

CHAIRMAN OF INVESTMENT COORDINATING BOARD  
THE REPUBLIC OF INDONESIA

COPY

REGULATION OF THE CHAIRMAN OF INVESTMENT COORDINATING  
BOARD OF THE REPUBLIC OF INDONESIA

NUMBER 16 OF 2015

ON

GUIDELINES AND PROCEDURES FOR INVESTMENT FACILITY SERVICES

BASED ON THE BELIEF IN THIS ONE AND ONLY GOD

CHAIRMAN OF INVESTMENT COORDINATING BOARD OF  
THE REPUBLIC OF INDONESIA

Considering : a. that for the purpose of providing exemption from import duty on Imported Machines and Building Materials or Industrial Development for the purpose of investment as ruled in the Regulation of the Minister of Finance: Number 176/PMK.011/2009 as amended by the Regulation of the Minister of Finance number 76/PMK.011/2012, the Chairman of



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Investment Coordinating Board has issued Regulation of the Chairman of Investment Coordinating Board to the Investment Coordinating Board Number 5 of 2013 on Guidelines and Procedures for Licensing and Non-Licensing of Investment as amended by the Regulation of the Chairman of Investment Coordinating Board number 12 of 2013;

- b. that the Regulation of the Chairman of Investment Coordinating Board Number 5 of 2013 on Guidelines and Procedures for Licensing and Non-Licensing of Investment as amended by the Regulation of the Chairman of Investment Coordinating Board Number 12 of 2013 has not been set on the Procedures for Granting Exemption and/or Relief from Import Duty and Exemption and/or Postponement of Value Added Tax on Imported Goods in the Framework of Work Contracts and mining work contracts for Coal based on the Regulation of the Minister of Finance Number 110/PMK.010/2005 on Procedures for Granting Exemption And/Or Relief of Import Duty and exemption And/Or Postponement of Value Added Tax on Imported Goods In the framework Work Contract and Coal Mining Agreement and the Exemption of



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Import Duty of Imported Capital Goods in the framework of Development or Industrial Development of Power Generation for Public Interest by Regulation of the Minister of Finance Number 66/PMK.010/2015 on Exemption from Import Duty on Imported Capital Goods in the Framework of Development Or Power Generation Industrial Development for Public Interest;

- c. that in order to support the implementation of One Stop Services at the Investment Coordination Board, need to rearrange the provisions on exemption of import duty on the imported machinery/goods/ Capital Goods/Goods and Materials In Framework of Capital investments;
- d. Based on the considerations as referred to in paragraphs a, b and c, it is necessary to stipulate Regulation of the Chairman of Investment Coordinating Board on Guidelines and Procedures for Investment Facility Services;

In view of : 1. Law Number 10 of 1995 on Customs (State Gazette of the Republic of Indonesia of 1995 Number 75, State Gazette of the Republic of Indonesia Number 3612) as already amended by Law Number 17 of



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- 2006 (State Gazette of the Republic of Indonesia of 2006 Number 93, Supplement to State Gazette of the Republic of Indonesia Number 4661);
2. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, State Gazette of the Republic of Indonesia Number 4724);
  3. Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2009 Number 112, Supplement to State Gazette of the Republic of Indonesia Number 5038);
  4. Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to State Gazette of the Republic of Indonesia Number 5587) as already amended by Law Number 9 of 2015 (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to State Gazette of the Republic of Indonesia Number 5679);
  5. Government Regulation Number 96 of 2012 on Implementation of Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2012 Number 215, Supplement to State Gazette



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of the Republic of Indonesia Number 5357);

6. Presidential Regulation Number 90 of 2007 on Investment Coordinating Board, as amended by Presidential Decree Number 86 of 2012 (State Gazette of the Republic of Indonesia of 2012 Number 210);
7. Presidential Regulation Number 97 of 2014 on One Stop Services in the Field of Investment (State Gazette of the Republic of Indonesia Year 2014 Number 221);
8. Regulation of the Minister of Finance Number 110/PMK.010/2005 on Procedures for Exemption and/or Relief from import duty and exemption and/or Postponement of Value Added Tax on Imported Goods in the Framework Work Contacts and Coal Mining Contract;
9. Regulation of the Minister of Finance Number 176/PMK.011/2009 on Exemption of Import Duty on imported machinery, Goods and Materials for Development Or Industrial Development in the Framework of Investment as amended by the Regulation of the Minister of Finance Number 76/PMK.011/2012;



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10. Ministerial Regulation of Industry Number 19/M-IND/PER/2/2010 on List of Machines, goods and Domestic Production Materials for Development or Industrial Development in the Framework of Investment, as amended by the Ministerial Regulation of Industry Number 106/M-IND/PER/10/2012;
11. Regulation of the Minister of Finance Number 258/PMK.011/2014 on the Implementation of One Stop Service at the Investment Coordinating Board;
12. Regulation of the Minister of Finance Number 66/PMK.010/2015 on Exemption from Import Duty on Imported Goods in the framework of Development Or Power Generation Industrial Development for Public interest;
13. Regulation of the Chairman of the Investment Coordinating Board Number 90/SK/2007 on Organizational Structure of the Investment Coordinating Board, as amended by the Regulation of Investment Coordinating Board Number 1 of 2011;
14. Regulation of the Chairman of the Investment Coordinating Board Number 6 of 2011 on Implementation, Development and Reporting of One



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- Stop Services on Investment;
15. Regulation of the Chairman of the Investment Coordinating Board Number 4 of 2014 on Information Service System and Electronic investment Licensing;
  16. Regulation of the Chairman of Investment Coordinating Board Number 9 of 2015 on Implementation of One Stop Services;
  17. Regulation of the Chairman of the Investment Coordinating Board Number 14 of 2015 on Guidelines and Procedures for Investment Principle License;
  18. Regulation of the Chairman of Investment Coordinating Board Number 15 of 2015 on Guidelines and Procedures for Licensing and Non-Licensing of Investment;

D E C I D E S:

To stipulate: REGULATION OF THE CHAIRMAN OF INVESTMENT COORDINATING BOARD ON GUIDELINES AND PROCEDURES FOR INVESTMENT FACILITIES SERVICES.

PART I

GENERAL REQUIREMENTS

Article 1



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In this Regulation referred to as:

1. Investment means any form of investment activity by both domestic investors and foreign investors to do business within the territory of the Republic of Indonesia.
2. Construction means the company or the establishment of a new plant to produce goods and/or services.
3. Development means a development of company or the existing factory covers addition, modernization, rehabilitation and/or restructuring of production equipments including machinery for the purpose of increasing the number, type, and/or quality of production.
4. Company means a company that undertakes the construction or industrial development within the framework of investment and specifically for Foreign Investment should be established in a limited liability company as referred to in the Regulation of the Minister of Finance Number 176/PMK.011/2009 as amended by the Regulation of the Minister of Finance Number 76/PMK.011/2012.
5. Machine means any machine, machinery, equipment of plant, equipment or tools, in attached or detached





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conditions used for the construction or industrial development as referred to in the Regulation of the Minister of Finance Number 176/PMK.011/2009 as amended by Regulation of Finance Number 76/PMK.011/2012.

