

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

COPY

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

NUMBER 14 OF 2015

ON

GUIDELINES AND PROCEDURES FOR INVESTMENT PRINCIPAL LICENSE

BASED ON BELIEF IN THE ONE AND ONLY GOOD

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

Considering: a. that for the purpose of making simplification of Licensing and Non Licensing of Investment has been issued Regulation of Chairman of Investment Coordinating Board Number 5 of 2013 on Guidelines and Procedures for Investment Licensing and Non Licensing as amended



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under the Regulation of Chairman of Investment Coordinating Board Number 12 of 2013;

- b. that for the purpose of implementing the provision of Article 16 paragraph (2) Law Number 23 of 2014 on Local Government and Article 5 paragraph (1) letter a and Article 7 paragraph (1) letter a and letter c Presidential Regulation Number 97 of 2014 on Implementation of One Stop Integrated Service, it deems necessary to replace the Regulation of Chairman of Investment Coordinating Board Number 5 of 2013 on Guidelines and Procedures for Investment Licensing and Non Licensing as amended by the Regulation of Chairman of Investment Coordinating Board Number 12 of 2013.
- c. that based on the considerations referred to in paragraph a and b, it is necessary to stipulate the Regulation of Chairman of Investment Coordinating Board;

In view of : 1. Law Number 5 of 1999 on Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia of 1999 Number 33, Supplement to State Gazette of the Republic of Indonesia Number 3817);



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2. Law Number 37 of 2000 on Government Regulation in Lieu of Law Number 2 of 2000 on Free Trade Zone and Free Port of Sabang To become Law (State Gazette of the Republic of Indonesia of 2000 Number 252, Supplement to State Gazette of the Republic of Indonesia Number 4054);
3. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);
4. Law Number 25 of 2007 on Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
5. Law Number 26 of 2007 on Spatial Planning (State Gazette of the Republic of Indonesia of 2007 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 4725);
6. Law Number 40 of 2007 on Limited Liability Company (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);



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7. Law Number 44 of 2007 on Stipulation of Government Regulation in Lieu of Law Number 1 of 2007 on Amendment of Law Number 36 of 2000 on Government Regulation in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Ports to Become Law (State Gazette of the Republic of Indonesia of 2007 Number 130, Supplement to the State Gazette of the Republic of Indonesia Number 4775);
8. Law Number 11 of 2008 on Information and Electronic Transaction (State Gazette of the Republic of Indonesia of 2008 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 4843);
9. Law Number 14 of 2008 on Public Information (State Gazette of the Republic of Indonesia of 2008 Number 61, Supplement to the State Gazette of the Republic of Indonesia Number 4846);
10. Law Number 20 of 2008 on Micro, Small and Medium Enterprises (State Gazette of the Republic of Indonesia of 2008 Number 93, State Gazette of the Republic of Indonesia Number 4866);
11. Law Number 25 of 2009 on Public Services (State Gazette of the Republic of Indonesia of 2009 Number



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- 112, Supplement to the State Gazette of the Republic of Indonesia Number 5038);
12. Law Number 32 of 2009 on Management of Environment (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059);
13. Law Number 39 of 2009 on Special Economic Zones (State Gazette of the Republic of Indonesia of 2009 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 5066) ;
14. Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as already amended by Law Number 9 of 2015 on the Second Amendment Law Number 23 of 2014 on Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
15. Government Regulation Number 44 of 1997 on Partnership (State Gazette of the Republic of Indonesia of 1997 Number 91, State Gazette of the Republic of Indonesia Number 3718);



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16. Government Regulation Number 65 of 2005 on Guidelines for Preparation and Standard Application of Minimum Service (State Gazette of the Republic of Indonesia of 2005 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 4585);
17. Government Regulation Number 41 of 2007 on regional organization (State Gazette of the Republic of Indonesia of 2007 Number 89, Supplement to the State Gazette of the Republic of Indonesia Number 4741);
18. Government Regulation Number 46 of 2007 on Free Trade Zone and Free Port of Batam (State Gazette of the Republic of Indonesia of 2007 Number 107, Supplement to the State Gazette of the Republic of Indonesia Number 4757) as amended by Government Regulation Number 5 of 2011 (State Gazette of the Republic of Indonesia of 2011 Number 16, Supplement to the State Gazette of the Republic of Indonesia Number 5195);
19. Government Regulation Number 47 of 2007 on Free Trade Zone and Free Port of Bintan (State Gazette of the Republic of Indonesia of 2007 Number 108, State Gazette of the Republic of Indonesia Number 4758);



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20. Government Regulation Number 48 of 2007 on Free Trade Zone and Free Port of Karimun (State Gazette of the Republic of Indonesia of 2007 Number 109, Supplement to the State Gazette of the Republic of Indonesia Number 4759);
21. Government Regulation Number 45 of 2008 on Guidelines for Granting Incentives and Investment Facility in the Region (State Gazette of the Republic of Indonesia of 2008 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 4861);
22. Government Regulation Number 24 of 2009 on Industrial Zone (State Gazette of the Republic of Indonesia of 2009 Number 47, Supplement to the State Gazette of the Republic of Indonesia Number 4987);
23. Government Regulation Number 83 of 2010 on Delegation of authority to the Estate Board of Sabang (State Gazette of the Republic of Indonesia of 2010 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 5175);
24. Government Regulation Number 2 of 2011 on Implementation of Special Economic Zones (State Gazette of the Republic of Indonesia of 2011 Number 3,



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- Supplement to the State Gazette of the Republic of Indonesia Number 5186);
25. Government Regulation Number 26 of 2012 on Special Economic Zones of Tanjung Lesung (State Gazette of the Republic of Indonesia of 2012 Number 47, State Gazette of the Republic of Indonesia Number 5284);
 26. Government Regulation Number 27 of 2012 on Environmental License (State Gazette of the Republic of Indonesia of 2012 Number 48, Supplement to the State Gazette of the Republic of Indonesia Number 5285);
 27. Government Regulation Number 29 of 2012 on Special Economic Zones of Sei Mangkei (State Gazette of the Republic of Indonesia of 2012 Number 54, Supplement to the State Gazette of the Republic of Indonesia Number 5287);
 28. Government Regulation Number 96 of 2012 on Implementation of Law Number 25 of 2012 on Public Services (State Gazette of the Republic Indonesia of 2012 Number 215, Supplement to the State Gazette of the Republic of Indonesia Number 5357);
 29. Presidential Regulation Number 76 of 2007 on Criteria and Requirements for Preparation of Private and Public Business Fields with the requirements in Investment;



