



Indonesia Quarterly Regulatory Updates

We provide herein the executive summary of 19 newly enacted regulations in Indonesia issued between May and September 2022.

Trade		
No	Regulation	Summary
1.	Minister of Trade Regulation No. 25 of 2022 on Amendment to Minister of Trade Regulation No. 20 of 2021 on Policies and Regulations on Imports (“ MoT Reg. 25/2022 ”) Enforcement Date: 24 May 2022	<ul style="list-style-type: none"> Under MoT Reg. 25/2022, Importers shall apply through Indonesia’s National Single Window System (“SINSW”) to obtain a business license for import activities issued by the Ministry of Trade. MoT Reg. 25/2022 also stipulates that before any import activity take place, an Importer is required to submit a commitment statement for the issuance of the business license in the form of an import approval. Please note that any Importer who has secured the business license is still required to submit the commitment statement.
Banking		
2.	Bank Indonesia Board of Governors Regulation No. 24/8/PADG/2022 on Implementing Regulations for the Fulfillment of Minimum Statutory Reserves in Rupiah and Foreign Exchange by Conventional Commercial Banks, Sharia Commercial Banks, and Sharia	<ul style="list-style-type: none"> The minimum Statutory Reserve Requirement (<i>Giro Wajib Minimum</i> or “GWM”) for Conventional Commercial Banks is 7.5% in effect starting from 1 July 2022 until August 2022, and 9% in effect starting from 1 September 2022 The minimum GWM for Sharia Commercial Banks and Sharia





	<p>Business Units (“GBI Reg. 24/8/2022”)</p> <p>Enforcement date: 1 July 2022</p>	<p>Business Units is 6%, in effect starting from 1 July until 31 August 2022, and 7.5% in effect starting from 1 September 2022.</p>
<p>3.</p>	<p>Financial Services Authority (<i>Otoritas Jasa Keuangan</i> or “OJK”) Regulation No. 11/POJK.03/2022 on Implementation of Information Technology by Commercial Banks (“POJK 11/2022”)</p> <p>Enforcement date: 7 October 2022</p>	<ul style="list-style-type: none"> ▪ Based on POJK 11/2022, all banks shall implement good Information Technology (“IT”) governance, which includes: <ul style="list-style-type: none"> a. IT Management b. IT Infrastructure c. Risk Management d. Cyber Defense and Security e. Data Processing f. Personal Data Protection ▪ Under the reporting mechanism, any commercial bank must deliver reports to OJK in respect of their: <ul style="list-style-type: none"> a. IT development plan b. Report of IT implementation c. Initial notifications and IT incident report d. Realization report of IT Banking implementation
<p>Capital Market</p>		





<p>4.</p>	<p>OJK Regulation No. 8/POJK.04/2022 on Reporting for Securities Companies Conducting Business Activities as Securities Underwriters and Securities Brokers (“POJK 8/2022”)</p> <p>Enforcement date: 19 May 2022</p>	<ul style="list-style-type: none"> ▪ It is mandatory for Securities Underwriters (<i>penjamin emisi efek</i> or “PEE”) and Securities Brokers (<i>perantara pedagang efek</i> or “PPE”) have to submit regular (<u>i.e.</u>, daily, monthly, quarterly, semi-annual, and annual) and incidental reports to OJK. PEEs and PPEs are exempted from the reporting obligation if they: <ul style="list-style-type: none"> a. no longer have management and physical offices. b. in the stage of clearing their customers’ assets or having their licenses revoked.
<p>5.</p>	<p>Government Regulation No. 31 of 2022 on Foreign Capital Ownership in Securities Companies (“GR 31/2022”)</p> <p>Enforcement date: 13 September 2022</p>	<ul style="list-style-type: none"> ▪ Based on GR 31/2022, a Securities Company can be classified as: <ul style="list-style-type: none"> a. National Securities Company if it is owned by an Indonesian person and/or Indonesian legal entity; or b. Joint-venture Securities Company if it is owned by Indonesian and foreign entities (“JV Securities”). ▪ A foreign entity not engaging in the securities sector may possess the maximum 85% of the paid-up capital in a JV Securities. ▪ A foreign-licensed securities entity may possess the maximum 99% of the paid-up capital in a JV Securities.
<p>Non-Banking Financial Services</p>		
<p>6.</p>	<p>OJK Regulation No. 7/POJK.05/2022 on Amendment to OJK Regulation No. 35/POJK.05/2018 on Business</p>	<ul style="list-style-type: none"> ▪ POJK 7/2022 prohibits Financing Companies from owning shares and/or securities with underlying shares, or owning shares or securities