6. Goods and materials mean all goods or materials, regardless the type and composition, which are used as materials or components to produce finished goods.
7. Power generation industry means the activity of producing and providing electricity for public use by Legal Entities, not including transmission, distribution, and any business supporting the electricity.
8. Enterprise means any legal entity which may take the form of State Owned Enterprises, Regional Owned Enterprises and private legal entities incorporated in Indonesia, and co-operatives, which are doing business, established in accordance with the applicable legislation, doing fixed and continued businesses, work and domiciled within the territory of the Republic of Indonesia as referred to in the Regulation of the Minister of Finance Number 66/PMK.010/2015.
9. Capital goods mean machinery, equipment, and manufacturing equipment in both attached and



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detached conditions, not including spare parts used for maintenance in doing business activities by enterprises as referred to in the Regulation of the Minister of Finance Number 66/PMK.010/2015.

10. Import means activities to supply goods into the customs area of Indonesia.
11. Assignment means assignment, transfer of assets, changes in the use of capital goods or machinery for other activities outside business activities, exported, or removal of the company's assets.
12. Force majeure mean any event of circumstances such as fires, natural disasters, riots, war or other things that occur beyond human ability.
13. One Stop Service in the area of Capital Investment hereinafter referred as PTSP means activities to organize Licensing and Non-licensing based on delegation or transfer of authority of the institution or agency that have authority of Licensing and Non-licensing of which management process starts from the proposal stage up to the publication of documents done in single place.
14. Central PTSP means an investment service under the authority of the Central Government, which shall be



integrated in a single process starting from the proposal up to the completion of service products through a single door at the BKPM, the implementation is carried out by:

- a. The delegation or transfer of authority from the Minister/Head to LPNK to the Chairman of BKPM; and/or
  - b. Ministry official assignment/LPNK in BKPM.
15. Facility Service means a service to provide fiscal facility which include customs and tax facilities within the framework of investment in Central PTSP at the Investment Coordinating Board.
16. Investment Principle License hereinafter referred to as the principle license means a license which must be held in order to start a business.
17. Extension Principle Licensing of Investment hereinafter referred Extension Principle License means a principle license that have to be held by the company to initiate or star activities within the framework of the business expansion.
18. Investment License means Principle License owned by the Company with certain criteria set out in Regulation of the Chairman of BKPM.



19. Business License means a license that have to be held by the companies to start the implementation of production/operations that produce goods or services, unless otherwise stipulated by legislation.
20. Expansion license, a license that have to be held by the companies to start the implementation of production activities that produce goods or services for the implementation of business expansion, especially for industrial sector.
21. Business License to Provide Power Generation hereinafter abbreviated to IUPTL means a license to do the business of supplying electricity for the public interest given by the Ministry of Energy and Mineral Resources or the provincial government, in accordance with the legislation in the field of electricity.
22. Decision for granting the facility of import duty on machinery/goods/capital goods/goods and materials for Investment and exemption and/or postponement of value added tax (only for import of goods within the framework of the Work Contract and Coal Mining Agreement), hereinafter referred to as Decision means approval of the Chairman of Investment Coordinating Board on behalf of the Minister of Finance on the



provision of facilities for the imported machinery goods/capital goods/goods and materials as well as goods and materials as well as exemption and/or postponement of value added tax.

23. Management of Company or Legal Entity means the Board of Directors/Management of the company contained in Articles of Association/Deed of Company or the amendments which have obtained approval/consent/notification from the Minister of Law and Human Rights (Ministry of Justice and HAM) for the legal entity in the form of Limited Liability Company and under its appropriate legislation for legal entities other than a Limited Liability Company.
24. Investment Coordinating Board hereinafter abbreviated to BKPM, means a Non-Government Organization (LPNK) which is responsible for Investment, headed by a Chairman directly responsible to the President.
25. Report on Investment Activity hereinafter referred LKPM, means a report on the development of investment realization and the obstacles faced by the investors that are required to be submitted periodically.
26. Information Services System and Electronic Investment Licensing hereinafter referred as SPIPISE, means the



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Licensing and Non-Licensing integrated between the central government that has the authority of Licensing and Non-licensing with local governments.

27. Board of Investment and Integrated One Stop Services at Provincial level, or the provincial government apparatus that is responsible for investment under other appropriate nomenclature of applicable legislation hereinafter referred Provincial BPMPTSP means an element of regional heads within the framework of the implementation of the provincial government, which organizes the main functions of coordination in the field of capital investment in the Provincial Government.
28. Board of Investment and One Stop Service of Regency/City level, or the regency/city governments that administer the affairs of other investments in accordance with the nomenclature of applicable legislation hereinafter referred to as Regency/City BPMPTSP means an element of regional heads in the framework of the implementation of the local government at district/city level, which organizes the main function of coordination in the field of investment in regency/city governments.
29. Free Trade Zone and Free Port hereinafter referred as



KPBPB means an area that is within the jurisdiction of the Republic of Indonesia which is separate from areas that are free of the imposition of customs duties, value added tax, sales tax on luxury goods, and excises.

30. Special Economic Zones hereinafter referred to as KEK, means a region with a certain extent within the territory of the Republic of Indonesia that is set to perform the functions of economy and acquire certain facilities.

## CHAPTER II

### PURPOSES

#### Article 2

- (1) Guidelines and Procedures of Investment Facility Services are intended as guidelines for the implementation of Investment facility services which is a filing procedures and requirements of application for Investment Facility which designated for the Central PTSP at the BKPM and business people as well as other general public.
- (2) Investment Facility as referred to in paragraph (1) shall include:
- a. Exemption of import duties as set out in:
    1. Regulation of the Minister of Finance Number



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- 110/PMK.010/2005 on Procedures for Exemption and/or relief from import duty and exemption and/or postponement of Value Added Tax of Imported Goods In the Framework of Work Contacts and mining work contract for Coal.
2. Regulation of the Minister of Finance Number 176/PMK.011/2009 on Exemption of Import Duty on the imported Machinery, Goods and Materials for Construction or Development In the industrial capital investments, as amended by the Regulation of the Minister of Finance Number 76/PMK.011/2012; and
  3. Regulation of the Minister of Finance Number 66/PMK.010/2015 on the exemption from duty on imported capital goods in the framework of Construction or Development of Industrial Power Generation for Public Interest;
- b. Exemption and/or postponement of Value Added Tax as referred to in the Regulation of the Minister of Finance Number 110/PMK.010/2005 on Procedures for Exemption and/or relief from import duty and exemption and/or postponement of Value





Added Tax on Imported Goods In the Framework of  
Work Contact and Work Contract of Coal Mining.

### CHAPTER III

#### AIMS

#### Article 3

Guidelines and Procedures of Investment Facility Service  
aims:

- a. To provide information on requirements and completion  
of Investment Facility Application;
- b. To provide easy, fast, precise, accurate, transparent and  
accountable services.

