require fiscal facilities to realize their investment are not required to hold permits in Principle.
- (4) Application for Permits in Principle as refereed to in paragraph (1) and (2) shall be filed to PTSP BKPM.

Article 18

- (1) Fiscal facilities as referred to in Article 17 paragraph (1) include:
 - a. import duty facilities for the import of machinery;
 - b. import duty facilities for the import of goods and materials;
 - c. proposal to obtain corporate Income Tax (PPh) facilities.
- (2) Foreign investment companies as referred to in Article 17 paragraphs (1) and (3) can obtain non-fiscal facilities.
- (3) Non-fiscal facilities as referred to in paragraph (2) include:

- a. producer importer's identification number (API-P);
- b. plan for the use of expatriates (RPTKA);
- c. recommendation on work visa (TA.01);
- d. permit to employ expatriates (IMTA).

Article 19

- (1) Domestic investment companies whose business fields can obtain fiscal facilities and requires fiscal facilities to realize their investment shall hold Permits in Principle.
- (2) Domestic investment companies whose business fields do not obtain fiscal facilities and/or do not require fiscal facilities to realize their investment are not required to have Permits in Principle.
- (3) Applications for Permits in Principle as referred to in paragraph (1) shall be field to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.
- (4) Domestic investment companies as referred to in paragraph (2) in taking care of licensing to realize their investment shall hold:
 - a. certificate of the endorsement of the articles of corporation or residence identification card (KTP) for individual company; and
 - b. taxpayer code number (NPMW).
- (5) Domestic investment companies as referred to in paragraph (4) can make Registration if required in taking care of licensing to realize their investment.

Article 20

Investment companies which in realizing their investment are ready to conduct commercial activity/production shall apply for business permits to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

Paragraph 2

Business Development

Article 21

- (1) Investment companies can develop business in the business fields according to the law

and regulation;

- (2) The development of businesses as referred to in paragraph (1) can be the expansion of businesses or the addition of business fields;
- (3) Companies whose initial business activities have Permits in Principle can expand their businesses by securing Expansion Permits in Principle.
- (4) Companies whose initial business activities do not have Permits in Principle can expand their businesses by applying for Registration of Expansion, if required.
- (5) Companies whose initial business activities have or do not have Permits in Principle can increase the number of business fields or the types of production,
 - a. in the business fields that can obtain fiscal facilities by holding Permits in Principle over the addition of business fields/types of production;
 - b. in the business fields that do not obtain fiscal facilities by applying for Registration of the addition of business fields/types of production, if required.

Article 22

- (1) Investment companies that are to expand businesses in the fields that can obtain fiscal facilities and are located in the same location as the previous businesses, shall first hold Business Permits for the previous business activities.
- (2) If the investment companies as referred to in paragraph (1) expand businesses in the location which is different from that of the previous businesses, applications for expansion can be filed without having to hold prior Business Permits for the previous business activities.
- (3) In connection with a plan for expansion as referred to in paragraphs (1) and (2), applications for Expansion Permits in Principle shall be filed to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

Paragraph 3

The Transfer of Foreign Share Ownership

Article 23

- (1) If domestic investment companies that do not have Permits in Principle and have not held Business Permits nor Permits in Principle are to change participation in the capital of the companies due to the inflow of foreign capital that turns the whole/part of the capital of the companies into foreign capital, they shall make the Registration of their investment as a result of the change to PTSP BKPM.
- (2) If domestic investment companies that have held Permits in Principle or Business

Permits are to change participation in the capital of the companies due to the inflow of foreign capital that turns the whole/part of the capital of the companies into foreign capital, they shall apply for Permits in Principle or Business Permits for their investment as a result of the change to PTSP BKPM.

- (3) Domestic investment companies as referred to in paragraph (2) whose business fields constitute the authority of provincial governments and/or regency/municipal government, before applying for Permits in Principle or Business Permits to PTSP BKPM, are required to enclose an introductory letter from PTSP PDPPM or PTSP PDKPM on the planned inflow of foreign capital as referred to in Attachment VIIA.
- (4) If the introductory letter from PTSP PDPPM or PTSP PDKPM has not been issued within a period of 10 (ten) working days at the most, the companies can attach the receipt of the said applications.
- (5) In connection with the applications for Registration as referred to in paragraph (1) PTSP BKPM shall issue:
 - a. a statement of registration if the business field and percentage of foreign share ownership meet the law and regulation;
 - b. a letter of rejection if the business field and percentage of foreign share ownership do not meet the law and regulation as referred to in Attachment VIIB.

Article 24

- (1) Foreign investment companies that hold a certificate of Registration and will change participation in the capital of the companies due to the outflow of the entire foreign capital that changes the entire capital of the companies into domestic capital, shall make the registration of their investment as a result of the change to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to the respective authority.
- (2) Foreign investment companies that hold a certificate of registration and will change participation in the capital of the companies due to the outflow of the entire foreign capital that changes the entire capital of the companies into domestic capital, shall make the registration of their investment as a result of the change to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM.
- (3) Foreign investment companies as referred to in paragraphs (1) and (2) whose business fields constitute the authority of provincial governments and/or regency/municipal governments, before making the registration or applying for permits in principle or business permits to PTSP PDPPM, PTSP PDKPM, are required to attach an introductory letter from PTSP BKPM on the planned outflow of the entire foreign capital.

Paragraph 4

The Merger of Investment Companies

Article 25

Companies that are to merge their business shall comply with the law on anti monopoly and unsound business competition and the law on limited liability company.

Article 26

- (1) The merger of companies can be the merger of foreign investment companies, the merger of domestic investment companies, or the merger of foreign investment companies and domestic investment companies.
- (2) Investment companies that are to merge their business shall hold business permits.
- (3) If companies that merge their businesses do not have business activities still under construction, the surviving company shall hold a business permit for the merger of investment companies before starting commercial production/operation.
- (4) If Companies that merge their businesses have more than 1 (one) business activities and one of the business activities is still under construction :
 - a. for activities that have business permits, the surviving company shall apply for business permit for the merger of investment companies;
 - b. for activities still under construction, if the said activities are found in:
 1. the surviving company, the realization of its activity only uses a permit in principle/expansion permit in principle already owned by the surviving company;
 2. the merging company, to carry out its activities the surviving company shall apply for a permit in principle/expansion permit in principle.
 - c. for activities that are still under construction but do not require fiscal facilities, the surviving company can make registration or directly apply for a business permit/expansion business if it is ready for commercial production/operation.

Paragraph 5

Fiscal/Non-fiscal Facilities and Regional Incentives

Article 27

- (1) Applications for fiscal facilities as referred to in Article 18 Paragraph (1) for investment shall be filed to PTSP BKPM.
- (2) New applications for non-fiscal facilities as referred to in Article 18 Paragraph (3) for

investment shall be filed to PTSP BKPM.

(3) Applications for a change in/extension of non-fiscal facilities to:

a. PTSP BKPM cover:

1. Change in RPTKA;
2. Extension of IMTA for expatriates whose work location covers more than 1 (one) province;
3. Change in/extension of APT.

b. PTSP PSPPM cover:

1. Extension of RPTKA;
2. Extension of IMTA for expatriates whose work location covers more than 1 (one) regencies/municipalities.

c. PTSP PDKPM cover:

- d. Extension of IMTA for expatriates whose work location covers 1(one) regency/municipality.

Article 28

- (1) Applications for regional incentives and/or regional investment facilities for investment shall be filed to PTSP PDPPM or PTSP PDKPM according to their respective authority.
- (2) Provisions on the granting of regional incentives and/or facilities are based on the law and regulations in the granting of regional investment incentive and facilities.

Paragraph 6

Licensing and Non-licensing of Relevant ministries/Agencies at the Central Government

Article 29

- (1) Investment Companies can file applications for licensing and non-licensing that still become the authority of technical ministries/agencies at the central Government through BKPM PTSP.
- (2) the Settlement of application as referred to in paragraph (1) facilitated by the liaison ministries / agencies stationed in PTSP BKPM.

Part Four

The Issuance of Licensing and Non-licensing

Article 30

- (1) the Issuance of Licensing and Non-licensing obtained based on the delegation of

authority as referred to in Article 3 paragraph (2) and (3) is signed by BKPM chairman or the appointed officials on behalf of the minister / LPND head.

- (2) the Issuance of Licensing and Non-licensing obtained based on the delegation of authority as referred to in Article 3 paragraph (2) and (3) is signed by BKPM chairman or the appointed officials.

