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## Financial Services

1. Member of the Board of Governors of Bank Indonesia Regulation [No. 19/10/PADG/2017](#) on the National Payment Gateway

Enforcement date: 20 September 2017

Summary:

- Sets out further provisions for the securing of approval from Bank Indonesia for National Payment Gateway (NPG) organizers (i.e., standard institutions, switching institutions and service institutions), comprising: **1)** Requirements and qualifications; and **2)** Application stages.
- Conventional/sharia banks, conventional/sharia rural banks and non-bank financial institutions which are acting as connected parties (i.e., as issuers, acquirers, payment-gateway organizers and other parties, as stipulated by Bank Indonesia – “**Connected Parties**”) must be registered as members of at least two switching institutions. Conventional/sharia rural banks are only allowed to become Connected Parties via conventional/sharia banks acting in the role of intermediaries.
- Sets fee tariffs for the following payment instruments: **1)** Debit cards (i.e., 0% - 1% per transaction, dependent on the merchant discount rate and payment category); and **2)** Electronic money (for the purchase and topping up of e-money, ranging from IDR 0 – IDR 1,500, dependent on the relevant terms and conditions.
- For further information, see ILB [No. 3216](#) and ILD [No. 526](#).

2. Financial Services Authority (*Otoritas Jasa Keuangan*/"OJK") Circular [No. 51/SEOJK.05/2017](#) on Registration, Business Licensing and Organizational Structure for Pawnbroker Companies

Enforcement date: 28 September 2017

Summary:

- Applicants intending to apply for the following documents are required to submit online applications to OJK: **1)** Applications for registrations of pawnbrokers; **2)** Applications for private-pawnbroker business licenses; **3)** Applications for approvals (including approvals for the partial organization of businesses based on the sharia principle, etc.); and **4)** Company reports (including reports on any changes which are made to outlet addresses, paid-up capital, etc.).
- Several requirements have to be met by private pawnbrokers when opening outlets, specifically: **1)** Must have at least one appraiser located at each outlet; **2)** Must have a collateral-storage room; and **3)** Must not have been sanctioned by the OJK.
- Private pawnbrokers are only allowed to open outlets either in provincial-level areas or in regency/city-level areas in accordance with the approval of their business licenses. In the event of any changes being made to addresses, private pawnbrokers are required to notify their customers by making an official announcement on a noticeboard.
- For more information, see ILB [No. 3230](#).

3. OJK Circular [No. 52/SEOJK.05/2017](#) on the Organization of Conventional Pawnbroker Businesses Companies

Enforcement date: 28 September 2017

Summary:

- Conventional pawnbrokers ("**Pawnbrokers**") are allowed to engage in business activities which are unrelated to those normally undertaken by conventional pawnshop businesses through a fee-based income mechanism, including: **1)** The marketing of licensed financial-service products; **2)** Acting as financial-service agents without physical offices for the purpose of financial inclusivity; and/or **3)** Acting as remittance agents.
- In addition to fee-based income businesses, Pawnbrokers are also allowed to operate other side businesses (e.g., involving the development of existing products), as long as all such activities are first approved by the Financial Services Authority and as long as the relevant conventional pawnbroker has not previously been sanctioned by the OJK.
- Several collateral criteria must be met, including: **1)** Must have economic value; and **2)** Must comply with prevailing laws and regulations. Pawnbrokers are required to store all collateral received in adequate locations and places.

- When providing loans, Pawnbrokers are required to comply with the following minimum loan-ratio requirements: **1)** For jewelry, the loan ratio is set at 75% of the relevant appraisal value; **2)** For motor vehicles, the loan ratio is set at 70% of the relevant appraisal value; and so forth.
  - For more information, see ILB [No. 3234](#).
4. OJK Regulation [No. 57/POJK.04/2017](#) on the Implementation of Corporate Governance by Securities Companies Acting as Securities Underwriters and Securities Brokers

Enforcement date: 26 September 2017

Summary:

- Securities companies acting as underwriters and brokers ("**Securities Companies**") within the capital market are required to implement good corporate governance ("**GCG**"). GCG is to be implemented through the following means: **1)** Commitment by shareholders and general meetings of shareholders; **2)** Rules for Boards of Directors ("**BoD**") and Boards of Commissaries ("**BoC**") (i.e., performance of duties and responsibilities, remuneration, etc.); **3)** Business ethics for BoD, BoC, staff and supporting organs; **4)** Internal controls (i.e., risk management, internal compliance and auditing); **5)** Realistic, measurable and sustainable business plans; **6)** Policies which address systems for the reporting of any instances of non-compliance and customer claims; **7)** Websites which address the disclosure of information; and **8)** Reporting measures which address financial statements, business activities and audited financial statements.
5. OJK Regulation [No. 49/SEOJK.03/2017](#) on Procedures for the Issuance of Sharia-Deposit Certificates

Enforcement date: 18 September 2017

Summary:

- Sharia Deposit Certificates (SDC) may be issued through the use of *mudharabah mutlaqah* or *muqayyadah* agreements.
- SDC characteristics: 1) Customers of SDC may be individual or non-individuals; 2) SDC terms are set at a minimum of a month and a maximum of 36 months; 3) The minimum nominal amount of SDC is IDR 10 million or equivalent value; 4) Banks may deduct any *zakat* or *infak* profit sharing received by customers.
- Sets out a list of information that must be incorporated into both script or scripless SDC, including: date and place of issue, due date, profit sharing, name of seller and arranger, serial number and so forth.
- Scripless SDC may only be issued by banks after approval has first been secured from the OJK. In order to apply for approval, banks must outline any SDC-issuance plans in their business plans and submit their request to the OJK. The OJK will then issue the relevant approval within 60 days at the latest.

6. OJK Regulation [No. 48/SEOJK.03/2017](#) on Guidelines for the Calculation of Derivative-Transaction Net Invoices during the Calculation of Risk-Weighted Assets for Loan Risk Using the Standard Approach

Enforcement date: 1 January 2018

Summary:

- Sets out the types of derivative transactions which will be considered during calculations of any risk-weighted assets (ATMR) through the use of the standard credit-risk approach in the event of any default by bank counterparties, specifically: 1) Over the counter (OTC); 2) Exchange-traded derivatives; and 3) Long-settlement transactions.
- Any calculation of ATMR for loan risk through the use of the standard credit-risk approach is to be undertaken by multiplying the relevant net invoice by the risk level of the counterparty.
- The net invoice is to be calculated using the following formula:  $1.4 \times (\text{replacement cost} + \text{potential future exposure})$ .
- Banks are required to submit mandatory reports on the calculation of net invoices and ATMR through the use of the standard credit-risk approach on a monthly and trimester basis.