### CHAPTER IV

GUIDELINES AND REQUIREMENTS FOR PROVIDING  
EXEMPTION FACILITIES OF IMPORTED MACHINERY AND  
GOODS AND MATERIALS FOR THE CONSTRUCTION OR  
INDUSTRIAL DEVELOPMENT IN THE FRAMEWORK OF  
CAPITAL INVESTMENT

#### Part One

Guidelines for Exemption Facilities of Import Duty  
And on the Imported Goods and Materials  
For Construction Or Industrial Development



In the Framework of investments

Paragraph 1

General

Article 4

- (1) Investment companies that have the Principle License/Investment License and have been incorporated or have a valid business license may obtain fiscal facilities in accordance with the provisions of legislation.
- (2) The fiscal facilities as referred to in paragraph (1) set forth the Regulation includes:
  - a. facility of import duty on machinery excluding spare parts; and
  - b. facility of import duty on the imported goods and materials.

Article 5

- (1) The application facility as referred to in Article 4 paragraph (2) shall be submitted to the Central PTSP at BKPM.
- (2) Guidelines and procedures for submission of the facility application for the company located in KPBPB and KEK is governed in separate cover with the regulations of Management of KPBPB and Administrator of KEK in



accordance with the provisions of the legislation.

Paragraph 2

Facilities on Import Duty of Imported Machines

Article 6

- (1) Facilities on import duty of imported machines as referred to in Article 4 paragraph (2) shall be granted for the construction and development projects.
- (2) The development referred to in paragraph (1) which is an additional production capacity of more than 30% (thirty percent) are classified as business expansion.
- (3) The development referred to in paragraph (1) conducted by companies already have a Business License/Expansion License and do not result in changes in production capacity that exceeds 30% (thirty percent) are classified as restructuring/modernization/rehabilitation.

Article 7

- (1) Facility on exemption of import duty of imported machines is given to companies that have the Principle Permit/Investment License/Extension Principle License and its amendment.
- (2) Company in the implementation of the Investment



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Activity may use the machines of domestic and/or import production.

- (3) Company that has Principle License/Investment License/Expansion Principle License and amendments referred to in paragraph (1):
  - a. for industrial businesses that produce goods may be granted exemption from import duty on machinery as well as goods and materials; and/or
  - b. for industrial businesses that produce services may be granted exemption from import duty on machinery.
- (4) The granting of facilities as referred to in paragraph (3) refers to the Regulation of the Minister of Finance on exemption of import duty on machinery as well as goods and materials for construction or industrial development within the framework of investment.
- (5) The facility of import duty on machinery as referred to in paragraph (1), is given as long as the machine:
  - a. has not been produced in the country;
  - b. has been produced in the country but not complied with the required specifications; or
  - c. has been produced in the country but the amount is not sufficient for complying the need of industry,



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based on the list of machines that are set by the minister in charge of industrial affairs.

- (6) For machines that do not comply with the provisions as referred to in paragraph (5) may be given facility of import duty after obtaining the technical recommendations of the Ministry of Industry.
- (7) The Granting of exemption from import duty on machinery expires as of the date of issuance of Business License/Expansion License for the implementation of Principle License/Investment License/Expansion Principle License as referred to in paragraph (1).

Article 8

- (1) The imported machines may be new machines and/or non new machines.
- (2) The import of non-new machine to follow the provisions as referred to in the Regulation of Minister of Trade and Minister of Industry.

Article 9

- (1) Companies that already have a business license/expansion license and will undertake a restructuring/modernization/rehabilitation that will lead to changes in production capacity does not exceed 30% (thirty percent) of the capacity of production license as



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stipulated in the Business License/Expansion License may be granted exemption from import duty on machinery.

- (2) Facility exemption from import duty on imported machinery as referred to in paragraph (1) does not include goods and materials.
- (3) The Company of which business license issued by the Ministry/LPNK/provincial BPMPTSP/Regency/City BPMPTSP /PTSP KPBPB/PTSP KEK facilities may apply for import of machinery in the framework of restructuring/modernization/rehabilitation.
- (4) Companies that apply for facility to import machinery for the purpose of restructuring/modernization/rehabilitation is made direct visit to the project site.

Paragraph 3

Amendment of Facility Compliance of Import Duty

On imported machinery

Article 10

- (1) Decision of exemption from import duty as referred to in Article 7 and Article 9 can be changed.
- (2) Changes in the decision as referred to in paragraph (1) include:



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- a. alteration, replacement and/or addition of the machines;
  - b. alteration, replacement of HS Code machine;
  - c. alteration, replacement of the technical specifications of machine;
  - d. changes in the value of machine;
  - e. alteration, replacement of the machine unit;
  - f. alteration, replacement and/or addition of details of machine;
  - g. alteration, replacement and/or additions to the port of unloading;
  - h. alteration, replacement and/or addition of loading countries;
  - i. alteration, replacement and/or additions to the project site; and/or
  - j. change in corporate entity data.
- (3) An amendment to the decision for granting the facilities as referred to in paragraph (2) may only be done in terms of:
- a. the machine has not been imported, the registration number (Nopen) has not issued on the Declaration of Imported Goods (PIB); and
  - b. still in a period of exemption.



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- (4) Application for change on the determination for granting the import duty facility on the machine may be filed prior to 3 (three) months after the issuance of determination of import duty facility on the machine.
- (5) Application for change on the determination of import duty facility on the machine may be brought prior to three (3) months after the issuance of the determination of import duty facility on the machine by attaching the requirements of:
- a. Bill of Lading (B/L) or Air Waybill (AWB);
  - b. Packing list;
  - c. Invoice;
  - d. Contracts; and/or
  - e. Technical explanations.

Paragraph 4

Term of Import Duty Faculty on Imported Machines

Article 11

- (1) The validity period of facilities for granting the import duty on machinery is given for 2 (two) years since the issuance of decision.
- (2) The period as referred to in paragraph (1) may be extended every year according to the longest period of





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project completion as stated in Principle License/Investment License/Amendment Principle License.

- (3) The application for extension facilities as referred to in paragraph (2) shall be submitted no later than 30 (thirty) days prior to the expiration of validity period of the import duty facility on imported machines.
- (4) In case of filing for extension of period for the granting of import duty facility on the imported machines made after the expiry of the facility, then the facility of import duty on imported machines can be given from the date of issuance and come in effect up to:
  - a. 1 (one) year period minus the delay period of filing;  
or
  - b. the period for the project completion as stated in Principle License/Investment License/Expansion Principle License/Amendment Principle License is reduced the delay period of filing.
- (5) The validity period of import duty facility on imported machines for the development of restructuring/modernization/rehabilitation is given for two (2) years from the issuance of decision and cannot be extended.
- (6) The validity period of the project completion is



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contained in Principle License/Investment License/Expansion Principle License/Amendment Principle License at the time of applying for the import duty facility is still valid so it can accommodate a period of importation facility as referred to in paragraph (4).

Paragraph 5

Assignment of machines and removal of location of Machines  
Already Imported

Article 12

- (1) Machines that have received exemption from import duty as referred to in Article 7 and Article 9, shall be used in accordance with the purpose of importation by the relevant companies at the location specified in the Decree of the Minister of Finance on Determination for Granting Exemption Facility of import duty on the imported machines.
- (2) Machine as referred to in paragraph (1) may be transferred to the mechanism as stipulated in Regulation of the Director General of Customs and Excise.
- (3) Recommendation for handover as stipulated in Regulation of the Director General of Customs and



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Excise issued by central PTSP BKPM through the Deputy of Investment Services.

