



Investing in Indonesia 2021

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1 Introduction

The passing of Law No 11 Year 2020 on Job Creation (popularly known as the “Omnibus Law”) marks an important milestone in Indonesia’s effort to attract foreign investment to sustain future economic growth. The Omnibus Law revised 78 existing cross-sectoral laws to establish a coordinated framework in order to create more job opportunities across Indonesia. As of the publication of this report, 51 implementing regulations to the Omnibus Law have been issued. The impact of the Omnibus Law and its implementing regulations is discussed in various chapters of this publication. In our experience, it will likely take at least two years to see the positive impact of the Law.

While Indonesia is attractive to foreign investors because of its young workforce and large domestic market, its weak basic infrastructure relative to other comparable countries remains a major obstacle. During the period between 2014-2019, we have seen an unprecedented focus on infrastructure investments. Chapter 4 of this publication highlights the major infrastructure developments from 2014 to now.

In the last two years, like many countries, the Indonesian government was forced to reallocate significant resources to health care and the social safety net to tackle the negative impacts arising from the COVID-19 pandemic. Prior to COVID-19, the government was widely praised for its discipline in maintaining the fiscal deficit within the required limit of 3 percent. Since then, the deficit limit has been temporarily expanded to 5.82 percent in 2021 and 4.85 percent in 2022. The government’s ability to rebalance the fiscal deficit is a key indicator to watch, as Indonesia expects to return to the 3 percent limit by 2023.

This publication is intended as a general guide to investing and doing business in Indonesia, primarily for new foreign investors looking to enter the Indonesian market. It also serves as a useful reference document for established foreign and domestic investors. Practical insights and other intelligence from KPMG’s experience at the transaction “coalface” and from providing transaction, M&A and tax advisory services to foreign and local investors and lenders can also be found at appropriate junctures in this publication.

Note :

This publication is not intended to be a substitute for formal legal, tax or other professional advice. To the best of our knowledge, laws and regulations referred to throughout the document reflect the position as of 1 November 2021, or later where specifically referenced.



6 Business Structures and Establishment

The Company Law

The Company Law issued in 1995 stipulates the legal framework for companies. Previously, business was regulated by the provisions of the Indonesian Commercial Code and Indonesian Civil Code. These were drafted in the last century based on Dutch Colonial Law. In August 2007, the 1995 Company Law was further amended by Law No.40/2007 concerning Limited Liability Company ("the Company Law").

Legal entities for doing business

There are a number of legal forms of entities that can engage in business in Indonesia:

- Sole proprietor: proprietor has unlimited liability
- General partnership (FA or *Firma*): partners have joint and several unlimited liability
- Limited partnership (CV): silent partners are liable to the extent of their capital contribution, while managing partners have unlimited liability
- State-owned corporation (BUMN or SOE): company owned by the government and reliant upon the state to fund any deficit
- Branch of a foreign corporation: foreign companies cannot, in most cases, establish operations in Indonesia through a locally-registered branch; banking and upstream oil & gas being the only exceptions
- Limited liability companies (PT): shareholders have limited liability.

As indicated, a PT company formed with a foreign shareholder in accordance with the requirements of the Investment Law and BKPM rules and regulations is referred to as a PMA company, and PTs with domestic investment status are known as domestic investment companies or "PMDN". A "PT *Biasa*" is the term given to a local Indonesian private company administered by the MOT which is unlikely to be directly relevant to foreign investment. A customs master list regulated by BKPM provides import duty relief and incentives on import of machinery and equipment for initial and capacity expansion investments made by PMA and PMDN companies.

For foreign investors, a PMA company is the only form permitted under the Investment Law. However, foreigners may have a presence other than through a direct investment, and this is discussed later in this chapter.

Deed of establishment, authorized and paid-up capital

The deed of establishment requires the approval of the MOLHR, which will ensure that the terms do not contradict the Company Law, or other laws, regulations and policies. The MOLHR has issued standard forms of establishment deeds to simplify approval requirements.

There are requirements that at least 25 percent of the authorized capital must be subscribed at the time of establishment, and all issued shares must be fully paid-up before the business license is obtained. The Company Law stipulates minimum authorized share capital to be IDR50 million, of which at least 25 percent must be issued and fully paid-up.

With the issuance of Omnibus Law, the requirement of minimum authorized share capital of IDR50 million has been removed. The Omnibus Law stipulates that the amount of authorized capital of a PT company shall be based on the agreement of the company's founders. This requirement shall be further implemented by a GR.

The deed of establishment can be drafted by a lawyer or a notary, and a notary public will attend to the requisite approvals and registrations.

The provisions relating to the PT are contained in the articles of association ("AoA") formed by the notarial deed of establishment. The AoA contained in the deed address, among other things:

- Rights and duties of shareholders
- Rights and duties of commissioners and directors
- Name of the company, its purpose, duration, domicile
- Authorized capital and the division into shares
- Number of shares taken by founders
- Dividends.

