



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.



8 | Domestic and Foreign Trade - ASEAN

Trading in Indonesia

The trade sector includes import, export and distribution in the domestic market for imported and locally produced goods. In general, PMA companies engaged in manufacturing are permitted to:

- Import or buy on the domestic market: capital equipment, spare parts and raw materials for their own production process
- Export their own products, and processed goods of other PMA and domestic PMDN companies
- Sell their own products directly to other companies in Indonesia and use these goods as capital equipment, spare parts or for raw material in their production processes
- Import complementary goods from affiliates outside Indonesia, and sell them into the domestic market (production companies only)
- Sell their own products directly to a large-scale retailer.

Overseas based foreign companies which export into Indonesia will need to establish a relationship with a local import and distribution agent. This relationship can be facilitated by seconding foreign experts to assist the local trading company in business, technical and management matters. Another alternative is to establish a representative office to conduct market research and promote the parent company's product range.

Imports: customs licensing and registration

Importing into Indonesia

Importation of goods into Indonesia must be declared with the Indonesian Directorate General of Customs and Excise ("Customs Office") using an import declaration form.

PMA and PMDN companies can only import if they obtain an import license. This may be a general importer identification number ("API-U") issued to importers which import goods for trading or transfer to other parties, or a producer importer identification number ("API-P") issued to importers which import goods for their own use, such as raw and supporting materials and/or to support production in manufacturing activities. Goods imported using API-P are prohibited from being traded or transferred unless the goods are granted import duty facilities and have been used for at least two years from the date of import customs notification.

An API is valid as long as the importer remains in business. The license is applicable for the entire Indonesian customs territory. An electronic data interchange ("EDI") enables a company to administer its customs affairs online.

The EDI will enable the exchange of data among all players in the import and export processes (customs, and almost 20 other relevant government offices involved in seaport and airport handling, banks, shipping lines and freight forwarders). EDI has improved the collection of international trade data and, most importantly, virtually abolish physical contact between business people and customs officers, which has long been the stage most vulnerable to corruption. EDI also helps to minimize the risk of under-invoicing of imported goods.

Import licensing revisions

As part of the implementation of OSS system, MOT had issued Regulation No. 75/2018, which revoked the Regulation No. 70/M-DAG/PER/9/2015 on Importer Identification Number. Key changes include the use of NIB as API-U or API-P. By obtaining NIB, importers are no longer required to obtain API from MOT. However, there are additional requirements for import of foreign banknotes and business entities or contractors in the energy, oil and natural gas, mineral and other natural resource sectors.

There are still relatively onerous layers or pre-requisite licensing as part of the overall import license registration, but the whole process should be routine if carefully managed. There are no direct licensing application costs.

Import goods clearance lane

Registered importers are assigned red, yellow or green lane status depending on the risk profile of the importer as determined by the Customs Office which is a function of the nature of the goods or commodities and country of origin. There is also a main-partner priority (“MITA” or priority lane).

The different processes and procedures involved for releasing imported goods are:

- Red lane involves a more onerous process of physical examination of imported goods attaching to a customs import declaration (“PIB”) and verification of documentation before any goods are cleared
- Yellow lane process is without physical inspection of goods but involves verification of the PIB documentation before goods are release
- Green lane process is without physical inspection and PIB documentation is verified after goods are released
- Priority lane goods are subject to no physical inspection or document surveillance and examination. Only companies with the cleanest track records qualify, including SOEs or governmental bodies operating business activity in the national interest, for example.

A green lane company can be given an automatically computer generated, random red lane determination on a single import transaction basis but revert back to green for the next PIB import transaction.

In terms of costs, the difference between red and green lanes comes down to storage costs and fees at port. Companies with green lane status can have goods cleared in 4 hours. Red status can take 5 to 7 days or more.

Companies are subject to periodic customs audits administered by the Customs Office which typically resemble tax audits conducted by the ITO.

Fast track customs clearance

Since 2016, BKPM officially introduced its fast-track custom clearance facility as part of the Indonesian government’s overall efforts to improve the foreign investment climate.

