

**CHAIRMAN OF INVESTMENT COORDINATING BOARD
REPUBLIC OF INDONESIA**

COPY

REGULATION OF THE CHAIRMAN OF INVESTMENT COORDINATING BOARD
REPUBLIC OF INDONESIA

NUMBER 19 OF 2015

ON

AMENDMENT ON REGULATION OF THE CHAIRMAN OF INVESTMENT
COORDINATING BOARD NUMBER 13 OF 2015 ON GUIDELINES AND
PROCEDURES FOR GRANTING TAX REDUCTION INCENTIVE OF
CORPORATE INCOME/TAX HOLIDAY

BASED ON BELIEF IN THE ONE AND ONLY GOD

CHAIRMAN OF INVESTMENT COORDINATING BOARD OF
THE REPUBLIC OF INDONESIA

Considering: a. that for the purpose of supporting national deregulation program namely the acceleration for the arrangement of investment license in a specific industrial estate, the Investment Coordinating Board has issued Regulation of the Chairman of Investment Coordinating Board Number



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14 of 2015 on Guidelines and Procedures for Investment Principle License.

- b. that in line with the consideration as referred to in letter a, it needs to simply Regulation of the Chairman of Investment Coordinating Board Number 13 of 2015 Guidelines and Procedures for Granting Tax Reduction Incentive of Corporate Income;
- c. that in line with the consideration as referred to in letter a and letter b, it needs to stipulate Regulation of the Chairman of Investment Coordinating Board on Amendment of Regulation of the Chairman of Investment Coordinating Board Number 13 of 2015 On Procedures for Granting Tax Reduction Incentive/Facility of Corporate Income;

- In view of:
- 1. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to State Gazette of the Republic of Indonesia Number 4724);
 - 2. Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia Number 112 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 5038);



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3. Government Regulation Number 94 of 2010 on the Calculation of Taxable Income and Income Tax Payment in the Current Year (State Gazette of the Republic of Indonesia of 2010 Number 161, Supplement to State Gazette of the Republic of Indonesia Number 5183);
4. 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 of the Republic of Indonesia Number 5357);
5. 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 Number 210 of 2012);
6. Presidential Regulation Number 97 of 2014 on Implementation of One Stop Services (State Gazette of the Republic of Indonesia Number 221 of 2014);
7. Regulation of Minister of Finance Number 258/PMK.011/2014 on Implementation of One Stop on Finance at the Investment Coordinating Board;
8. Regulation of Minister of Industry Number 122/M-IND/PER/2014 of Delegation of Authority for Issuing



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Industrial License for the purpose of One Stop To the Chairman of Investment Coordinating Board;

9. Regulation of Minister of Finance Number 159/PMK.010/2015 on Granting of Tax Reduction Incentives of Legal Entity Incomes;
10. Regulation of Minister of Energy and Mineral Resources Number 23 of 2015 on Delegation of Authority for Providing Licensing on Oil and Gas for the purpose of the Implementation of One Stop Services to the Chairman of the Investment Coordinating Board;
11. Regulation of the Chairman of Investment Coordinating Board Number 90/SK/2007 on Organization and Work Procedure of the Investment Coordinating Board as already amended by Regulation of the Chairman of the Investment Coordinating Board Number 1 of 2011;
12. Regulation of the Chairman of Investment Coordinating Board Number 9 of 2015 on the Implementation of One Stop Services at the Investment Coordinating Board;
13. Regulation of the Chairman of Investment Coordinating Board Number 14 of 2015 on Guidelines and Procedures for Investment Principle License;

DECIDES:



To stipulate: REGULATION OF THE CHAIRMAN OF INVESTMENT COORDINATING BOARD ON AMENDMENT OF REGULATION OF THE CHAIRMAN OF INVESTMENT COORDINATING BOARD NUMBER 13 OF 2015 CONCERNING APPLICATION PROCEDURES FOR TAX REDUCTION INCENTIVE OF LEGAL ENTITY/CORPORATE INCOMES.