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30. Presidential Regulation Number 90 of 2007 on the Investment Coordinating Board, as amended by Presidential Regulation Number 86 of 2012 (State Gazette of the Republic of Indonesia of 2012 Number 210);
31. Presidential Regulation Number 39 of 2014 on List of Private and Public Business Fields with Requirements on Investment (State Gazette of the Republic of Indonesia of 2014 Number 93);
32. Presidential Regulation Number 97 2014 on Implementation of One Stop Services (State Gazette of the Republic of Indonesia 2014 Number 221);
33. Presidential Regulation Number 75 of 1995 on Employment of expatriates;
34. Presidential Regulation Number 90 of 2000 on Representative office of Foreign Company;
35. Ministerial Regulation of Finance Number 18/PMK.010/2012 on Venture Capital Company;
36. Decision of the Head of Police of the Republic of Indonesia Number SKEP/638/XII/2009 on Delegation of Authority for granting business licenses in the Field of Enterprise Security Services in the Context of the Implementation of One Stop Services in the Field of



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Investment to Chairman of Investment Coordinating Board;

37. Ministerial Regulation of Tourism Number 2 of 2014 on implementation of Integrated One Stop Service in the fields of Tourism and Creative Economy at Investment Coordinating Board as amended by Ministerial Regulation of Tourism Number 1 of 2015;
38. Ministerial Regulation of Industry Number 122 / M-IND / PER / 12/2014 on Delegation of Authority for Granting Industrial Licensing in the Context of the Implementation of One Stop Services to the Chairman of Investment Coordinating Board;
39. Ministerial Regulation of Manpower Number 25 of 2014 on Implementation of One Stop Services on Employment in the Investment Coordinating Board;
40. Ministerial Regulation of Communication and Information Technology Number 40 of 2014 on Delegation of Authority for Implementation of One Stop Services of Communication and Information to the Chairman of Investment Coordinating Board;
41. Ministerial Regulation of Health Number 93 of 2014 on Implementation of One Stop Service on Health in the Investment Coordinating Board;



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42. Ministerial Regulation of Energy and Mineral Resources Number 35 of 2014 on Delegation of Authority for Granting Business License on Power within the Framework of Implementation of One Stop Services to the Chairman of Investment Coordinating Board;
43. Ministerial Regulation of Trade Number 96/M-DAG/PER/12/2014 on Delegation of Authority in Trade Sector in the Context of One Stop Services to the Chairman of Investment Coordinating Board, as amended by Ministerial Regulation of Trade Number 10/M-DAG/PER/1/2015;
44. Ministerial Regulation of Agriculture Number 70/Permentan/PD.200/6/2014 on Guidelines for Business Licensing of Horticulture Cultivation;
45. Ministerial Regulation of Agriculture Number 1312/Kpts/KP.340/12/2014 on Delegation of Authority for granting business licenses in Agriculture Within the Framework of Implementation of One Stop Services in the Field of Investment to the Chairman of Investment Coordinating Board;
46. Ministerial Regulation of Agrarian and Spatial Planning / Head of National Land Agency Number 15 of 2014 on appointment of officials of the Ministry of Agrarian and



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- Spatial Planning/Head of National Land Agency to be assigned to the One Stop Service in the Investment Coordinating Board;
47. Ministerial Regulation of Public Works and Public Housing Numbers 22 of 2014 concerning Delegation of Authority for granting business licenses in the Field of Public Works and Public Housing in the Context of One Stop Services in the Investment Coordinating Board;
 48. Ministerial Regulation of Finance Number 256/PMK.011 / 2014 on Implementation of One Stop Services in the Investment Coordinating Board;
 49. Ministerial Regulation of Education and Culture Number 69 of 2014 on Implementation of Non-formal Education License with Foreign Capital;
 50. Ministerial Regulation of Communication and Information of the Republic of Indonesia Number 40/2014 on Delegation of Authority for Implementing One Stop Services of Communication and Information to the Chairman of Investment Coordinating Board;
 51. Ministerial Regulation of Environment and Forestry Number P.97/MENHUT-II/2014 on Delegation of Authority for Granting Licensing and Non Licensing in the Field of Environment and Forests in the Context of



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the Implementation of One Stop Services To the Chairman of Investment Coordinating Board, as amended by Ministerial Regulation of Environment and Forestry Number P.1/Menhut-II/2015;

52. Ministerial Regulation of Marine Affairs and Fisheries Number 3/PERMEN-KP/2015 of Delegation of Authority for Granting Business Licenses in the field of Fish Farming in the Framework of Implementation of One Stop Service to the Chairman of Investment Coordinating Board;
53. Ministerial Regulation of Energy and Mineral Resources of the Republic of Indonesia Number 23 of 2015 on Delegation of Authority for granting Licensing of Oil and Gas in the Context of the Implementation of One Stop Services to the Chairman of Investment Coordinating Board;
54. Ministerial Regulation of Energy and Mineral Resources of the Republic of Indonesia Number 25 of 2015 on Delegation of Authority for Granting Licensing of Mineral and Coal in the Context of the Implementation of One Stop Services to the Chairman of Investment Coordinating Board;



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55. Ministerial Regulation of Communications Number PM. 03 of 2015 on the Implementation of One Stop Services on Transportation in the Capital Investment Coordinating Board;
56. Regulation of the Head of the Central Statistics Agency Number 57 of 2009 on Standard Industrial Classification of Indonesia;
57. Regulation of the Chairman of Investment Coordinating Board Number 14 of 2011 on Minimum Service Standards for Investment at Provincial and Regency / City;
58. Regulation of the Chairman of Investment Coordinating Board Number 1 of 2012 on Delegation of Authority for granting Registration and Investment Principle Licensing to the Estate Board of Sabang;
59. Regulation of the Chairman of Investment Coordinating Board Number 2 of 2012 on Delegation of Authority for granting business licenses in the framework of Investment to the Estate Board of Sabang;
60. Regulation of the Chairman of Investment Coordinating Board Number 3 of 2012 on Guidelines and Procedures for Controlling the Implementation of Investment;



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61. Regulation of the Chairman of Investment Coordinating Board Number 10 of 2012 on Technical Guidelines for Minimum Service Standards for Investment at Provincial and District / City;
62. Regulation of the Chairman of Investment Coordinating Board Number 8 of 2013 on Delegation of Authority for Granting Investment principal license To the Head Free Trade Zone and Free Port of Batam, To the Head Free Trade Zone and Free Port of Bintan regency, Head of Exploitation for Free Trade Zone and Free Port of Bintan Region, Tanjung Pinang and Head of the Concession area of Commerce, Free Port of Karimun;
63. Regulation of the Chairman of Investment Coordinating Board Number 9 of 2013 on Delegation of Authority for granting business licenses in the framework of Investment To the Head of Concession Area for Free Trade and free Port of Batam, Head of Concession of Free Trade Zone and Free Port of Bintan regency, Head of Concession of Free Trade Zone and Free Port of Bintan Region, Tanjung Pinang To the Concession Board of Free Trade Zone and Free Port of Karimun;
64. Regulation of the Chairman of Investment Coordinating Board Number 1 of 2014 on Delegation of Authority for



