



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.

Appendix 1

Investment List

(based on Law No 11/2020, President Regulation No 44/2016, President Regulation No 10/2021 and President Regulation No 49/2021)

List of business fields that are closed to investment (based on Law No 11/2020)	
SECTOR	BUSINESS FIELDS
Agriculture	Cultivation for and industry of type I narcotics.
Forestry	Fishing of species of fish listed in Appendix 1 of Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES").
Maritime and fisheries	Gathering (retrieval) of coral from nature for: construction materials/ lime/calcium, aquarium, and souvenirs/jewelry as well as living coral or dead coral (recently dead coral) from nature.
Industry	<ol style="list-style-type: none"> 1. Manufacture of industrial chemicals and manufacture of ozone depleting substances 2. Manufacture of chemical weapons 3. Industry of liquor and beverages containing alcohol and malt*. <p>*) In March 2021, President Joko Widodo announced the revocation of the provision in the Positive Investment List regarding the opening of investment in the industry of liquor and beverages containing alcohol and malt due to concern raised by the public, thus the industry is closed for investment.</p>
Tourism and creative economy	All forms of gambling and/or casino-related activities.

Additional business field closed to investment (based on President Regulation No 49/2021)	
SECTOR	BUSINESS FIELDS
Alcoholic Beverage	Under Regulation 10/2021, new investments in alcoholic beverage-related industries operating under KBLI 11010 (Alcoholic Beverage Industries), KBLI 11020 (Alcoholic Beverage Industries: Wine) and KBLI 11031 (Malted Beverage Industries) are permitted in certain provinces only (Bali, East Nusa Tenggara, North Sulawesi and Papua) and should be carried out in line with local wisdom and culture. These four provinces are generally known as producers of traditional alcoholic beverages and therefore the government has been attempting to facilitate industrial development in these areas in order to encourage economic growth. However, under the Amendment, investment in alcoholic beverages within the areas concerned is no longer permitted.

Sources:

- 1) Law No 11/2020 on Job Creation Law
- 2) Presidential Regulation No. 44/2016 on List of Business Fields that are Closed to and Business Fields that are Open with Conditions to Investment
- 3) Presidential Regulation No 10/2021 on Investment Business Fields
- 4) Presidential Regulation No. 49/2021 on "Government Officially Closes Alcoholic Beverage Sector to Investment"
- 5) Tempo, 2 March 2021: "Jokowi Revokes Policy on Alcoholic Drink Investment" <https://en.tempo.co/read/1437979/jokowi-revokes-policy-on-alcoholic-drink-investment>

List of business fields that are fully open to foreign ownership, open with certain requirements, reserved MSMEs and cooperatives or requires partnership with MSMEs

SECTOR	SUB-SECTOR	2016 NEGATIVE LIST	2021 NEW INVESTMENT LIST
Air Transportation	Airport services	Maximum 49 percent foreign shareholding (Minimum investment requirements according to MOT No. 45/2015).	Not restricted, however subject to project basis concession agreement terms and conditions issued by the government.
	Airport-related services	Maximum 67 percent foreign shareholding.	Not restricted.
	Scheduled air transportation	Maximum 49 percent foreign shareholding.	Remained unchanged.
Sea Transportation	Port facilities provision	Maximum 49 percent foreign shareholding (Minimum investment requirements according to MOT No. 45/2015).	Not restricted.
	Terminal supporting business	Maximum 67 percent foreign shareholding (Minimum investment requirements according to MOT No. 45/2015).	Not restricted.
	Scheduled sea transportation	Maximum 49 percent foreign shareholding.	Remained unchanged
Drinking Water	Drinking water business	Maximum 95 percent foreign shareholding.	Not restricted (with certain tax allowances).
Power	Distribution of electricity	Maximum 95 percent foreign shareholding (100 percent foreign investment with a PPP arrangement during the concession period).	Not restricted.
	Electricity transmission	Maximum 95 percent foreign shareholding (100 percent foreign shareholding with a PPP arrangement during the concession period).	Not restricted.
	Electricity installation consultancy services	Maximum 49 percent foreign shareholding.	MSMEs partnership is required.
	Provision of electricity <1 MW	Required 100 percent domestic investment.	Reserved for MSMEs.
	Small scale electricity power plant (1-10 MW)	Maximum 95 percent foreign shareholding (100 percent foreign shareholding with a PPP arrangement during the concession period).	Not restricted.
	Electricity power plant > 10 MW	Maximum 95 percent foreign shareholding (100 percent foreign shareholding with a PPP arrangement during the concession period)	Not restricted.
	Geothermal power plant <= 10 MW	Maximum 67 percent foreign shareholding.	Not restricted.
	Operation and maintenance of power plant	Maximum 95 percent foreign shareholding.	Not restricted.
Construction Services	High risk and/or high value construction implementation services involving advanced technology.	Maximum 67 percent foreign shareholding or 70 percent for ASEAN countries investors with a project value exceeding IDR 50 billion.	<ul style="list-style-type: none"> • Not restricted • Subject to the local requirement for joint venture under the Construction Services Law. • Additional requirement to MSMEs partner applies for buildings and industrial buildings construction.
	High risk and/or high value construction consulting services involving high technology.	Maximum 67 percent foreign shareholding or 70 percent for ASEAN countries investors with a project value exceeding IDR 10 billion.	