7. OJK Circular [No. 53/SEOJK.05/2017](#) on the Organization of Sharia Pawnbroker Businesses Companies

Enforcement Date: 28 September 2017

Summary:

- Sharia Pawnbroker Business (“**SPB**”) are allowed to render the following services to public (“**Main Service**”): 1) Financing facilities which are secured through the use of pledge agreements or movable-asset collateral; 2) Deposits of valuable goods; and/or 3) Appraisals.
- SPB must perform their business operations through the following types of Islamic agreement: 1) *Rahn*; 2) *Rahntasjily*; 3) *Ijrah*; and/or 4) Other agreements, as approved by the OJK. Financing facilities which are organized through pledged schemes may be provided to the public by combining *qardh* with *ijarah* agreements.
- SPB may provide fee-based income services to customers, covering: the marketing of the financial-service products of other institutions, branchless financial-service agents and/or remittance. The revenue generated by SPB through any fee-based income service must not exceed 20% of the company’s total assets.
- SPB may engage in business activities outside the scope of Main Services under the following conditions: 1) Must have secured official approval from the OJK; and 2) Such activities must be performed for the purpose of fulfilling special assignments from the government or involve profit-oriented cooperation.
- Companies must comply with the relevant minimum financing ratios, which differ dependent on the type of collateral concerned, specifically: 1) 75% of the value of any jewelry; 2) 70% of the value of any motor vehicles; 3) 60% of the value of any electronic devices; and 4) 50% of the value of the goods in question, for other types of goods.

## Taxation

### 8. Government Regulation [No. 36 of 2017](#) on the Imposition of Income Tax upon Certain Incomes in the Form of Net Assets which are Treated or Considered as Income

Enforcement date: 11 September 2017

Summary:

- Sets income tax for any taxpayers who: 1) Fail to repatriate or invest their assets in Indonesia upon securing official tax-amnesty approval; 2) Fail to disclose their assets in a declaration letter when applying for a tax amnesty; 3) Fail to report their assets in an annual income-tax return (for non-participants in the tax-amnesty program) (“**Taxable Income**”).
- The amount of any payable income tax is to be calculated based on the following formula: income-tax basis x tax rate
- The applicable tax rate is set at: 25% for individuals, 30% for corporations and 12.5% for certain taxpayers.
- Defines “certain taxpayers” as individuals who work as independent workers with annual gross incomes of less than IDR 4.8 billion or as employees with annual gross incomes of less than IDR 632 million.
- The income-tax basis amount differs, dependent on the type of Taxable Income.
- For further information, see ILB [No. 3213](#)

### 9. Ministry of Finance Regulation [No. 131/PMK.03/2017](#) on the Second Amendment to Ministry of Finance Regulation [No. 76/PMK.03/2013](#) on the Administration of Land-and-Building Tax within the Mining Sector for Oil, Gas and Geothermal Businesses

Enforcement date: 4 October 2017

Summary:

- The term “geothermal mining” has now been changed to “geothermal utilization” in accordance with Law [No. 21 of 2014](#) on Geothermal Energy (“**Geothermal Law**”). Thus, geothermal activity is no longer classified as a mining business.
- Adds the following new mechanisms for the payment of Land-and-Building Tax (*Pajak Bumi dan Bangunan – “PBB”*): **1)** Book entry from oil-and-gas and geothermal accounts to the State General Treasury Account; **2)** Non-cash payments through the reclassification of non-tax state-revenue accounts as taxation-revenue accounts; and **3)** Other payment methods which have been approved by Ministry of Finance.
- For payments of PBB through book entry or other mechanism which has been approved by the Ministry of Finance, the Director General of Budgeting has 15 business days to submit the relevant payment request for PBB for the oil-and-gas and geothermal sector to the Director General of the Treasury.

- All licenses which relate to the utilization of geothermal energy now refer to the Geothermal Law, including licenses which are used for the termination of contracts, which comprise of the following licenses: **1)** Geothermal license; **2)** Right-to-utilize geothermal resources; **3)** Joint-operations contracts for the utilization of geothermal resources; and/or **4)** License for the utilization of geothermal resources.

10. Ministry of Finance Regulation [No. 126/PMK.010/2017](#) on Government-Borne Income Tax for Interest or Rewards of State Commercial Papers which Are Issued through the International Market, and Third-Party Revenue against Services which are Provided to the Government for the Issuance and/or Repurchase/Exchange of State Commercial Papers for the 2017 Budgetary Year

Enforcement date: 1 January 2017 (apply retroactively)

Summary:

- The government will cover income tax imposed upon: 1) Interest or rewards involving state commercial papers which are issued through the international market; and 2) Services in relation to the issuance and/or repurchase/exchange of state commercial papers through the international market by third parties (i.e., agents, foreign stock exchange, etc.).
- The interest, reward or service must satisfy the following requirements: 1) The offering and sale of state commercial papers must be undertaken overseas through the use of foreign exchange; 2) The repurchase or exchange of commercial papers must be undertaken via a cash buyback and/or exchange offer; 3) State commercial papers must be in the form of state bonds and sharia state commercial papers.
- See ILB [No. 3224](#).

11. Director General of Tax Regulation [No. PER-14/PJ/2017](#) on Procedures for the Correction of Tax-Amnesty Approval

Enforcement date: 11 September 2017

Summary:

- Taxpayers are allowed to apply for corrections to any tax-amnesty approval based on two grounds, namely: 1) Typographical errors (as long as the correction in question does not affect the type or value of any assets concerned, the value of any liabilities and/or the net value of assets); and 2) Miscalculations involving additions, subtractions, determinations of tariffs and calculations of liabilities.
- In order to secure a correction letter from the head of the regional tax office (Kanwil DJP), taxpayers must submit an application to the head of the tax-service office (KPP) where they are registered. In addition, the head of the local KPP is authorized to propose corrections to the head of Kanwil DJP in cases where there have been typographical errors and/or miscalculations which have not lead to any underpayment of ransom fees.
- For further information, see ILB [No. 3217](#)

## 12. Director General of Tax Regulation [No. SE-20/PJ/2017](#) on Post-Tax-Amnesty Taxpayer Oversight

Enforcement date: 24 August 2017

Summary:

- Supervision is to be implemented in relation to both participants and non-participants in the tax-amnesty program. The supervision process has been divided into two categories: 1) Tax-Amnesty Supervision; and 2) General-Tax Supervision.
- The supervised elements for participants in the tax-amnesty program encompass: 1) Tax compliance for the relevant taxable year, after the previous taxable year; 2) Consistency of data and/or any information discrepancies between assets reported in a declaration letter; and 3) Tax-compliance implementation of tax obligations for all types of tax, which occurred after the last previous taxable year.
- The supervised elements for non-participants in the tax-amnesty program encompass: 1) Any inconsistencies between external and internal data and/or information provided by the tax-information system; and 2) Tax compliance for all types of tax.
- Investigations may be initiated by the tax-service office in the event of non-compliance by taxpayers.
- For more information, see ILB [No. 3221](#).