	<p>Implementation of Financing Companies (“POJK 7/2022”)</p> <p>Enforcement date: 18 May 2022</p>	<p>that are guaranteed with shares for:</p> <ul style="list-style-type: none"> a. Short terms investment b. Trade c. Cash flow management d. Equity participation other than those within the context of developing the business activities of the financing companies <p>The prohibition does not apply to share ownerships through direct participation.</p> <p>However, financing companies already owning shares and/or securities with underlying shares or the ones that are guaranteed through shares prior to 18 May 2022 are obliged to transfer the ownership shares ownership and/or securities with underlying in the form of shares or that are guaranteed through shares by no later than 18 May 2023.</p> <ul style="list-style-type: none"> ▪ OJK Reg. 7/2022 regulates administrative sanctions against violations in the form of warning letters, suspension of business activities, and revocation of business license.
7.	<p>OJK Regulation No. 10/POJK.05/2022 on Information Technology-Based Collective Funding Services</p>	<ul style="list-style-type: none"> ▪ POJK 10/2022 was issued as a replacement of OJK Regulation No. 77/POJK.01/2016 on Information Technology Based Peer-to-Peer Lending Services. ▪ Under POJK 10/2022, the permitted business entity of a P2P loan





<p>Enforcement date: 4 July 2022</p>	<p>provider is limited liability company ("Provider"). At the establishment stage, a Provider shall have a minimum paid-up capital of IDR 25 billion. If the Provider is a foreign investment (<i>Penanaman Modal Asing</i> or "PMA") company, the foreign shareholder is permitted to hold not more than 85% (eighty five percent) of the Provider's total paid-up capital</p> <ul style="list-style-type: none">▪ Furthermore, the Provider is required to have a minimum equity of IDR 12 billion, processed in several stages:<ul style="list-style-type: none">a. At least IDR 2.5 billion must be provided, valid for 1 (one) year of the effective enactment of POJK 10/2022;b. At least IDR 7.5 billion must be provided within 2 years of the effective enactment of POJK 10/2022; andc. At least IDR 12.5 billion must be provided within 3 (three) years of the effective enactment of POJK 10/2022.▪ POJK 10/2022 stipulates the minimum organizational structure of the Provider to include, at least:<ul style="list-style-type: none">a. 2 (two) members of the Board of Directors ("BoD")b. one member of the Board of Commissioners ("BoC"), and not more than one appointed director in BoD;c. one member of the Sharia Supervisory Board who is recommended by the National Sharia Board; and
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		<ul style="list-style-type: none"> d. one member of Internal Auditor. ▪ POJK 10/2022 also requires all providers to appoint 1 (one) Controlling Shareholder ▪ Violations of POJK 10/2022 are subject to administrative sanctions ranging from warning letters, fines, and limitation of business activities, up to revocation of P2P License.
Technology, Media & Entertainment, and Telecommunications		
8.	<p>Presidential Regulation No. 82 of 2022 on Protection of Vital Information Infrastructure (<i>Infrastruktur Informasi Vital</i> or “IIV”) (“PR 82/2022”)</p> <p>Enforcement date: 24 May 2022</p>	<ul style="list-style-type: none"> ▪ PR 82/2022 determines the IIV sectors that include: <ul style="list-style-type: none"> a. Government administration; b. Energy and Mineral Resources; c. Transportation; d. Finance; e. Health; f. Information Technology and Communication; g. Foods; h. Defense; i. And any other sector determined by the President. ▪ All electronic system organizers related to the sectors above are obligated to regularly identify the IIV, at least, 1 (one) time for a year and report it to the relevant ministries.