Investment value

Based on the prevailing investment regulation (BKPM regulation No 1/2020), PMA is required to meet the following capital and investment-value requirements:

- The total investment value should exceed IDR10 billion, excluding land and buildings, per the Indonesian standard industrial classifications ("KBLI") business sector per relevant project location;
- The amount of issued capital must be equivalent to the relevant paid-up capital and should amount to at least IDR2.5 billion; and
- Share ownership percentages should be calculated based on the nominal value of shares.

Shareholders, directors and employees

A PT company must have two shareholders upon establishment, even for a PMA initially permitted 100 percent foreign ownership.

However, this requirement has been updated under the Omnibus Law. The Omnibus Law adds new types of PT company that are exempted from the minimum of two shareholders requirement. The exemption is applicable to regional-owned enterprises, village-owned enterprises, and companies that meet criteria of micro-small enterprises. As such, it is now allowable for an individual to form a single-shareholder legal entity in the form of a PT company if the business is classified as a micro and small enterprise. Once the PT company no longer meets the criteria for a micro-small-scale business, it must be reclassified as an ordinary type of PT company under the applicable regulations.

Article 33 of the Investment Law expressly prohibits or deems unenforceable nominee arrangements in making investments in limited liability companies. Any agreement and/or statement providing for share ownership in a limited liability company to be for and on behalf of another party is null and void. In practical terms, in the event relationships breakdown between a real foreign owner and a local Indonesian nominee shareholder, the foreign investor effectively "has nothing" in terms of legally enforceable rights. Such nominee arrangements are not uncommon in Indonesia.

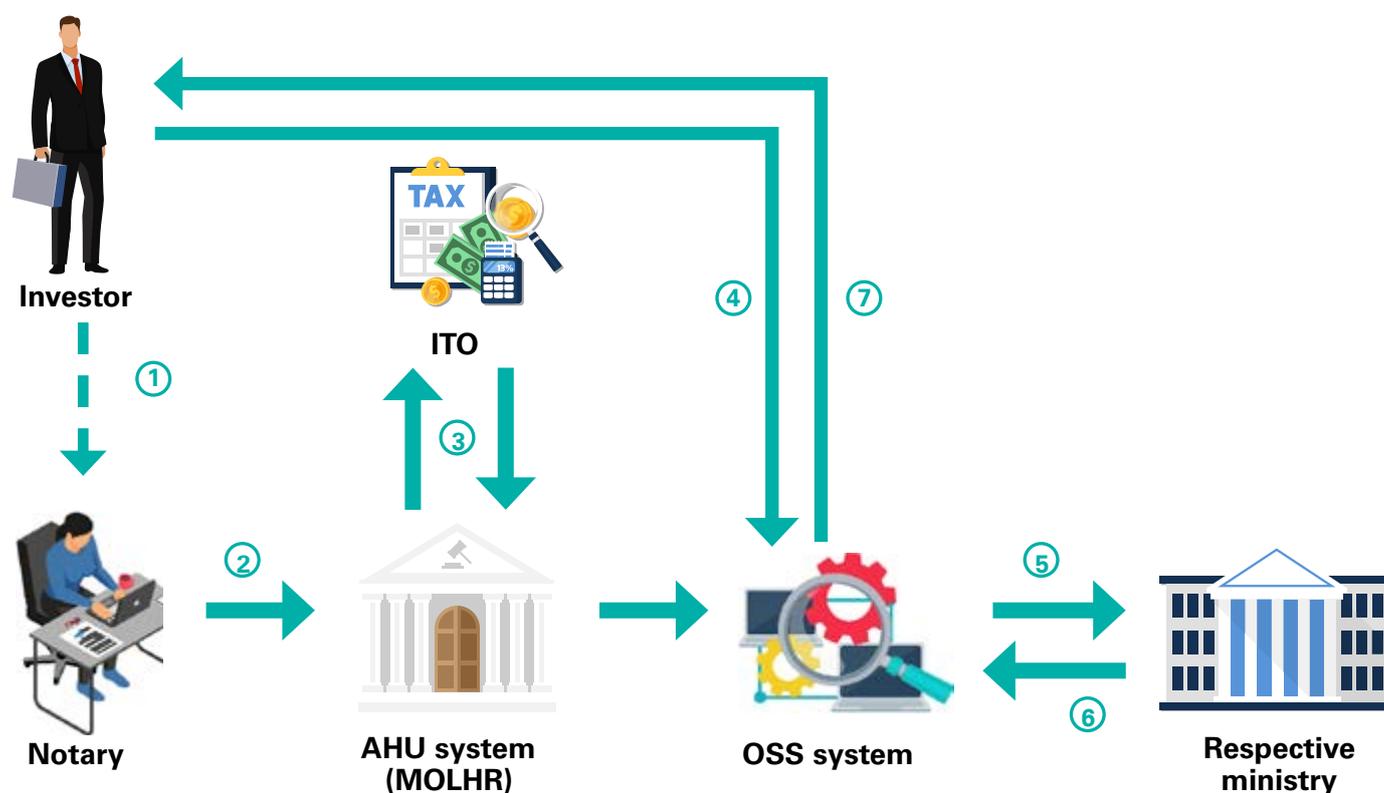
Companies may have one or more directors, one of which must be the president director. The board of directors ("BOD") oversees the day-to-day operations. The directors are usually full-time employees of the company or a related party or group company. Under the Company Law, a company is also required to have a board of commissioners ("BOC"). These are non-executives who oversee the activities of the directors. They supervise the corporate governance aspects of the company and the policies of the BOD. Under certain circumstances, they may perform some executive functions on a temporary basis if all the members of the BOD have been dismissed or there are no members of the BOD available for whatever reason.