## Trade

### 13. Ministry of Trade Regulation [No. 64/M-DAG/PER/8/2017](#) on the Amendment to Ministry of Trade Regulation [No. 85/M-DAG/PER/10/2015](#) on Import Provisions for Textiles and Textile Products

Enforcement date: 31 August 2017

Summary:

- The Amendment allows holders of Manufacturer-Importer Identification Numbers (API-P) and General-Importer Identification Numbers (API-U) to import 430 types of textiles and textile products (TPT), as listed under the Appendix to this Amendment.
- Sets requirements for the importation of the TPT listed in Group A of the Appendix to the Amendment (products with HS Codes: 52.08 - 54.07, 55.01, 55.03, 55.06, 55.12 - 55.16, 58.01, 60.01 - 60.06 and 70.19), specifically: 1) Import approval from the Ministry of Trade; 2) TPT imported by holders of API-P may only be used for materials or supporting materials within their own industries; 3) TPT imported by holders of API-U may only be distributed for the needs of small- and medium-scale industries, as well as for industries which do not self-import TPT.
- Sets requirements for the importation of the TPT listed in Group B of the Appendix to the Amendment (products with HS Codes: 50.07, 51.11, 51.12, 51.13, 53.09 - 53.11, 57.01 - 57.05, 58.02, 58.04 - 58.09, 58.11, 59.01 - 59.03, 59.07 and 59.11), specifically: 1) There is no need to secure import approval from the Ministry of Trade; 2) Holders of API-P may only import TPT for materials or supporting materials

within their own industries; 3) Holders of API-U may trade TPT with or assign imported TPT to other parties.

14. Ministry of Finance Regulation [No. 130/PMK.010/2017](#) on The Imposition of Safeguard Import Duty upon Imports of Flat-Rolled Iron or Non-Alloy-Steel

Enforcement date: 4 October 2017

Summary:

- Safeguard Import Duty (*Bea Masuk Tindakan Pengamanan* - “**BMTP**”) is to be imposed upon all imports of flat-rolled iron products or non-alloy steel (post tariff/HS Code No. 7210.61.11.) which satisfy the following specifications: 1) Have widths of 600 mm or more; 2) Are plated or coated with aluminum-zinc; 3) Contain levels of carbon amounting to less than 0.6%; and 4) Have thicknesses of 0.7 mm
- The imposition of BMTP does not apply to flat-rolled products manufactured in 121 countries, as listed under the appendix to this Regulation, including: 1) Malaysia; 2) Thailand; 3) Brunei Darussalam; 4) The Philippines; 5) Singapore; and so forth.
- BMTP will be imposed for two consecutive yearly periods, commencing from the establishment of this regulation, as follows: 1) For the first period (3 October 2017 - 2 October 2018), BMTP is set at IDR 2,891,858/ton; and 2) For the second period (3 October 2018 - 2 October 2019), BMTP is set at IDR 2,186,030/ton
- For further information, see ILB [No. 3219](#).

15. Ministry of Finance Regulation [No. 129/PMK.010/2017](#) on the Amendment to Ministry of Finance Regulation [No. 28/PMK.010/2017](#) on the Determination of Import-Duty Tariffs in Relation to the ASEAN-Australia-New Zealand Free-Trade Area

Enforcement date: 4 October 2017

Summary:

- Redefines tariffs for sugar products with HS Code 1701.13.00 (i.e., cane sugar) and 1701.14.00 (i.e., other cane sugar) to 5.00%. The previous regulation set Most Favored Nation status for these sugar products.



16. Ministry of Trade Regulation [No. 71/M-DAG/PER/9/2017](#) on the Second Amendment to Ministry of Trade Regulation [No.82/M-DAG/PER/12/2016](#) on Import Provisions for Iron, Steel, Alloy Steel and Their Derivative Products

Enforcement Date: 26 September 2017

Summary:

- Postpones the implementation of new provisions on import examinations for iron, steel, alloy steel and their derivative products from 31 August 2017 to 1 February 2018.
- The new import-examination regime was introduced through the issuance of Ministry of Trade Regulation No. 63/M-DAG/PER/8/2017, which allows for import examinations to be undertaken within customs areas.

## Telecommunications and Media

17. Ministry of Communication and Information Technology Regulation [No. 20 of 2017](#) on Selection Procedure for Users of the 2.1 GHz Radio Frequency Band and the 2.3 GHz Radio Frequency Band for the Organization of Mobile Cellular Networks in 2017

Enforcement date: 28 September 2017

Summary:

- Selections will be organized in order to determine the users of the 2.1 GHz and 2.3 GHz radio-frequency bands ("**Frequencies**") so as to increase mobile cellular network capacities according to the 2014-2019 Indonesia Broadband Plan.
- Two objects will be available for the selection process: 1) The 2.1 GHz Frequency range, consisting of two Frequency blocks, specifically: a) Block 11, in the 1970-1975 MHz range paired with 2160-2165 MHz, and b) Block 12, in the 1975-1980 MHz range paired with 2165-2170 MHz; and 2) The 2.3 GHz Frequency range, consisting of one 30 MHz Frequency band block using Time Division Duplexing ("**TDD**") mode in the 2300-2330 MHz range.
- The selection reserve prices are: 1) IDR 296,742 million for the 2.1 GHz radio frequency; and 2) IDR 366,720 million for the 2.3 GHz radio frequency. Participants are required to deposit bid bonds amounting to 40% of the relevant reserve prices.
- For further information, see ILB [No.3220](#).

## Manufacturing and Industry

### 18. Ministry of Industry Regulation [No. 34/M-IND/PER/9/2017](#) on Four or More Wheeled Motor-Vehicle Industry

Enforcement date: 8 December 2017

Summary:

- Industrial vehicle companies (“**Companies**”) are required to comply with several requirements: 1) Possession of an industrial license for the production of motor vehicles; 2) Possession of an official stipulation Letter of Company Code and 3) Possession of a trademark registration letter from the relevant authorities or agreement with a principal of trademark regarding the manufacture of motor vehicles.
- Companies are required to manufacture all major motor-vehicle components domestically (i.e., bodies, cabins, chassis, motors, transmissions and axles), as well as other parts/components (“**Manufacturing**”).
- The Manufacturing process can either be self-executed by Companies or can be subcontracted (either partially or entirely) to other motor-vehicle companies and/or industrial components companies. Such subcontracting activity must be outlined in an agreement which is signed by a board of directors or similar management level.
- Companies are required to first secure approval from the relevant Director General at the Ministry of Industry prior to the importation of any Completely Knocked Down (CKD) or Incompletely Knocked Down (IKD) vehicles. This approval is secured by submitting an application along with the following documents: 1) Copy of an industrial license; 2) Copy of a company registration certificate; 3) List of production tools; 4) Import plan for the following year; and so forth.
- For more information, see ILB [No. 3223](#).

### 19. Ministry of Industrial Affairs Regulation [No. 36/M-IND/PER/9/2017](#) on the Conformity Ratings Agency for the Compulsory Implementation and Oversight of Indonesian National Standards Applicable to Electronic Industry Products

Enforcement date: 14 September 2017

Summary:

- Sets two institutions which are to be responsible for the supervision of the Indonesian National Standard (SNI) for electronic products (e.g., water pumps, electric irons, refrigerators, etc.), specifically: 1) Product-certification institutions, as detailed under Appendix A; and 2) Examination laboratories, as detailed under Appendix B.
- Product-certification institutions and examination laboratories are required to submit mandatory reports relating to the results of any certification and examination processes to the Director General of Industrial Development and to the Head of the Industrial Research and Development Agency (BPPI).