		<ul style="list-style-type: none">▪ Cyber Incident Response Team is responsible to handle any Cyber Incident. The team is established by the State Cyber and Code Agency (<i>Badan Siber dan Sandi Negara</i> or “BSSN”), relevant ministries, and electronic system organizers.
9.	<p>Law No. 27 of 2022 on Personal Data Protection (“PDP Law”)</p> <p>Enforcement date: 17 October 2022</p>	<ul style="list-style-type: none">▪ The Government of Indonesia finally issued the long-awaited PDP Law, effective since 17 October 2022.▪ The government classifies data subjects under PDP Law into:<ul style="list-style-type: none">a. Personal Data Subject: an individual who has Personal Data attached to him/her (“Data Subject”)b. Personal Data Controller: any individual, public entity, or international organization, acting individually or jointly to determine the purpose and control of Personal Data process. (“Controller”)c. Personal Data Processor: any individual, public entity, or international organization, acting individually or jointly to process the Personal Data on behalf of the Controller. (“Processor”)▪ PDP Law provides two definitions of Personal Data that are protected by law:<ul style="list-style-type: none">a. Specific Personal Data: This group of data includes Personal Data information such as biometrics, health information, genetics, criminal record, children data, personal finance, and any other data





		<p>in accordance with the regulation. Under the explanatory note on Specific Personal Data, PDP Law explains that the above data may potentially cause loss and damage to the data subject.</p> <p>b. General Personal Data: This group of data includes the subject's full name, gender, nationality, religion, marital status, and other personal data combined to identify an individual.</p> <ul style="list-style-type: none">▪ In protecting Personal Data, both the Processor and Controller must appoint a Personal Data Protection Officer ("PDPO"). The officer is appointed based on his/her professional capability, legal knowledge, data protection practice, and his/her competence to fulfil the tasks.▪ In connection with the implementation of Personal Data Protection, the Indonesian government shall appoint an independent institution ("PDP Institution"), to create policies, oversee, enforce administrative sanctions against violations of the law.▪ Under PDP Law, the transfer of Personal Data is conducted by the Controller. A transfer of Personal Data can be conducted within the territory of Indonesia to foreign countries. In such transfer, the Controller is obligated to meet the standard of Personal Data protection as stipulated in PDP Law. In transferring the Personal Data Protection out of Indonesia, the Controller must ensure that the receiving country has
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		the protection standard in accordance with PDP Law or has a more comprehensive/ higher standard than the one under PDP Law.
Monetary and Payment System		
10.	<p>Bank Indonesia Board of Governors Regulation No. 24/7/PADG/2022 on Organization of Payment Systems by Payment System Service Providers and Payment System Infrastructure Organizers (“BI Governor Reg. 24/7/2022”)</p> <p>Enforcement date: 1 July 2022</p>	<ul style="list-style-type: none"> ▪ Generally, BI Governor Reg. 24/7/2022 enforces the Payment System by Payment Service Organizers (<i>Penyedia Jasa Pembayaran</i> or “PJP”) and Payment System Infrastructure Organizers (<i>Penyedia Infrastruktur Sistem Pembayaran</i> or “PIP”). ▪ GBI Reg. 24/7/2022 oversees the: <ul style="list-style-type: none"> a. PJP licensing and PIP appointment b. Enforcement of the payment system c. Technology innovations of the payment system d. Oversee of payment system e. Self-Regulatory Organizations
Tax & Non-Tax Charges		
11.	<p>Minister of Finance (“MoF”) Regulation No. 106/PMK.04/2022 on Collection of Export Duties (“MoF Reg. 106/2022”)</p> <p>Enforcement Date: 22 July 2022</p>	<ul style="list-style-type: none"> ▪ MoF Reg. 106/2022 stipulates that all goods exported from Indonesia shall be subject to export duty. However, some exemptions from the export duty apply to certain exported goods including: <ul style="list-style-type: none"> a. Goods of foreign country representatives; b. Goods for museums, zoos, and nature conservations; c. Goods for research;