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- Granting Principles Licensing of investment to the Chief Administrator of Special Economic Zones of Sei Mangkei;
65. Regulation of the Chairman of Investment Coordinating Board Number 2 of 2014 on Delegation of Authority for Granting Investment Licensing to the Chief Administrator of Special Economic Zones of Sei Mangkei;
66. Regulation of the Chairman of Investment Coordinating Board Number 4 of 2014 on Information Service System and Investments Licensing Electronically;
67. Regulation of the Chairman of Investment Coordinating Board Number 1 of 2015 on Delegation of Authority for Granting Principles Licensing of Investment to the Chief Administrator of Special Economic Zones of Tanjung Lesung;
68. Regulation of the Chairman of investment Coordinating Board Number 2 of 2015 on Delegation of Authority for Granting Investment Licensing to the Chief Administrator of Special Economic Zones of Tanjung Lesung;
69. Regulation of the Chairman of Investment Coordinating Board Number 9 of 2015 on Implementation of One Stop Center in the Investment Coordinating Board.



STUPULATES:

To Stipulate: REGULATION OF THE CHAIRMAN OF INVESTMENT COORDINATING BOARD ON GUIDELINES AND PROCEDURES FOR INVESTMENT PRINCIPAL LICENSE.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation meant by:

1. Investment is any form of investing activity conducted by both domestic and foreign investment, to carry out business in the territory of the Republic of Indonesia.
2. Investors are individuals or entities performing investment that can be either a domestic and foreign investments.
3. Domestic Investors means individual of Indonesia Citizen, Indonesian business entity, state of the Republic of Indonesia, or region that does investment in the territory of the Republic of Indonesia.
4. Foreign investors mean foreign individuals, foreign corporation, and/or foreign governments that undertake investments in the territory of the Republic of Indonesia.
5. Domestic Investment, hereinafter referred as domestic investment means investment activity to carry out



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business in the territory of the Republic of Indonesia, conducted by Domestic Investors using domestic capital.

6. Foreign Investment, hereinafter referred to as PMA means investment activity to carry out business in the territory of the Republic of Indonesia conducted by foreign investment, both of which use foreign capital and joint venture with the domestic Investors.
7. One Stop Services in the Field of Investment, hereinafter referred PTSP, means Activity for organization Licensing and No licensing by delegation or the delegation of authority of an agency or agencies which has the authority for granting Licensing and No licensing of which management process starts from the proposal to the publication of documents processed in one place.
8. Center for PTSP at BKPM means a service related to investments held in integrated in a single process starting from the proposal to the completion of service products through one door at BKPM, the implementation is carried out by:



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- a. Delegation of authority from the Minister / Head of the Ministry of Non-Government Organization (LPNK) to the Chairman of BKPM; and
 - b. Assignment of officials of the Ministry / LPNK or employees of state owned enterprises.
9. Licensing means is any form of approval for Investment issued by the Central Government, Local Government, and Concession Agency for Free Trade Zone and Free Port, and the Administrator of Special Economic Zones, which have authorities in accordance with the provisions of the legislation.
10. Investment principal license hereinafter referred as principle licensing means a license which must be held to start a business.
11. Principle Licensing for Expansion of Investment, hereinafter referred to as principle licensing for Expansion means the Principle Licensing which must be held by companies to initiate/start activity to expand the business.
12. Principle Licensing for Investment Amendment, hereinafter called Principle Licensing of Amendment means a principle licensing which must be held by



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company, in order to legalization of amendment of plans or realization of predetermined investment.

13. Principle Licensing for Company Merger making investment, hereinafter referred to as principle licensing of Company Merger means Principle Licensing which must be held by a company resulting from the merger, to carry out the company business result of the merger.
14. Investment Licensing means Principle Licensing held by companies with certain criteria.
15. Business Licensing means a license that must be held companies to start the implementation of production / operations that produce goods or services, unless otherwise stipulated by legislation.
16. Expansion Business Licensing means a license that must be held by companies to begin the implementation of production / operations that produce goods or services on the implementation of the business expansion, unless otherwise stipulated by Regulation of Legislation.
17. Extension Licensing means a License that must be held by companies to begin the implementation of production activities that produce goods or services for the implementation of business expansion, especially for the industrial sector.



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18. Amendment Business Licensing means a license that must be held by companies, for the purpose of legalization to changes the realization of investment that has been previously defined.
19. Business Licensing for Company Merger means a license that must be held companies resulting from the merger for the purpose of starting the implementation of production / operations to produce goods or services.
20. Company Management means board of directors / company management stated in the Articles of Association / Deed of Company or changes which have obtained approval / consent / notification from the Minister of Law and Human Rights (Ministry of Justice) for a legal entity of Limited Liability Company and appropriate legislation for other than legal entities of Limited Liability Company.
21. Company Merger means a merger of two (2) or more companies into one company that will carry on all activities of the merged company.
22. Information Service System and Investment Electronic Licensing, hereinafter referred SPIPISE means an integrated electronic services Licensing system and Non-licensing between BKPM with the Ministry / Non-



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Government Institution which has the authority of Licensing and Non-licensing, Concession Board of KPBPB, Administrator of KEK, Provincial BPMPTSP, Regency / city BPMPTSP and Agencies for Organizing PTSP on Investment.

23. Access right means the rights granted by the Management of SPIPISE to users of SPIPISE who have had the identity of user and code access to use the SPIPISE.
24. Company Folder means an instrument to keep the company documents in digital form that is provided for in the licensing system of BKPM (SPIPISE).
25. Business Expansion for Investment in the field of industrial business means an increase of production capacity for the Indonesian Standard Industrial Classification (ISIC) of the same 5 (five) Digits greater than 30% (thirty percent) of listed capacity in the Industrial Business Licensing.
26. Business Expansion for Investment other than in the field of industrial businesses is:
 - a. increase of investment and increase of production capacity are implemented both at the same location or at a different location to the implementation of



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investment activities listed in previous business license; or

- b. Increase of business field or business activity which is accompanied by an increase in investment implemented either at the same location or at different locations with the implementation of Investment previously stated in business license.

27. Expansion of Industrial Estate, hereinafter referred to as Expansion of Industrial Estate means expansion of industrial estate from land area as specified in the Business license of Industrial Estate.
28. Changes in provisions mean any change of plans or realization of investment that has been approved and established by the Government / Local Government.
29. Central Government means President of the Republic of Indonesia, who holds the power to govern the Republic of Indonesia as stipulated in the 1945 Constitution Law of the Republic of Indonesia.
30. Local Government means the governor, regents, mayors and local apparatus as an element of the regional administration.
31. Investment Coordinating Board, hereinafter abbreviated BKPM means a non-ministerial government institution



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that is responsible for investment, which is headed by a Chairman who is under and responsible directly to the President.