- Non-compliance with these mandatory reporting requirements will result in the revocation of any appointment to undertake certifications (for product-certification institutions) or examinations (for examination laboratories).

20. Ministry of Industrial Affairs Regulation [No. 35/M-IND/PER/9/2017](#) on the Conformity Ratings Agency for the Compulsory Implementation and Oversight of the Indonesian National Standards Applicable to Vehicle License-Plate Categories M, N, O, and L

Enforcement date: 14 September 2017

Summary:

- Sets two institutions which are to be responsible for the supervision of the Indonesian National Standard (SNI) for vehicle license-plate categories M, N and O under SNI 1896:2008 and category L under SNI 4658:2008, specifically: 1) Product-certification institutions, as detailed under Appendix A; and 2) Examination laboratories, as detailed under Appendix B.
- Product-certification institutions and examination laboratories are required to submit mandatory reports covering their certification and examination performance to the Director General of Industrial Development, as well as to the Head of the Industrial Research and Development Agency (BPPI).
- Non-compliance with these mandatory reporting requirements will result in the revocation of the relevant appointment to undertake certifications (for product-certification institutions) and examinations (for examination laboratories).

## Energy and Natural Resources

21. Ministry of Environment and Forestry Regulation [No. P.49/MENLHK/SETJEN/KUM.1/9/2017](#) on Forest Utilization Cooperation within Forest Management Units

Enforcement date: 8 September 2017

Summary:

- Cooperation relating to forest utilization may be undertaken through forest-management units (*kesatuan pengelolaan hutan- "KPH"*) in areas of protected or production forests by the following parties: 1) Individuals; 2) Local communities; 3) Village-owned enterprises; 4) Local cooperatives; 5) Micro-, small- and medium-scale enterprises; 6) Regionally owned enterprises (BUMD); 7) State-owned enterprises; or 8) privately owned Indonesian enterprises ("**Cooperation**").
- Cooperation may take the form of: 1) Area utilization (i.e., cultivation of pharmaceutical plantations, rehabilitation of animals, etc.); 2) Environmental service utilization (i.e., utilization of water flows, natural tourism, geothermal, carbon absorption, etc.); 3) Non-timber-forest product utilization; and 4) Timber-forest product utilization in production forests (i.e., rattan, honey, fruit, etc.).

- KPH applications should be submitted to: 1) Forestry service offices at the provincial level (for village-owned enterprises and cooperatives); 2) Governors (for SMEs or BUMDs); or 3) The ministry (for BUMN or privately owned Indonesian entities).
- The Cooperation term validity is set at a maximum of 10-20 years, which may be extended.

22. Ministry of Agriculture Regulation [No. 34/Permentan/HR.060/9/2017](#) on the Second Amendment to Ministry of Agriculture Regulation [No. 48/Permentan/SR.120/8/2012](#) on the Production, Certification and Distribution Supervision of Horticultural Seeds

Enforcement date: 26 September 2017

Summary:

- In order to obtain high-quality seeds, producers and government intuitions are currently required to undertake a process of certification during the seed-production stage. This certification process encompasses the following activities: **1)** Supervision of plantation stage and post-harvesting stage; **2)** Quality-management system; **3)** Certification of seed products; and **4)** Certification of production process assessments.
- The certification of any premium regional seeds which are being propagated through the vegetative propagation method as well as annual plants which are being propagated through the generative propagation method and are being developed by local communities, and which are currently in the middle of the variety registration process is required to comply with the following requirements: **1)** The variety registration process must be completed within a year of any registration application being submitted to the relevant institution; **2)** All labeling must be carried out by institutions responsible for the duties and function of seed certification; **3)** The total amount of seeds that can be developed is limited for the relevant local city/regency, unless the seeds in question are to be used as part of government programs; and **4)** The results of any seed-propagation processes must satisfy the relevant technical requirements for the dispersal of seeds.
- For more information, see ILB [No. 3229](#).

23. Ministry of Marine Affairs and Fisheries Regulation [No. 39/PERMEN-KP/2017](#) on Maritime Affairs and Fisheries Business-Practitioner Cards

Enforcement date: 5 September 2017

Summary:

- Maritime Affairs and Fisheries Business-Practitioner Cards (so-called KUSUKA) are single identity cards for maritime affairs and fisheries businesses and serve as: 1) The identity of a business; 2) A data basis for the protection of a business; 3) A service and development instrument; and 4) An oversight and evaluation instrument.

- Sets the parties eligible to be issued KUSUKA, specifically: 1) Fishermen; 2) Fish farmers; 3) Salt farmers; 4) Fish processors; 5) Fish marketers; and 6) Couriers of maritime and fisheries products.
- In order to secure KUSUKA, eligible parties must submit written applications to the relevant authorities (e.g., head of city/regency office or head of technical unit) along with the relevant required documents (e.g., application form, copy of identity card, etc.). The relevant application will then be issued within 12 business days.
- KUSUKA are valid for five years and are extendable.

24. Supreme Court Decision [No. 31 K/Pdt/2017](#) on Nurhidayah and Ors. v. PT Aetra Air Jakarta and Ors

Render date: 10 April 2017

Summary:

- This citizens' lawsuit was filed by 12 Indonesian citizens, who were being represented by the Rights-over-Water Advocacy Team. The lawsuit was filed against the government (i.e., the President, Vice-President, Ministry of Public Works and Ministry of Finance) and two private companies responsible for the management of the provision of water in the Special Capital Region of Jakarta (i.e., PT Aetra Air Jakarta and PT PAM Lyonnaise Jaya) ("**Respondents**").
- At the District Court level, the claim was partially granted and water privatization in DKI Jakarta was considered to be a tort (*perbuatan melawan hukum*).
- However, at the level of the High Court, the claim was deemed to have failed to satisfy the characteristics of a citizens' lawsuit and the power of attorney was also deemed to have failed all attempts to describe the purpose behind the advocacy team's representation. Hence, the claim was declared inadmissible (*niet ontvankelijke verklaard*).
- Ultimately, the Supreme Court tribunal rendered Decision [No. 31 K/Pdt/2017](#), which annuls all legal reasoning used by the High Court and ordered the Respondents revoke its privatization policy by returning the management of drinking water in DKI Jakarta to PAM Jaya.
- For more information, see ILB [No. 3226](#) and ILD [No. 529](#).

## Consumer and Retail

25. Head of the National Agency of Drug and Food Control Regulation [No. 14 of 2017](#) on Guidelines for Product Information Documents

Enforcement date: 13 September 2017

Summary:

- Producers or importers of cosmetics products are required to prepare Product Information Documents (*Dokumen Informasi Produk*/"DIP") in order to apply for official distribution licenses/BPOM notifications.
- All such DIP must be written in Bahasa Indonesia and/or English and must comprise: 1) Administration documents; 2) Data relating to the quality and safety of any cosmetics ingredients; 3) Data relating to the quality of any cosmetics; and 4) Data relating to the security and suitability of any cosmetics.
- DIP comprise four parts, specifically: 1) Part I: administrative documents; 2) Part II: data relating to cosmetics quality and the safety of any ingredients; 3) Part III: data relating to cosmetics quality; and 4) Part IV: data relating to the security and suitability of the cosmetics.
- DIP must be updated if any changes are made to the data described above and should also be maintained for minimum of six years from the most recent date of production or importation of any cosmetics products.
- DIP will subject to periodic or ad-hoc auditing by BPOM officials. The official Ad-hoc DIP Auditing process is to be undertaken with no prior notification being provided, as a follow up to any post-market inspections or public complaints which are received. Periodic DIP Auditing will be undertaken after notification of at least 30 (thirty) days has first been provided prior to the auditing of the business in question.