- (4) Machine as referred to in paragraph (1) may be moved from the location specified in the Decree of the Minister of Finance on the Determination for Granting the Exemption Facility of import duty on the imported machines to the new location.
- (5) New location as referred to in paragraph (4) shall be in accordance with the project site contained in Principle License/Investment License/Expansion Principle License/Business License/Expansion License and its amendment.
- (6) Application for moving the location on machine that has been imported as referred in paragraph (4) shall be submitted to the Central PTSP BKPM through Deputy of Investment services.

Paragraph 6

Import Duty Facility of Imported Goods and Materials

Article 13

- (1) The company that has/hold the license may be granted import duty on the imported goods and materials as raw materials for two (2) years of production for the use of



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machines that have obtained exemption from import duty from the Minister of Finance.

- (2) Application for import duty facility on the imported goods and materials as referred to in paragraph (1) shall be submitted not later than 2 (two) years since the issuance of Business License/Expansion License.
- (3) The company that has business license and using a machine with Domestic Component of at least 30% (thirty percent) stated by the minister in charge of industrial affairs or appointed officials, is given the facility of import duty on the imported goods and materials as a raw material for the needs of four (4) years of production.
- (4) Application for facility as referred to in paragraph (3) shall be submitted no later than 3 (three) years since the issuance of Business License/Expansion License.
- (5) The Companies that apply for import duty facility for the imported goods and materials are made direct visit to the project site.

Paragraph 7

Changes in Decision of Import Duty Facility of the Imported  
Goods and Materials



Article 14

- (1) To the decision of exemption from import duty on the imported goods and materials as referred to in Article 13 can be changed.
- (2) Changes in the decision as referred to in paragraph (1) include:
  - a. change/replacement of goods and materials;
  - b. alteration, replacement of the HS Code of goods and materials;
  - c. change/alteration/replacement of technical specifications of goods and materials;
  - d. changes in the value of goods and materials;
  - e. alteration, replacement and/or additions to the port of unloading; and/or
  - f. alteration, replacement and/or addition of loading countries.
- (3) An amendment to the decision for granting the facilities referred to in paragraph (2) may only be conducted if:
  - a. goods and materials not yet imported, the registration number (Nopen) has not been received on the Declaration of Imported Goods (PIB); and
  - b. still in a period of exemption.
- (4) Changes in the decision as referred to in paragraph (2)



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does not change the total amount of goods and materials that have been approved.

- (5) The request for the change/replacement of import facilities for goods and materials can be reviewed directly to the project site.

Paragraph 8

Period of Import Duty Facility of the Imported  
Goods and Materials

Article 15

- (1) Import duty facility on the imported goods and materials is given during the importation period of 2 (two) years.
- (2) Company which has not completed its importation within 2 (two) years may be granted an extension period of importation.
- (3) Extension period of importation as referred to in paragraph (2), is given 1 (one) period of importation for 1 (one) year after the expiration of importation and it cannot be extended.
- (4) A company that uses the machines of domestic production with Domestic Component Level of at least 30% (thirty percent) as referred to in Article 13



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paragraph (3) with a period of importation of goods and materials is given at once for 4 (four) years from the date of decisions of facility of import duty on the imported goods and materials.

- (5) The company as referred to in paragraph (4) which import specific goods and materials regulated in the import trade system based on the Ministerial Regulation of being responsible for trade and imports which have not been completed within four (4) years may be granted an extension of 1 (one) period of importation for 1 (one) year since the issuance of Decision of Extended Period Importation and it cannot be extended.
- (6) Application for Extension of Period of the imported goods and materials as referred to in paragraph (3) and (5) shall be submitted no later than 30 (thirty) days prior to the validity period of imported import duty facility on the imported goods and materials is expired.
- (7) In the case of submitting application for extension period of import duty facility on the imported goods and materials as referred to in paragraph (3) is made after the expiry of facility, the facility of import duty on the imported goods and materials can be given as of the date of issuance and valid until for 1 (one) year of



period minus the delay in filing.

Part two

Requirements for Granting the Facility of Exemption from  
Import Duty on Imported Machinery and Goods and  
Materials for Development or Industrial Development  
For the Purpose of Capital Investments

Paragraph 1

Application Requirements of Import Duty Facility on  
Imported Machinery

Article 16

Requirement documents for applying the import duty facility  
on imported machinery as referred to in Article 7 and Article  
9, namely:

- a. Facility application form of import duty on the imported  
machinery in the framework of the construction/  
development (expansion) or to import machinery in  
order to develop (restructuring/modernization/  
rehabilitation), signed on satisfactory stamp-duty by  
board of directors/management of company and the  
company stamp, in accordance with the format as  
contained in Appendix I, which is an integral part of the  
Regulation;





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- b. A sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/management of the company, as stipulated in the Regulation of the Chairman of BKPM;
- c. A copy of the Company Establishment Deed;
- d. Copies of Principle License/Investment License/Expansion Principle License and amendments;
- e. A copy of business license (especially for application in the purpose of restructuring/modernization/rehabilitation);
- f. A copy of Customs Identity Number (NIK);
- g. A Copy of Taxpayer Identification Number (TIN);
- h. A Copy of Importer Identification Number - Manufacturer (API-P);
- i. List of Machines that includes herein among other types, HS Code, technical specifications, country of loading, the quantity and estimated price in detail per port of entry point;
- j. Description of production process that outlines the types of raw materials is equipped with a flow chart specialized in industrial processing or brief description of business in the areas of service industries;
- k. Calculation of production machines capacity adjusted



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with the type of production in the Principle License/Investment License/Expansion and amendments Principle License or Permit (especially for the application for the purpose of (restructuring/modernization/rehabilitation));

- l. Layout of the factory machines or technical drawings of the building/construction for industry that produces services;
- m. Technical data or brochures on machines;
- n. LKPM of the last period; and
- o. License or Letter of Recommendation:
  1. for oil palm plantation company integrated with the processing industry should be equipped by Technical Recommendation of Secretary of Agriculture cq. Director General of Plantation which has been held;
  2. for the rubber industry companies into a sheet, concentrated latex, crumb rubber, shall be equipped with technical recommendation of the Minister of Agriculture cq. Director General of plantation which has been held;
  3. for the sugarcane plantation companies integrated with processing industries shall be equipped with



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technical recommendation of the Minister of Agriculture cq. Director General of plantation which has been held;

4. Specific Principle License for mining company is equipped with the Mining Business License (IUP) and the mining service companies is equipped with Service Mining License (IUJP) and Employment Contract with the owner of IUP;
5. IUP as referred to in point 4 shall be under the clean and clear status of the Ministry of Energy and Mineral Resources (ESDM); and/or;
6. Other related technical ministry.