The specific objective of the facility is to assist investors which are in the construction phase of the investment cycle in order to bring commissioning of plants and projects on schedule. BKPM pre-approved imported machinery is to enjoy faster customs clearance of 30 minutes compared to 3 to 5 days; and qualifying companies:

- receive direct access to the green lane
- can demonstrate that construction is in progress and compliance with other administrative requirements is adhered to.

Certain goods subject to import restrictions

In order to protect local industry and/or to maintain economic and political stability, restrictions on imports are imposed at three levels:

- Prohibited - for example, motorized vehicle tires, electric light bulbs, matches, certain types of textiles, batteries, iron sheets, fully assembled automobiles and motorcycles, radio and television sets, explosives, narcotics and certain traditional Chinese medicines
- Restricted to SOEs - such as fuel for vehicles, ships and aircraft
- Restricted to sole agencies who must be approved by the GOI, including CBU motor vehicles of a type not assembled in Indonesia.

The classification of goods subject to import restrictions periodically changes. Intending importers should consult with the MOT.

Exports

Exporting from Indonesia

Any organization that possesses a principle (manufacturing) license or business (trading or services) license is permitted to export. PMA companies may be formed for the purpose of exporting Indonesian products and manufactured goods.

Goods in the following categories are subject to export restrictions:

- Prohibited: goods including some categories of rubber, scrap metal and antiques are prohibited from being exported due to considerations, such as preserving nature, guaranteeing supply of raw materials for small industries or craftsmen and preserving goods with historic and cultural value
- Restricted to certain approved exporters: textiles, plywood and coffee
- Restricted to approved exporters only: certain basic commodities can only be exported if domestic demand has been met. Examples are flour, palm oil, sugar and petroleum. Approval is also required for certain metals: silver, gold, copper and aluminum.

Taxes on exports

Commodities, such as palm oil, rattan and wood, are subject to export duty. The export duty is calculated based on the export reference price which is set by a decree of the MOT and valid for a certain period of time. Export duties are aimed at meeting objectives, such as guaranteeing fulfillment of domestic demand, protecting natural resources and maintaining stability of local market prices of certain commodities. Export duty is calculated based on the export duty tariff and harmonized system classification. The MOF is authorized to decide goods that are exempted from export duty.

Customs procedures that apply to exports

Exported goods are subject to inspection in Indonesia only in the following circumstances:

- Where application has been made for restitution or exemption from duties and taxes of imported components
- Where suspicion exists that goods are subject to ban or restriction.



Export incentives

The government has stated aim of encouraging exports. A number of incentives exist, including:

- The foreign exchange arising from proceeds of sales abroad may be retained or sold to third-parties by the exporter
- VAT on exports is at the rate of 0 percent, enabling exporters to claim refund of input VAT.

Import duties may be reimbursable, or not payable on imports, under various special schemes for export manufacturers.



Bonded Logistic Centers

GR No. 85 of 2015 dated 25 November 2015 (“Regulation 85”) and Regulation of Minister of Finance Decree No. 272/PMK.04/2015 concerning Bonded Logistic Centre dated 31 December 2015 were introduced as part of the second economic stimulus package and provides for the introduction of Bonded Logistic Centre as the seventh type of Bonded Storage Place, a qualifying site area used to store imported goods:

1. Bonded Warehouse
2. Bonded Zone
3. Bonded Exhibition Area
4. Duty Free shop
5. Bonded Auction place
6. Bonded Recycling Zone
7. Bonded Logistic Centre

The Bonded Logistic Centre concept expands the functionality of a Bonded Warehouse through relaxation of goods storage time and opens entry to non-imported goods. Also Bonded Zone goods must be subject to manufacturing or other industrial activity of some description whereas Bonded Logistic Centre goods do not.

A key feature of a Bonded Logistic Centre is the ability of a business to store imported overseas or other goods originating domestically in a separate area in Indonesia customs for later export or distribution into the domestic market. Previously, the bulk of goods imported by Indonesian companies are stored in Singapore or Malaysia. A

Bonded Logistic Centre is designed to facilitate a reduction in logistics costs in Indonesia which are high relative to other neighboring Southeast Asian countries.