Minimum requirements are one BOD and one BOC member, and these cannot be the same person. Both the director and commissioner can be foreign or Indonesian nationals, but there are specific industry requirements about the composition of foreign and Indonesia nationals in BOD and BOC.

Establishment and application procedures for incorporation of a PMA

Once the nature of the project and size of investment have been established, registration must be made with BKPM. Historically the registration needed to be filed with BKPM, MOLHR, Indonesian Tax Office (“ITO”) and relevant ministries/ government agencies that regulate specific industries which prolonged the time needed for establishment (typically between 3 to 4 months). Since August 2019, business and investment application procedures have been simplified with BKPM as the main contact for potential investors and a system known as OSS has been used to manage the entire business application tracking and approval process.

In order to utilize the OSS system, a potential investor needs to obtain access rights by submitting applications via the OSS system, which is responsible for the administration of business licensing registrations. The workflow of business application process using the OSS system is illustrated below:



Step	Process
1	Notarial deed of establishment by notary, notary needs to conduct an interview before the establishment of AoA.
2	Notary handles the registration process to MOLHR using administration of general laws (“AHU”) system and obtain the MOLHR approval for the legal entity establishment.
3	AHU system connects with ITO to generate the auto approved taxpayer identification number (<i>Nomor Pokok Wajib Pajak</i> or “NPWP”) and transfers all relevant data (AoA, MOLHR approval and NPWP) to OSS system.
4	Investor registers to OSS system to activate the account and get access right and provide additional information to get a NIB.
5	OSS forwards NIB issued to various ministries/government institutions to process the operational and/or commercial licenses (<i>izin usaha and/or izin operasional</i>).
6	Operational and/or commercial licenses are issued by the respective ministries/government institutions.
7	OSS notifies investor on the status of application and whether operational and/or commercial licenses are granted by the related ministries/government institutions.

Risk-based business licensing

The Omnibus Law has introduced the new business licensing approach, known as the risk-based approach, with the objective to further simplify Indonesia's business licensing requirements.

Under the risk-based approach, the number of licenses and permits required for each business will be based on the business risk level that will be determined by the scale of the hazards that a business has the potential to create and the risks posed by the business activities.

By taking health, safety, environment, and resources aspects into account, the Omnibus Law differentiates business risks into three categories:

a. Low risk business activities

Business activities will only be required to obtain a NIB. NIB serves as proof of registration to carry out business activities.

b. Medium/intermediate risk business activities

This category consists of lower-medium risk business activities and upper-medium risk business activities. Companies that fall in the lower-medium risk category will be required to provide NIB & a statement letter of fulfillment of business standards. While companies under the upper-medium risk category will be required to provide NIB & obtain a business standards certificate from the central or regional government.

c. High risk business activities

Business activities that are classified as high-risk business activities are required to obtain NIB and a license in the form of an approval/permit issued by the central or regional government for the business actors to perform their business activities. The license/permit must be obtained prior to conducting the business activities.

Refer to Appendix 2 for the implementing regulation of risk-based business licensing and the supervision of business activities.

Licenses and permits

The OSS system is integrated with various systems hosted in the relevant ministries/government institutions. The licenses and permits that have been consolidated in OSS system include:

- 1) NIB, which is the first license for new business before securing business, commercial and operational licenses from the relevant ministries/government institutions that regulate specific industries. The NIB is also functioned as:
 - Company registration certificate ("TDP");
 - Import identification number ("API");
 - Customs access rights;
 - Initial report in relation to mandatory employment reporting; and
 - Proof of participation in the social security for health ("*BPJS Kesehatan*") and manpower ("*BPJS Ketenagakerjaan*") programs.
- 2) Business and commercial/operational licenses for specific regulated industries. Basically, there are four types of business and commercial/operational licenses:
 - a) License without commitment fulfillment (Type 1), business license become effective immediately upon the issuance via OSS system.
 - b) License with technical requirements (Type 2).
 - c) License with fee requirements (Type 3).
 - d) License with technical and fee requirements (Type 4).