Paragraph 2

Application Requirements for Changing Decision  
of Import Duty Facility on Imported Machines

Article 17

Document requirements for changing the establishment of the import duty facility on machinery as referred to in Article 10, as follows:

- a. Application form for changing facility on imported machines accompanied by an detailed reasons of changing signed on sufficient stamp-duty by board of



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directors/management of the company and the company stamp, in accordance with the format set forth in Appendix II which is an integral part of this Regulation;

- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/management of the company, as stipulated in the Regulation of the Chairman of BKPM;
- c. List of Machines includes among other types, HS Code, technical specifications, country of loading, units, amount and price per port of entry point ;
- d. Copies of Principle License/Investment License/Expansion Principle License and/or amendment;
- e. A copy of the Decree of the Minister of Finance on exemption from import duty on the imported machines and/or its amendments;
- f. Description on production process that outlines the types of raw materials is followed with a flow chart especially for industrial processing or brief description on the business areas for service industries;
- g. Calculation of production machine capacity is adjusted with the type of production and production capacity in the Amendment of Investment Principle License if any



- change of capacity;
- h. The layout of factory machines or technical drawings of the building/construction for industry that produces services;
  - i. Technical data (Invoice, Packing List, Bill of Lading (B/L) or Air Bill/AWB, contract) or brochures on machines;
  - j. License or letter of recommendation from technical ministries if necessary;
  - k. Recapitulation of the realization of the imported machinery; and
  - l. LKPM of the last period.

Paragraph 3

Application Requirements for Extended Period  
of Import Duty Facility on Imported Machines

Article 18

Application requirement document for extended period of the import duty facility on imported machines as referred to in Article 11, as follows:

- a. Application form for extended period of import duty facility on imported machines accompanied by detailed reasons up to the completion of the realization of the imported machines, signed on sufficient stamp-duty by



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board of directors/management of the company and the company stamp, in accordance with the format set forth in Appendix III which is an integral part of the Regulation;

- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/head of the company, as stipulated in the Regulation of Chairman of BKPM;
- c. A copy of Decree of the Minister of Finance on exemption from import duty on imported machines and/or amendments;
- d. Copies of Principle License/Investment License/Extension Principle License and/or amendment;
- e. Recapitulation of the realization of the imported machinery; and
- f. LKPM of the last period.

Paragraph 4

Application Requirements To Move Location of Imported  
Machines

Article 19

Application requirement document to move the location on the imported machines as referred to in Article 12 paragraph



(4), as follows:

- a. The application form to move the location on the imported machines accompanied by the detailed reasons to move the location on the imported machines, signed on sufficient stamp-duty by the board of directors/management of the company and the company stamp, in accordance with the format as contained in Appendix IV which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/management of the company, as stipulated in the Regulation of the Chairman of BKPM;
- c. List of machines which includes among other types, technical specifications, quantities and unit detailed per project sites that are changing; and
- d. A copy of Decree of the Minister of Finance on the exemption from import duty on imported machines.

Paragraph 5

Application Requirements of Import Duty Facility on the  
Imported Goods and Materials

Article 20



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Application requirement document of import duty facility on the imported goods and materials referred to in Article 13, as follows:

- a. The facility application form on imported goods and materials signed on sufficient stamp-duty by the Board of directors/management of the company and the company stamp, in accordance with the format as contained in Appendix V, which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/management of the company, as stipulated in the Regulation of the Chairman of BKPM;
- c. A copy of business license;
- d. A copy of Customs Identity Number (NIK);
- e. A copy of Taxpayer Identification Number (TIN);
- f. A copy of Importer Identification Number - Manufacturer (API-P);
- g. List of goods and materials that include, among other types, HS Code, technical specifications, country of loading, the quantity and estimated price in detail per port of entry point;
- h. A copy of Decree of the Minister of Finance of the





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- exemption from import duty on imported machines;
- i. Description on production process that outlines the types of raw materials is followed with a flow chart especially for industrial processing or brief description on business areas for service industries;
  - j. Calculate the amount of goods and materials (material balance) for production that are adjusted with the type of production in the Business License/Extension License;
  - k. Technical data or brochure of goods and materials;
  - l. Recommendations of the relevant technical ministries and Progress Reports of Domestic Component (DCL) at least 30% (thirty percent) from independent surveyor, specifically the application for the raw material import facility under a period of 4 (four) years;
  - m. Realization report of imported machines by submitting evidences in the form of Declaration of Imported Goods (PIB), which includes the Decree of the Minister of Finance on the exemption from import duty on imported machines and has been granted approval for disposing goods by the Directorate General of Customs and Excise;
  - n. LKPM of the last period; and
  - o. A sufficiently stamped Statement signed the company



management stating that the machine to be applied for facilities of goods and materials under conditions not to be pledged, not dispute with the other party and still under the control/belonging to the company, in accordance with the format set forth in Annex VI which is an integral part of this regulation.

Paragraph 6

Application Requirements for Changing Decision of Import  
Duty Facility on Imported of Goods and Materials

Article 21

Application document requirements for changing the establishment of import duty facility on imported of goods and materials referred to in Article 14, as follows:

- a. Application form for changing the import duty facility of imported goods and materials accompanied by the detailed reasons for changing facility of goods and materials, signed on sufficient stamp-duty by the board of directors/the company management and the company stamp, in accordance with the format set forth in Appendix VII which is an integral part of the Regulation;
- b. Sufficiently stamped power of attorney for handling



applications that are not made directly by the board of directors/the company management, as stipulated in the Regulation of the Chairman of BKPM;

- c. List of goods and materials that includes among other types, HS Code, technical specifications, country of loading, the quantity and estimated price per port of entry point;
- d. A copy of Decree of the Minister of Finance of the exemption from import duty on imported goods and materials;
- e. Description on production process that outlines the types of raw materials is followed with a flow chart especially for processing industry or brief description on the business areas for service industries;
- f. Calculate the amount of goods and materials (material balance) for production that are adjusted with the type of production in the Business License/Expansion License;
- g. Control Card of Goods and Materials (if required);
- h. Technical data or brochure on goods and materials;
- i. Report on the realization of imported goods and materials by presenting evidences in the form of Declaration of Imported Goods (PIB), which includes the



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Decree of the Minister of Finance on exemption from import duty on the imported goods and materials and has been granted a approval of disposal by the Directorate General of Customs and Excise or recommendation of the Ministry of Industry on Level of Domestic Component;

- j. Recapitulation of the realization of imported goods and materials; and
- k. LKPM of the last period.

Paragraph 7

Application requirement for Extended Period  
Import Duty Facility on Imported Goods and Materials

Article 22

Application requirement document for an extended period of import duty facility on the imported goods and materials referred to in Article 15, as follows:

- a. Application form for extended period of facility on imported goods and materials accompanied by the detailed reason on non-completion of the realization of imported goods and materials, signed on sufficiently stamp-duty by the board directors/the company management and the company stamp, in accordance



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with the format set forth in Annex VIII which is an integral part of this Regulation;

- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management, as stipulated in the Regulation of the Chairman of BKPM;
- c. A copy of the Decree of the Minister of Finance of the exemption of import duty on the imported goods and materials;
- d. Copies of Business License/Expansion License;
- e. Recapitulation of the realization of imported goods and materials; and
- f. LKPM of the last period.

CHAPTER V

GUIDELINES AND REQUIREMENTS FOR EXEMPTION FROM  
IMPORT DUTY ON IMPORTED CAPITAL GOODS WITHIN THE  
FRAMEWORK OF CONSTRUCTION OR INDUSTRIAL  
DEVELOPMENT OF POWER GENERATION FOR PUBLIC  
INTEREST

Part One

Exemption Guidelines of import duty on imported capital goods within the framework of Construction or Industrial Development of Power Generation for Public Interest



Paragraph 1

General

Article 23

Enterprises that do Power Generation Industry for Public Interest that has had Principle License/Investment License and IUPTL can apply for exemption from import duty on the imported capital goods.