32. Investment Coordinating Board and Integrated One Stop Services of province, or the provincial government that is responsible for investment with other nomenclature under appropriate legislation in force, hereinafter called BPMPTSP of Province 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 investment in provincial government.
33. Investment Coordinating Board and Integrated One Stop Services of Regency/ City, or district/city governments that administer the affairs of investment with other nomenclature under appropriate laws and regulations in force, hereinafter called BPMPTSP of Regency/City means an element of regional heads within the framework of the implementation of the local government of district/city, which organizes the main function of coordination in the field of investment in District /City Governments.



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34. Free Trade Zone and Free Port, hereinafter referred KPBPB means an area that is within the jurisdiction of the Republic of Indonesia which is separated from the customs area and free from the imposition of import duties, value added tax, sales tax on luxury goods, and customs.
35. Special Economic Zones, hereinafter referred to as KEK means a region with a certain area within the territory of the Republic of Indonesia allocated to perform the economic functions and acquire certain facilities.
36. Investment Activity Report hereinafter referred LKPM means a report on the development of investment realization and any obstacles faced by the investors which are required to be submitted periodically.
37. Indonesian Standard Industrial Classification hereinafter referred ISIC means a grouping of each economic activity into the business classification.

CHAPTER II

PURPOSES AND OBJECTIVES

Article 2

Guidelines and Procedures for Principle Licensing which regulates the procedure of filing and requirements of



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application for Principle Licensing is intended as a guide for officials of central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, PTSP KEK, and businesses as well as other public.

Article 3

Guidelines and Procedures for Principle License Application

aim:

- a. To realize the sameness and uniformity of the application procedure and requirements for Principles Licensing Application on central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, and PTSP KEK, throughout Indonesia;
- b. To provide information on certainty of time to complete the Principle License Application;
- c. To achieve fast, simple, transparent and integrated services.

CHAPTER III

AUTHORITY FOR GRANTING PRINCIPLE LICENSING

Part One

Granting Principle Licensing



Article 4

- (1) Principle Licensing granted by the Central Government, PTSP KPBPB, PTSP KEK, the Provincial Government and District / City Government, in accordance with their authority.
- (2) Central Government, the Provincial Government and District / City Government as referred to in paragraph (1) provide Principle Licensing through the implementation of PTSP.
- (3) Implementation of OSS as referred to in paragraph (2), as follows:
 - a. Central Government carried out by Central OSS at BKPM;
 - b. Provincial Government conducted by Provincial BPMPTSP;
 - c. Regency / City Government carried by BPMPTSP of District / City government;
 - d. Concession Agency of Free Trade Zone and Free Port carried by PTSP KPBPB; and
 - e. Administrator of Special Economic Zones carried out by PTSP KEK.



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- (4) Organizing PTSP as referred to in paragraph (3), obtaining the delegation / devolution of authority as follows:
- a. Chairman of BKPM from Technical Minister / Head of Non Ministry Government Institution (LPNK);
 - b. Chief of Provincial BPMPTSP from Governors;
 - c. Head of Regency/city BPMPTSP from Regents / Mayors;
 - d. Chief of Concession Board of KPBPB of Technical Minister / Head of LPNK, Governor and Regent / Mayor;
 - e. Administrator of KEK of Technical Minister / Head of LPNK, Governor and Regent / Mayor.

Part Two

Authority to grant Principle Licensing
by the Central Government

Article 5

- (1) The authority for granting the Principle Licensing by the Central Government as referred to in Article 4 paragraph (3) letter a consists of:



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- a. Implementation of Investment of cross/inter-province scope;
 - b. Investment includes:
 - 1. Investment related to unrenewable natural resources following with high risk of environmental damages;
 - 2. Investment in the industry sector which is a high priority on a national scale;
 - 3. Investment related to the function of unifying and connecting inter-regional or cross-province scope;
 - 4. Investment associated with the implementation of national defense and security;
 - 5. Foreign Investment and Investors using foreign capital, which comes from the Government of other countries, which is based on agreements made and signed by the Government and the governments of other countries; and
 - 6. other Investment Sector which become the government affairs according to law,
- (2) Foreign Investment and Investors using foreign capital, as referred to in paragraph (1) letter b number 5 include:



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- a. Foreign Investments carried out by governments of other countries;
 - b. Foreign Investment committed by foreign nationals or foreign business entity;
 - c. Investors using foreign capital coming from other governments,
- based on agreements made and signed by the Government and the governments of other countries.
- (3) Business fields of investment as referred to in paragraph (1) letter b number 1, number 2, number 3, number 4 and number 6 as determined by the Minister / Head of LPNK.

Part Three

Authority to Grant Principle Licensing

by the Provincial Government

Article 6

The authority for granting Principle Licensing by the Provincial Government as referred to in Article 4 paragraph

(3) b. consisting of:

- a. Investment of which scope includes activities of inter-regency/ city;



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- b. Investment which the authority of Central Government and the Provincial Government is granted the transfer/delegation of authority from Central government to the Governor; and
- c. Investment which becomes the authority of provincial government is based on legislation.

Part Four

Authorization for Granting Principle Licensing
by District / City Government

Article 7

Principle Licensing for granting Authority by the Regency / City Government as referred to in Article 4 paragraph (3) letter c. consisting of:

- a. Investment that the scope of activities in the Regency / City;
- b. Assigned at the district / city governments.

Part Five

Authority for granting Principle Licensing
by KPBPB and KEK

Article 8



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The authority for granting principle licensing by the District / City Government as referred to in Article 4 paragraph (3) letter d and e carried out by the delegation/transfer of authority of the Central Government / Local Government and with observance to the legislation related to KPBPB and KEK.

CHAPTER IV

PROVISION OF INVESTMENT

Part One

Starting Business

Article 9

- (1) Starting a business includes activities as follows:
- a. establishment of new businesses, both in the context of domestic investment and foreign investment; or
 - b. starting business activities in order to change its status to PMA, as a result of the entry of foreign capital in the ownership of the whole / part of the company's capital in a legal entity, or
 - c. starting business activities in order to change the status into domestic investment, as a result of



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changes in the ownership capital of the company which previously contained foreign capital, become the whole domestic capital.