Article 31

The Issuance of Licensing and Non-licensing obtained based on the delegation of authority as referred to in Article 5 paragraph (2), and the delegation of authority as referred to in Article 6, signed by the PDPPM chairman or the appointed officials on behalf of the governor.

Article 32

The Issuance Licensing and Non-licensing obtained based on the delegation of authority as referred to in Article 7 paragraph (2), and assignment referred to in Article 8, signed by the PDKPM chairman or the appointed officials on behalf of the regent / mayor.

CHAPTER V

INVESTMENT LICENSING SERVICES

Part One

Investment Registration

Article 33

- (1) Application for registration shall be filed to the PTSP, BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authorities
- (2) Application for registration shall be filed by:
- a. governments of other countries and / or foreign nationals and / or foreign corporate bodies;
 - b. governments of other countries and / or foreign nationals and / or foreign corporate bodies, along with Indonesian nationals and / or Indonesian legal entities;
 - c. other individual Indonesian nationals and / or other Indonesia corporate bodies.
- (3) The application for registration as referred to in paragraph (1), shall use the registration form, as referred to in Attachment I, in the form of hardcopy and softcopy based BKPM investors module, accompanied by the personal identification of the applicants:
- a. letter from the government agencies of the relevant countries or letters issued by

- the embassies / diplomatic missions of the relevant countries in Indonesia for applicants are governments of other countries;
- b. copies of valid passport for applicant are foreign individuals;
 - c. copies of Article of Association in English or their translation version in Indonesian language from a sworn translator for applicants are foreign corporate bodies;
 - d. copies of valid resident Identification card (KTP) for applicants are Indonesia individuals;
 - e. copies of Article of Association and amendments as well as endorsement from the Minister of Law and Human Rights for applicants are Indonesian corporate bodies;
 - f. copies of taxpayer code number (NPWP) for applicants are either Indonesian Individuals or Indonesian corporate bodies;
 - g. application for registration with adequate duty stamp are signed by the applicant (if the company has not yet in the form of legal entity) or by the board of directors (if the company is already in the form of legal entity)
 - h. Power of Attorney with adequate duty stamp for the applications that are not directly taken care of by the applicants / the board of directors;
 - i. provisions on power of attorney as referred in letter h are provided for in Article 63 of this Regulation.
- (4) The registration is issued in 1 (one) working days after the application have been received in a complete and correct way.
- (5) The model of registration is contained in Attachment II.

Part Two

Investment Permit in Principle

Article 34

- (1) Applications for Permits in principles for foreign investment companies which have business fields as referred to in Article 3 paragraph (2) and (3) shall be filled to PTSP BKPM using the forms of permit in principles as referred to in Attachment III in the form of hardcopy or softcopy based on the BKPM investors module.
- (2) The Applications for permits in Principles as referred to in paragraph (1) shall be accompanied by:
 - a. identity of the applicants

1. Registration for corporate bodies that have made registration;
2. copies of deeds of corporation and deeds of amendments;
3. copies endorsement of articles of association by the Minister of Law and Human Rights;
4. copies of Tax Payer code number (NPWP).

b. explanations on plan of activity in the form of:

1. Description of production processes containing the types of raw materials, complete with flow chart;
2. Description of business activity in the service sector.

c. recommendations from relevant government agencies, if required

- e. Applications for Permits in Principle shall be filed by the board of directors to PTSP BKPM;
- f. applications that are not directly filed by the board directors to PTSP BKPM shall be accompanied by original power of attorney;
- g. provisions of the power of attorney as referred to in letter e are provided for in Article 63 of this Regulation.

(3) In connection with the applications as referred to in paragraph (1), Permit in Principle shall be issued with copies to:

- a. The Home Affairs Minister;
- b. The Finance Minister;
- c. The Law and Human Rights Minister attn. the Director General of Public Law Administration;
- d. The Minister of nurturing the business field of the relevant;
- e. The State Minister for the Environment, for companies that are required to conduct Environmental Impact Analysis (AMDAL) or Environmental Management Efforts (UKL) / Environment monitoring Efforts (UPL);
- f. The State Minister of Cooperatives and Small and Medium Business (for businesses fields required to established partnership);
- g. The Governor of Bank Indonesia;
- h. The Head of National Agrarian Board (for investment that will have plots of land);
- i. the Republic of Indonesia Ambassador to the countries from which foreign

- investors came;
- j. The Director General of Taxation;
 - k. Director General of Customs and Excise;
 - l. The Director-General of Technical Matters concerned;
 - m. The Relevant Governor;
 - n. The Relevant regent / mayor;
 - o. The PDPPM head;
 - p. The PDKPM head.
- (4) Permits in principle shall be issued no later than 3 (three) working days after the applications have been received in a complete and correct way.
- (5) The model of Permits in principle as referred to in paragraph (4) is contained in Attachment IV.

Article 35

- (1) Application for permits in Principles for domestic investment companies shall be filed by:
- a. individual Indonesian nationals;
 - b. Limited Liability Company (PT) and / or national companies whose shares are entirely owned by Indonesian nationals;
 - c. partnership (CV), or Firms (Fa), or Individual Business
 - d. Cooperative
 - e. Foundation, established by Indonesian nationals / national companies whose shares are entirely owned by Indonesian nationals; or
 - f. State Owned Companies (BUMN) or Regional government-owned companies (BUMD).
- (2) The Applications for Permit in Principles as referred to in paragraph (1) shall be filed by the applicants to PTSP BKPM, PTSP PDPPM or PTSP PDKPM according to their respective authority using the form of Permit in Principle as referred to in Attachment III in the form of hardcopy or softcopy on BKPM in investors module.
- (3) The Applications for Permits in Principles as referred to in paragraph (1) shall be accompanied by:
- a. identity of the applicants
 - 1. registration for corporate bodies that has made registration

2. copies of articles of corporation and amendments for limited liability companies (PT), partnerships(CV), firms (Fa) or records of articles of association for cooperatives;
 3. copies of the endorsement of Articles of Association of Companies by the Minister of Law and Human Rights or the endorsement of Articles of Association of Cooperatives by the authorized agency;
 4. copies of resident identification card (KTP) for individuals;
 5. copies of Taxpayer Code Number (NPWP).
- b. Explanation on plan of activity, in the form of
1. description of production process containing the types of raw material, complete with flow chart;
 2. description of business activities in the service sector.
- c. Recommendation from the relevant government agencies, if required;
- d. Application that are not directly filed by the applicant to PTSP as referred to in paragraph (1) shall be accompanied by original power of attorney;
- e. Provisions on the power of attorney as referred to in letter d are provided for in Article 63 of this Regulation.
- 4) In connection with the application as referred to in paragraph (1), permits in principle shall be issued with copies addressed to:
- a. The Home Affairs Minister;
 - b. The Finance Minister;
 - c. The Law and Human Rights Minister attn. the Director General of Public Law Administration;
 - d. The minister nurturing the business field of the relevant investment;
 - e. The State Minister for the Environment, for companies required to conduct environmental impact analysis (AMDAL) or environmental management effort (UKL)/ environment monitoring effort (UPL);
 - f. The State Minister for Cooperatives and Small Business (for business fields required to establish partnership);
 - g. The Governor of Bank Indonesia;
 - h. The Head of the National Agrarian Board (for investment that will have plots of land);
 - i. The Director General of Taxation;
 - j. The Director General of Customs and Excise;
 - k. The Director General of Technical Matters concerned;
 - l. The relevant governor;
 - m. The relevant regent/mayor;
 - n. The BKPM Chairman (especially for investment permits in principle issued by PTSP PDPPM and PTSP PDKPM);
 - o. The PDPPM head (especially for investment permits in principle issued by PTSP BKPM and PTSP PDKPM); and/or
 - p. The PDKPM head (especially for investment permits in principle issued by PTSP BKPM and PTSP PDPPM).
- 5) Permits in principle are issued no later than 3 (three) work days after the applications have been received in a complete and correct way.
- 6) The model of permits in principle as referred to in paragraph (5) is contained in

Attachment IV.