Other than Type 1 license, the business license issued via OSS system will become effective upon the fulfillment of relevant commitments and be validated by relevant ministries/government institutions that regulate specific industries. The tracking of application status is available in OSS system (Refer to step 6 of the workflow of business application process.)

To apply for these business licenses, OSS system will indicate whether:

- a technical evaluation is required to assess the fulfillment of commitment. The related ministries/government institutions are required to conduct the technical evaluation within five business days upon the receipt of the complete and accurate application. Otherwise, the business application will be deemed as approved.

Financial statements, statutory filing and audit obligations

Companies over a certain size and foreign-owned companies are required to prepare annual statutory financial statements in accordance with SAK.

The Company Law, as well as regulations issued by the MOT, set out requirements for the filing of annual financial statements.

Under Article 68 of the Company Law, financial statements of a private company with assets and/or turnover exceeding IDR50 billion are required to be audited. Under the Company Law, the appointment of external auditor needs to be ratified at an annual general meeting of shareholders.

MOT Regulation No. 25/2020 regarding Submission of Annual Financial Statements requires every company which are:

- Publicly listed entities
- Companies involved in accumulating funds from the public (such as banks and insurance companies)
- Companies issuing debt instruments
- Companies with assets of IDR25 billion or more
- Bank debtors whose financial statements are required by the bank to be audited
- Foreign company domiciled and conducting their business in Indonesia, including branch offices, auxiliary offices, subsidiaries as well as agents and representatives of those companies having the authority to enter into an agreement
- State-owned enterprise.

to submit annual audited financial statement to the MOT within six months of an entity's financial year-end. Annual audited financial statements are to be filed online through the licensing information system ("SIPT"), which has been integrated to the OSS system. The Directorate General of Domestic Trade will issue an annual financial statements submission receipt within five days after the submission. Previously, the company had to submit their annual financial statements physically to the Directorate of Business Development and Company Registration at the MOT.

Furthermore, MOT Regulation No. 25/2020 also acknowledges annual financial statements submission required by other government institutions. Therefore, if the company has submitted its annual financial statements to: (i) regulators, (ii) authorities regulating submission of financial reports, (iii) Minister of State-Owned Enterprises, and/or (iv) MOF, the company will be deemed to have submitted its annual audited financial statements.

Loss of limited liability

The Company Law stipulates that a company must have at least two shareholders to retain its limited liability status. If a company is left with only one shareholder and this situation persists for six months or more, then that shareholder will be liable for the company's liabilities and losses, and the company may be dissolved.

Options open to foreigners other than incorporating a PMA company

Background

In Chapter 5, the opportunities for non-Indonesians to seek approval for investment in sectors open to foreigners was discussed. Foreigners can also have a business presence in Indonesia through entities other than PMA companies. These options are set out below.

Representative office

Trade promotion can be encouraged through the establishment of a representative office. The representative, who may be an expatriate or an Indonesian national, is not usually permitted to carry out any direct business activities, such as accepting orders, bidding for tenders, importing, exporting, signing contracts or distributing. The activities of a representative office are restricted to the issue and collection of information, and the provision of assistance to local agents and distributors as well as marketing and promotional activities.

An exception applies to representative offices of foreign companies engaged in construction services. Foreign companies have been allowed for some time to provide construction services in Indonesia in a joint operation ("JO") with a local construction company.

In a recent development, Minister of Public Works and Housing Circular Letter No. 22/SE/M/2019 concerning Guidelines for the Licensing of Foreign Construction Services Business Entities articulates general procedures and provisions for the application, extension or revocation of construction business licenses for foreign investment construction companies and foreign construction company representative office.

The circular letter stipulates that the issuance and extension of construction business licenses shall be done through the OSS system. An effective construction business license lasts for three years if the foreign construction business has been established as a representative office in cooperation with an Indonesian construction company, or indefinitely if the foreign business has incorporated a legal entity in a joint JV with an Indonesian construction company, provided the JV undertakes at least one project every three years.

Representative office applications are generally made to BKPM. Some foreign investors initially enter the Indonesian market through a representative office, and later as business opportunities grow, apply for establishment of a PMA company in order to commence proper trading activities.

Care must be taken in establishing a representative office due to the possibility or risk that group company transactions otherwise not taxable in Indonesia may become assessable due to the existence of a PE for tax purposes. This is discussed further in Chapter 10 on Taxation.

Branch

The oil & gas sector and foreign bank branches are addressed in Chapter 5. No foreign bank branch licenses have been issued since 2003.

Agent or distributor

A foreign company that wishes to sell its products in Indonesia will usually appoint one or more Indonesian agents or distributors. The agent or distributor may apply for a work permit for the employment of an expatriate, who is familiar with the foreign company's products.