- (2) To start the business activities referred to in paragraph (1), both in the context of domestic investment and foreign investment shall have the Principle Licensing.
- (3) Principle Licensing as referred to in paragraph (2) includes initial licensing of start-up business in the sectors of:
- a. Agriculture;
 - b. Environment and Forestry
 - c. Maritime Affairs and Fisheries;
 - d. Energy and Mineral Resources;
 - e. Industry;
 - f. Defense and Security
 - g. Public Works and Public Housing;
 - h. Trade;
 - i. Tourism;
 - j. Transportation;
 - k. Communication and Information;
 - l. Employment;
 - m. Education and Culture;
 - n. Health; and



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- o. Creative Economic.
- (4) For a company which has had Principle Licensing as a license to start a business that is still within the time span during the construction / preparation, is not allowed to conduct production/operations before holding Business License.

Part Two

Types and Functions of Principle License

Article 10

- (1) Principle License as referred in Article 9 paragraph (2) consists of:
- a. Principle Licensing;
 - b. Principle Licensing for Expansion;
 - c. Principle Licensing for Amendment;
 - d. Principle Licensing for Company Merger.
- (2) The company that has the principle licensing located in the special industrial estate may begin the construction.
- (3) Principle licensing as referred to in paragraph (1) is a reference to the licensing and no licensing for the implementation of investment both within the Government and the authority of Region.



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- (4) Licensing and no licensing for the implementation of investments as referred to in paragraph (3), includes among others:
- a. Technical Considerations on Land;
 - b. Location Licensing;
 - c. IMB;
 - d. Approval for Plan of Hiring Foreign Workers (RPTKA);
 - e. Environmental Licensing;
 - f. Decision on Facility;
 - g. Technical Recommendations;
 - h. Certificate on Eligible of Operations; or
 - i. Operation Licensing,

Part Three

Business Lines and Form of Enterprises

Article 11

- (1) Issuance of Principle Licensing observes business lines declared closed and opened business lines under requirements in accordance with the applicable legislation.
- (2) Provisions of business line declared opened under requirements as referred to in paragraph (1) shall not



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apply to companies located in the KEK in accordance with the regulation of legislation.

Article 12

- (1) Principle Licensing in the context of domestic investment may be given to:
- a. Limited Liability Company (PT), which is wholly owned by Indonesian citizens; or
 - b. *Commanditaire Vennootschap* (CV) or Firm (Fa), or individual businesses; or
 - c. cooperatives or foundations established by Indonesian citizens; or
 - d. State Owned Enterprises (SOEs) or Regional-Owned Enterprises (enterprises).
- (2) Principle Licensing in the context of FDI is only given to Legal Entity established as PT under Indonesian law and domiciled in the territory of the Republic of Indonesia, unless otherwise specified by the Law.

Part Four

Provision of Investment and Capital

Article 13



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- (1) PMA Company shall implement the provisions and requirements of the investment value and capital in order to acquire Principle Licensing.
- (2) The domestic investment Company in order to obtain Principle Licensing is not determined the amount of investment and capital.
- (3) Requirements value of investments and capital for the purpose of PMA as referred to in paragraph (1), unless otherwise stipulated by legislation, shall meet the following conditions:
 - a. total investment value is greater than Rp.10.000.000.000,00 (ten billion rupiah), excluding land and buildings as referred to in Article 1 paragraph 4 of Law Number 20 of 2008 on Micro, Small and Medium Enterprises
 - for every subgroup of the same business based on KBLI in 1 (one) project site in one (1) District /Regency/City, specially for Industrial sector;
 - for every subgroup of the same business based on KBLI within one (1) District/Regency/City, outside the industrial sector;
 - b. for the expansion project one (1) line of business within one (1) business group based on KBLI at the



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same location then the value of investment is allowed less than Rp.10.000.000.000,00 (ten billion rupiah), provided that the accumulated investment value of the entire project at the site has reached more than Rp.10.000.000.000,00 (ten billion rupiah) excluding land and buildings;

- c. for the expansion of one (1) or more lines of business within one (1) sub-class of business based on KBLI, which does not get the facilities or receiving facilities outside the industrial sector, at 1 (one) location within 1 (one) district/regency/city then investment value is allowed less than Rp.10.000.000.000,00 (ten billion rupiah), provided that the accumulated value of investment for all business sectors is greater than Rp.10.000.000.000,00 (ten billion rupiah) excluding land and buildings.
- d. the value of issued capital equals to the paid-up capital of at least Rp. 2,500,000,000.00 (two billion, five hundred million rupiah);
- e. participation in the company capital, to each shareholder at least of Rp.10.000.000,00 (ten



Authorized Translation

million rupiah) and percentage of ownership is calculated based on the nominal value of shares.

- (4) For PMA company that has obtained the Principle licensing before this rule applies to the value of paid-up capital of less than Rp.2.500.000.000,00 (two billion five hundred million), which will file application:
- a. extension of the project completion period, or
 - b. expansion of principle licensing,
- required to adjust with the participation in the company's capital be at least Rp.2.500.000.000,00 (two billion five hundred million rupiah) at the time of filing the application.
- (5) Investors are prohibited from making agreements and/or a statement confirming that the ownership of shares in a limited liability company for and on behalf of others as referred to in Article 33 of Law Number 25 of 2007 on Investment.

Part Five

Validity Period of Principle Licensing

Article 14



Authorized Translation

- (1) Validity Period of Principle Licensing equals to Validity Period of Project Completion set forth in Principle Licensing.
- (2) Period of Project Completion set out in Principle Licensing / Principle Licensing of Expansion/ Principle Licensing of Company Merger can be given 1 (one) to 5 (five) years, depending on the characteristics of the business field.
- (3) For companies of which Period of Completion Project set forth in Principle Licensing has expired, then the company cannot apply for the licensing and other Non-licensing.

Part Six

Miscellaneous Regulations

Paragraph 1

Venture Capital Company

Article 15

- (1) Venture Capital Company (PV) can be a shareholder in the investment company provided that it complies with the provisions of applicable legislation.
- (2) Capital investment by PMV as referred to in paragraph (1) which is owned by the Domestic Investor or that



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there is an element of foreign capital, are treated as a nationwide capital investment.

- (3) Capital Investments of PMV is temporary in nature and shall not exceed ten (10) years.
- (4) The period as referred to in paragraph (3) may be extended a maximum of 5 (five) years in accordance with the provisions of applicable legislation.

Paragraph 2

Provisions of Divestment

Article 16

- (1) PMA of which obligation of its divestment has been determined in the approval letter and/or business license before the enforcement of this Regulation, then the divestment obligations remain binding and shall be implemented in accordance with a predetermined period of time.
- (2) At least the nominal value of share ownership for the purpose of complying with its obligation of divestment shall be Rp.10.000.000,00 (ten million) and should continue to refer to the provisions contained in Article 13 paragraph (5).