List of business fields that are fully open to foreign ownership, open with certain requirements, reserved MSMEs and cooperatives or requires partnership with MSMEs

SECTOR	SUB-SECTOR	2016 NEGATIVE LIST	2021 NEW INVESTMENT LIST
Mining	Gold mining*	Not restricted.	Not restricted.
	Coal mining*	Not restricted.	Not restricted.
	Nickel mining*	Not restricted.	Not restricted.
	Mining services*	Not restricted.	Not restricted.
	Other mining services*	Not restricted.	Not restricted.
Oil and Gas	Oil and gas construction (platforms)	Maximum 95 percent foreign shareholding	Not restricted.
	Onshore and offshore oil and gas drilling services	Required 100 percent domestic investment (onshore) and 75 percent foreign shareholding (offshore).	Not restricted.
Telecoms & Towers	Fixed telecommunications networks	Foreign shareholding maximum 67 percent.	Not restricted.
	Mobile telecommunications networks		
	Telecommunications services integrated networks		
	Content provision telecommunications services		
	Internet providers		
	Data communication services		
	Public internet services		
	Interconnection services		
	Other telephone-related services (call centers, information centers)		
	Telecommunications tower suppliers, its operators (operation and leasing), and building service providers.	Required 100 percent domestic investment.	<ul style="list-style-type: none"> Not restricted Exception for tower construction service providers that use simple or intermediate technologies that is reserved for MSMEs.
Marketplaces, E-commerce	Commercial web portals and/or digital channels (e.g., marketplaces, digital ads, and on-demand online services)	<ul style="list-style-type: none"> Not restricted for an investment value exceeding IDR 100 billion Maximum 49 percent foreign shareholding for investment value fewer than IDR 100 billion. 	Not restricted.
	Retail businesses utilizing digital ordering systems (e-commerce)	<ul style="list-style-type: none"> Must be partnered with MSMEs Only food, non-alcoholic drinks, cigarettes, chemicals, medical products, cosmetics, laboratory equipment, fabric, garments, footwear, personal belongings, household items, including kitchen appliances can be sold by an entirely foreign-owned online retailer An online retailer that offers products that aren't in one of the previous section categories must be wholly owned by domestic investors. 	Not restricted.

*) Although mining activities are not included in the New Investment List (and would theoretically be 100 percent open to foreign investment), Indonesia's mining laws and regulations (in particular, Law No. 4 of 2009 (as amended) and GR No. 23 of 2020) continue to require foreign-owned mining companies to gradually divest to local shareholders so that, by the tenth year of commencing commercial production operations, at least 51 percent of the shares in the mining company are held by Indonesian shareholders.

List of business fields that are fully open to foreign ownership, open with certain requirements, reserved MSMEs and cooperatives or requires partnership with MSMEs