Article I

Provisions in the Regulation of the Chairman of Investment Coordinating Board Number 13 of 2015 on Procedures for Granting Tax Reduction Incentive of Corporate Incomes, is amended as follows:

1. The provisions of Article 1 are amended to read as follows:

Article 1

In this Regulation of Chairman referred to as:

1. Investment means any form of investment activity, either by Domestic Investors as well as Foreign Capital Investment, to conduct business within the territory of the Republic of Indonesia.
2. The taxpayer means an entity incorporated under a legal entity which makes investment.
3. Pioneering Industry means an industry that has broad relevance, value-added and high externality, and



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introduces new technology, and has a strategic value for the national economy.

4. Tax Reduction Incentive of Corporate Income/Tax Holiday means the income tax facility/incentive as stipulated in the Regulation of Minister of Finance Number 159/PMK.010/2015 on Tax Reduction Incentive of Corporate Income.
5. Investment Principle Licensing, hereinafter referred principle license, means a license, which have to be held in order to start a business.
6. Principle License for Amendment of Investment hereinafter referred to Amendment Principle License means a principle license which has to be held by a company, in order to legalize the amendment or change of any plan or realization of predetermined investment.
7. Investment License means Principle License held by a company under specific criteria set out in the Regulation of Investment Coordinating Board.
8. Proposed for Granting Tax Reduction Incentive of Corporate Income means proposal to the Chairman of Investment Coordinating Board, addressed to the



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Minister of Finance as consideration for discussion purpose at the Verification Committee.

9. Investment Coordinating Board, hereinafter abbreviated to BKPM, means a Non-Government Organization (LPNK) being responsible for investment, led by a Chairman who is under and responsible directly to the President.
10. Technical Ministry means a ministry established for promoting sector.
11. One Stop Services hereinafter referred PTSP, means an integrated service in a single process starting from the proposal up to the completion of service products through a single door.
12. Central PTSP means investment services under the authority of the Central Government, which shall be integrated in a single process starting from the proposal up to completion of service products through a single door at BKPM, the implementation is carried out by:
 - a. delegation or transfer of authority from the Minister/Head to LPNK to the Chairman of BKPM; and/or
 - b. Ministry official assignment/LPNK at BKPM.



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13. Liaison officer means an officer of the Ministry/LPNK appointed as Front officer/Back officer to provide services and/or processing an application for Licensing and Non licensing related to investments under the authority of the Technical Minister/Head of LPNK following with a clear description of duties, rights, powers, obligations and accountability.
 14. Front officer of Central PTSP at BKPM means an officer who received the application facility from taxpayer consisting of a Liaison officer and BKPM officials in the Directorate Unit of Facility Services.
 15. Verification Committee means a committee established by the Minister of Finance, chaired by Head of fiscal policy agency with members consisting of technical ministries and BKPM.
2. Provisions of Article 3 paragraph (1) shall be amended so that Article 3 shall further be read as follows:

Article 3

- (1) Application for Tax Reduction Incentive of Corporate Income Tax/Tax Holiday shall be submitted by the taxpayer to the Central PTSP at BKPM following with the required documents as contained in Appendix I which is an integral part of this Regulation, such as:



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- a. Application signed on sufficient stamp-duty by the management of Taxpayer in accordance with the format as contained in Appendix II, which is an integral part of this Regulation;
- b. Principle License/Investment License and amendments issued by BKPM or Principle License and amendments issued by the Investment Board and One Stop Services at Provincial level;
- c. Copy of establishment deed of legal entity and amendments following with legalization/approval of the Minister of Law and Human Right or the District Court;
- d. Copy of Corporate Taxpayer Identification Number (TIN);
- e. Assessment to comply with the pioneering industrial criteria;
- f. Original statement on commitment to put funds in Indonesia Bank as referred to in Article 2 paragraph (3) letter e;
- g. Fiscal certificate for the taxpayer that comply with the provisions of Article 2 (3) g;
- h. explanation of sources of company investment finance following with supporting documents;