26. Ministry of Agricultural Affairs Regulation [No.31/PERMENTAN/PP.130/8/2017](#) on Rice-Quality Grades  
Enforcement Date: 1 September 2017

Summary:

- Sets out three classifications of rice quality, specifically: 1) Medium; 2) Premium; and 3) Special (i.e., sticky rice, brown rice, black rice and conditioned rice).
- Medium and premium rice must satisfy the following requirements: **1)** Minimum milling degree of 95%; **2)** Maximum water content of 14%; **3)** Minimum head-rice level of 75% (for medium rice) or 85% (for premium rice); **4)** Maximum broken-rice level of 15% (for premium rice) or 25% (for medium rice); **5)** Maximum mixture level with other types rice of 0% (for premium rice) and 5% (for medium rice); **6)** Maximum grain mixture (per 100g) of one piece (for medium rice) and zero pieces (for premium rice); **7)** Other mixture level of 0.05% (for medium rice) or 0% (for premium rice).

## General Corporate

### 27. Presidential Regulation [No. 91 of 2017](#) on the Acceleration of Business Operations

Enforcement date: 26 September 2017

Summary:

- Sets out the measures that will be taken by the government in order to improve the current business-licensing regime (“**Measures**”), including changing the forms of business licenses from conventional letters/decrees to electronic decrees, and checklists for entire business sectors.
- The Measures are to be implemented in two phases. The first phase consists of the following measures: **1)** Establishment of the Acceleration Task Force from the national level down to the regency/city levels; and **2)** Implementation of business licensing in form of checklists within special economic zones (“**KEK**”), free-trade areas and free ports (“**KPBPB**”), industrial zones and nationally strategic tourism areas (“**KSPN**”).
- The second phase will consist of the following measures: **1)** Business-licensing reforms, including evaluations of licensing regulations; and **2)** Implementation of online single submissions for licensing purposes.
- Businesses are now able to apply for business licenses to administrators/one-stop integrated service providers for KEK, KPBPB, industrial zones and KSPN in order to secure: **1)** Investment registrations; **2)** Company establishment deeds and their authorizations; **3)** Taxpayer numbers (NPWP); **4)** Company registration certificates (TDP); **5)** Approvals of foreign-worker recruitment proposals (RPTKA) and foreign-worker recruitment permits (IMTA); **6)** Import identification numbers (API); and **7)** Customs access.

### 27. Constitutional Court Decision [No. 85/PUU-XIV/2016](#) on the Judicial Review of Law [No. 5 of 1999](#) on the Prohibition of Monopolistic Practices and Unfair Business Competition

Enforcement date: 20 September 2017

Summary:

- On 20 September 2017, the Constitutional Court (*Mahkamah Konstitusi* – “**MK**”) rendered Decision No. 85/PUU-XIV/2016, which offered new interpretations of a number of articles originally set out under Law [No. 5 of 1999](#) on the Prohibition of Monopolistic and Unfair Business Practices (“**Antitrust Law**”).
- MK has now scaled down the scope of the phrase “other parties” to mean only “other businesses and/or business-related parties”. Thus, any business conspiracy which leads to an unfair marketplace may now only occur between business parties.
- The term “investigation”, as used in Article 36 (c), (d) and (i); and Article 41 (1-2) of the Antitrust Law, should be interpreted as meaning “gathering evidence to be used as proceeding materials”. Thus, it

is clear that the term “investigation” now refers to administrative investigations and not criminal investigations (*pro justitia*).

- MK has rejected the petitioner’s argument, which claimed that the Antitrust Law emphasized criminal law as *primum remedium* (first resort). In contrast, MK argued that criminal sanctions can only be imposed after administrative sanctions have already been ignored (last resort).
- For further information, see ILB [No. 3212](#).

28. Ministry of Religious Affairs, Ministry of Manpower and Ministry of State Apparatus Empowerment and Bureaucratic Reform Joint Decree [No. 707, 256, 01/SKB/MENPAN-RB/09/2017](#) on National Public Holidays and Joint Leave for 2018

Enforcement date: 22 September 2017

Summary:

- Joint Decree sets 15 national public holidays and 5 days of joint leave for 2017.
- National joint leave for the Islamic holiday of Eid-al-Fitr (Idul Fitri) falls on June 13<sup>th</sup>, 14<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> (Wednesday, Thursday, Monday and Tuesday) of 2018. While Christmas joint leave falls on December 24<sup>th</sup> (Monday) of 2018.
- Institutions which provide vital services to the public (e.g., hospitals, police, etc.) are required to make the necessary adjustments to their employee work schedules in order to accommodate national public holidays and joint leave.
- Heads or management of private institutions or government offices are allowed to deduct joint-leave days from their employees’ annual-leave entitlements.
- For more information, see ILB [No. 3215](#).

29. Ministry of State-Owned Enterprises Circular Letter [No. SE-05/MBU/09/2017](#) on the Clean Management of State-Owned Enterprises

Enforcement date: 29 September 2017

Summary:

- Directors, Commissioners, Supervisory Boards (collectively referred to as “**Executive**”) and employees of State-Owned Enterprises (*Badan Usaha Milik Negara* – “**BUMN**”) are strictly prohibited from engaging in any fraudulent acts/corruption (i.e., bribery, illegal charges, mark ups, etc.), collusion and nepotism (collectively refer to as “**Crime**”).
- The Executive must prevent the management and employees of BUMN from committing Crimes through the following actions: **1)** Imposing firm sanctions upon any violators; **2)** Implementing a fair supervisory system; **3)** Implementing an effective reporting system; **4)** Establishing an adequate



remuneration system; and **5)** Providing education, directives and good role models for management and all employees.

- Note that the Ministry of BUMN will impose firm sanctions upon any Executive who is caught and/or proven to have committed a Crime.

30. Ministry of State-Owned Enterprises Regulation [No. PER-04/MBU/09/2017](#) on the Amendment to State-Owned Enterprises Regulation [No. PER-03/MBU/08/2017](#) on Cooperation Guidelines for State-Owned Enterprises

Enforcement date: 14 September 2017

Summary:

- Affirms that state-owned enterprises (BUMN) are now allowed to enter into cooperation with other BUMNs, in addition to their subsidiaries, affiliated parties or other parties.
- Redefines one of the principles relating to cooperation guidelines, specifically, any cooperation should prioritize synergy between BUMN and/or subsidiaries of BUMN and/or BUMN affiliated companies and should enhance the role of national enterprises via direct appointment or direct cooperation in comparison with at least two BUMN, subsidiaries, and/or BUMN affiliated companies.