Part Three

Investment Expansion Permits in Principle

Article 36

1) Application for expansion permits in principle shall be filed using the forms of expansion permit in principle as contained in Attachment V in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by:

- a. Copies of business permit, if required;
- b. Copies of deeds of corporation and deeds of amendment, accompanied by deeds of endorsement from the Law and Human Rights Ministry;
- c. Explanation on plan of activity in the form of:
 1. description of production process containing the types of raw materials, complete with flow chart;
 2. description of business activities in the service sector.
- d. Copies of permit in principle and/or amendment.
- e. In the event of a change in participation in the capital of the company leading to a change in the percentage of shares owned by foreign parties and Indonesian parties in the capital of the company or a change in the name and country of origin of shareholders, the company shall submit:
 1. an agreement on the change in the composition of shares owned by foreign parties and Indonesian parties in the capital of the company put in the records of summary of a general shareholders meeting (RUPS)/ circular decision signed by all shareholders and recorded by a notary public or records of the statement of decision reached at a meeting in the form of notarial document, which meet provisions in Article 21 and Chapter VI of Law No. 40/2007 on Limited Liability Company, accompanied by the identity of new shareholders;
 2. the chronology of participation in the capital of the company starting from the establishment of the company until the last application.
- f. Report on investment activities (LKPM);
- g. Application for expansion permits in principle:
 1. shall be filed by the board of directors of the company to PTSP BKPM, PTSP-PDPPM, or PTSP PDKPM according to their respective authority;
 2. applications that are not directly filed by the board of the company to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM shall be accompanied by a power of attorney;
 3. provisions on power of attorney as referred to in point 2 are provided for in Article 63.

2) In connection with the applications as referred to in paragraph (1), expansion permits in principle shall be issued with copies addressed to the officials of the agencies as referred to in Article 34 paragraph (3) for foreign investment and Article 35 paragraph (4) for domestic investment.

3) Expansion permits in principle as referred to in paragraph (2) are issued no later than 3 (three) work days after the applications have been received in a complete and correct way.

4) The model of expansion permit in principle as referred to in paragraph (3) is contained in Attachment VI.

Part Four

Permit in Principle for Change in Investment

Article 37

- 1) Foreign investors and domestic investors can change:
 - a. Provisions on business field including type and production capacity; and/or
 - b. Capital participation in the company;
 - c. A period of time for the completion of projects, contained in the permits in principle or expansion permits in principle.
- 2) In connection with the change as referred to in paragraph (1) the company shall hold a permit in principle for change.
- 3) Applications for permits in principle for change as referred to in paragraph (2) shall be filed to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM according to their respective authority.

Article 38

- 1) A change in the participation in the capital of the company required to hold a permit in principle for change covers a change in the percentage of share ownership by foreign parties and a change in the name and country of origin of the owners of foreign capital.
- 2) In publicly-listed company (Tbk):
 - a. It is required to hold a permit in principle for change if the change happens to founder / controller shares owned for at least 2 (two) years and is made in the domestic capital market;
 - b. It is not required to hold a permit in principle for change if the change happens to shares in the group of public shares.

Article 39

- 1) The period of time for the completion of project is set at maximum of 5 (five) years since the issuance of investment permit in principle.
- 2) If required, the period of time as referred to in paragraph (1) can be extended to complete the project.

Article 40

- 1) Investment companies that already hold permits in principle and have or have not realized fiscal/non-fiscal facilities or already have business permits, can change the location of their investment projects.

2) In connection with the change as referred to in paragraph (1), the companies shall file application for permits in principle for change to PTSP in the new location, accompanied by a letter of recommendation on a change in the location from PTSP issuing their investment permits in principle.

3) Companies whose business fields constitute the authority of the Government and which will change the location of their investment projects shall report the change in the location of the projects to PTSP BKPM.

Article 41

1) Companies shall report a change in provisions contained in the registrations or permits in principle other than those referred to in Article 37 paragraph (1) to PTSP issuing the registrations/permits in principle using the form as contained in Attachment VIIIA.

2) Based on the report on the change as referred to in paragraph (1) PTSP issuing the investment permits in principle or registration of investment shall issue a letter that it has recorded the change as contained in Attachment VIIIB.

Article 42

1) Applications for permits in principle for a change in investment as referred to in Article 37 paragraph (1) shall be filed using the forms of permit in principle for change as contained in Attachment IX in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by:

a. Copies of investment permit in principle of which amendment is applied for;

b. Copies of deeds of corporation and deeds of endorsement from the Law and Human Rights Ministry;

c. A change in business fields (type/production capacity) shall be accompanied by:

1. explanations on plan of activity in the form of description of production process containing the types of raw materials, complete with flow chart;

2. recommendations from the relevant government agencies, if required.

d. in the event of a change in participation in the capital of the company (the percentage of shares owned by foreign parties), accompanied by:

1. an agreement among shareholders on the change in the change in the percentage of shares owned by foreign parties and Indonesian parties in the company put in the records of summary of a general shareholders meeting (RUPS)/circular decision signed by all shareholders and recorded by a notary public or records of the statement of decision reached at a meeting in the form of notarial document, which meet provisions in Article 21 and Chapter VI of Law No. 40/2007 on Limited Liability Company, accompanied by the identity of new shareholders;

2. the chronology of participation in the capital of the company starting from the establishment of the company until the last application;

3. especially for public listed companies (tbk), the applications shall be accompanied by required documents according to the capital market law.

e. A change in the period of time for the completion of projects shall be accompanied by reasons for the change;

- f. Report on investment activities (LKPM) for the last period;
 - g. Applications for permits in principle for a change in investment:
 - 1. shall be filed by the board of directors of the companies to PTSP BKPM, PTSP-PDPPM, or PTSP PDKPM according to their respective authority;
 - 2. applications that are not directly filed by the board of directors of the companies to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM shall be accompanied by power of attorney;
 - 3. provisions on the power of attorney as referred to in paragraph (2) are provided for in Article 63.
- 2) In connection with the applications as referred to in paragraph (1) permits in principle for a change in investment shall be issued with copies addressed to the officials of agencies as referred to in Article 34 paragraph (3) for foreign investment and Article 35 paragraph (4) for domestic investment.
- 3) Permits in principle for a change in investment are issued no later than 5 (five) work days after the applications have been received in a complete and correct way.
- 4) The model of permit in principle for a change in investment as referred to in paragraph (3) is contained in Attachment X.

Part Five

Permits of the Representative Offices of Foreign Companies

Article 43

- 1) The activities of the representative office of foreign companies (KPPA) outside the financial sector shall be equipped with permits from PTSP BKPM.
- 2) Applications for permits as referred to in paragraph (1) shall be filed to PTSP BKPM using the KPPA Model form as referred to in Attachment XI.
- 3) Permits of KPPA are issued in other form signed by the BKPM Chairman or the appointed official, with copies addressed to:
 - a. The Finance Minister;
 - b. The Trade Minister;
 - c. The Manpower and Transmigration Minister;
 - d. Heads of the Indonesian Mission in the countries of origin of foreign companies;
- 4) The permits as referred to in paragraph (3) are issued no later than 5 (five) work days after the application have been received in a complete and correct way.
- 5) The model of permit of KPPA as referred to in paragraph (4) is contained in Attachment XII.

Part Six

Business Permit

Article 44

- 1) Investment companies that hold registrations/permits in principle/investment approvals shall secure business permits to start commercial operation/production, except the sectoral law and regulation stipulated otherwise.
- 2) Investment companies that hold expansion permits in principle/investment expansion approvals shall secure business expansion permits to start the commercial operation/production of their expansion projects, except the sectoral law and regulation stipulate otherwise.
- 3) Domestic investment companies that neither need facilities nor hold registration of investment shall apply for business permits at the time of starting commercial production.
- 4) Investment companies that respectively hold business permits and later merger their businesses shall directly apply for a business permit for the merger of the investment companies.
- 5) Investment companies that hold business permits can change provisions in their business permits, including a change in the location of projects, the type of production / the diversification of products without the addition of machines/equipment within the scope of the same Business Field Standard Classification, participation in the capital of the companies, the extension of business permits by filing applications for business permits for change.
- 6) Business permits are valid as long as companies still carry out business activities, except the sectoral law and regulation stipulate otherwise.