		<ul style="list-style-type: none"> d. Sample goods; e. Personal effect goods; f. Passengers' Personal Goods, Crews' Goods, Border Crossers' Goods, or Consignment Goods worth up to IDR 2.5 million; g. Re-exported goods; and h. Re-imported goods. <ul style="list-style-type: none"> ▪ Applications for the exemptions must be submitted by the exporters to the Head of the relevant Customs Office through the Services' Computer System (<i>Sistem Komputer Pelayanan</i> or "SKP").
12.	<p>MoF Regulation No. 112/PMK.03/2022 on Taxpayer Identification Number for Individual Taxpayers, Corporate Taxpayers, and Governmental Agency Taxpayers ("MoF Reg. 112/2022")</p> <p>Enforcement date: 8 July 2022</p>	<ul style="list-style-type: none"> ▪ MoF Reg. 112/2022 regulates new provisions on Taxpayer Identification Number (<i>Nomor Pokok Wajib Pajak</i> or "NPWP"): <ul style="list-style-type: none"> a. An individual who is a citizen of Indonesia uses the Citizen Identification Number (<i>Nomor Induk Kependudukan</i> or "NIK") b. Non-citizen individuals, companies, and government agencies use NPWP with 16 (sixteen) number format <p>The above provisions have become effective since 14 July 2022. However, these new provisions only apply to limited taxation administration services until 31 December 2022.</p> ▪ Prior to the 16-digit update of NPWP, the government would request the following data of a company:





		<ul style="list-style-type: none"> a. E-mail and phone number b. Address c. Classification of Business Activity
13.	<p>Director-General of Taxation Regulation No. PER-12/PJ/2022 on Business Field Classifications for Taxpayers (“DJP Reg. 12/2022”)</p> <p>Enforcement date: 9 September 2022</p>	<ul style="list-style-type: none"> ▪ DJP Reg. 12/2022 regulates business activities of taxpayers shall be classified based on the business sector classifications. ▪ If a taxpayer is classified into more than 1 (one) business sectors classification, the taxpayer shall determine its main business sector classification. ▪ The provision does not apply to non-profit organizations.
Transportation and Logistics Services		
14.	<p>Director-General of Sea Transportation Letter No. AL.012/3/11/DJPL/2022 on Application of Obligations to Fulfill Seaworthiness Requirement for Barges Serving Container Transportation (“DGMT Letter 12/2022”)</p> <p>Stipulated Date: 21 June 2022</p>	<ul style="list-style-type: none"> ▪ According to DGMT Letter 12/2022, every submission of Approval for Overseas Operation of National Ships (<i>Persetujuan Pengoperasian Kapal Nasional ke Luar Negeri</i> or “PPKN”) and Overseas Deviation Vessel Operation Plan (<i>Rencana Pengoperasian Kapal Deviasi Luar Negeri</i> or “RPKDLN”) of Indonesian-flagged barges carrying containers domestically and/or abroad, must fulfil seaworthiness requirements for the carriage of containers. This obligation also applies to every submission of Approval for Foreign Ships Agency for foreign barges serving container carriage in Indonesian waters. Such fulfilment must be proven with:





		<ul style="list-style-type: none"> a. Class Notation “equipped for carriage of container” or equivalent to that in the Ship’s Classification Certificate; or b. Certificate issued by the ship’s flag country or classification society recognized by the ship’s flag country confirming that such barge has fulfilled the seaworthiness requirement for carriage of container. ▪ For Indonesian ships, the notation class may be obtained by filing an application to PT Biro Klasifikasi Indonesia as the official Indonesian classification society.
Miscellaneous		
15.	<p>Supreme Court Regulation No. 3 of 2022 on Electronic Mediation in Courts (“MA Reg. 3/2022”)</p> <p>Enforcement date: 30 May 2022</p>	<ul style="list-style-type: none"> ▪ Under MA Reg. 3/2022, the parties may conduct an electronic mediation (“E-Mediation”) by a mutual agreement between them. ▪ After the parties agree to conduct an E-Mediation, the judge will verify the matter and deliver the approval to the parties. ▪ After the submission of the E-Mediation approval form to the clerk, additional administrative actions shall be conducted by the parties, including: <ul style="list-style-type: none"> a. Appointing the mediator b. Verifying the identities c. Determining the E-Mediation application d. Submission of E-Mediation case resume