Paragraph 2

Import Duty Facility on Imported Capital Goods

Article 24

- (1) Application for exemption from import duty on imported Capital Goods referred to in Article 23 shall be submitted to the central PTSP at BKPM.
- (2) Exemption from import duty for the Power Generation Industry referred to in Article 23, can be provided to enterprises:
  - a. PT. Perusahaan Listrik Negara (Persero) (PT. PLN (Persero)); or
  - b. holders of IUPTL.
- (3) The holders of IUPTL referred to in paragraph (2) b include:



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- a. holders of IUPTL who have business region;
  - b. holders of IUPTL for power generation business that have power purchase agreement (PPA) with PT. PLN (Persero) stating all of the generated electricity will be purchased by PT. PLN (Persero);
  - c. holders of IUPTL for power generation business that have Finance Lease Agreement (FLA) with PT. PLN (Persero); or
  - d. holder of IUPTL for power generation business that have power purchase agreements with the holders of IUPTL which has a business region, stating all the generated electricity will be purchased by the holder of IUPTL who have business region.
- (4) Application as referred to in paragraph (1) shall be accompanied with Plan of Imported Goods (RIB) of Project Need which has been approved and validated by the Director General of Electricity, Ministry of Energy and Mineral Resources.

Paragraph 3

Changes in Decision of Import Duty Facility  
on Imported Capital Goods

Article 25



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- (1) Upon the decision of exemption from import duty facility as referred to in Article 23, necessary changes can be made.
- (2) Changes in the decision as referred to in paragraph (1) include:
  - a. alteration, replacement and/or addition of capital goods;
  - b. alteration, replacement of HS Code of capital goods;
  - c. alteration, replacement of technical specification of capital goods;
  - d. alteration, replacement and/or additions to the port of entry;
  - e. alteration, replacement and/or addition of loading countries;
  - f. alteration in the value of capital goods;
  - g. alteration, the replacement unit capital goods;
  - h. alteration, replacement and/or additional details of capital goods;
  - i. alteration, replacement and/or additions to the project site; and/or
  - j. Change in corporate entity data.
- (3) Change in the decision for granting the facility as





referred to in paragraph (2) may only be conducted if:

- a. machines have not been imported; and
  - b. still in a period of exemption.
- (4) Changes in the import duty facility as referred to in paragraph (2) shall be submitted to the Central PTSP at BKPM by enclosing a plan for imported goods of change (RIBP) of project need that has been approved and validated by the Director General of Electricity, Ministry of Energy and Mineral Resources.

#### Paragraph 4

#### Period of Import Duty Facility on Imported Capital Goods

#### Article 26

- (1) Period of imported capital goods that can be given the facility as referred to in Article 23, given for 2 (two) years since the issuance of decision to grant import duty exemption on imported capital goods.
- (2) Period of imported capital goods as in paragraph (1) may be extended a maximum of twelve (12) months from the expiry of import realization to apply for an extension with the import of at least 14 (fourteen) days prior to the expiration date of the decision regarding



exemption from import duty.

Paragraph 5

Transfer of Capital Goods

Article 27

- (1) Capital Goods which can be given the facility as referred to in Article 23 can be done Transfer in accordance with the mechanism set out in the Regulation of the Minister of Finance on the exemption from import duty on the imported capital goods in the framework of construction or industrial development of power generation for public use as well as the implementation of regulations.
- (2) Transfer of imported capital goods as referred to in paragraph (1) shall be done after obtaining a license from the Director General of Customs and Excise on behalf of the Minister, upon the recommendation of the Chairman of BKPM.

Part two

Requirements Exemption from Import Duty on Imported

Capital Goods

Within the Framework of Construction or Industrial

Development

Power Generation for Public Interest



Paragraph 1

Application Requirements of Import Duty Facility on  
Imported Capital Goods for Power Generation Industry

Article 28

Application document requirements of import duty facility on imported capital goods as referred to in Article 23, as follows:

- a. Facility application form on imported capital goods signed on sufficient stamp-duty by the board of directors/the company management and the company stamp, in accordance with the format set forth in Appendix IX which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management, as stipulated in the Regulation of the Chairman of BKPM;
- c. Copies of Principle License/Investment License;
- d. A copy of Customs Identity Number (NIK);
- e. A copy of Taxpayer Identification Number (TIN);
- f. A copy of Importer Identification Number - Manufacturer (API-P);
- g. List of Capital Goods which includes among other types,



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- HS Code, technical specifications, country of loading, the quantity and estimated forecasts in detail per port of entry point;
- h. Recommendations accompanied with Plan of Imported Goods (RIB) of project need that has been approved and validated by the Director General of Electricity, Ministry of Energy and Mineral Resources;
  - i. Electricity Supply Business License (IUPTL) given by the Ministry of Energy and Mineral Resources or provincial government, in accordance with the legislation in the field of electricity;
  - j. In case the application for facility is filed by business entities as referred to in Article 24 paragraph (3) letter b and c, the application shall be accompanied by a power purchase agreement (Power Purchase Agreement (PPA)) or the Finance Lease Agreement (FLA) with PT. PLN (Persero).
  - k. In case the application for facility is filed by business entities as referred to in Article 24 paragraph (3) letter d, the application shall be accompanied by Power Purchase Agreement (PPA) with the holders of IUPTL who have a business region.
  - l. Calculation of production machine capacity that are



adjusted with the type of production in Principle License/Investment License;

- m. Technical data or brochures on machines; and
- n. LKPM of the last period.

Paragraph 2

Application Requirements for changing the Stipulation Import Duty Facility on Imported Capital Goods for Power Generation Industry

Article 29

Application requirement document for changing the establishment of import duty facility on imported capital goods as referred to in Article 25, as follows:

- a. Application forms for changing the import duty facility on imported capital goods accompanied by detailed reasons for changing the import duty facility on imported capital goods, signed on sufficient stamp-duty by the board of directors/the company management and the company stamp, in accordance with the format set forth in Appendix X which is an integral part of this regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of



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- directors/the company management, as stipulated in the Regulation of the Chairman of BKPM;
- c. List of Capital Goods which includes among other types, HS Code, technical specifications, country of loading, the quantity and estimated price in detail per port of entry point;
  - d. A copy of Decree of the Minister of Finance of the exemption from import duty on imported capital goods;
  - e. Change in Plan of Imported Goods (RIBP) of project need that has been approved and validated by the Director General of Electricity, Ministry of Energy and Mineral Resources;
  - f. Calculation of production capacity of capital goods that are adjusted with the type of production and production capacity in Principle License/Investment License;
  - g. Technical data or brochures on machines; and
  - h. LKPM of the last period.

Paragraph 3

Application Requirement of Extended Period

Import Duty Facility on Imported Capital Goods for Power  
Generation Industry

Article 30



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Application requirement document for extended period of import duty facility on imported capital goods as referred to in Article 26, as follows:

- a. Application form for extended period of import duty facility on imported capital goods accompanied by the detailed reasons up to the completion of the realization of capital goods, signed on sufficient stamp-duty by the board of directors/the company management and the company stamp, in accordance with the format set forth in Appendix XI which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management as stipulated in the Regulation of the Chairman of BKPM;
- c. A copy of Decree of the Minister of Finance of the exemption from import duty on imported capital goods;
- d. Import realization report; and
- e. LKPM of the last period.