Article 45

- (1) The Applications for Business Permit as referred to in the Article 44 Paragraph (1), Paragraph (2), Paragraph (3), Paragraph (4) and Paragraph (5) shall be filed to the PTSP issuing the Registrations/Permits in Principle/Expansion Permits in Principle/Expansion Permits in Principle/Business Permits.
- (2) In the event of Approvals Letter or Investment Expansion Approvals Letter issued by the BKPM before this Regulation is put into force, applications for Business Permits shall be filed to the PTSP BKPM, PTSP-PDPPM, or PTSP PDKPM according to their respective authority.
- (3) Applications for Business Permits as referred to in the Article 44 Paragraph (1), Paragraph (2), and Paragraph (3) shall be filed using Business Permit form as referred to in the Attachment VIII for those located outside industrial estates and the Attachment XIV for those located inside industrial estates in the form of hardcopy or softcopy based on the BKPM investment module, accompanied by:
 - a. report on the results of project audit (LHP), for applications for Business Permits or Expansion Business Permits as referred to in the Article 44 Paragraph (1) and Paragraph (2) whose business activities need customs facilities for the import of goods and materials;
 - b. copies of deed of corporation and deeds of endorsement as well as deed of change and deed of endorsement from the Ministry of Law and Human Rights;
 - c. copies of Registrations/Permits in Principle/Expansion Permits in

Principle/Investment Approvals/Business Permits and/or Investment Expansion Approvals/Expansion Business Permits they own;

- d. copies of taxpayer code number (NPWP);
 - e. evidence of the control/use under the name:
 - 1. copies of land titles or land sales purchase deeds issued by the conveyancer of land title (PPAT), or
 - 2. copies of land lease agreement.
 - f. evidence of the control/use of buildings:
 - 1. copies of building construction permit (IMB), or
 - 2. copies of building sales purchase deed/lease agreement.
 - g. copies of nuisance act (UUG/HO) or copies of business site permit (SITU) for companies located outside industrial estates;
 - h. copies of report on investment activities (LKPM) in the last period;
 - i. copies of approval/endorsement of environmental impact analysis (AMDAL) or copies of approval/endorsement of environment management plan (UKL) and environment monitoring plan (UPL);
 - j. other requirements provided for in the regulations of relevant technical agencies and/or regional regulations;
 - k. applications shall be signed by the board of directors with adequate duty stamp;
 - l. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
 - m. provision on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (4) Application for Business Permits as referred to in the Article 44 Paragraph (4) shall be filed using the forms of Business Permit for the Merger of Investment Companies as contained in the Attachment XV in the form of hardcopy or softcopy based on the BKPM investor module, accompanied by:
- a. copies of deeds of corporation of the companies and its amendment endorsed by the Ministry of Law and Human Rights for each of the companies;
 - b. agreement from all shareholders of the surviving company and the merging companies on the merger approval in the form of deed of decision of general shareholders meeting that meets provisions in the Chapter VI of Law No. 40 of 2007 on Limited Liability Company;

- c. agreement from all shareholders of the surviving company and the merging company on the merger plan in the form of deeds of merger approved by the Minister of Law and Human Rights;
 - d. copies of Business Permit, Permit in Principle/Investment Approval and their changes from each of the companies;
 - e. copies of report on investment activities (LKPM) in the last period for the surviving company;
 - f. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
 - g. provisions on power of attorney as referred to in point 1 are provided for in the Article 63 of this Regulation.
- (5) Application for Business Permit for Change as referred to in the Article 44 Paragraph (5) shall be filed using application forms accompanied by supporting data related to the change.
- (6) Companies shall report a change in provisions contained in the Business Permits other than those referred to in the Article 44 Paragraph (5) using notification forms. Based on the report the PTST shall issue a letter confirming that it has recorded the change.
- (7) In connection with the applications as referred to in the Paragraph (1), Paragraph (2), Paragraph (3), and Paragraph (5), Business Permits, Expansion Business Permits or Business Permits for the merger of investment companies or business permits for change shall be issued with copies addressed to:
- a. The Minister nurturing business fields of the relevant instrument;
 - b. The BKPM Chairman (for Businesses Permits issued by the PTSP at PDPPM or PTSP at PDKPM);
 - c. The relevant technical Director General;
 - d. The Director General of Taxation;
 - e. The relevant Governor;
 - f. The PDPPM Head (for Business Permits issued by PTSP at BKPM or PTSP at PDKPM);
 - g. The PDKPM Head (for Business Permits issued by PTSP at BKPM or PTSP at PDPPM);
- (8) Business Permits or Expansion Business Permits or Business Permits for the Merger of Investment Companies are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (9) Business Permits for Change are issued no later than 5 (five) work days after the

- applications have been received in a complete and correct way;
- (10) The model of Business Permit or Expansion Business Permit as referred to in Paragraph (7) is contained in Attachment XVIA;
 - (11) The model of Business Permit for the Merger of Investment Companies as referred to in Paragraph (7) is contained in the Attachment XVIB;
 - (12) The model of Business Permit for Change as referred to in Paragraph (7) is contained in the Attachment XVIC.

CHAPTER VI

NON-LICENSING SERVICES OF INVESTMENT

Part One

Import Duty Facilities for the Import of Machines, Good and Materials

Paragraph 1

Applications for Import Duty Facilities for the Import of Machines

Article 46

- (1) Applications for import duty facilities import of machines for investment companies holding investment permits in principle from the PTSP-BKPM, the PTSP-PDPPM, or the PTSP-PDKPM are filed to the PTSP BKPM by using application forms and filling a list of machines as contained in the Attachment XVII, accompanied by:
 - a. list of machines and diskette (softcopy) of list of machines (based on BKPM investor module);
 - b. articles of corporation;
 - c. taxpayer code number (NPWP);
 - d. customs number (NIK);
 - e. Importers identification number (API/APIT/API-P);
 - f. taxable company declaration number;
 - g. description of production process containing the type of raw materials completed with a flow chart especially for processing industries;
 - h. calculation of the capacity need of production machines adjusted to the type of production in the Investment Permit in Principle;
 - i. the sketch of plant and the layout of machines/equipment or the technical picture of buildings (including those for hotel/office complex);

- j. recommendation from:
 - 1. the Director General of Mineral, Coal and Geothermal sources, for mining companies in the form of contract of work (KK)/work agreement of coal mining company (PKP2B);
 - 2. the Director General of Mineral, Coal and Geothermal Sources/the local mining office, for mining companies in the form of operational permit to place machines/equipment;
 - 3. the Head of Asahan Authority for machines of PT. Indonesia Asahan Alumunium (INALUM).
 - k. technical data or machine brochures;
 - l. Investment Permit in Principle, especially for mining supporting companies contract of work (KP) with mining concessionaries is needed, accompanied by copies of mining concession document (KP);
 - m. report on investment activities in the last period;
 - n. applications are signed by the board of directors with adequate duty stamp;
 - o. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
 - p. provision on power of attorney as referred to in point 1 are provided for in the Article 63 of this Regulation.
- (2) The import duty facilities for the import of machines are valid for 2 (two) years since the date of issuance and can be extended according to the provisions.
- (3) The PTSP BKPM issues decisions on the granting of facilities for the applications as referred to in the Paragraph (1) in the form of import duty facility approvals complete with the list of machines, with copies addressed to:
- a. the Finance Minister;
 - b. the Director General of Customs and Excise;
 - c. the Director General of Taxation;
 - d. the relevant Director Generals;
 - e. the PDPPM head;
 - f. the PDKPM head;
 - g. the head of the local customs and excise office.
- (4) The Approval Letters as referred to in the Paragraph (3) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.

- (5) The model of approvals as referred to in paragraph (4) is contained in Attachment XVIII.

Paragraph 2

Change/Addition of Import Duty Facilities for the Import of Machines

Article 47

- (1) Applications for a Change/Addition of Import Duty Facilities for the import of machines for investment companies holding Import Duty Facility Approvals Letters as referred to in the Article 46 Paragraph (3) are filed to the PTSP BKPM by using the forms of application for change /addition of import duty facilities for the import of machines and filling a list of machines as contained in the Attachment XIX, accompanied by:
- a. reasons for the change/addition of facilities for the import of machines;
 - b. list of machines and diskette (softcopy) of list of machines (based on the BKPM investor module)
 - c. taxpayer code number (NPWP);
 - d. taxable company declaration number;
 - e. customs number (NIK);
 - f. Importers identification number (API/APIT/API-P);
 - g. description of production process containing the type of raw materials completed with a flow chart especially for processing industries;
 - h. calculation of the capacity need of production machines adjusted to the type of production in the Investment Permit in Principle;
 - i. technical data or machine brochures;
 - j. Investment Permit in Principle, especially for mining supporting companies contract of work (KK) with mining concessionaries is needed, accompanied by copies of mining concession document (KP);
 - k. report on Investment activities in the last period;
 - l. copies of Import-duty Free Facility Approval Letter for the owned import of machines;
 - m. report on the realized import of machines by submitting documents in the form of import notification (PIB) approved by the Directorate General of Customs and Excise to release goods;
 - n. applications shall be signed by the board of directors with adequate duty stamp;