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- (3) Divestment of the company shares as referred to in paragraph (1), can be carried out to Indonesian citizens or Indonesian Legal Entity of which the shares are wholly owned or held by Indonesian citizens through direct ownership as agreed by the parties and/or the domestic capital market.
- (4) PMA of which obligation of divestment has matured and yet get domestic prospective Investors, may submit a written request for the extension of period for the implementation of divestment obligation in Central PTSP at BKPM / OSS KPBPB / OSS KEK accordance with its authority, by attaching legitimate proof of the effort which has been taken by the Company to carry out its obligation to make divestment.
- (5) At the request and by taking into account the explanation of the efforts undertaken by the Company to carry out the divestment obligation referred to in paragraph (4), central PTSP at BKPM / OSS KPBPB / OSS KEK under its appropriate authority may issue:
- a. approval for extension period for the implementation of divestment for 2 (two) years from the date of approval of the period extension for the implementation of divestment is published



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- and after the extension expired it can no longer be granted the extension; or
- b. refusal for period extension for the implementation of divestment and the company must implement its obligation to divest
- (6) shareholding of Indonesia investor as a result of the divestment, after obtaining the approval of the Ministry of Justice can be resold to Indonesian citizens / foreign individuals / Indonesian legal entities / foreign business with regard to the applicable provisions.

CHAPTER V

GUIDELINES FOR APPLICATION OF PRINCIPLE LICENSING

Part One

Principle Licensing

Paragraph 1

General

Article 17

- (1) Application for Principle Licensing of PMDN (Domestic Investment) may be filed before or after the company registered as legal entity or Indonesian legal entity referred to in Article 12 paragraph (1).



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- (2) Application for Principle Licensing of PMA (Foreign Investment) may be filed before or after the company registered as Indonesian legal entity referred to in Article 12 paragraph (2).

Article 18

- (1) Principle Licensing for PMDN and PMA (domestic and foreign investments) proposed in central PTSP at BKPM, provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority.
- (2) Application for Principle Licensing of PMA referred to in paragraph (1) before the status Indonesian legal entity filed by:
- a. Government of other countries and/or foreign citizen and/or foreign business entity and/or PMA;
or
 - b. governments of other countries and/or foreign citizen and/or foreign business entity and/or the PMA company along with an Indonesian citizen and/or Indonesian legal entity.
- (3) Application for Principle Licensing for the company under the status of Indonesia legal entity or Indonesian business entity proposed by the company using Appendix II, which is an integral part of this Regulation.



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- (4) Principle Licensing can no longer be issued if the application does not comply with:
- a. Provisions on the closed and opened business field with requirement;
 - b. Sector provisions related business activities;
 - c. Completeness for the requirements of application.
- (5) The issued Principle Licensing based on the application as referred to in paragraph (2) shall be followed by a deed of establishment of limited liability company and approved by the Minister of Law and Human Rights.

Article 19

- (1) In case of any change of composition of the company's shareholders as referred to in Article 9 paragraph (1) letter b and c, the company must first obtain a Principle license in the central PTSP at BKPM, PTSP KPBPB, and PTSP KEK under its appropriate authority.
- (2) Basis for issuing Principle Licensing as referred to in paragraph (1) contained in:
- a. *Circular Resolution of the Shareholders / General Meeting Shareholders / Statement Deed of Meeting Resolution approved by all shareholders or its representative, before the share purchase transaction is carried out; or*



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- b. Share amendment deeds that have been approved by the Ministry of Justice,
- by referring to the Presidential Regulation on List of Closed and Opened Business Fields with requirements.
- (3) For the companies that have obtained Principle Licensing of PMDN (domestic investment) as a result of the entire capital of the company is owned by Domestic Investors, then for the next licensing application following its amendment shall be submitted to PTSP under its appropriate authorities.

Article 20

- (1) Principle Licensing of PMA and PMDN are issued not later than three (3) working days after receipt of the complete and correct application.
- (2) Forms of Principle Licensing of PMDN listed in Appendix III which is an integral part of this Regulation.
- (3) The form of Principle Licensing of PMA listed in Appendix IV which is an integral part of this Regulation.
- (4) In the case of the application as referred to in paragraph (1) is rejected, central PTSP at BKPM, Provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority makes Rejection for the Principle Licensing no later



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than three (3) working days from receipt of the request, stating the reason of rejection.

- (5) The form of Letter of Rejection as referred to in paragraph (4) listed in Appendix V which is an integral part of this Regulation.

Paragraph Two

Amendment of Project Location of PMDN Company

Article 21

- (1) PMDN Company in the business field which is the authority of the provincial government or Regency / City Government can make any change of project site to different district / city.
- (2) Any change of project site as referred to in paragraph (1), the company must have a Principle Licensing as a license to start up a business in a new location.
- (3) Application for Principle Licensing as referred to in paragraph (2) the proposed by Board of Directors / Management of the company to Agencies of PTSP in a new location by attaching a statement of cancellation of Investment activities in the previous location with a copy submitted to the Agency of PTSP in the previous location.



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- (4) Based on the Statement of cancellation as referred to in paragraph (3), provincial BPMPTSP or Regency/city BPMPTSP at the former location under its authority issuing the cancellation of Principle Licensing on activities of investments.
- (5) Application for Principle Licensing as referred to in paragraph (3) using Appendix II, which is an integral part of this Regulation, and forms of the issued principle licensing is as listed in Appendix III which is an integral part of this Regulation.

Part Two

Principle Licensing of Expansion

Article 22

- (1) Companies of PMDN and PMA may expand its business in accordance with Article 1 number 25, number 26, and number 27 in the business areas in accordance with the applicable legislation, with the necessity to have the principle Licensing of Expansion.
- (2) Companies in the field of industrial enterprises, which will carry on business expansion required to have a Principle Licensing of Expansion, after first having the



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Industrial Business License / Expansion Licensing on previous business.

- (3) Obligation to has Business License / Expansion License on previous business as referred to in paragraph (2) is not required in the filing of Principle License of Expansion if:
- a. previous activities have been realized in the form of the purchase of the main engines of at least 25% (twenty five percent) of the total value of machinery investment listed in Principle Licensing and is evidenced by a Notice of Inspection of Central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK under its appropriate authorities; and
 - b. time schedule ready for production for previous projects and the expansion projects are different.
- (4) Minutes of Inspection as referred to in paragraph (3) letter a is further regulated in Regulation of the Chairman of BKPM.
- (5) The company with the business in addition to the Industrial sector and will expand its business, are required to have Expansion Principle Licensing:



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- a. after having Business License / Expansion License on the previous business areas where the expansion of its business in the same business and conducted at the same location as the previous business areas; or
 - b. firstly is not required to have a Business License / Expansion Business License on earlier business fields, if the expansion of the business is different with business fields or performed at in different locations.
- (6) In case the application for Expansion Principle Licensing is approved, Central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its authority issuing the Expansion Principle Licensing.
- (7) Expansion Principle Licensing published not later than three (3) working days after receipt of the complete and correct application.
- (8) Form of Expansion Principle Licensing for PMDN as listed in Appendix VI which is an integral part of This Regulation.
- (9) Form of Expansion Principle Licensing of PMA listed in Appendix VII which is an integral part of this Regulation.