Imported or goods from other Bonded Logistic Centre, other Bonded Storage Places, SEZ, free trade areas (“FTAs”) or other economic zones as well as from other places in the Indonesian customs area are granted a combination of customs and tax relief. The facilities available depend on whether goods are designated for export or domestic markets, origin of the goods and whether intended to be consumed internally within the Bonded Logistic Centre:

- postponement of import duty
- non-collection of VAT, Sales Tax on Luxury Goods (“STLG”) and Article 22 Income Tax on Imports
- Excise duty exemption
- non-collection of VAT or VAT and STLG.

The MOF regulation sets out criteria to be met for areas to qualify as a Bonded Logistic Centre and for issuance of operator licenses in order to be came a Bonded Logistic Centre Entrepreneur.

Regulation 85 amended GR No. 32 of 2009 on Bonded Storage Places, and also introduced various other changes around definitions of Bonded Zones, expansion of places of entry to/from a Bonded Storage Place, location of duty-free shops in airport terminals and others.

In March 2016, the Indonesian President inaugurated 11 Bonded Logistic Centers, mostly in Java.

Eleventh Economic Stimulus Package: shorter port dwell times for import and export of goods

Introduction of an Indonesian Single Risk Management ("ISRM") mechanism in assessing import and export permits on 29 March 2016 was designed to reduce historically excessive dwell times and resulting high logistics costs at the country's ports. As part of this, companies will be issued with a single ID for import and export permit applications through a licensing portal referred to as Indonesian National Single Window ("INSW").

Integration of import and export data managed by and approvals needed from 18 different ministries, agencies and governmental institutions including Ministry of Transportation, ITO, Custom Office, Immigration and Quarantine Agency, Drug and Food Control Agency, is targeting to reduce average dwell time at seaports.

At present, the INSW systems have been applied to several Customs and Excise Service Offices to serve the process of export - imports transactions. INSW is considered as an important part in providing facilities to obtain data and information regarding matters relating to investment nationally or internationally.

Imports and exports, customs and free trade zones

The largest ever free trade agreement was signed on 15 November 2020 after eight years of negotiations. Indonesia is included as one of the 15 countries who came together to sign one of the largest ever free trade agreements – the Regional Comprehensive Economic Partnership ("RCEP").

The mega deal partnership was expected to help Indonesia book double-digit growth in exports and investment within five years after it comes into force. The MOT promised to ratify the trade agreements on 1 January 2022. Market transparency is considered as one of the biggest challenges to be negotiated amongst these 15 countries, especially ASEAN.

Indonesia is also one of the 160 countries to adopt the Safe Framework of Standard to Secure and Facilitate Global Trade ("SAFE FoS"). The SAFE FoS is widely known as the standard for securing and facilitating safety trade globally in terms of supply and chain. This framework is a part of the Authorized Economic Operator ("AEO") program initiative to help ease of doing business and accelerate the global logistics chain.

According to the GR No. 41 of 2021 dated 2 February 2021 ("Regulation 41"), trusted and credible business operators with at least 6-month GCG inside the free trade zone ("FTZ") can be granted with these two facilities, AEO facility and MITA or priority lane. One of the main difference in Regulation 41 need to be highlighted from the previous GR No. 10 of 2012 is that the entry of excisable goods from overseas may not be subject to the imposition of excise, provided that said goods are utilized as raw materials and/or supporting materials in relation to industrial activities. The implementation of these two facilities will help business operators in terms of:

- Custom procedure benefit – less administrative and/or physical examinations and simplified customs procedures and/or administrative examination process;
- Internal control benefit – reduce delayed shipments which minimize the chance of theft and losses;
- Intangible benefit – reduce security and safe incidents (safe, secure and compliant business partners in international trade).

Further discussion on imports and exports, customs duties and taxes as well as FTZ is in Chapter 10 on Taxation.

ASEAN

ASEAN is a regional organization promoting governmental and economic cooperation and regional stability, has ten members - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Since its formation in 1967, the organization has helped an underdeveloped region grow into one of the main drivers of the global economy, with a combined GDP of USD3 trillion in 2018. With a large, young workforce, predicted average GDP growth of 5 percent over the next few years, and the single market - the ASEAN Economic Community ("AEC") - the region provides an attractive destination for investors.

The AEC combines the markets of the 10 ASEAN member countries into one giant bloc with a combined GDP of USD3 trillion in 2018.