- o. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company;
 - p. provisions on power of attorney as referred to in point 1 are provided for in Article 63 of this Regulation.
- (2) The PTSP-BKPM issues decisions on the granting of facilities for the change/addition as referred to in the Paragraph (1) in the form of Approvals for the Change /Addition of Customs Facilities for the Import of Machines Letters, accompanied by a list of machines, with copies addressed to the officials as referred to in the Article 46 Paragraph (3);
- (3) The approvals as referred to in Paragraph (2) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (4) The model of approvals as referred to in the Paragraph (3) is contained in the Attachment XX

Paragraph 3

The Extension of the Import of Machines

Article 48

- (1) Applications for the extension of the import of machines for investments companies obtaining Import Duty Facility Approval Letter shall be filed to PTSP BKPM using the forms of application for the extension of the import of machines as contained in Attachment XXII, accompanied by:
- a. report on investment activities (LKPM) in the last period;
 - b. copies of import duty facility approvals;
 - c. reasons for the extension of the import;
 - d. copies of import notification (PIB) approves by the Directorate General of Customs and Excise to release goods;
 - e. applications signed by the board of directors with adequate duty stamp;
 - f. power of attorney with adequate duty stamp to take care of applications tat are not directly filed by the board of directors of the company;
 - g. provisions on power of attorney as referred to in point 1 are provided for in the Article 63 of this Regulation.
- (2) The PTSP BKPM issues Decisions on the Extension of the Import of Machines for the applications as referred to in the Paragraph (1) in the form of approvals with copies addressed to the officials as referred to in the Article 46 Paragraph (3).

- (3) The Approval Letters as referred to in the Paragraph (2) are issued no later than 4 (four) work days after the applications have been received in a complete and correct way.
- (4) The model of Approval Letters as referred to in the Paragraph (3) is contained in Attachment XXII.

Paragraph 4

The transfer of Capital Goods to Other Parties

Article 49

The procedure of transferring machines and/or goods and materials to other parties is to be provided for in Regulation of the Director General of Customs and Excise.

Part Two

Import Duty Facilities for the Import of Goods and Materials

Paragraph 1

Article 50

- (1) Applications for import duty facilities for the import of goods and materials for investment companies obtaining import duty-free facility approvals for the import of machines are filed to PTSP-BKPM using the forms of application for facility approval for the import of goods and materials as contained in Attachment XXII.
- (2) Companies holding business permits are given import duty facilities for the import of goods and materials to meet production needs for 2 (two) years with the import period of 2 (two) years that can be extended to another year after the expiry of the approvals for the import of goods and materials.
- (3) Companies using locally-made machines with local content reaching at least 30% (thirty percent) are given import duty facilities for the import of goods and materials to meet production needs for 4 (four) years with the import period of 4 (four) years since the issuance date of import duty facilities for the import of goods materials and the import period cannot be extended.
- (4) Applications for approvals of import duty facilities for the import of goods and materials for investment companies shall be accompanied by:
 - a. List of goods and materials and diskette (soft copy) of list of goods and materials (based on the BKPM investor module);
 - b. Taxpayer code number (NPWP);

- c. Taxable company declaration number;
 - d. Customs order (NIK);
 - e. Importer's identification number API/APIT/API-P);
 - f. Description of production process containing the type of raw materials equipped with a flow chart especially for processing industries;
 - g. Calculation of the use of goods and materials according to the type of production from main machines;
 - h. The sketch of plant and the layout of machines/equipment or the technical picture of buildings;
 - i. Copies of import notification (PIB) for the import of machines or invoice of the purchase of locally-made machines;
 - j. Recommendations from the Head of the Asahan Authority for raw materials/auxiliary materials for PT. Indonesia Asahan Aluminium (INALUM);
 - k. Technical data or brochures of goods and materials;
 - l. Copies of approvals of import duty relief/free facilities for the import of machines and business permits;
 - m. Report on investment activities (LKPM) in the last period;
 - n. Applications are signed by the board of directors with adequate duty stamp;
 - o. Power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
 - p. Provisions on power of attorney as referred to in point m are provided for in Article 63 of this Regulation.
- (5) PTSP-BKPM Issues decisions on the granting of facilities for the applications as referred to in paragraph (4) in the form of approvals of import duty facilities for the import of goods and materials accompanied by lists of goods and materials accompanied by lists of goods and materials, with copies addressed to the officials as referred to in Article 46 paragraph (3)
- (6) The approvals as referred to in paragraph (5) are issued no later than 7 (seven) work days after the applications have been received in a complete and correct way.
- (7) The model of approvals as referred to in paragraph (6) is contained in Attachment XXIV.

Paragraph 2

The Change/Addition of Import Duty Facilities for the Import of Goods and Materials

Article 51

- (1) Applications for the change/addition of import duty facilities for the import of goods and materials for investment companies obtaining approvals of facilities are filed to PTSP BKPM using the forms of application for the change/addition of facilities for the import of goods and materials as contained in Attachment XXV, accompanied by:
 - a. Reasons for the change/addition of import duty facilities for the import of goods and materials;
 - b. Copies of import notification (PIB) for the realized import of goods and materials or invoice of the purchase of locally-made machines;
 - c. Copies of approvals of import duty facilities for the import of facilities for the import of machines;
 - d. Report on investment activities (LKMP) in the last period;
 - e. Applications are signed by the board of directors with adequate stamp duty to take care of applications that are not directly filed by the board of directors;
 - f. Provisions on power of attorney as referred to in point m are provided for in Article 63 of this Regulation.
- (2) PTSP BKPM issues decisions on the granting of facilities to the applications for change/addition of import duty facilities as referred to in paragraph (1) in the form of approval of the change/addition of import duty facilities for the import of goods and materials, with copies and addressed to the officials as referred to in Article 46 paragraph (3).
- (3) The approvals as referred to in paragraph (2) are issued no later than 7 (seven) working days after the applications have been received in a complete and correct way.
- (4) The model of approvals as referred to in paragraph (3) is contained in Attachment XXVI.

Paragraph 3

The Extension of the Import of Goods and Materials

Article 52

- (1) Companies that have obtained import duty facilities for the import of goods and materials but have not realized the import of goods and materials but have not realized the import of goods and materials within 2 (two) years are given another 1 (one) year after the expiry of the import duty facilities to import goods and materials.
- (2) Applications for approval of the extension of the import of goods and materials for investment facilities are filed to PTSP BKPM using the forms of application for the extension of the import of goods and materials as contained in Attachment XXVII, accompanied by:

- a. Report on investment activities (LKPM) for the last period;
 - b. Copies of approvals of import duty facilities for the import of goods and materials;
 - c. Reasons and extension of the import of goods and materials;
 - d. Copies of import notification (PIB) for goods and materials or invoice of the purchase of locally-made machines;
 - e. Applications are signed by the board of directors with adequate stamp duty;
 - f. Power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors;
 - g. Provisions on power of attorney as referred to in point f are provided for in Article 63 of this Regulation.
- (3) PTPS BKPM issues decisions on the extension of the import of goods and materials for the applications as referred to in paragraph (2) in the form of approvals with copies addressed to the officials as referred to in Article 46 paragraph (3).
- (4) The approvals as referred to in paragraph (3) are issued no later than 4 (four) work days after the applications have been received in a complete and correct way.
- (5) The model of approvals as referred to in paragraph (4) is contained in Attachment XXVIII.

Part Two

Proposal for Corporate Income Tax (PPh) Facilities

Article 53

- (1) Investment companies engaged in certain business fields and/or operating in certain regions can be proposed to obtain corporate income tax facilities.
- (2) Proposals for corporate income tax facilities for investment companies, resident limited liability company and cooperative taxpayers are filed to PTSP BKPM using the forms of proposals of corporate income tax (PPh) as contained in Attachment XXIX, accompanied by:
 - a. Copies of articles of corporation and amendments;
 - b. Copies of taxpayer code number (NPWP);
 - c. Copies of investment permit in principle on business activity or other similar licensing from the authorized agencies based on the law and regulation;
 - d. Applications are signed by the board of directors;

- e. Power of attorney with adequate stamp duty to take care of applications that are not directly filed by the board of directors;
 - f. Provisions on power of attorney as referred to in point e are provided for in Article 63 of this Regulation.
- (3) In connection with the applications are referred to in paragraph (2), the BKPM Chairman or the appointed official issues proposals for corporate income tax (PPH) to the Finance Minister through the Director General of Taxation obtain tax facilities according to the law and regulation.
- (4) Proposals for corporate income tax facilities as referred to in paragraph (3) are issued no later than 5 (five) working days after the applications have been received in a complete and correct way.
- (5) The model of proposals for corporate income tax facilities is contained in Attachment XXX.

