

### **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	S	ummary
1.	Minister of Trade Regulation No. 25 of 2022 on	-	Under MoT Reg. 25/2022, Importers shall apply through Indonesia's
	Amendment to Minister of Trade Regulation No. 20 of		National Single Window System ("SINSW") to obtain a business
	2021 on Policies and Regulations on Imports ("MoT		license for import activities issued by the Ministry of Trade.
	Reg. 25/2022")	•	MoT Reg. 25/2022 also stipulates that before any import activity take
			place, an Importer is required to submit a commitment statement for the
	Enforcement Date:		issuance of the business license in the form of an import approval.
	24 May 2022		Please note that any Importer who has secured the business license is
			still required to submit the commitment statement.
Banki	ing		
2.	Bank Indonesia Board of Governors Regulation No.	•	The minimum Statutory Reserve Requirement (Giro Wajib Minimum or
	24/8/PADG/2022 on Implementing Regulations for the		"GWM") for Conventional Commercial Banks is 7.5% in effect starting
	Fulfillment of Minimum Statutory Reserves in Rupiah		from 1 July 2022 until August 2022, and 9% in effect starting from 1
	and Foreign Exchange by Conventional Commercial		September 2022
	Banks, Sharia Commercial Banks, and Sharia	•	The minimum GWM for Sharia Commercial Banks and Sharia











	Business Units ("GBI Reg. 24/8/2022")		Business Units is 6%, in effect starting from 1 July until 31 August			
			2022, and 7.5% in effect starting from 1 September 2022.			
	Enforcement date:					
	1 July 2022					
3.	Financial Services Authority (Otoritas Jasa Keuangan	•	Based on POJK 11/2022, all banks shall implement good Information			
	or "OJK") Regulation No. 11/POJK.03/2022 on		Technology ("IT") governance, which includes:			
	Implementation of Information Technology by		a. IT Management			
	Commercial Banks ("POJK 11/2022")		b. IT Infrastructure			
			c. Risk Management			
	Enforcement date:		d. Cyber Defense and Security			
	7 October 2022		e. Data Processing			
			f. Personal Data Protection			
		•	Under the reporting mechanism, any commercial bank must deliver			
			reports to OJK in respect of their:			
			a. IT development plan			
			b. Report of IT implementation			
			c. Initial notifications and IT incident report			
			d. Realization report of IT Banking implementation			
Capita	Capital Market					









4.	OJK Regulation No. 8/POJK.04/2022 on Reporting for	■ It is mandatory for Securities Underwriters (penjamin emisi efek or
	Securities Companies Conducting Business Activities	"PEE") and Securities Brokers (perantara pedagang efek or "PPE")
	as Securities Underwriters and Securities Brokers	have to submit regular (i.e., daily, monthly, quarterly, semi-annual, and
	("POJK 8/2022")	annual) and incidental reports to OJK. PEEs and PPEs are exempted
		from the reporting obligation if they:
	Enforcement date:	a. no longer have management and physical offices.
	19 May 2022	b. in the stage of clearing their customers' assets or having their
		licenses revoked.
5.	Government Regulation No. 31 of 2022 on Foreign	Based on GR 31/2022, a Securities Company can be classified as:
	Capital Ownership in Securities Companies ("GR	a. National Securities Company if it is owned by an Indonesian person
	31/2022")	and/or Indonesian legal entity; or
		b. Joint-venture Securities Company if it is owned by Indonesian and
	Enforcement date:	foreign entities ("JV Securities").
	13 September 2022	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.
Non-l	Banking Financial Services	
6.	OJK Regulation No. 7/POJK.05/2022 on Amendment	■ POJK 7/2022 prohibits Financing Companies from owning shares
	to OJK Regulation No. 35/POJK.05/2018 on Business	and/or securities with underlying shares, or owning shares or securities











	Implementation of Financing Companies ("POJK	that are guaranteed with shares for:
	7/2022")	a. Short terms investment
		b. Trade
	Enforcement date:	c. Cash flow management
	18 May 2022	d. Equity participation other than those within the context of developing
		the business activities of the financing companies
		The prohibition does not apply to share ownerships through direct
		participation.
		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.
		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.	OJK Regulation No. 10/POJK.05/2022 on Information	■ POJK 10/2022 was issued as a replacement of OJK Regulation No.
	Technology-Based Collective Funding Services	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











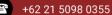
orcem	

4 July 2022

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 (Penanaman Modal Asing 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

- Furthermore, the Provider is required to have a minimum equity of IDR 12 billion, processed in several stages:
  - 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; and
  - c. 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:
  - 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







С	l. c	ne	mem	oer	of	Int	erna	IΑ	udi	or.