Technical assistance or franchise agreement

A local company may sign a contract with a foreign party to supply technical assistance and management services or support. It would be normal for the local company to employ foreign experts, supplied in accordance with the agreements, and for fees to be charged based on an agreed mechanism or structure.

Government contracts

Where technology or expertise is not available domestically, the GOI can enter into contracts with foreign companies. A company would normally enter into a contract in conjunction with local contractors or may act as a subcontractor to a local contractor. The contract permits the company to establish a presence in Indonesia for the purpose of undertaking a project

Sources:

- (1) KPMG Research and Intelligence
- (2) Law No. 40/2007 concerning Limited Liability Company
- (3) BKPM website: www.bkpm.go.id
- (4) BKPM "Monitoring Investment Climate in Indonesia": Seminar 20 May 2015
- (5) Minister of Public Works and Housing. Circular Letter no 22/SE/M/2019
- (6) Ministry of Trade. Regulation no 25/2020

Glossary

2016 Negative List	PR No. 44 of 2016
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AEO	Authorized Economic Operator
AHU	<i>Administrasi Hukum Umum</i> or administration of general laws
AML	Anti-Money Laundering
AoA	Articles of Association
AP I	Angkasa Pura I
AP II	Angkasa Pura II
APA	Advance Pricing Agreement
APBN	<i>Anggaran Pendapatan dan Belanja Negara</i> or state budget
API	<i>Angka Pengenal Impor</i> or import identification number
API-P	<i>Angka Pengenal Importir Produsen</i> or producer importer identification number
API-U	<i>Angka Pengenal Importir Umum</i> or general importer identification number
ASEAN	Association of Southeast Asian Nations
B2B	Business-to-business
B2C	Business-to-customer
BAPEPAM-LK	<i>Badan Pengawas Pasar Modal dan Lembaga Keuangan</i> or capital market and financial institution supervisory board
BAPPEBTI	<i>Badan Pengawas Perdagangan Berjangka Komoditi</i> or commodity futures trading regulatory agency
BAPPENAS	<i>Badan Perencanaan Pembangunan Nasional</i> or Indonesian national development agency
BCBS	Basel Committee on Banking Supervision
BEPS	Base Erosion and Profit Shifting
BHI bank	<i>Bank Berbadan Hukum Indonesia</i> or legal entity bank
BI	Bank Indonesia or Indonesian central bank
BI Regulation 18	BI Regulation No. 18/40/PBI/2016
BKPM	<i>Badan Koordinasi Penanaman Modal</i> or Indonesian investment coordinating board
BOC	Board of Commissioners
BOD	Board of Directors
BOO	Build, Own and Operate
BOOT	Build, Own, Operate and Transfer
BP Migas	<i>Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi</i> or executive agency for upstream oil and gas business activities
BPH Migas	<i>Badan Pengatur Hilir Minyak dan Gas Bumi</i> or regulatory agency for downstream oil and gas
BPHTB	<i>Bea Perolehan Hak atas Tanah dan Bangunan</i> or levy/transfer title tax on tax and building
BPJS	<i>Badan Penyelenggara Jaminan Sosial</i> or social security administrative bodies
BPJS Kesehatan	Health social security agency
BPJS Ketenagakerjaan	Workers social security agency
BPJS Pensiun	Social security pension plan
BPJT	<i>Badan Pengatur Jalan Tol</i> or toll road regulatory agency
BPLJSKPB	<i>Balai Pengujian Laik Jalan dan Sertifikasi Kendaraan Bermotor</i> or vehicle test and certification
BPM	<i>Badan Pemberdayaan Masyarakat</i> or investment board
BPN	<i>Badan Pertahanan Nasional</i> or national land agency
BPOM	<i>Badan Pengawas Obat dan Makanan</i> or food and drug administration
BPP	<i>Biaya Pokok Penyediaan Pembangunan</i> or basic production price
BPS	<i>Badan Pusat Statistik</i> or central statistic agency
BRT	Bus Rapid Transit
BUMD	<i>Badan Usaha Milik Daerah</i> or regional-owned business entities
CAGR	Compound Annual Growth Rate