Part Four

Producer Importer's Identification Number (API-P)

Article 54

- (1) Investment companies that will import machines/equipment and goods and materials themselves for own use and/or in support of production process shall hold producer importer's identification number (API-P).
- (2) Application for API-P as referred to in paragraph (1) are filed to PTSP BKPM using API-P cards as contained in Attachment XXXIII for API-P forms and Attachment XXXIII for API-P cards.
- (3) Applications for API-P as referred to in paragraph (2) shall be accompanied by:
- a. Copies of articles of corporation and amendment related to the latest lineup of the board of directors and certificates of endorsement from the Law and Human Rights Ministry;
 - b. Copies of valid certificate of domicile of the head office from the village head/photocopies of lease agreement/contract of business site;
 - c. Copies of registration/investment permit in principle/approval;
 - d. Copies of business permit;
 - e. Copies of taxpayer code number (NPWP) of the companies according to their domicile/copies of taxpayer code number (NPWP) of the management/board of directors of the companies;
 - f. Copies of corporate registration number (TDP);

- g. The latest photographs with red background from each members of the management or the board of directors of the companies signing API-P as many as 2 (two) pieces measuring 3x4 cm;
 - h. Copies of valid permit to employ expatriates (IMTA) if those signing API-P are Indonesian nationals;
 - i. Power of attorney (from the board of directors) if those signing import documents (API-P) are not the board of directors;
 - j. Applications are signed by the board of directors with adequate stamp duty;
 - k. Power of attorney with adequate stamp duty to take care of applications that are not directly filed by the board of directors;
 - l. Provisions on power of attorney as referred to in point h are provided for in Article 61 of this Regulation.
- (4) In connection with the applications for API-P as referred to in paragraph (2), producer importer's identification numbers are issued, and signed by the BKPM Chairman or the appointed official on behalf of the Trade Minister, with copies addressed to:
- a. The Director General of Foreign Trade attn. the Director of Imports;
 - b. Bank Indonesia/ULN;
 - c. The Technical Director of Customs and Excise;
 - d. The PDPPM Head;
 - e. The PDKPM Head.
- (5) API-P as referred to in paragraph (4) is issued no later than 4 (four) working days after the applications have been received in a complete and correct way.
- (6) The model of API-P as referred to in paragraph (4) is contained in Attachment XXXII;
- (7) API-P are valid since the date of issuance and are valid for the entire territory of the Republic of Indonesia provided the companies still carry out their business activities;
- (8) Companies holding API-P shall make repeat registration with PTSP BKPM every 5 (five) years since the date of issuance;
- (9) The repeat registration as referred to in paragraph (8) shall be made no later than 30 (thirty) working days after the 5-year period.

Article 55

- (1) Filling applications for change in API shall make any change in provisions set forth in API-P.
- (2) The applications for a change in API-P as referred to in paragraph (1) shall be filed

to PTSP BKPM using API-P forms and API-P cards, as contained in Attachment XXXI and Attachment XXXII.

(3) Applications for a change in API-P shall be accompanied by:

- a. The old original API-P;
 - b. Statement of loss from the police if the old API-P card is lost;
 - c. Copies of articles of corporation and amendment related to the latest lineup of the board of directors and certificates of endorsement from the Law and Human Rights Ministry;
 - d. Copies of valid certificate of domicile of the head office from the village head/photocopies of lease agreement/contract of business site;
 - e. Copies of registration/investment permit in principle/approval;
 - f. Copies of business permit;
 - g. Copies of taxpayer code number (NPWP) of the companies according to their domicile;
 - h. Copies of corporate registration number (TDP);
 - i. The latest photographs with red background from each members of the management or the board of directors of the companies signing API-P as many as 2 (two) pieces measuring 3x4 cm;
 - j. copy of Foreign Expatriates Employing Permit (IMTA) which is still valid for signing of import documents of foreign citizens (WNA) and copy of Identity Card for Indonesian citizens (WNI);
 - k. Power of Attorney (from directors) if those signing the import documents (API-P card) are other than board of directors of the company;
 - l. application is signed with sufficient duty stamp by the board of directors of the company;
 - m. Power of Attorney sufficiently stamped for application undertaking that is not directly conducted by the board of directors of the company;
 - n. Provision on power of attorney as stipulated in point h is stipulated in Article 61 of this Regulation;
- (4) Upon request of changes on API-P as stipulated in paragraph (1), there shall be issuance of Producer Importer Identification Number signed by Chairman of BKPM or appointed officials on behalf of Minister of Commerce, with copy as stipulated in Article 52 paragraph (4);
- (5) API-P as stipulated in paragraph (4) shall be issued 4 (four) working days at the latest since the acceptance of complete and correct request;
- (6) Form of API-P as stipulated in paragraph (4) shall be pursuant to Attachment XXXII.
- (7) Changes of API-P shall be valid since its confirmation and valid throughout Indonesia and

- as long as the company undertakes its business activities;
- (8) Companies holding API-P shall make repeat registration with PTSP BKPM every 5 (five) years since the date of issuance;
 - (9) The repeat registration as referred to in paragraph (8) shall be made no later than 30 (thirty) work days after the 5-year period.

Article 55

- (1) Any change in provisions set forth in API-P shall be made by filling applications for change in API.
- (2) The applications for a change in API-P as referred to be in paragraph (1) shall be filed to PTSP BKPM using API-P forms and API-P cards, as contained in attachment XXXI and Attachment XXXII.
- (3) Applications for a change in API-P shall be accompanied by :
 - a. The old original API-P;
 - b. Statement of loss from the police if the old API-P card is lost;
 - c. Copies of articles of corporation and amendment related to the latest lineup of the board of directors and certificates of endorsement from the Law and Human Rights Ministry;
 - d. Copies of valid certificate of domicile of the head office from the village head/ photocopies of lease agreement /contract of business site;
 - e. Copies of registration/investment permit in principle/approval;
 - f. Copies of business permit;
 - g. Copies of taxpayer code number (NPWP) according to domicile;
 - h. Copies of corporate registration number (TDP);
 - i. The latest photographs with red background from each members of the management or the board of directors of the companies signing API-P as many as 2(two) pieces measuring 3x4 cm;
 - j. copy of Foreign Expatriates Employing Permit (IMTA) which is still valid for signing of import documents of foreign citizens (WNA) and copy of Identity Card for Indonesian citizens (WNI);
 - k. Power of Attorney (from directors) if those signing the import documents (API-P card) are other than board of directors of the company;
 - l. application is signed with sufficient duty stamp by the board of directors of the company;
 - m. Power of Attorney sufficiently stamped for application undertaking that is not directly conducted by the board of directors of the company;
 - n. Provision on power of attorney as stipulated in point h is stipulated in Article 61 of this Regulation.
- (4) Upon request of changes on API-P as stipulated in paragraph (1), there shall be issuance of Producer Importer Identification Number signed by Chairman of BKPM or appointed officials on behalf of Minister of Commerce, with copy as stipulated in Article 52 paragraph (4).
- (5) API-P as stipulated in paragraph (4) shall be issued 4 (four) working days at the latest since the acceptance of complete and correct request.
- (6) Form of API-P as stipulated in paragraph (4) shall be pursuant to Attachment XXXII.
- (7) Changes of API-P shall be valid since its confirmation and valid throughout Indonesia and

as long as the company undertakes its business activities.