SECTOR	SUB-SECTOR	2016 NEGATIVE LIST	2021 NEW INVESTMENT LIST
Media	Printed publication (e.g., newspapers, magazines, bulletins)	Required 100 percent domestic investment.	<ul style="list-style-type: none"> Requires 100 percent domestic investment at the time of formation, however foreign ownership can own up to 49 percent for business expansion and growth (intended for listed target companies). The restrictions of foreign investment are not applied to investments in Special Economic Zones.
	Subscription broadcasting institutions	Required 100 percent domestic investment on the establishment, but can have up to 20 percent.	<ul style="list-style-type: none"> Remain unchanged The restrictions of foreign investment are not applied to investments in Special Economic Zones.
	Private broadcasting institutions (radio and television)		
Defense and Security	Main equipment industry	Required 100 percent domestic investment and required recommendation from the Ministry of Defense.	Capital ownership requires approval from the Minister of Defense.
Pharmaceutical Manufacturing	Raw materials manufacturing for pharmaceutical products	Not restricted.	Remained unchanged.
	Finished pharmaceutical products manufacturing	Foreign shareholding maximum 85 percent.	Not restricted.
Pharmaceutical Distribution	Raw materials distribution for pharmaceutical products	Required 100 percent domestic investment.	Not restricted.
	Finished pharmaceutical products distribution	Not restricted, however sector under Ministry of Health ("MOH") and Indonesia's food and drug administration ("BPOM") unwritten policies.	Not restricted.
Pharmaceutical Retail	Retail pharmaceutical business (pharmacies, drugstores, medical device stores, opticians)	Required 100 percent domestic investment.	Reserved for MSMEs.
Traditional Medicine Manufacturing	Finished products traditional medicine manufacturing	Required 100 percent domestic investment.	Remained unchanged.
	Raw materials of traditional medicine	Not restricted.	Requires 100 percent domestic investment.
	Small and micro business category for traditional medicine finished products	Required 100 percent domestic investment.	Reserved for MSMEs.
Traditional Medicine Distribution	Finished product of traditional medicine distribution.	Not restricted, however closed sector under MOH and BPOM unwritten policies.	No restriction (but may be subject to MOH and BPOM unwritten policies).
Health Equipment Manufacturing	Class A medical equipment	Foreign shareholding maximum 33 percent.	MSMEs partnership is required.
	Class B, C, and D medical equipment	Not restricted, however MOH special license is required.	Not restricted.
Health Equipment Distribution	Medical equipment distribution	Foreign shareholding maximum 49 percent.	Not restricted.
Hospitals	General and specialized hospitals	<ul style="list-style-type: none"> Foreign shareholding maximum 67 percent foreign investment, or ASEAN investors were capped at 70 percent Additional sectoral standards, which include Hospital GR, applied. 	Not restricted, however additional standard of minimum beds applies.

List of business fields that are fully open to foreign ownership, open with certain requirements, reserved MSMEs and cooperatives or requires partnership with MSMEs

SECTOR	SUB-SECTOR	2016 NEGATIVE LIST	2021 NEW INVESTMENT LIST
Clinics	Main clinics (<i>klinik utama</i>)	<ul style="list-style-type: none"> Foreign shareholding maximum 67 percent Additional sectoral standards applied. 	Not restricted.
	Primary clinics (<i>klinik pratama</i>)	Required 100 percent domestic investment	Reserved for MSMEs.
Medical Laboratory Clinics	Clinics of health laboratory	Not restricted, however, there was 67 percent foreign ownership limit under MOH and BPOM, unwritten policies apply in certain circumstances.	MSMEs partnership is required.
Trade, Distribution (Wholesale)	Affiliated manufacturing distributors	Not restricted.	Not restricted.
	Non-affiliated manufacturing distributors	Foreign shareholding maximum 67 percent.	Not restricted.
	Warehousing		
Retail and Self-Service Stores (<i>Toko Swalayan</i>)	Minimarkets with an area of fewer than 400 sqm	Required 100 percent domestic investment.	Reserved for MSMEs.
	Supermarkets	<ul style="list-style-type: none"> Supermarkets with an area of at least 1,200 sqm do not have any restriction Supermarkets with an area of fewer than 1,200 sqm should be owned by 100 percent domestic shareholders. 	Not restricted, however additional sectoral standards under GR 29/2021 apply.
	Department store	<ul style="list-style-type: none"> Department stores with an area of more than 2,000 sqm do not have any restriction Department stores with an area between 400 sqm to 2,000 sqm could have foreign ownership at maximum of 67 percent Additional sectoral standards apply. 	Not restricted, however additional sectoral standards under GR 29/2021 apply.
	Selling products outside the department stores under one management which the main products sold are not food, beverage or cigarette products (e.g., cosmetics, household items, jewelry, toys, clothing)	Required 100 percent domestic investment.	Reserved for MSMEs.
	Selling certain types of these products: <ul style="list-style-type: none"> Vehicles, their spare parts and accessories Textiles (e.g., household items which are made from textiles) Water transportation tools and equipment Cosmetics Antiques, jewelry Toys Electronics 	Required 100 percent domestic investment.	Not restricted.
	Retail trading (including sidewalk vendor) of liquor or Alcoholic Beverages	Must have business license certificate of liquor business ("SIUP-MB") and distribution network.	Allowed with a designated distribution network and place.
	Selling certain types of these products: <ul style="list-style-type: none"> Non-alcoholic drinks Bread, cookies, cakes, coffee, fermented beans and oncoms, processed meat and fish, rice, refined sugar, red sugar, tofu, tempeh, other foods Footwear 	Required 100 percent domestic investment.	Reserved for MSMEs.