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- (10) In case of the application as referred to in paragraph (1) is rejected, Central PTSP at BKPM, Provincial BPMPTSP, Regency /City BPMPTSP, PTSP KPBPB , or PTSP KEK, under its authority to make Rejection for Expansion Principle Licensing at the latest three (3) working days from receipt of the request, stating the reason of rejection.
- (11) Form of Rejection Letter as referred to in paragraph (11) listed in Appendix V which is part an integral part of this Regulation.

Part Three

Amendment Principle Licensing in Investment

Paragraph 1

General

Article 23

- (1) PMA or PMDN Companies can amend/change the plan and/or the realization of investment that has been approved and established by the Government in the Principle License / Expansion Principle License / Principle License of Company Merger / Business License / Expansion Business License/ Business License of Company Merger.



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- (2) Any Change of Investment plan stated in the Principle License / Expansion Principle License / Principle License for Merger include the changes of:
- a. the company name;
 - b. the company address;
 - c. Tax Identification Number;
 - d. Project location;
 - e. provision of business fields;
 - f. type and production capacity;
 - g. marketing and the estimated value of exports per year;
 - h. investment plans;
 - i. the company's capital;
 - j. sources of financing;
 - k. participation in the company's capital;
 - l. land area;
 - m. the Indonesian labor/workers;
 - n. planned completion period of the project.
- (3). Upon the change as referred to in paragraph (2), the company must have a Principle License on change.
- (4) Changes in the business license as specified in paragraph (1) on changes to the project location, type and production capacity could be published as a



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Principle License for the change as long as has not complied with the requirements of Business License for the change.

- (5) Especially for PMDN Company, any changes as referred in paragraph (2) letter d and paragraph (4) is specifically given to change the location of the project within one (1) Regency / City.
- (6) Any changes as referred to in paragraph (4) and (5) shall be followed up with a business license for changes within a period of one (1) year.
- (7) Principle License for Changes as referred to in paragraph (3) may apply as an adjustment if there is any inconsistency license issued to the application submitted by the company, in the case of error comes from Central PTSP at BKPM, Provincial BPMPTSP, Regency/city BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority.

Paragraph 2

Change of Period for Project Completion

Article 24

- (1) If the period of Principle Licensing / Expansion Principle Licensing / Principle Licensing for Company Merger has



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ended, the company may be granted an extension period of the project completion at the latest the same with of the former Principle Licensing.

- (2) Application for an expansion period of the project completion as referred to in paragraph (1) shall be filed not later than 30 (thirty) business days prior to the expiration period of the Project Completion set forth in Principle License.
- (3) If application for an expansion period of the project completion as referred to in paragraph (1) filed after the expiration period of the Project Completion and the expansion application cannot be processed.
- (4) If the companies as referred to in paragraph (3) will remain perform the business activities, the companies shall apply for new principle licensing by following the applicable legislation, to the Central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, and PTSP KEK, under its appropriate authority.
- (5) Companies that have obtained an expansion period of the project completion a referred to in paragraph (1) and the company has not completed the entire project, the company shall apply for an expansion period of the project completion not later than 30 (thirty) working



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days before the expiration of the project completion and will be carried out field survey following with Minutes of Project Inspection.

- (6) From the review at site as referred to in paragraph (5), to the company:
- a. can longer be given the expansion period of the project completion at the longest in accordance with the former Principle Licensing;
 - b. may be granted replacement of principle licensing that refers to the provisions of applicable legislation and provided period of the project completion refers to in the provisions of Article 14; or
 - c. carried revocation/cancellation of Principle Licensing refers to the provisions of legislation.
- (7) Upon the issuance of Principle License for Replacement as referred to paragraph (6) letter b, then the principle Licensing which has expired the period of project completion be canceled / revoked and no longer valid.
- (8) If the period of the project completion as referred to in paragraph (6) b and has expired and the company has not completed the entire project, Principle License for the replacement can be revoked, referring to the provisions of the legislation.



Paragraph 3

Change in Capital Equity

Article 25

- (1) PMA or PMDN Company which makes any change in capital, including changes in:
 - a. Total capital and shareholding percentage;
 - b. Name of shareholder; and/or
 - c. Country of origin of shareholders,shall apply for change of principle licensing.
- (2) Changes in the company's capital which resulted in a decrease of the nominal of company capital shall first obtain approval from the Minister of Justice and Human Rights.
- (3) Changes in the company's capital for PMDN companies to be listed on the capital market, if there are foreign investors recorded in the deed of the company, then the status of the company shall become PMA company.
- (4) Application for the change of Principle License is submitted using Appendix VIII which is an integral part of this Regulation referred to in paragraph (1), paragraph (2), and paragraph (3) which shall be submitted to the Central PTSP at BKPM, Provincial



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BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority.

Article 26

1. In case the application for the change Principle Licensing as referred to in Article 25 paragraph (4) is approved, Central PTSP at BKPM, Provincial BPMPTSP, BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority issues the changes of Principle Licensing.
2. The change of Principle Licensing is issued no later than five (5) working days from the receipt of the complete and correct application.
3. Principle Licensing Form contained in the Amendment of PMDN contained in Appendix IX is an integral part of this Regulation.
4. Principle License Form of PMA changes contained in Appendix X is an integral part of this Regulation.
5. In case of the application referred to in paragraph (1) is rejected, Central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority makes Rejection for the changes of Principle Licensing no later than five (5) days working from receipt of the request, stating the reasons for refusal.



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6. Rejection Form as referred to in paragraph (5) listed in Appendix XI is an integral part of this Regulation.

Part Four

Principle License of Company Merger

Article 27

- (1) Company Merger can be made by two (2) or more companies, and to implement the principle Licensing of Merger shall have the Principle Licensing of Company Merger.
- (2). The companies will make merge may have more than 1 (one) principle licenses/ Letter of Approval and should already have a business license on some or all Principle Licenses / Letter of Approval.
- (3) If the company conducts company merger which still hold the Principle License / Extension Principle License that do not hold business license, the surviving company can apply for Principle License / Expansion Principle License of the project.
- (4) If the surviving company still hold the Principle License / Extension Principle License that do not hold business licenses, can be directly included in the Principle License of Company Merger.