Part Six

Employment of Foreign Expatriates

Article 56

- (1) Investment company and Representative Offices of Foreign Companies (KPPA) willing to employ foreign expatriates shall obtain validation of Employment Plan of Foreign Expatriates (RPTKA).
- (2) Application for obtaining validation of RPTKA as stipulated in paragraph (1) shall be submitted to PTSP-BKPM with using form of RPTKA, as mentioned in Attachment XXXIII, by completing the following requirements:
 - a. Copy of owned Investment Registration/Principal Permit of Investment/Business Permit;
 - b. Copy of deed of establishment of the company validated by Department of Law and Human Rights and the amendment regarding composition of board of directors and commissioners of the company;
 - c. Information on company's domicile from Local Government;
 - d. Structural scheme of company's organization;
 - e. Letter of appointment of Indonesian workers as counterpart of foreign expatriates employed;
 - f. Copies of valid document of manpower compulsory report based on Law Number 7 of 1981 on Manpower Compulsory Report;
 - g. Recommendation from the relevant Directors General, especially for the positions in the Subsectors of Oil and Gas, General Mining (Contract of Work/KK), Work Agreement on Exploitation of Coal Mining (PKP2B) and Mining Concession (KP) and Electricity and Medical Services;
 - h. Applications signed by the Board of Directors of the Company;
 - i. Power of Attorney with sufficient duty stamp to application administration that are not directly filed by the Board of Directors;
 - j. Provisions on Power of Attorney as stipulated in point I of Article 63.
- (3) In connection with the applications for RPTKA as referred to in paragraph (2), validation of RPTKA is issued and signed by the Department of Manpower and Transmigration posted at PTSP BKPM in a form of approval of RPTKA, with copies addressed to:
 - a. The Minister of Manpower and Transmigration;
 - b. The Chairman of BKPM;
 - c. The Director General of Manpower Development and Control;
 - d. The Director General of Labor Placement Development;
 - e. The Head of Provincial Manpower and Transmigration Offices;
 - f. The Head of PDPPM.
- (4) Decision on the Validation of RPTKA shall be issued no later than 3 (three) working days after the applications have been received in a complete and correct way.
- (5) The form of Decision on Validation of RPTKA as referred to in paragraph (4) is contained

in Attachment XXXIV.

Article 57

- (1) Any change and extension of RPTKA shall obtain approval of RPTKA.
- (2) The change of RPTKA as referred to in paragraph (1) covering a change in posts, location, and the number of expatriates shall be submitted to PTSP-BKPM using RPTKA forms as referred to in Attachment XXXIII.
- (3) Application for the extension of RPTKA as referred to in paragraph (1) are filed to PTSP-BKPM if the work locations are found in more than one provinces or PTSP-PDPPM if their work locations are found in 1 (one) province using RPTKA forms as contained in Attachment XXXIII.
- (4) Applications for the change and/or extension of RPTKA are accompanied by statements as referred to in Article 54 paragraph (2) and copies of decisions on the validation of RPTKA.
- (5) In connection with the applications for the change of RPTKA as referred to in paragraph (2) decisions on the change of RPTKA are issued after being signed by the officials of the Manpower and Transmigration Department stationed at PTSP BKPM.
- (6) In connection with the applications for the extension of RPTKA as referred to in paragraph (3) decisions on the extension of RPTKA are issued after being signed by the officials of the Manpower and Transmigration Department stationed at PTSP BKPM if their work locations are found in more than one provinces or by the Head of PTSP BKPM if their work locations are found in 1 (one) province.
- (7) Decisions on the change and/or the extension of RPTKA as referred to in paragraph (5) and (6) are issued with copies as referred to in Article 56 paragraph (3).
- (8) Decisions on the change and/or extension of RPTKA shall be issued no later than 3 (three) working days after the applications have been received in a complete and correct way.
- (9) The form of decisions on the validation of RPTKA as referred to in paragraph (6) is contained in Attachment XXXIV.

Part Seven

Work Visa

Article 58

- (1) TKA working for investment companies and KPPA that are ready to come to Indonesia shall hold work visas issued by the Representative Offices of the Republic of Indonesia abroad.
- (2) In order to obtain work visas as referred to in paragraph (1), companies employing TKA shall get recommendations to obtain work visas (Recommendations TA.01) from PTSP BKPM by adhering to provisions imposed by the agency having the authority in the manpower and immigration sector.
- (3) Applications for Recommendations TA.01 as referred to in paragraph (2) are filed to PTSP-BKPM using TA.01 forms as contained in Attachment XXXV, accompanied by the

following requirements:

- a. Copies of decisions on the validation of RPTKA;
 - b. Copies of the valid passports of the relevant TKA;
 - c. Latest curriculum vitae (original) signed by the relevant parties;
 - d. Copies of educational diplomas and/or certificates as well as documents of work experience in English or Indonesian version translated by sworn translators;
 - e. Copies of deeds or minutes of General Meeting of Shareholders (RUPS) on the appointment/promotion to the posts of the Board of Directors and Commissioners;
 - f. Copies of the letter of appointment of counterpart TKI;
 - g. Colored photograph of the relevant TKA measuring 4x6 cm as many as 1 (one) piece;
 - h. Applications are signed by the Board of Directors of the company;
 - i. Power of Attorney with sufficient duty stamp for applications' undertaking that are not directly filed by the Board of Directors of the company;
 - j. Provisions on Power of Attorney as referred to in point I are provided for in Article 63 of this Regulation.
- (4) Recommendations TA.01 as referred to in paragraph (3) are issued no later than 1 (one) working days after the applications are received in a complete and correct way.
 - (5) Recommendations TA.01 as referred to in paragraph (4) are valid for 2 (two) months after the date of issuance.
 - (6) The form of Recommendations TA.01 as referred to in paragraph (4) is contained in Attachment XXXVI.
 - (7) Recommendations TA.01 as referred to in paragraph (4) are later submitted to immigration officers stationed at PTSP BKPM.
 - (8) If applications for work visas based on Recommendations TA.01 are approved the immigration officers stationed at PTSP BKPM shall issue notifications on the approval of the granting of visas and send them by telex to the Representative Offices of the Republic of Indonesia in the countries where the TKA originated.

Part Eight

Permits to Employ Expatriates

Article 59

- (1) Companies employing expatriates shall hold permits to employ expatriates (IMTA);
- (2) Investment companies and KPPA can apply for TKA that already hold work visas.
- (3) Applications for IMTA are filed to PTSP-BKPM using IMTA forms as contained in Attachment XXXV, accompanied by:
 - a. Copies of work contract with the companies employing them;
 - b. Evidence of payment of compensation fund to employ TKA from the banks appointed by the Manpower and Transmigration Minister;
 - c. Copies of insurance policy;
 - d. Copies of notification on the approval of the granting of visas;
 - e. Colored photographs measuring 4x6 cm as many as 2 (two) pieces;
 - f. Applications signed by the Board of Directors of the company;

- g. Power of attorney with sufficient duty stamp to undertake applications that are not directly filed by the Board of Directors of the company;
 - h. Provisions on power of attorney as referred to in point g are provided for in Article 63 of this Regulation.
- (4) In connection with the applications for IMTA as referred to in paragraph (3), IMTA approvals are issued after being signed by the officials of the Manpower and Transmigration Department at PTSP BKPM in the form of decision on IMTA, with copies addressed to:
- a. The Minister of Manpower and Transmigration;
 - b. The Chairman of BKPM;
 - c. The Director General of Manpower Development and Control;
 - d. The Director General of Labour Placement Development;
 - e. The Director General of Immigration;
 - f. The Director General of Taxation;
 - g. The Head of the Provincial Manpower and Transmigration Office;
 - h. The Head of PDPPM;
 - i. The Head of Regency/Municipal Manpower and Transmigration Office;
 - j. The Head of PDKPM.
- (5) Decisions on IMTA as referred to in paragraph (4) are issued no later than 3 (three) working days after the applications have been received in a complete and correct manner.
- (6) Decisions on IMTA as referred to in paragraph (4) are valid for 1 (one) year and can be extended.
- (7) The form of decisions on IMTA as referred to in paragraph (4) is contained in Attachment XXXVII.

Article 60

- (1) Investment companies and KPPA willing to extend IMTA shall file applications for the extension of IMTA using IMTA forms to:
- a. PTSP-BKPM for TKA whose work locations are found in more than 1 (one) provinces and PTKA working at KPPA;
 - b. PTSP-PDPPM for TKA whose work locations are found in more than 1 (one) regencies/municipalities in 1 (one) province;
 - c. PTSP-PDKPM for TKA whose work locations are found in 1 (one) regency/municipality;
- (2) The applications are referred to in paragraph (1) shall be filed no later than 30 (thirty) days before decisions on IMTA from the relevant TKA expire, using IMTA forms as contained in Attachment XXXV, accompanied by:
- a. Copies of decisions on the previous IMTA to be extended;
 - b. evidence of payment of compensation funds to employ expatriates from the banks appointed by the Manpower and Transmigration Minister ;
 - c. copies of insurance policy ;
 - d. education and training program for counterpart TKI ;
 - e. copies of the valid decision on RPTKA ;
 - f. color photographs measuring 4 x 6 cm as many as 2 (two) pieces ;

- g. applications are signed by the board of directors of the company ;
 - h. power of attorney with adequate duty stamp to take care of applications that are not directly filed by the board of directors of the company ;
 - i. provisions on power of attorney as referred to in point h are provided for in Article 63 of this Regulation.
- (3) In connection with the applications as referred to in paragraph (2) the official of the Manpower and Transmigration Ministry stationed at PTSP BKPM or the Head of PTSP PDPPM or the Head of PTSP PDKPM shall issue decisions on the extension of IMTA with copies addressed to the relevant agencies as referred to in Article 59 paragraph (4).
- (4) The decisions on the extension of IMTA shall be issued no later than 3 (three) work days after the applications have been received in a complete and correct manner.
- (5) The model of the decisions on the extension of IMTA as referred to in paragraph (3) is contained in attachment XXXVII.