List of business fields that are fully open to foreign ownership, open with certain requirements, reserved MSMEs and cooperatives or requires partnership with MSMEs

SECTOR	SUB-SECTOR	2016 NEGATIVE LIST	2021 NEW INVESTMENT LIST
Logistics	National or universal postal service	Foreign shareholding maximum 49 percent.	<ul style="list-style-type: none"> Foreign shareholding maximum 49 percent Additional standards of ownership and supplementary sectoral requirements under Postal Law (as amended) and GR No. 46/2021 may apply.
	Courier agents	Foreign shareholding maximum 49 percent.	<ul style="list-style-type: none"> Not restricted MSMEs partnership is required Additional standards of ownership and supplementary sectoral requirements under Postal Law (as amended) and GR 46/2021 may apply.
	Courier services	Not restricted, however additional standards of ownership and supplementary sectoral requirements under Postal Law apply.	<ul style="list-style-type: none"> Not restricted Additional standards of ownership and supplementary sectoral requirements under Postal Law (as amended) and GR No. 46/2021 may apply.
	Freight forwarding services	Foreign shareholding maximum 67 percent or 70 percent maximum for ASEAN investors.	Not restricted.
	Warehousing	Foreign shareholding maximum 67 percent.	Not restricted.
Hospitality and Tourism	Broker service for property	Required 100 percent domestic investment.	Not restricted.
	Ecotourism	Foreign shareholding maximum 51 percent or 70 percent maximum for ASEAN investors.	Not restricted.
	Golf course	Foreign shareholding maximum 67 percent or 70 percent maximum for ASEAN investors.	Not restricted.
	Travel bureau activities for umrah and special hajj	This line of business was not included in the 2016 Negative List.	Requires 100 percent domestic investment and the religion must be Islam.
	Travel agent	Required 100 percent domestic investment and reserved for MSMEs.	Not restricted.
Plantations and Agriculture	Plantations of palm oil seed	Maximum 95 percent foreign shareholding.	Not restricted.
	Plantation (e.g., sugar cane, tobacco, beverage plants (e.g., coffee, cocoa), rubber plants, coconut and palm oil plantation)	Maximum 95 percent foreign shareholding, with a 20 percent plasma requirement.	Open for 100 foreign investment (above 25 Ha), subject to technical regulations being amended.
	Staple food agriculture (i.e., rice, corn, sweet potato, and beans)	Maximum 49 percent foreign shareholding.	Open for 100 percent foreign investment, subject to technical regulations being amended.
	Certain fruit and agriculture	Maximum 30 percent foreign shareholding.	Open for 100 percent foreign investment, subject to technical regulations being amended.

List of business fields that are fully open to foreign ownership, open with certain requirements, reserved MSMEs and cooperatives or requires partnership with MSMEs

SECTOR	SUB-SECTOR	2016 NEGATIVE LIST	2021 NEW INVESTMENT LIST
Other Industry	Commission agents	Required 100 percent domestic investment.	Not restricted.
	Pest control/fumigation service	Maximum 67 percent foreign shareholding.	Not restricted.
	Traditional cosmetics	This line of business was not included in the 2016 Negative List.	Requires 100 percent domestic investment.
	Industry of batik (hand-painted batik, printed batik, combination of hand-painted and printed batik)		
	Ship industry (phinisi, outriggers, ships made of timber with distinctive traditional designs)		
	Coffee processing, rendang*, crackers, flakes, peyek (factory made and non-factory made)		
	Industry of wooden building products, wood carving (not meubeller), including sculptures, reliefs, masks, and wayang puppet	Reserved for MSMEs.	Requires 100 percent domestic investment.

Sources:

- 1) Law No. 11/2020 on Job Creation Law
- 2) Presidential Regulation No. 44/2016 on List of Business Fields that are Closed to and Business Fields that are Open with Conditions to Investment
- 3) Presidential Regulation No. 10/2021 on Investment Business Field

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 Pembangkitan</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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