Infrastructure and Construction Services		
16.	<p>Minister of Public Works and Public Housing Regulation No. 8 of 2022 on Procedure for the Implementation of the Fulfilment of Standard Certification for Construction Services for Support the Ease of Business Licensing by Construction Service Business Actors (“MoPWP Reg. 8/2022”)</p> <p>Enforcement date: 1 August 2022</p>	<ul style="list-style-type: none">▪ MoPWP Reg. 8/2022 regulates that any business actors that conduct A construction service sub-sector is obligated to obtain:<ul style="list-style-type: none">a. Standard Certificate (“SC”);b. Certification of Construction Service Business Entity (<i>Badan Usaha Jasa Konstruksi</i> or “BUJK”) issued by the Construction Service Certification Institution; andc. Certification of Competence of Construction Works (<i>Sertifikasi Kompetensi Kerja Konstruksi</i> or “SKKK”) issued by the Professional Certification Institution.▪ MoPWP Reg. 8/2022 also provides the procedure to obtain the certifications:<ul style="list-style-type: none">a. BUJK certification requires application, payment, verification and validation, and approval;b. SKKK certification requires application, verification and validation, certification cost, implementation of competency test, and issuance of SKKK.
17.	<p>Minister of Marine Affairs and Fisheries Decree No. 42 of 2022 on Implementing Mechanism for the Construction and/or Placement of Buildings and</p>	<ul style="list-style-type: none">▪ MoMAF Decree 42/2022 provides a licensing mechanism for the construction and placement of buildings and installations at sea, including for:





	<p>Installations at Sea (“MoMAF Decree 42/2022”)</p> <p>Enforcement date: 23 June 2022</p>	<ul style="list-style-type: none">a. residential, religious, social, and cultural constructions or installations;b. fishery;c. salt processing and production;d. Marine tourism;e. Cruise;f. land transportation;g. telecommunication;h. beach protection;i. oil-and-gas;j. mineral and coal mining;k. electricity installation;l. data collection and research;m. defense and security;n. water resources; ando. use of sea water other than energy. <p>▪ Generally, the licensing mechanism is conducted in the following stages:</p> <ul style="list-style-type: none">a. Submission and validation of proposals;b. Marine surveys or application for the issuance of approval or
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		<p>confirmation on the Conformity of Sea-Area Utilization Activities (<i>Kesesuaian Kegiatan Pemanfaatan Ruang Laut</i> or “KKPRL”); and</p> <p>c. Issuance of the Business license and construction and/or placement of the buildings and/or installations at sea.</p>
Energy		
18.	<p>Presidential Regulation No. 112 of 2022 on Acceleration of Development of Renewable Energy for Electricity Power Supply (“PR 112/2022”)</p> <p>Enforcement date: 13 September 2022</p>	<ul style="list-style-type: none"> ▪ Please be informed that PR 112/2022 is issued with the purpose to reduce greenhouse gas emissions and accelerate termination of coal power plant operations, with some exemptions: <ul style="list-style-type: none"> a. the power plants are National Strategic Projects; b. the power plant operators are committed to reduce greenhouse gas emissions by 35% within 10 years; and c. the maximum operation of the power plants is up to 2050. ▪ The President, through this regulation, also encourages stakeholders to accelerate the use of renewable energy by granting incentives to all power plant providers that use renewable energy. ▪ We note that based on Appendix I, various ceiling prices are provided depending on the size, type of the renewable energy power plant, and location. There are 2 (two) purchase price models of electricity from renewable energy on this regulation:





		<ul style="list-style-type: none"> a. Power Purchase based on Ceiling Price; and b. Power Purchase based on Agreement. <ul style="list-style-type: none"> ▪ To accelerate the development of renewable energy, the government, through PR 112/2022, provides fiscal or non-fiscal incentives to power plant developers that utilize renewable energy.
Manufacturing and Industry		
19.	<p>Minister of State-Owned Enterprises (<i>Badan Usaha Milik Negara</i> or “BUMN”) Letter No. S-565/MBU/09/2022 on Acceleration Support Program for Battery-Powered Electric Vehicle Program at Road Transportation (“MoBUMN Letter 565/2022”)</p> <p>Stipulated date: 12 September 2022</p>	<ul style="list-style-type: none"> ▪ To accelerate the Battery Electric Vehicle (“BEV”) program, the ministry of BUMN mandates all president directors of BUMN companies across Indonesia to: <ul style="list-style-type: none"> a. allocate the budget to support this program; b. increase the use of BEVs within the company (i.e., through the electric car ownership program); c. take into account the achievable benefits and their companies’ financial capabilities during the implementation of the above activities; d. give the mandate to PT PLN and PT Pertamina to synergize with other relevant BUMNs to provide the supporting infrastructure; and e. give the mandate to the BUMN banking sector to grant the necessary financing supports on the BEV program.





Authors



Marshall S. Situmorang

marshall.situmorang@nusantaralegal.com



Andhitta Audria Putri

andhitta.audria@nusantaralegal.com