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- i. explanation on compliance with the provisions of the rate of ratio between debts and capitals as referred to in the Regulation of Minister of Finance on the determination of ratio between company debt and capital for the purposes of calculating the income tax; and
 - j. A power of attorney affixed sufficient stamp-duty if the arrangement of application is not made directly by the management of Taxpayer in accordance with the format contained in Appendix III which is an integral part of this Regulation.
- (2) Provision as referred to in paragraph (1) letter j is not applicable in the case of corporate taxpayer:
- a. directly owned by the Central Government or Local Government;
 - b. the ownership consists of shares listed on the stock exchanges in Indonesia.
3. The provision of Article 4 paragraph (2) shall be amended so that Article 4 shall further be read as follows:

Article 4



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- (1) Application Document for Tax Reduction Incentive of Corporate income/Tax Holiday is submitted directly to the Front officer of Central PTSP at BKPM.
- (2) The documents referred to in paragraph (1) are conducted for the clarification on eligibility under the following provisions:
 - a. in case the Principle License/investment license issued by BKPM, the clarification is conducted in the presence of taxpayer;
 - b. in case the Principle License issued by the Investment Coordinating Board and One Stop at provincial level, clarifications conducted in the presence of taxpayer and the representative of the Board of Investment and Integrated One Stop Service at provincial level.
- (3) In event a decision clarifying the eligibility declares that the application documents have been complete and correct then a receipt of application is issued by using the format as contained in Appendix IV which is an integral part of this Regulation.
- (4) As realization of the clarification of eligibility as referred to in paragraph (2) shall be held a Clarification Technical Meeting which is attended by



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representatives from technical ministries, the Ministry of Finance, experts, academics and associations on their respective businesses of which facility/incentive is applied for.

- (5) Based on the clarification of eligibility as referred to in paragraph (2) and Technical Clarification Meeting as referred to in paragraph (4), are held a Meeting to Make Decisions to accept or reject the application.
- (6) Application for clarification of eligibility as referred to in paragraph (2), Technical Clarification Meeting as referred to in paragraph (4), and the Meeting of Decision as referred to in paragraph (5) respectively set forth in Minutes signed by all meeting participants by using format as contained in Appendix V which is an integral part of this Regulation.
- (7) In case the application is accepted, the Chairman of BKPM issues Proposed Tax Reduction Incentive/Facility of Corporate Income/Tax Holiday by using the format as listed in Appendix VI which is an integral part of this Regulation.
- (8) In case the application is rejected, the Chairman of BKPM issues a Letter of Refusal by using the format



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as contained in Appendix VII which is an integral part of this Regulation.

4. The provisions of Article 5, paragraph (1) shall be amended so that Article 5 shall further be read as follows:

Article 5

- (1) Period of the clarification process up to the publication of proposal accept/reject for 25 (twenty five) working days as of the issuance of a receipt.
 - (2) In the event in the technical clarification process there is a lack of documents that shall be completed by the taxpayer but up to the deadline as stated in the Minutes of Technical Clarification of Taxpayers, they fail to complete the additional documents, then the application is returned to the taxpayer.
5. Appendix I, is amended as contained in Appendix I of this Regulation.
 6. Appendix II, is amended as contained in Appendix II of this Regulation.
 7. Appendix V, is amended as contained in Appendix V of this Regulation.
 8. Appendix VI is amended as contained in Appendix VI of this Regulation.



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9. Appendix VII is amended as contained in Appendix VII of this Regulation.

Article II

This regulation shall come into force 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 October 6, 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 1483

Certified true copy

Senior Secretary of BKPM

Head of Legislation Bureau,

Public Relation and Administration of Chairman

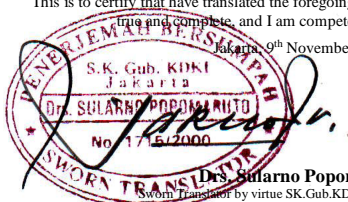
Stamped and signed

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, 9th November 2015



Dr. Sularno Popomaruto
Sworn Translator by virtue SK.Gub.KDKI Jkt.No.1715/2000