31. Governor of the Special Capital Region of Jakarta Regulation [No. 126 of 2017](#) on the 0% (Zero Percent) Imposition of Acquisition of Land-and-Building-Rights Duty Fees Due to Sale-and-Purchase Activities for First-Time Land-Rights Entitlements with Tax-Object Acquisition Values of up to IDR 2,000,000,000.00 (Two Billion Rupiah)

Enforcement date: 28 September 2017

Summary:

- The scope of the 0% imposition of acquisition of land-and-building rights duty fees for first-time land-rights entitlements ("**0% Imposition**") covers the following activities: 1) Transfers of rights (i.e., sale-purchase, grants, grants-with-testament or inheritance); and 2) New entitlements (i.e., the continuation of waivers or certain non-waiver activities).
- Sets out the conditions which need to be met in order to secure the 0% Imposition: 1) The 0% Imposition is only for taxpayers who are Indonesian citizens and who have been domiciled in Jakarta for two consecutive years; 2) The 0% Imposition is only for first-time, land-rights entitlements; 3) The maximum tax-object acquisition value is set at IDR 2,000,000,000 (two billion rupiah).
- In order to secure the 0% Imposition, applicants are required to submit their applications to the Head of the Regional Tax and Levies Office or appointed officers along with a number of supporting documents, including: 1) General documents (e.g., copy of an ID card or family certificate which has been authenticated by the relevant authority, etc.); and 2) Specific documents based on the relevant first-time, land-rights entitlement activities (e.g., due to testament, sale-purchase, etc.). Complete applications will be validated by the relevant officials within three business days.
- For more information, see ILB [No. 3231](#).

32. Social Security Agency for Health Regulation [No. 3 of 2017](#) on the Administrative Management of Healthcare Facility Claims during the Organization of the National Health Security Program

Enforcement Date: 1 October 2017

Summary:

- Sets out procedures for the claiming of payments for healthcare service benefits (“**Claim**”) from the Social Security Agency for Health (*Badan Penyelenggara Jaminan Sosial Kesehatan – “BPJS Kesehatan*”), including for: 1) First-level healthcare facilities (*fasilitas kesehatan tingkat pertama – “FKTP*”); and 2) Advanced referral healthcare facilities (*fasilitas kesehatan rujukan tingkat lanjutan – “FKRTL*”).
- FKTP is to be calculated based on capitation and non-capitation tariffs, whereas FKRTL is to be calculated based on Indonesian-Case Based Groups (“**ICBG**”) and Non-ICBG tariffs. Furthermore, FKTP Claims encompass the following services: 1) First-level inpatient; 2) Midwifery and neo-natal; 3) Referral programs; 4) Healthcare screening; 5) Dental prostheses; and 6) Ambulances. Meanwhile, FKRTL Claims encompass: 1) Advanced outpatient or inpatient treatment; 2) Medicine for the treatment of chronic illnesses; 3) Healthcare tools; 4) Ambulance services; 5) Emergency services; and 6) Continuous ambulatory peritoneal dialysis.
- Requirements for the submission of FKTP and FKRTL Claims: 1) General administrative completeness (claims submission form, softcopy of BPJS Kesehatan application fee [for FKRTL only], original stamped receipt, letter of absolute responsibility); and 2) Special completeness (evidence of services and other supporting completeness).
- Healthcare facilities should submit Claims collectively and completely by no later than the 10<sup>th</sup> of the following month. BPJS Kesehatan must then grant payment within a maximum of 15 business days after taking receipt of a completed application.

33. Ministry of State-Owned Enterprises Circular Letter [No. SE-04/MBU/09/2017](#) on Prohibitions on the Employment of Expert Staff, Special Staff and/or Similar

Enforcement Date: 29 September 2017

Summary:

- Directors, Commissioners and Supervisory Boards (collectively referred to as “**Executives**”) of State-Owned Enterprises (*Badan Usaha Milik Negara – “BUMN*”) are prohibited from permanently employing expert staff, special staff and/or personnel in similar positions/roles.
- The appointment of experts for the undertaking of ad-hoc duties (personal consultants) and for the performing of certain work within certain periods (“**Ad-hoc Appointments**”) is still allowed in accordance with the relevant company’s articles of association.

- Any appointment of ad-hoc experts must be reported to the Ministry of BUMN by 30 October 2017 at the latest.
- Since 1 July 2012, Executives have been required to report the presence of any experts or staff in a similar role within their respective BUMN to the Ministry of BUMN.

## Miscellaneous

### 34. Law [No. 11 of 2017](#) on the Ratification of the Minamata Convention on Mercury

Enforcement date: 20 September 2017

Summary:

- Ratifies the Minamata Convention on Mercury, which the Indonesian Government became a signatory to on 10 October 2013.
- The convention sets out provisions on: 1) The procurement and trade of mercury and its elements; 2) The mining of mercury and the utilization of mercury for industrial purposes; 3) The organization of small-scale gold mining; 4) Emissions control; 5) The release of mercury into the environment; and so forth.

### 35. Government Regulation [No. 32 of 2017](#) on Types and Tariffs of Non-Tax State Revenue Applicable at the Food and Drugs Supervisory Agency

Enforcement date: 11 September 2017

Summary:

- Sets various types of non-tax state-revenue tariffs applicable at the Food and Drugs Supervisory Agency (BPOM), specifically in relation to: 1) Registration, notification and evaluation services; 2) Certification services; 3) Examination services; 4) Calibration services; 5) Cooperation during research into food and drugs undertaken with other parties; and so forth.
- Tariffs for cooperation in relation to research into food and drugs, as mentioned in number (5) above, are to be determined as being equal to those described under the nominal value of the relevant cooperation contract. Meanwhile, tariffs for the other types of non-tax state revenue should be in accordance with the appendix to this regulation.
- Sets special tariffs which apply in the following conditions: 1) 50% of the relevant tariff for the registration, notification and evaluation of services which apply to micro-, small-, medium- and household industries; 2) Zero tariff for any donations requiring: a) registration, notification and evaluation services, and b) certification services; 3) Zero tariff for examinations services in cases of force majeure.

36. Government Regulation [No. 31 of 2017](#) on Types and Tariffs of Non-Tax State Revenue Applicable at the Ministry of Trade

Enforcement date: 5 December 2017

Summary:

- Sets 17 types of non-tax state-revenue tariffs applicable at the Ministry of Trade, specifically in relation to: 1) Education and training services; 2) Fines; 3) Training involving imports, exports, quality consultation and examinations; 4) Services offered at trade and economic offices located overseas; and so forth.
- Sets tariffs which apply in the following conditions: 1) Tariffs for fines are to be based on the prevailing laws and regulations; 2) Tariffs for training involving imports, exports, quality consultations and examinations should be in accordance with the relevant principal contract; 3) Tariffs for other types of non-tax state revenue are determined under the Appendix to this Regulation.