CBCR	Country-by-Country Reporting
CBD	Central Business District
CBU	Completely Built-Up
CCOW	Coal Contract of Work
CEP	Comprehensive Economic Partnership
CFC	Controlled Foreign Company
CFT	Counter Terrorism Financing
CIF	Cost, Insurance and Freight
Circular 31	OJK Circular Letter No. 31/SEOJK.05/2015
Circular Letter 31	Ministry of Manpower Circular Letter No. B.31/PHIJSK/I/2012
Circular Letter 17	Circular Letter 17/11/DKSP
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CITR	Corporate Income Tax Return
CLA	Collective Labor Agreement
Company Law	Law No.40/2007
COW	Contract of Work
Currency Law	Law No.7/2011
Customs Office	The Indonesian Directorate General of Customs and Excise
CV	<i>Commanditaire Venootschap</i> or limited partnership
DDI	Domestic Direct Investment
Decision 27	Constitutional Court Decision No. 27/PUU-IX/2011
Declaration Letter	Assets declaration letter for the application of Tax Amnesty
Decree 228	Ministry of Manpower Decree No. No. 228/2019
DER	Debt-to-Equity Ratio
DGCE	Director General of Customs and Excise
DGT	Directorate General of Taxes
DKP-TKA	<i>Dana Kompensasi Penggunaan Tenaga Kerja Asing</i> or compensation for the use of foreign manpower
DPD	<i>Dewan Perwakilan Daerah</i> or Council of Regional Representatives
DPR	<i>Dewan Perwakilan Rakyat</i> or House of Representatives
DTA	Double Tax Agreement
DWT	Deadweight Tonnage
EDI	Electronic Data Interchange
EPI	English Proficiency Index
ERP	Electronic Road Pricing
ETT	Electronic Transaction Tax
FA	Firma or general partnership
FCPA	Foreign Corrupt Practices Act
FDI	Foreign Direct Investment
Forex	Foreign Exchange
FPA	Free Port Area
FTA	Free Trade Area
FTZ	Free Trade Zone
G20	Group of twenty, a strategic multilateral platform connecting the world's major developed and emerging economies
GATT	General Agreement on Tariffs and Trade
GCG	Good Corporate Governance
GDP	Gross Domestic Product
GESF	General Expenditure Support Fund
GFC	Global Financial Crisis
GMS	General Meeting of Shareholders
GOI	Government of Indonesia

GR	Government Regulation
GR 1/2019	Government Regulation No. 1 of 2019
GRR	Grass Root Refinery
GT	Gross Tonnage
GW	Giga Watt
HGB	<i>Hak Guna Bangunan</i> or right to build
HP	<i>Hak Pakai</i> or right to use
HR	Human Resources
IBC	Insurance Business Company
ICAAP	Internal Capital Adequacy Assessment Process
IDR	Indonesian Rupiah
IDX	Indonesia Stock Exchange
IFRS	International Financial Reporting Standards
IIF	Indonesia Infrastructure Finance
IIGF	PT Penjaminan Infrastruktur Indonesia or Indonesian Infrastructure Guarantee Fund
IMB	<i>Izin Mendirikan Bangunan</i> or building permit
IMD	International Institute of Management Development
IMF	International Monetary Fund
IMTA	<i>Izin Mempekerjakan Tenaga Kerja Asing</i> or working permit
INSW	Indonesian National Single Window
Investment Law	Law No.25/2007
IO	<i>Izin Operasional</i> or operational license
IPO	Initial Public Offering
IPP	Independent Power Producers
ISCO	International Standard Classification of Occupation
ISRM	Indonesian Single Risk Management
ITAS	<i>Izin Tinggal Terbatas</i> or limited stay permit
ITO	Indonesian Tax Office
IUP	<i>Izin Usaha Pertambangan</i> or mining business license
IUPK	<i>Izin Usaha Pertambangan Khusus</i> or special mining business license
JAMSOSTEK	<i>Jaminan Sosial Tenaga Kerja</i> or workers social security
JKN	<i>Jaminan Kesehatan Nasional</i> or national healthcare benefits program
JO	Joint Operation
JV	Joint Venture
KAPET	<i>Kawasan Pengembangan Ekonomi Terpadu</i> or economic development zones
KBJI	<i>Klasifikasi Baku Jabatan Indonesia</i> or Indonesian standard classification of positions
KBLI	<i>Klasifikasi Baku Lapangan Usaha Indonesia</i> or Indonesian standard industrial classifications
KBMI	<i>Kelompok Bank berdasarkan Modal Inti</i> or bank based on core capital
KITAS	<i>Kartu Ijin Tinggal Terbatas</i> or limited stay permit card
KPBU	<i>Kerjasama Pemerintah dengan Badan Usaha</i> or PPP joint office
KPPIP	<i>Komite Percepatan Penyediaan Infrastruktur Prioritas</i> or committee for acceleration of priority infrastructure delivery
KSBSI	<i>Konfederasi Serikat Buruh Sejahtera Indonesia</i> or confederation of Indonesian prosperous labor unions
KSPI	<i>Konfederasi Serikat Pekerja Indonesia</i> or confederation of Indonesian labor unions
KSPSI	<i>Konfederasi Serikat Pekerja Seluruh Indonesia</i> or all-Indonesian workers union confederation
l/s	Liters per second
Labor Law	Law No.13/2003
Lao PDR	Lao People's Democratic Republic
LF	Local File
LKPP	<i>Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah</i> or national public procurement agency
LLL	Legal Lending Limits