CHAPTER VI

GUIDELINES AND REQUIREMENTS FOR GRANTING

EXEMPTION AND/OR RELIEF OF IMPORT DUTY AND

EXEMPTION AND/OR POSTONEMENT OF VALUE ADDED TAX



OF IMPORTED GOODS

Part One

Guidelines for Granting Exemption and/or Relief from Import  
Duty and Exemption and/or Postponement of Value Added  
Tax

on Imported Goods in the framework of Work Contracts and  
Coal Mining Agreement

Paragraph 1

Facility of Exemption and/or relief from Import Duty and  
Exemption and/or postponement of Value Added Tax  
On Imported Goods

Article 31

- (1) Imported goods within the framework of Work Contract (KK) and Coal Mining Agreement (PKP2B) are given exemption and/or relief of import duty in accordance with the owned contract.
- (2) Exemption or postponement of VAT on imported goods in the framework of KK and PKP2B can only be granted to contractors whose contracts include the exemption or postponement of VAT on imported goods for the propose of KK and PKP2B.





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- (3) Application for exemption and/or Relief of Import Duty and/or exemption and/or Postponement of Value Added Tax on Imported Goods for the purpose of KK and PKP2B referred to in paragraph (1) and (2) shall be submitted by the owner of KK and PKP2B to the central PTSP at BKPM.
- (4) Application as referred to in paragraph (3) shall be submitted by attaching the recommendation of Master list of the Director General of Mineral and Coal, Ministry of Energy and Mineral Resources.

Paragraph 2

Decision change in Exemption Facility and/or  
Relief from import duty and/or exemption and/or  
Postponement of Value Added Tax on Imported Goods

Article 32

- (1) Upon the Decision of exemption from import duty on imported goods and/or exemption or postponement of VAT on imported goods for the purpose of KK and PKP2B to contractors whose contracts include the exemption or postponement of VAT on imported goods for the purpose of KK and PKP2B as referred to in Article 31 necessary change may be made.



- (2) Changes in the decision as referred to in paragraph (1) include:
- a. alteration, replacement and/or addition of goods;
  - b. alteration, replacement of the HS Code of goods;
  - c. alteration, replacement of technical specifications of goods;
  - d. alteration, replacement and/or additions to the port of unloading;
  - e. alteration, replacement and/or addition of loading countries;
  - f. changes in the value of goods;
  - g. alteration, replacement of unit of goods;
  - h. alteration, replacement and/or additional details of the goods; and/or
  - i. alteration, replacement and/or additions to the project site.
- (3) The changes as referred to in paragraph (2) may only be conducted if:
- a. the goods have not been imported; and
  - b. still in a period of exemption.
- (4) The changes as referred to in paragraph (2) shall be submitted to the Central PTSP at BKPM by attaching a letter of recommendation that has been approved and



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validated by the Director General of Mineral and Coal,  
Ministry of Energy and Mineral Resources.

Paragraph 3

Exemption Facility Period and/or relief from Import Duty  
and/or Exemption and/or Postponement of Value Added Tax  
on Imported Goods

Article 33

- (1) Period for granting exemption facility and/or Relief from import duty and/or exemption and/or postponement of Value Added Tax refers to the provision in KK and PKP2B.
- (2) Period for granting facility as referred to in paragraph (1) is conducted every year and expires on the 31<sup>th</sup> day of December of the current year.
- (3) Period for granting facility as referred to in paragraph (2) may be extended based on recommendations from the Director General of Mineral and Coal, Ministry of Energy and Mineral Resources.

Paragraph 4

Transfer of Goods

Article 34

- (1) Imported goods as referred to in Article 31 could be



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transferred after receiving a license from the Director General of Customs and Excise on behalf of the Minister of Finance.

(2) Transfer as referred to in paragraph (1) upon the mechanism as stipulated in Regulation of the Director General of Customs and Excise.

Part two

Requirements for Granting Exemption and/or Relief from Import Duty and Exemption and/or Postponement of Value Added Tax on Imported Goods in the framework of Work Contracts and Coal Mining Agreement

Paragraph 1

Application Requirements of Exemption Facility and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods In the framework of Work Contracts and Coal Mining Agreement

Article 35

Application requirement document of Exemption and/or Relief of Import Duty and/or Exemption and/or Postponement of Value Added Tax as referred to in Article 31 paragraph (3), as follows:



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- a. Application form of facility on imported goods, signed on sufficient stamp-duty by the board of directors/the company management and the company stamp, in accordance with the format set forth in Appendix XII are an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management, as stipulated in the Regulation of the Chairman of BKPM;
- c. Copies of Principle License/Investment License;
- d. A copy of Customs Identity Number (NIK);
- e. A copy of Taxpayer Identification Number (TIN);
- f. A copy of Importer Identification Number - Manufacturer (API-P);
- g. List of Machines that includes among other types, HS Code, technical specifications, country of loading, the quantity and estimated price in detail per port of entry point.
- h. Master list recommendation letter from the Directorate-General of Mineral and Coal, Ministry of Energy and Mineral Resources; and
- i. LKPM of the last period.

Paragraph 2



Application Requirements for Changing Exemption Decision and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods in the framework of Work Contracts and Coal Mining Agreement

Article 36

Application requirement document for changing Exemption Decision and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax On imported goods as referred to in Article 32 paragraph (1), as follows:

- a. Application form for Changing Exemption Decision and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax on the imported goods accompanied by the detailed reasons to change the facility of imported goods signed on sufficient stamp-duty by the board of directors/the company management and the company stamp in accordance with the format as contained in Appendix XIII which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management as stipulated in the Regulation of the Chairman of BKPM;
- c. List of Machines that includes among other types, HS



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- Code, technical specifications, country of loading, the quantity and estimated price in detail per port of entry point;
- d. A copy of Decree of the Minister of Finance of import duty exemption on imported goods;
  - e. Recommendation Letter from the Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources;
  - f. Realization Report on imported goods in the current year; and
  - g. LKPM of the last period.

Paragraph 3

Application Requirements for Extended Period of Exemption and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax on Imported Goods

Article 37

Application requirements document for Extended Period of Exemption and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax of imported goods as referred to in Article 33 paragraph (3), as follows:

- a. Application forms for Extended Period on Imported Goods is accompanied by the detailed reasons on non-



- completion of realization of imported goods, signed on sufficient stamp-duty by the Board of Directors/the company management and company stamp in accordance with the format as contained in Appendix XIII which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management, as stipulated in the Regulation of the Chairman of BKPM;
  - c. List of Machines that includes among other types, HS Code, technical specifications, country of loading, the quantity and estimated price in detail per port of entry point;
  - d. A copy of Decree of the Minister of Finance of the exemption from import duty on imported goods;
  - e. Recommendation Letter from the Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources;
  - f. Realization Report on imported goods in the current year; and
  - g. LKPM of the last period.