37. Presidential Regulation [No. 90 of 2017](#) on The Indonesian Health-Workers Council

Enforcement date: 15 September 2017

Summary:

- The Indonesian Health-Workers Council (KTKI) is an unstructured institution which is under the supervision of the President via the Ministry of Health. The KTKI functions as a coordinator of each health-worker council and has the following duties: 1) Facilitation and support; 2) Evaluation; and 3) Development and supervision of each health-worker council.
- The KTKI is led by a chief and vice chief, as well as by members who act as leaders of each health-worker council, specifically: 1) Nursery council; 2) Pharmacy council; and 3) Health-worker consolidation council.
- KTKI members and their councils are appointed for five-year terms and are entitled to be reappointed for a further five years. However, the President, based on a recommendation made by the Ministry of Health, may terminate any such appointment for the following reasons: 1) The relevant period of service has lapsed; 2) A member is deceased; 3) A member violates their oath; and so forth.
- The KTKI is required to submit mandatory reports to the President via the Ministry of Health on either a six-monthly or an ad-hoc basis.

38. Ministry of Transportation Regulation [No. PM 80 of 2017](#) on the National Aviation Safety Program

Enforcement date: 8 September 2017

Summary:

- Updates have been made regarding the national aviation safety program which require: 1) Aviation stakeholders to utilize advanced technology (e.g. body inspection machines, automatic explosives

detection systems, etc.) by no later than 8 October 2017; 2) Airport authorities to evaluate the licenses of aviation safety personnel by no later than 8 September 2018; 3) Heads of airport authorities to revise airport security programs, local security manuals and station security manuals by no later than 8 March 2018; 4) Airport organizers, airline companies, foreign airline companies and aviation navigation organizers (**“Airport Parties”**) to adjust their security programs to this regulation by no later than 8 March 2018; 5) Airport organizers, airline companies and foreign airline companies to submit hard copies of airport safety programs to airport authorities by no later than 8 September 2018; 6) Aviation navigation service organizers to submit hard copies of aviation navigation service safety programs to airport organizers by no later than 8 September 2018; 7) Airport Parties to take necessary measures to prevent cyber-attacks by no later than 8 March 2018; and 8) Airport organizers to organize education and training sessions on the operation of X-Ray machines using CBT X-Rays by no later than 8 September 2018.

39. Ministry of Public Works and Public Housing Regulation [No. 16/PRT/M/2017](#) on Non-Cash Toll Transactions on Toll Roads

Enforcement date: 15 September 2017

Summary:

- Cashless transactions undertaken at toll-road gates (**“Cashless Transaction”**) are to be implemented through the use of electronic money and contactless technology.
- Cashless Transactions are to be divided into two main activities, namely: **1)** Management (i.e., procurement and maintenance of infrastructure, operations and settlements); and **2)** Supervision and control (i.e., monitoring and evaluation of Cashless Transactions).
- Cashless Transactions are to be implemented in the following stages: **1)** Application of Cashless Transactions on all toll roads by 31 October 2017; and **2)** Application of contactless technology-based transactions on all toll roads by 31 December 2018. Once the Cashless Transactions described in point (1) above have been implemented, then toll roads will no longer engage in any cash transactions.
- Toll-road organizers (*Badan Usaha Jalan Tol/BUJT*) are required to support the organization of Cashless Transactions through the following activities: **1)** Dissemination of information and education regarding the implementation of Cashless Transactions; **2)** Increasing the proportion of toll gates which do not accept cash transactions up to a minimum of 60% of the total number of toll gates by September 2017; **3)** Providing top-up points for electronic money on toll roads; and so forth.
- For more information, see ILB [No. 3228](#).

40. Ministry of Finance Regulation [No. 135/PMK.06/2017](#) on the Second Amendment to Ministry of Finance Regulation [No. 78/PMK.06/2015](#) on Procedures for the Appointment and Dismissal of Boards of Directors for PERSERO Companies under the Management and Supervision of the Ministry of Finance

Enforcement date: 9 October 2017

Summary:

- Alters the stages for fit-and-proper testing (“FPT”) for the appointment of new Boards of Director (“BoD”) to the following two steps: 1) Nomination of BoD candidates by the Directorate General of State Assets (“DJKN”); and 2) Final assessment by the FPT team. Previously, there was only one initial FPT stage, specifically the establishment of the FPT team.
- Authorizes the Vice Minister of Finance to become the head of the FPT team. Previously, the position of head of the FPT team was held by the Director General of State Assets.
- The list of members of any BoD whose appointment period will end should be reported to the General Meeting of Shareholders (*Rapat Umum Pemegang Saham* – “RUPS”) three months (previously six months) prior to any such appointment period elapsing.

In terms of the final assessment, the FPT team is authorized to change the composition of the list of BoD candidates submitted by the DJKN through a consideration of the assessment results provided by external professional institutions. Based on this final assessment, the FPT team will then determine two BoD candidates for each position, one of which will ultimately be appointed through RUPS.

41. Ministry of Foreign Affairs Regulation [No. 7 of 2017](#) on the Issuance and Revocation of Indonesian Citizenship Cards in Foreign Countries

Enforcement date: 25 August 2017

Summary:

- The Ministry of Foreign Affairs or appointed officer is authorized to issue and revoke Indonesian Overseas Cards (KMILN). The KMILN has the following functions attached to it: 1) Acts as an identity card for the Indonesian diaspora living abroad; and 2) Provides a way of monitoring Indonesian citizens located overseas in order to fulfill the national interest.
- KMLN can be secured through the submission of applications to the Ministry of Foreign Affairs through its embassies or its representative offices by any of the following parties: 1) Indonesian citizens (WNI) living overseas; 2) Former WNI; 3) Children of former WNI parents; or 4) Foreign citizens who have a WNI parent.
- Applicants must satisfy number of general requirements, including: 1) Must not be involved in any activity which could be considered detrimental or harmful to Indonesia; 2) Must not have any legal problems in Indonesia; 3) Must be at least 18 years of age; and 4) Must have been resident and/or working overseas for at least two years.

- KMILN are valid for two years and are extendable.
- KMILN can be revoked by the relevant authorities or by holders themselves in the following circumstances: 1) Death; 2) Becoming resident in Indonesia; 3) Provision of incorrect required documents; 4) Misuse of KMILN; and so forth.

42. Ministry of Finance Regulation [No. 125/PMK.08/2017](#) on Procedures for the Management of Assignment Collateral for Regional Infrastructure Financing

Enforcement Date: 18 September 2017

Summary:

- Set out two mechanisms for the covering of any payment arrears to PT Sarana Multi Infrastruktur (“PTSMI”) for infrastructure projects initiated by regional governments, specifically: 1) Regional Infrastructure Guarantee Funds (*Dana Jaminan Penugasan Pembiayaan Infrastruktur Daerah - “DJPPID”*); and 2) Mandatory Guarantee Allocation for PT SMI (*Anggaran Kwajiban Penjaminan Penugasan PT SMI*).
- Upon receiving a payment-request letter (*surat permintaan pembayaran - “SPP”*) from PT SMI, the relevant Commitment-Making Official (“CMO”) will determine which payment sources are to be used. Payments made through the use of DJPPID are to be prioritized.
- CMO will forward the SPP to the related Signing Official attaching: 1) Authorization letter for the disbursement of funds; 2) Verification results regarding the SPP; 3) Results of reconciliation between PT SMI and regional government or an affidavit stating that PT SMI is responsible for the SPP (if there has been no reconciliation); 4) Copy of a facility agreement for local-infrastructure financing; and 5) SPP issued by PT SMI.
- The aforementioned debt-payment will be undertaken for a maximum period of 20 business days after receipt has been taken of any completed application.