Part Nine
INFORMATION SERVICES AND COMPLAINT SERVICES

Paragraph One
Information Services

Article 61

- (1) Information services related to investment are provided by PTSP BKFM, PTSP PDPPM or PTSP PDKPM to investors.
- (2) Information services as referred to in paragraph (1) are also provided by PTSP BKPM to the operator of PTSP PDPPM and PTSP PDKPM as well as by PTSP PDPPM to the operator of PTSP PDKPM.
- (3) The scope of information services covers information and guidance including on :
- a. The realization of investment licencing and non licencing services at PTSP ;
 - b. Process/mechanism flow in the issuance of licencing and non-licencing approvals ;
 - c. The filling of applications for licencing and non-licencing ;
 - d. Requirements, regulations and provisions related to the process of issuing licencing and non-licencing.

Paragraph Two
Complaint Services

Article 62

- (1) PTSP BKPM, PTSP PDPPM or PTSP PDKPM shall provide complaint services in connection with the provision of investment services for investors.
- (2) Complaints about Investment services as referred to in paragraph (1) can be lodged

directly to PTSP BKPM or PTSP PDPPM or PTSP PDKPM and indirectly to SPIPISE.

CHAPTER VII OTHER PROVISIONS

Power of Attorney

Article 63

- (1) the signing and taking care of investment applications to PTSP BKPM, PTSP PDPPM, or PTSP PDKPM can be done by the applicants themselves or other parties given mandate by the applicants through original power of attorney with adequate duty stamp, accompanied by the clear identity of the recipients of power of attorney.
- (2) The granting of mandates as referred to in paragraph (1) can be accompanied by substitution rights.
- (3) The recipients of power of attorney as referred to in paragraph (1), with prior approval in writing from the applicants, can give mandate without substitution rights to other parties.
- (4) The model of power of attorney as referred to in paragraph (1) and (2) is contained in attachment XXXVIII for Bahasa Indonesia and Attachment XXXIX for English.
- (5) The model of power of attorney as referred to in paragraph (3) is contained in Attachment XL for Bahasa Indonesia and Attachment XLI for English.
- (6) The model of written approval as referred to in paragraph (3) is contained in Attachment XLII for Bahasa Indonesia and Attachment XLIII for English.

Article 64

Power of attorney made overseas shall be made before notary or recorded by notary public or recorded by notary public in the countries of origin or delegated by the representatives of the Republic of Indonesia overseas or the representative of the countries of origin of the applicants in Indonesia.

Article 65

- (1) In harmonizing the numbering of investment licencing and non-licencing issue by PTSP BKPM, PTSP PDPPM and PTSP PDKPM it is necessary to regulate the format of numbering.
- (2) The format of numbering as referred to in paragraph (1) covers the numbering of companies and the numbering of licencing and non-licencing products.
- (3) The format of companies, hereinafter referred to as corporate numbers, is given automatically by SPIPISE to companies with the status of legal entities.
- (4) The numbering of licencing and non-licencing products covers such components as :
 - a. Sequence number of letter ;
 - b. Territorial codes of PTSP issuing licencing and non-licencing ;
 - c. Codes of licencing and non-licencing issued ;
 - d. Codes of capital participation of investment companies ;

- e. Issuance year of licencing and non-licencing. The components are separated from the one another using lines.
- (5) especially for the format of numbering for business permits, the codes of licencing and non-licencing are followed by business sectors of the business permits issued.
- (6) The territorial codes of PTSP as referred to in paragraph (2) point b are governed as follow :
- a. Territorial code of PTSP BKOM is 1 (one) ;
 - b. Territorial code of PTSP PDPPM and PTSP PDKPM refers to provisions on territorial codes by the Central Statistic Board (*BPS*);
 - c. Territorial code of PTSP PDKPM is started by territorial code of PDPPM followed by territorial code of PDKPM ;
- (7) codes of licencing and non-licencing as referred to in paragraph (2) point c are governed as follows ;
- a. code for the registration of investment is PPM;
 - b. code for investment permits in principle is :
 - 1. investment permit in principle IP/I ;
 - 2. investment expansion permit in principle is IP/II ;
 - 3. Permit in principle for a change in investment is IP/III.
 - c. code for investment permit is :
 - 1. investment permit is IU/I ;
 - 2. investment expansion permit is IU/II ;
 - 3. permit for a change In investment is IU/III
- (8) code for capital participation of investment companies as referred to in paragraph (2) point d is :
- a. code for investment containing foreign capital is PMA ;
 - b. code for investment entirely constitution domestic investment is PMDN.
- (9) example of writing the format of licencing and non-licencing numbering are contained in attachment XLIV.
- (10) Provisions the sequence numbers and the format of numbering other letter related to licencing and non-licencing refer to regulation of the BKPM Chairman No. 6/2009 on Guidance on Official Text Administration at the Investment Coordinating Board.

CHAPTER VIII TRANSITIONAL PROVISIONS

Article 66

- (1) all investment licencing and non-licencing issued before this Regulation shall declared valid until the expiry of the licencing and non-licencing.
- (2) All applications for investment licencing and non-licencing received and declared complete and correct and still in the process of settlement until December 31, 2009 shall be processed according to this law.

Article 67

- (1) The affairs of the government in the investment sector that become the authority of the provincial governments and regency/municipal governments based on Article 11 paragraph (3) letter a and Article 12 paragraph (3) letter a of Presidential Regulation No. 27/2009 on Integrated One-Stop Service in the Investment Sector are carried out by the provincial governments and regency/municipal governments.
- (2) To preserve the continuity of investment services, PTSP BKOM can process applications for licencing and non-licencing in connection with the affairs of the government in the investment sector that become the authority of the provincial governments or regency/municipal governments as referred to in paragraph (1).
- (3) PTSP-BKPM can process applications for licencing and non-licencing as referred to in paragraph (2) no later than 2 (two) years since Presidential Regulation No. 27/2009 was stipulated.
- (4) PTSP BKPM will not process application for licencing and non-licencing as referred to in paragraph (3) if the provincial governments or regency/municipal governments have expressed readiness to process the applications for licencing and non-licencing through the letters of the Governors, with the format of the letters as referred to in Attachment XLV.

CHAPTER IX CONCLUSION

Article 68

- (1) Guidance for the evaluation of applications up to the issuance of permits as referred to in Article 13 paragraph (2) letters a, b, c, d and e as well as non-licencing as referred to in Article 13 paragraph (3) letters d, e, f and g is to be provided for in the Regulation of the BKPM Chairman on Guidance for the Evaluation of Licencing and non-licencing.
- (2) Guidance for the evaluation of applications up to issuance of non-licencing as referred to in Article 13 paragraph (3) letters a, b, and c is to be provided for in Regulation of the provision of Fiscal Facility Services in the Investment Sector.

Article 69

When this Regulation takes effect:

- a. Decision of the Chairman of the Investment coordinating Board No. 57/SK/2004 on Guidance and Procedure of Application for Investment Made within the Framework of Domestic Investment and Foreign Investment, as has been several times amended the latest by Regulation of the Chairman of the Investment Coordinating Board No. 1/P/2008;
- b. Regulation of the Chairman of the Investment Coordinating Board No. 89/SK/2007 on Guidance and Procedure of application for income tax Facilities for Investment Companies Engaged in certain business Fields and/or Operating in Certain Regions, as has been amended by Regulation of the Chairman of the Investment Coordinating Board

No. 2/P/2008, shall be declared null and void.

Article 70

This regulation shall come into force as from January 2, 2010.

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

Stipulated in Jakarta
On December 23, 2009
THE INVESTMENT COORDINATING BOARD
CHAIRMAN,
Sgd,
GITA WIRJAWAN

Promulgated in Jakarta
On December 23, 2009
THE LAW AND HUMAN RIGHTS MINISTER,
Sgd,
PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2009 NO. 508