Diverse economies

Although ASEAN aspires to be an increasingly integrated single market, the reality is that there are still disparities between economies. Growth does tend to be higher in certain countries, albeit from a much lower base.

Indonesia is the biggest economy in ASEAN, contributed around 35.05 percent of ASEAN GDP in 2021 and around 41.1 percent of total population in ASEAN.

The economies of ASEAN vary dramatically, from the high-value knowledge economy of Singapore to the resource-focused industries of Myanmar. Real GDP growth for the ASEAN-5 (Indonesia, Malaysia, Thailand, Philippines and Vietnam) in 2020 was negative 3.4 percent. As the impact of COVID-19, International Monetary Fund ("IMF") projected that the economic growth of ASEAN-5 to be 4.9 percent in 2021 but with a V-shape recovery of 6.1 percent in 2022.

The region's 649 million-strong population, more than half of whom are under the age of 30, provides an attractive workforce for manufacturers seeking regional facilities outside of China, as well as a large and increasingly affluent domestic market.

Major investment in infrastructure is needed if the region is to take full advantage of its geographic location at the crossroads of much global trade, providing opportunities for investment and public-private partnerships.

In 2019, ASEAN is the fifth biggest economy in the world after Japan and Germany, following by United States, China and Japan.. ASEAN's 649 million population represents nearly 10 percent of the world's population.

Attractive investment destination

According to UNCTAD, the COVID-19 Pandemic impacted the decline of FDI inflows into ASEAN by 31 percent or equivalent to USD107 billion in 2020. This drop of FDI inflows was much less significant compare to the global FDI 42 percent.

FDI inflows to Southeast Asia, which includes members of ASEAN as well as Timor Leste, grew by 5 percent in 2019 to USD155 billion. This is the fifth consecutive year in which FDI inflows to ASEAN member countries have increased. Within Southeast Asia, Indonesia, Singapore, Cambodia and Vietnam are the only countries recorded with the highest level of inward FDI.

Greater economic integration

The establishment of the AEC provides a single market across the region. The simpler cross-border processes and harmonized regulation in areas such as intellectual property paves the way for a company based in on ASEAN country to do business in all others.

Established in 2015, the AEC has:

- Virtually eliminated tariffs between members, with formal restrictions in the service sector being gradually removed
- Simplified and harmonized customs and technical regulations
- Enhanced mobility of skilled professionals between member countries.



The ASEAN member states have adopted a blueprint of their goals for 2025. Key characteristics are:

<p>A highly integrated and cohesive economy</p>	<ul style="list-style-type: none"> • Trade in goods • Trade in services • Investment environment • Financial integration, financial inclusion and financial stability • Facilitate movement of skilled labor and business visitors • Enhance participation in global value chains
<p>A competitive, innovative, and dynamic ASEAN</p>	<ul style="list-style-type: none"> • Effective competition policy • Consumer protection • Strengthening intellectual property rights cooperation • Productivity-driven growth, innovation, research and development and technology commercialization • Taxation cooperation • Good governance • Effective, efficient, coherent and responsive regulations and good regulatory practice • Sustainable economic development • Global megatrends and emerging trade-related issues
<p>Enhanced connectivity and sectorial cooperation</p>	<ul style="list-style-type: none"> • Transport • Information and communications technology • E-commerce • Energy • Food, agriculture and forestry • Tourism • Healthcare • Minerals • Science and technology
<p>A resilient, inclusive, people-oriented, people-centered ASEAN</p>	<ul style="list-style-type: none"> • Strengthen role of MSMEs • Strengthen role of private sector • Public-private partnership • Narrow development gap • Contribution of stakeholders on regional integration efforts
<p>A global ASEAN</p>	<ul style="list-style-type: none"> • More strategic and coherent approach towards external economics relations • Review and improve ASEAN FTAs and comprehensive economic partnerships (“CEPs”) • Enhance economic partnerships with non-FTA dialogue partners by upgrading and strengthening trade and investment work programs/plans • Engage with regional and global partners to explore strategic engagement to pursue economic partnerships • Continue strongly supporting the multilateral trading system and actively participating in regional fora • Continue to promote engagement with global and regional institutions

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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

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