LMAN	<i>Lembaga Manajemen Aset Negara</i> or national asset management agency
LPI	Logistics Performance Index
LRT	Light Rail Transit
M&A	Merger & Acquisition
MAP	Mutual Agreement Procedure
MDBs	Multilateral Development Banks
MEMR	Ministry of Energy and Mineral Resources
MF	Master File
MINT	Mexico, Indonesia, Nigeria and Turkey
MITA	Mitra Utama or main partner priority
MLI	Multilateral Instrument
MOF	Ministry of Finance
MOH	Ministry of Health
MOLHR	Ministry of Law and Human Right
MOM	Ministry of Manpower (formerly known as Ministry of Manpower and Transmigration or "MOMT" or Manpower Affairs)
MOT	Ministry of Trade
MPBI	<i>Majelis Pekerja Buruh Indonesia</i> or Indonesian labor movement council
MPR	<i>Majelis Permusyawaratan Rakyat</i> or People's Consultative Assembly
MRT	Mass Rapid Transit
MSME	Micro Small and Medium-scale Enterprise
New Insurance Law	UU No. 40/2014
NIA/INA	Nusantara Investment Authority or Indonesia Investment Authority
NIB	<i>Nomor Induk Berusaha</i> or single business number
Non-PDAM	Non-regional water supply companies
NPWP	<i>Nomor Pokok Wajib Pajak</i> or taxpayer identification number
NRE	New Renewable Energy
OECD	Organization for Economic Cooperation and Development
Oil & Gas Law	Law No.22/2001
OJK	Otoritas Jasa Keuangan or Indonesia financial services authority
Omnibus Law	Law No. 11 of 2020
OSS	Online Single Submission
PBAS	Performance Based Annuity Schemes
PBI 17/2015	BI regulation No. 17/3/PBI/2015
PDAM	Perusahaan Daerah Air Minum or regional water supply companies
PE	Permanent Establishment
PEB	<i>Pemberitahuan Ekspor Barang</i> or declaration of goods exported
PERTAMINA	PT Pertamina (Persero) or state-owned oil & gas company
PIB	<i>Pemberitahuan Import Barang</i> or customs import declaration
PIP	Priority Infrastructure Projects
PLN	PT Perusahaan Listrik Negara (Persero) or state-owned power company
PMA	<i>Penanaman Modal Asing</i> or foreign investment
PMDN	<i>Penanaman Modal Dalam Negeri</i> or domestic investment
PMK-213	Minister of Finance regulation No.213/PMK.03/2016
POJK 45	<i>Peraturan Otoritas Jasa Keuangan</i> (POJK) or OJK regulation No. 45/POJK.03/2020
POJK 67	OJK regulation No. 67/POJK.05/2016
PP	<i>Peraturan Perusahaan</i> or company rules
PPA	Power Purchase Agreement
PPP	Public Private Partnerships
PPU	Private Power Utility
PR	Presidential Regulation