- 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. Presidential Regulation No. 82 of 2022 on Protection of Vital Information Infrastructure (*Infrastruktur Informasi Vital* or "**IIV**") ("PR 82/2022")

#### **Enforcement date:**

24 May 2022

- PR 82/2022 determines the IIV sectors that include:
  - 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.







		Cyber Incident Response Team is responsible to handle any Cyber
		Incident. The team is established by the State Cyber and Code Agency
		(Badan Siber dan Sandi Negara or "BSSN"), relevant ministries, and
		electronic system organizers.
9.	Law No. 27 of 2022 on Personal Data Protection	The Government of Indonesia finally issued the long-awaited PDP Law,
	("PDP Law")	effective since 17 October 2022.
		The government classifies data subjects under PDP Law into:
	Enforcement date:	a. Personal Data Subject: an individual who has Personal Data
	17 October 2022	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:
		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





- 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.
- 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.
- 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

		the protection standard in accordance with PDP Law or has a more
		comprehensive/ higher standard than the one under PDP Law.
Mone	tary and Payment System	
10.	Bank Indonesia Board of Governors Regulation No.	■ Generally, BI Governor Reg. 24/7/2022 enforces the Payment System
	24/7/PADG/2022 on Organization of Payment	by Payment Service Organizers ( <i>Penyedia Jasa Pembayaran</i> or " <b>PJP</b> ")
	Systems by Payment System Service Providers and	and Payment System Infrastructure Organizers (Penyedia Infrastruktur
	Payment System Infrastructure Organizers ("BI	Sistem Pembayaran or "PIP").
	Governor Reg. 24/7/2022")	■ GBI Reg. 24/7/2022 oversees the:
		a. PJP licensing and PIP appointment
	Enforcement date:	b. Enforcement of the payment system
	1 July 2022	c. Technology innovations of the payment system
		d. Oversee of payment system
		e. Self-Regulatory Organizations
Tax &	Non-Tax Charges	
11.	Minister of Finance ("MoF") Regulation No.	■ MoF Reg. 106/2022 stipulates that all goods exported from Indonesia
	106/PMK.04/2022 on Collection of Export Duties	shall be subject to export duty. However, some exemptions from the
	("MoF Reg. 106/2022")	export duty apply to certain exported goods including:
		a. Goods of foreign country representatives;
	Enforcement Date:	b. Goods for museums, zoos, and nature conservations;
	22 July 2022	c. Goods for research;









		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> <li>Applications for the exemptions must be submitted by the exporters to</li> </ul>
		the Head of the relevant Customs Office through the Services'
		Computer System (Sistem Komputer Pelayanan or "SKP").
12.	MoF Regulation No. 112/PMK.03/2022 on Taxpayer	■ MoF Reg. 112/2022 regulates new provisions on Taxpayer Identification
	Identification Number for Individual Taxpayers,	Number ( <i>Nomor Pokok Wajib Pajak</i> or " <b>NPWP</b> "):
	Corporate Taxpayers, and Governmental Agency	a. An individual who is a citizen of Indonesia uses the Citizen
	Taxpayers (" <b>MoF Reg. 112/2022</b> ")	Identification Number (Nomor Induk Kependudukan or "NIK")
		b. Non-citizen individuals, companies, and government agencies use
	Enforcement date:	NPWP with 16 (sixteen) number format
	8 July 2022	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.
		■ Prior to the 16-digit update of NPWP, the government would request the
		following data of a company:







		a. E-mail and phone number
		b. Address
		c. Classification of Business Activity
13.	Director-General of Taxation Regulation No. PER-	■ DJP Reg. 12/2022 regulates business activities of taxpayers shall be
	12/PJ/2022 on Business Field Classifications for	classified based on the business sector classifications.
	Taxpayers ("DJP Reg. 12/2022")	■ If a taxpayer is classified into more than 1 (one) business sectors
		classification, the taxpayer shall determine its main business sector
	Enforcement date:	classification.
	9 September 2022	The provision does not apply to non-profit organizations.
Trans	portation and Logistics Services	
14.	Director-General of Sea Transportation Letter No.	<ul> <li>According to DGMT Letter 12/2022, every submission of Approval for</li> </ul>
	AL.012/3/11/DJPL/2022 on Application of Obligations	Overseas Operation of National Ships (Persetujuan Pengoperasian
	to Fulfill Seaworthiness Requirement for Barges	Kapal Nasional ke Luar Negeri or "PPKN") and Overseas Deviation
	Serving Container Transportation ("DGMT Letter	Vessel Operation Plan (Rencana Pengoperasian Kapal Deviasi Luar
	12/2022")	Negeri or "RPKDLN") of Indonesian-flagged barges carrying containers
		domestically and/or abroad, must fulfil seaworthiness requirements for
	Stipulated Date:	the carriage of containers. This obligation also applies to every
	21 June 2022	submission of Approval for Foreign Ships Agency for foreign barges
		serving container carriage in Indonesian waters. Such fulfilment must be
		proven with:





		<ul> <li>a. Class Notation "equipped for carriage of container" or equivalent that in the Ship's Classification Certificate; or</li> <li>b. Certificate issued by the ship's flag country or classification socie recognized by the ship's flag country confirming that such barge he fulfilled the seaworthiness requirement for carriage of container.</li> <li>For Indonesian ships, the notation class may be obtained by filing a application to PT Biro Klasifikasi Indonesia as the official Indonesia classification society.</li> </ul>	ety as
Misce	llaneous		
15.	Supreme Court Regulation No. 3 of 2022 on Electronic	<ul> <li>Under MA Reg. 3/2022, the parties may conduct an electronic mediation</li> </ul>	วท
	Mediation in Courts ("MA Reg. 3/2022")	("E-Mediation") by a mutual agreement between them.	
		<ul> <li>After the parties agree to conduct an E-Mediation, the judge will ver</li> </ul>	ify
	Enforcement date:	the matter and deliver the approval to the parties.	
	30 May 2022	After the submission of the E-Mediation approval form to the clear	·k,
		additional administrative actions shall be conducted by the partie	₽S,
		including:	
		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**

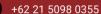
16. Minister of Public Works and Public Housing Regulation No. 8 of 2022 on Procedure for the Implementation of the Fulfilment of Standard Certification for Construction Services for Support the Ease of Business Licensing by Construction Service Business Actors ("MoPWPH Reg. 8/2022")

#### **Enforcement date:**

1 August 2022

- MoPWPH Reg. 8/2022 regulates that any business actors that conduct A construction service sub-sector is obligated to obtain:
  - a. Standard Certificate ("SC");
  - b. Certification of Construction Service Business Entity (*Badan Usaha Jasa Konstruksi* or "BUJK") issued by the Construction Service Certification Institution; and
  - c. Certification of Competence of Construction Works (Sertifikasi Kompetensi Kerja Konstruksi or "SKKK") issued by the Professional Certification Institution.
- MoPWPH Reg. 8/2022 also provides the procedure to obtain the certifications:
  - a. BUJK certification requires application, payment, verification and validation, and approval;
  - SKKK certification requires application, verification and validation, certification cost, implementation of competency test, and issuance of SKKK.
- 17. Minister of Marine Affairs and Fisheries Decree No. 42 of 2022 on Implementing Mechanism for the Construction and/or Placement of Buildings and
- MoMAF Decree 42/2022 provides a licensing mechanism for the construction and placement of buildings and installations at sea, including for:





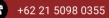






Installations at Sea ("MoMAF Decree 42/2022")	a. residential, religious, social, and cultural constructions or
	installations;
Enforcement date:	b. fishery;
23 June 2022	c. salt processing and production;
	d. Marine tourism;
	e. Cruise;
	f. land transportation;
	g. telecommunication;
	h. beach protection;
	i. oil-and-gas;
	j. mineral and coal mining;
	k. electricity installation;
	I. data collection and research;
	m. defense and security;
	n. water resources; and
	o. use of sea water other than energy.
	Generally, the licensing mechanism is conducted in the following
	stages:
	a. Submission and validation of proposals;
	b. Marine surveys or application for the issuance of approval or









		confirmation on the Conformity of Sea-Area Utilization Activities (Kesesuaian Kegiatan Pemanfaatan Ruang Laut or "KKPRL"); and c. Issuance of the Business license and construction and/or placement of the buildings and/or installations at sea.
Energy		
18.	Presidential Regulation No. 112 of 2022 on Acceleration of Development of Renewable Energy for Electricity Power Supply ("PR 112/2022")	<ul> <li>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:</li> <li>a. the power plants are National Strategic Projects;</li> </ul>
	Enforcement date: 13 September 2022	<ul> <li>b. the power plant operators are committed to reduce greenhouse gas emissions by 35% within 10 years; and</li> <li>c. the maximum operation of the power plants is up to 2050.</li> <li>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.</li> <li>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:</li> </ul>









		a. Power Purchase based on Ceiling Price; and	
		b. Power Purchase based on Agreement.	
		■ 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.	Minister of State-Owned Enterprises (Badan Usaha	■ To accelerate the Battery Electric Vehicle ("BEV") program, the ministry	
	Milik Negara or "BUMN") Letter No. S-	of BUMN mandates all president directors of BUMN companies across	
	565/MBU/09/2022 on Acceleration Support Program	Indonesia to:	
	for Battery-Powered Electric Vehicle Program at Road	a. allocate the budget to support this program;	
	Transportation ("MoBUMN Letter 565/2022")	b. increase the use of BEVs within the company (i.e., through the	
		electric car ownership program);	
	Stipulated date:	c. take into account the achievable benefits and their companies'	
	12 September 2022	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** audria.putri@nusantaralegal.com