43. Ministry of Finance Regulation [No. 124/PMK.010/2017](#) on Inflation Targets for 2019, 2020 and 2021

Enforcement Date: 18 September 2017

Summary:

- Set the following inflation targets: 1) 3.5% for 2019; 3% for 2020, and 3% for 2021 (with a deviation rate of 1%).
- These inflation targets referred to year-on-year (YOY) headline inflation.

44. Ministry of Finance Regulation [No. 123/PMK.04/2017](#) on the Amendment to Ministry Regulation [No. 261/PMK.04/2015](#) on the Temporary Importation of Foreign Cruise Ships

Enforcement Date: 3 October 2017

Summary:

- Adds Tarempa Seaport in the Province of Riau, which was not previously listed as a port of entry for temporary imports of foreign cruise ships, to the list of 18 other seaports.
- Any additions to the list of ports of entry are to be stipulated through a Ministry of Finance Decree.

45. Coordinating Ministry for Economic Affairs Regulation [No. 5 of 2017](#) on the Amendment to Coordinating Ministry for Economic Affairs Regulation NO. 12 of 2015 on the Acceleration of Priority Infrastructure Preparation.

Enforcement Date: 6 September 2017

Summary:

- Adds several new projects to the list of prioritized infrastructure, specifically: 1) The Binjai, Langsa, Lhokseumawe, Sigli, Pekanbaru, Bukittinggi and Tebingtinggi toll roads; 2) The Probolinggo - Yogyakarta toll road; 3) Public railways in Jakarta; 4) Patimban seaport; 5) Gas-powered power plants located across 18 Indonesian provinces; 6) Perpetual gas fields; 7) The Gendalo, Maha, Gandang, Gahem and Bangka fields; 8) The Tangguh LNG railway; 9) Gas-field unitization; 10) The Regional Jatiluhur and Bandar Lampung City drinking water supply systems; 11) The Jakarta sewerage system; 12) The national capital integrated coastal area; and 13) Energy originating from the waste produced by major cities.
- Removes several projects from the list of prioritized infrastructure, specifically: 1) The Karangates, Kesamben and Lodoyo hydropower plants; 2) National capital integrated coastal development; and 3) High-voltage direct-current projects.

46. Ministry of Public Works and Public Housing Regulation [No. 17/PRT/M/2017](#) on Guidelines for the Establishment of the Coordinating Team for Water Resource Management at River Area Level.

Enforcement Date: 22 September 2017

Summary:

- Establishes the Coordinating Team for Water Resource Management at the River Area Level ("**Coordinating Team**"), which will act as a coordination forum representing various cross-sector interests and which will comprise of: 1) Cross-Country Coordinating Team; 2) Cross-Province Coordinating Team; 3) National Strategic Coordinating Team; 4) Cross-Regency/City Coordinating Team; and 5) Regency/City Coordinating Team.



- The tasks of the Coordinating Teams encompass: 1) The drafting of schemes and planning for the management of river water; 2) The management of hydrology and hydrometeorology information; 3) Water-allocation management; 4) The provision of recommendations on the management of water resources to the Ministry, etc.
- Coordinating Team members may be drawn from the government or from non-government enterprises (i.e., associations of drinking-water companies, water-resource users who are engaged in electrical-energy enterprises, mining, etc.) and should be well balanced across all of these enterprises. Note that non-government memberships are valid for five-year periods.

47. Ministry of Agriculture Regulation [32/PERMENTAN/PK.230/9/2017](#) on the Provision, Distribution and Oversight of Broiler Chickens and Chicken Eggs for Consumption Purposes

Enforcement Date: 7 September 2017

Summary:

- Broiler chicken meat (“**Chickens**”) and chicken eggs (“**Eggs**”) which are produced for consumption purposes may be procured through domestic production or importation. Such procurement may take the form of fledglings and live birds which fall under the following classifications: 1) Grand-Parent Stock (“**GPS**”); 2) Parent Stock (“**PS**”); and 3) Final Stock (“**FS**”).
- Chickens may be produced by the following parties: 1) Integrated and independent businesses (“**Businesses**”); 2) PS breeders; 3) Cooperatives; and/or 4) Ranchers. Any of the parties described in points (1), (3) and (4) above which produce live birds amounting to a total of over 300,000 Chickens per-week are required to take possession of their own poultry slaughterhouses (*rumah potong hewan unggas*) and cold-chain facilities by 7 December 2017 at the latest.
- Any distribution of fledglings must first secure a certificate issued by an accredited certification institution, while any distribution of Eggs must secure a veterinary certificate issued by a veterinary unit at the provincial or regency/city level.

Fledglings are to be distributed by Businesses or GPS/PS breeders, while live birds and Eggs are to be distributed by Businesses, PS breeders; cooperatives and ranchers.

48. Ministry of Trade Regulation [No. 73/M-DAG/PER/9/2017](#) on the Second Amendment to Ministry of Trade Regulation Number 16/M-DAG/PER/3/2017 on the Trade of Refined Crystal Sugar Through the Commodities Auction Market

Enforcement Date: 26 September 2017

Summary:

- Postpones the implementation of the auction market for the trading of refined crystal sugar from 1 October 2017 to 15 January 2018.

49. Ministry of Transportation Regulation [No. PM 83 of 2017](#) on Civil-Aviation Safety Regulations Part 139 for Aerodromes

Enforcement Date: 20 September 2017

Summary:

- Enacts Civil Aviation Safety Regulations Part 139 for Aerodromes (“**CASR Part 139**”), as set out under the Appendix to the regulation.
- CASR Part 139 sets out various provisions which pertain to aerodrome operations, including: 1) Aerodrome certification; 2) Aerodrome registration; 3) Guidebook of aerodrome operations; 4) Reporting officers; 5) Obstacles and hazards; 6) Exemptions; 7) Operational hours; and 8) Aerodrome rescue and fire-fighting services.

50. Ministry of Transportation Regulation [No. PM 77 of 2017](#) on the Licensing and Rating of Aircraft Operations Personnel and Supporting Aircraft Operations Personnel Through Information-Technology Based Applications (Online Systems)

Enforcement Date: 20 September 2017

Summary:

- All aircraft personnel and supporting personnel (“**Personnel**”) are required to secure valid licenses and ratings, which can be applied for via the <http://pel.dephub.go.id>. The license covers: 1) Student-pilot permits; 2) Private pilots licenses; 3) Commercial pilots licenses; 4) Sporting pilots licenses; 5) Flight engineer licenses; 6) Flight operations officer licenses; 7) Flight attendant certificates; 8) Flight instructor licenses; 9) Endorsement type/class ratings; and 10) Ratings instruments.
- License or ratings applications can be submitted by: 1) Individual Personnel directly; 2) Relevant institutions/organizations as the employer of the Personnel; or 3) Education and training institutions.

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