PSC	Production-Sharing Contract
PSIP	Payment System Infrastructure Providers
PSN	<i>Proyek Strategis Nasional</i> or national strategic projects
PSP	Payment Service Providers
PSSPs	Payment System Services Providers
PT	<i>Perseroan Terbatas</i> or limited liability company
PUPR	<i>Pekerjaan Umum dan Penataan Ruang</i> or Minister of Public Works and Public Housing
RBC	Risk-Based Capital
RCEP	Regional Comprehensive Economic Partnership
RDTR	<i>Rencana Detail Tata Ruang</i> or detailed spatial plan
Reg 21/2019	BI Regulation No. 21/1/PBI/2019
Reg. No. 16/20	BI Regulation No. 16/20/PBI/2014
Reg. No. 16/21	BI Regulation No. 16/21/PB/2014
Reg No. 16/22	BI Regulation No. 16/22/PBI/2014
Reg. No. 5/2019	Ministerial Regulation No. 5/2019
Regulation 10	Presidential Regulation No. 10 of 2021
Regulation 12	BKPM Regulation No. 12/2013
Regulation 19	Regulation No.19/2012
Regulation 4	Regulation No. PER-04/MEN/1994
Regulation 41	Government Regulation No. 41 of 2021
Regulation 85	Government Regulation No. 85 of 2015
Regulation No. 23/2020	BI Regulation No. 22/23/PBI/2020
RITJ	<i>Rencana Induk Transportasi Jabodetabek</i> or greater Jakarta transportation plan
RMDP	Refinery Development Master Plan
RPJMN	<i>Rencana Pembangunan Jangka Menengah Nasional</i> or national medium-term plan
RPTKA	<i>Rencana Penggunaan Tenaga Kerja Asing</i> or expatriate manpower utilization plan
RUEN	<i>Rencana Umum Energi Nasional</i> or national energy general plan
RWA	Risk-Weighted Assets
SAFE FoS	Safe Framework of Standard to Secure and Facilitate Global Trade
SAK	<i>Standar Akuntansi Keuangan</i> or Indonesia financial accounting standard
SEZ	Special Economic Zones
SIPB	<i>Surat Izin Penambangan Batuan</i> or rock mining license letter
SIPT	<i>Sistem Informasi Perizinan Terpadu</i> or licensing information system
SIUP-MB	<i>Surat Izin Usaha Perdagangan Minuman Beralkohol</i> or business license certificate of liquor business
SJSN	<i>Sistem Jaminan Sosial Nasional</i> or national social security system
SKK Migas	<i>Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi</i> or special task force for upstream oil and gas business activities
SKSP Migas	<i>Satuan Kerja Sementara Pelaksana Kegiatan Hulu Minyak dan Gas Bumi</i> or temporary working unit for upstream oil and gas activities
SME	Small and Medium-scale Enterprise
SMI	PT Sarana Multi Infrastruktur
SOEs	<i>Badan Usaha Milik Negara</i> (BUMN) or State-Owned Enterprises
SREP	Supervisory Review and Evaluation Process
STLG	Sales Tax on Luxury Goods
Supporting Providers	Parties who support PSP and PSIP to organize payment system services
TA Law	Tax Amnesty Law No. 11 of 2016, effective during the period from 1 July 2016 until 31 March 2017
Taxable Entrepreneur	A person or body, in whatever form, which in the course of its operations, produces, imports or exports taxable goods, conducts trading activities or renders taxable services
TDP	<i>Tanda Daftar Perusahaan</i> or company registration certificate
TEU	Twenty-foot Equivalent Units
THR	<i>Tunjangan Hari Raya</i> or religious festivity allowance
UK	The United Kingdom

UKBA	UK Anti-Bribery Act
UMK	<i>Upah Minimum Kabupaten/Kota</i> or regency minimum wage
UMP	<i>Upah Minimum Provinsi</i> or provincial minimum wage
UNCTAD	United Nations Conference on Trade and Development
UPPKB	<i>Unit Pelaksanaan Penimbangan Kendaraan Bermotor</i> or motor vehicle weighing implementation unit
USA/US	The United States of America
USD	United States Dollar
VAT	Value-Added Tax
VITAS	<i>Visa Izin Tinggal Terbatas</i> or limited stay visa
WG4	Working Group Four
WHT	Withholding Tax
WIUP	<i>Wilayah Izin Usaha Pertambangan</i> or mining business license area
WIUPK	<i>Wilayah Ijin Usaha Pertambangan Khusus</i> or or special mining business license area
Work Contract	Working agreement for a specified period
WtE	Waste-to-Energy

Contact us

Address:

33rd Floor, Wisma GKBI
28, Jl. Jend. Sudirman
Jakarta 10210

**Siddharta Widjaja & Rekan
Registered Public Accountants**

T: +62 (0) 21574 2333 / 2888
F: +62 (0) 574 1777 / 2777

KPMG Advisory Indonesia

T: +62 (0) 21 570 4888
F: +62 (0) 21 570 5888

KPMG Siddharta Advisory

T: +62 (0) 21 574 0877
F: +62 (0) 21 574 0313

**Tohana Widjaja
Managing Partner**

Tohana.Widjaja@kpmg.co.id

**Budi Susanto
Head of Audit & Assurance Services**

Budi.Susanto@kpmg.co.id

**Abraham Pierre
Head of Tax Services**

Abraham.Pierre@kpmg.co.id

**Irwan Djaja
Head of Advisory Services**

Irwan.Djaja@kpmg.co.id

Contributors

Susanto
Partner, Audit & Assurance Services
Head of Insurance and
Head of Clients & Markets
Susanto@kpmg.co.id

Jacob Zwaan
Head of International Tax
Jacob.Zwaan@kpmg.co.id

David East
Head of Deal Advisory
David.East@kpmg.co.id

Liana Lim
Partner, Audit & Assurance Services
Head of Financial Services
Liana.Lim@kpmg.co.id

Anita Priyanti
Partner, Tax Services
Energy & Natural Resources
Anita.Priyanti@kpmg.co.id

Kusumaningsih Angkawidjaja
Partner, Audit & Assurance Services
Financial Services
Kusumaningsih.Angkawidjaja@kpmg.co.id

Irwan Setiawan
Director, Tax Services
Energy & Natural Resources
Irwan.Setiawan@kpmg.co.id

Thomas Thrasher
Technical Advisor,
Audit & Assurance Services
Energy & Natural Resources
Thomas.Thrasher@kpmg.co.id

Sontang Ruli Siregar
Director, Tax Services
Customs
Sontang.Siregar@kpmg.co.id

home.kpmg/id

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