Paragraph 3

Application Requirement of Extended Period of Exemption





and/or Relief from Import Duty and/or  
Exemption and/or Postponement of Value Added Tax on  
Imported Goods

Article 37

Application requirements document of Extended Period of Exemption and/or Relief from Import Duty and/or Exemption and/or Postponement of Value Added Tax on imported goods as referred to in Article 33 paragraph (3), as follows:

- a. Application forms for Extended Period on Imported Goods accompanied by the detailed reasons up to the completion of the realization of the imported goods, signed on sufficient stamp-duty by the board of directors/the company management and the company stamp in accordance with the format set forth in Appendix XIV which is an integral part of this Regulation;
- b. Sufficiently stamped power of attorney for handling applications that are not made directly by the board of directors/the company management as stipulated in the Regulation of the Chairman of BKPM;
- c. A copy of Decree of the Minister of Finance of the exemption from Import Duty on imported goods;



- d. Recommendation Letter from the Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources;
- e. Realization Report on imported goods in the current year; and
- f. LKPM of the last period.

## CHAPTER VII

### APPLICATION PROCEDURES FOR FACILITY

#### Article 38

Procedures for submission of application for the proposed facility by the Company/Business Entity as referred to in Article 5 (1), Article 12 paragraph (6), Article 24 paragraph (1), and Article 31 paragraph (3), as follows:

- a. Company/Business Entity must have access rights to apply for the facility to the central PTSP online basis through SPIPISE.
- b. Company/Business Entity that will apply for the facility have to upload the required documents.
- c. Company/Business Entity must complete folders of the company which has been owned by the latest data.
- d. Company/Business Entity must fill out and submit an application form along with a list of machine



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- facilities/goods and materials online basis with SPIPISE.
- e. Application as referred to in letter d will be verified by the administrative officer.
  - f. Application documents verified by the officer if considered incomplete and incorrect, then the application will be returned to the Company/Business Entity online basis through SPIPISE.
  - g. Application documents of the Company/Business Entity that has been complete and correct will be clarified by technical clarifications in the form of technical meetings and/or visits to the project site.
  - h. Results of technical clarifications:
    - 1. issued a receipt if the application can be processed according to the provisions.
    - 2. returned to the Company/Business Entity online basis through SPIPISE if it cannot be processed in accordance with provisions.
    - 3. Application is rejected because it does not comply with the provisions.
  - i. Results of Technical clarification as referred to in letter h figure 2, Company/Business Entity is given no later than five (5) working days to complete and re-submit documents online basis to the central PTSP at BKPM.



- j. In case the Company/Business Entity has fulfilled and completed the documents referred to in the letter i is issued a legitimate receipt.
- k. In case the Company/Business Entity does not comply with the provisions as referred to in letter i, application of the Company/Business Entity is rejected.
- l. Completion of the facility application no later than 5 (five) working days after the issuance of a receipt referred to in item 1 letter h and j.
- m. Completion of rejected application as referred to in the letter h 3 and k is at the latest three (3) working days.

## CHAPTER VIII

### Issuance of Facility Decision

#### Article 39

- (1) In case the application for granting of facilities as referred to in Article 7, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 24, Article 25, Article 26, Article 31, Article 32, Article 33, is approved, the Chairman of BKPM on behalf of the Minister of Finance shall issue a decision for granting Facility.



- (2) The form of Decision for Granting Facility as referred to in Article 7, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14, Article 15, Article 24, Article 25, Article 26, Article 31, Article 32, article 33 is contained in Appendix XV, Appendix XVI, Appendix XVII, Appendix XVIII, Appendix XIX, Appendix XX, Appendix XXI, Appendix XXII, Appendix XXIII, Appendix XXIV, Appendix XXV, Appendix XXVI, Appendix XXVII which is an integral part of this Regulation.
- (3) In case the application is rejected, the Chairman of BKPM on behalf of the Minister of Finance issues a Letter of Refusal for Granting Facility by stating the reasons for refusal.
- (4) Form of Letter of Refusal for Granting Facility as referred to in paragraph (3) is contained in Appendix XXVIII which is an integral part of this Regulation.

## CHAPTER IX

### REPORTING AND ADMINISTRATIVE SANCTIONS

#### Article 40

- (1) Companies that have obtained exemption from import duty on imported machinery/goods/capital goods/goods and materials as referred to in Article 39 paragraph (1)



shall submit report on the realization of import to the Chairman of Investment Coordinating Board no later than seven (7) work days after realization of import.

- (2) In case the Company does not comply with the provisions on the submission of import realization report as referred to in paragraph (1), the Company may be subject to administrative sanctions regulated by the Chairman of BKPM on Guidelines and Procedures for Investment Implementation Control.
- (3) Form of import realization report contained in the Annex of Regulation of the Chairman of BKPM on Guidelines and Procedures for Investment Implementation Control.

## CHAPTER X

### TRANSITIONAL PROVISIONS

#### Article 41

- (1) Decree of the Minister of Finance of the Exemption from Import Duty on Imported Capital Goods in the Framework of Construction and Power Generation Industrial Development for Public Interest issued based on the Regulation of the Minister of Finance Number 154/PMK.011/2008 on Exemption of Import Duty on Imported capital goods in the framework of



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Construction and Power Generation Industrial Development for Public Interest as amended based on the Regulation of the Minister of Finance Number 154/PMK.011/2012, remains valid until it expires.

- (2) Application and/or amendment to Decision that will be carried out by business entity of the Decision as referred to in paragraph (1), then follow the application procedures which is governed by this Regulation.

CHAPTER XI

FINAL PROVISIONS

Article 42

Upon with enactment of this Regulation, Regulation of the Chairman of Investment Coordinating Board Number 5 of 2013 on Guidelines and Procedures for Licensing and Non-Licensing of Investment as amended by Regulation of the Chairman of Investment Coordinating Board Number 12 of 2013, declared null and void.

Article 43

This Regulation comes into force to the Central of PTSP at BKPM on October 26, 2015.



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For the purpose of public knowledge, instruct the Enactment of this Regulation by putting placement in the official Gazette of the Republic of Indonesia.

Stipulated in Jakarta  
On September 29, 2015

CHAIRMAN OF INVESTMENT COORDINATING BOARD  
REPUBLIC OF INDONESIA,

Sgn.

FRANKY SIBARANI

Enacted in Jakarta

October 8, 2015

DIRECTOR GENERAL OF REGULATION OF LEGISLATION  
MINISTRY OF LAW AND HUMAN RIGHTS  
REPUBLIC OF INDONESIA

Sgn.

WIDODO EKATJAHJANA

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA OF 2015 NUMBER 1480

Certified true copy

Senior Secretary of BKPM

Head of Legislation Bureau,

Public Relation and Administration of Chairman

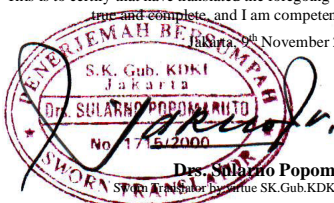
*Stamped and signed*

Ariesta R. Puspasari

**AFFIDAVIT**

This is to certify that have translated the foregoing from Indonesia to English, that is true and complete, and I am competent in both languages.

Jakarta, 9<sup>th</sup> November 2015



Dr. Sularno Popomaruto

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