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- (5) The companies that will carry out the merger shall comply with the applicable legislation relating to limited liability company, the prohibition of monopolistic practices and unfair business competition.
- (6) The Companies that receive the merging (surviving company) should implement all the provisions of their respective businesses as the result of the company merger listed in the Letter of Approval / Principle License / Business License which has been determined.
- (7) Application for Principle License of the Merging Company as referred to in paragraph (1) shall be submitted using Appendix XII which is an integral part of this Regulation, Central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority.
- (8) In case the application for Principle License of Company Merger as referred to in paragraph (7) is agreed, in central BKPMPTSP, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK, under its authority issuing Principle License of Company Merger.
- (9) In case the application as referred to in paragraph (7) is approved, the Principle License of Company Merger Permit is issued by the addition of a copy to the



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Chairman of Business Competition Supervisory Commission (KPPU).

- (10) Principle License of Company Merger is issued not later than seven (7) working days from the receipt of the complete and correct application.
- (11) Form of Principle License of Company Merger of PMDN as referred to in Appendix XIII, is an integral part of the Regulation.
- (12) Form of Principle License of Company Merger of PMS as referred PMA in Appended XIV is an integral part of the Regulation.
- (13) In case the application as referred to in paragraph (7) is rejected, Central PTSP, Provincial BPMPTSP, Regency/city BPMPTSP, PTSP KPBPB, or PTSP KEK, under its appropriate authority, makes Rejection of Principle License of Company Merger, no later than 7 (seven) working days.
- (14) Form of Rejection as referred to in Paragraph (13) contained in Appended XV is an integral part of the Regulation.

Part Five



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Principle License Issuance for Industrial and Non-Industrial
Sector

Article 28

Application for Principle License/Expansion Principle License/Principle License of Merger in the framework of Foreign Investment and Domestic Investment:

- a. conducting activities more than one (1) line of business where one of them is industrial sector, the principle license is issued separately, unless it is determined that the line of business shall be integrated in accordance applicable legislation.
- b. undertaking activities in the non-industrial sector:
 1. more than 1 (one) line of business which do not obtain investment facilities, it can be filed within one (1) application.
 2. more than 1 (one) line of business upon validity period of a different principle license , the application is filed for each line of business.
 3. more than 1 (one) line of business with 5 digits KBLI which enable to obtain capital investment facility, then the application filed for each line of business.



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Part Six

Provisions in Principle License

Article 29

(1) Principle License / Investment License/ Expansion Principle License / Merger License/ Amendment License consist of all or most of the following components:

a. Project Data:

1. Name of the Company;
2. Taxpayer Identification Number (TIN);
3. Position Company Address; and
4. Project location.
5. Recommendations / Operational License;
6. Line of Business;
7. Production and Marketing per year;
8. Marketing and Export Value;
9. Investment Value:
 - a. Fixed capital;
 - b. Working capital;
 - c. Provisions of investment value shall refer to the provisions of this regulation; and
 - d. Value of machinery investment in USD.
10. Land Area;
11. Labor/Worker;



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12. Sources of financing include:

- a. Owner's equity/capital;
- b. Retained profits; and
- c. Loans.

13. Resolution of Shareholders.

14. Capital of the Company, consisting of:

- a. Authorized capital;
- b. Issued capital;
- c. Paid-up capital;
- d. Specific Rate of Exchange contained for the establishment of new businesses; and
- e. Calculation of ownership percentage.

b. Project Completion Period

- 1. Granting of Project Completion Period; and
- 2. Business License Obligations.

- c. Investment Facility;
- d. Etc.

(2) Explanation of paragraph (1) as referred to in Appendix III, Appendix IV, and Appendix XXI.

Part Seven

Investment Licensing

Article 30



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- (1) For the purpose of accelerating the realization of specific investment projects:
 - a. The investment value of at least Rp.100.000.000.000,00 (one hundred billion Rupiah); and/or one hundred billion rupiah); and/or
 - b. Indonesian employment of at least 1,000 (one thousand) persons,given the acceleration of the Principle License Issuance called Investment License, as referred to in Article 1 number 14.
- (2) Investment License as referred to in paragraph (1) if located in specific industrial areas may begin the construction.
- (3) Specific industrial area as referred to in paragraph (2) and in Article 10 paragraph (2) is determined by the Chairman of BKPM.
- (4) Activities to begin construction as referred to in paragraph (2) can be done directly without first having licenses such as:
 - a. Building Construction Permit (IMB); and
 - b. Environmental permit.
- (5) License as referred to in paragraph (4) administered concurrently with the construction.



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- (6) Application for and requirements for applying Investment Licensing as referred to in paragraph (1) using Appendix II, which is an integral part of this Regulation and form of Investment Licensing issued as contained in Appendix XXI which is an integral part of this Regulation.
- (7) Investment Licensing as referred to in paragraph (6) shall be issued no later than three (3) hours of receipt of complete and correct application to central PTSP at BKPM.
- (8) The application as referred to in paragraph (7) is submitted directly by all prospective shareholders to central PTSP at BKPM.
- (9) In the case of prospective shareholders who are absent, can be represented by one of the prospective shareholders by attaching the original power of attorney from the prospective shareholders who are absent (cannot attend).
- (10) Investment License as referred to in paragraph (7) signed by the Director who handles the Investment Application Services or officials designated by the Deputy Head of Investment Services.



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- (11) In the case of the application as referred to in paragraph (6) is rejected, Central PTSP at BKPM in making Rejection Letter of Investment License no later than three (3) hours of receipt of the application by stating the reasons for refusal.
- (12) Rejection Letter Form as referred to in paragraph (11) is contained in Appendix V, which is an integral part of this Regulation.

CHAPTER VI

PROCEDURES FOR APPLICATION OF PRINCIPLE LICENSING

Part One

Procedures for Submission and Application Process

Paragraph 1

General

Article 31

- (1) Investors may apply for a principle licensing to Central PTSP at BKPM, Provincial BPMPTSP, Regency/city BPMPTSP, PTSP KPBPB, and PTSP KEK, under its appropriate authority as referred to in Article 5, Article 6, Article 7 and Article 8, are in the network (online) through SPIPSE or manually.



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- (2) Submission of an application online as referred to in paragraph (1) applies to:
 - a. PMDN and PMA under authority of the Central Government in Central PTSP at BKPM;
 - b. Investment under authority of the Provincial Government, Regency/District / City Government, Agency for KPBPB and KEK administrator in provincial BPMPTSP, Regency/City, PTSP KPBPB and PTSP KEK, which have implemented online Principle Licensing.
- (3) Application for Principle Licensing manually as referred to in paragraph (1) applies to Provincial BPMPTSP, Regency /City BPMPTSP, PTSP KPBPB, and PTSP KEK, which has not been used SPIPSE.
- (4) Application for principle Licensing in the context of PMDN with a total investment value ranging from Rp.500.000.000,00 (five hundred million rupiah) the licensing should be processed using SPIPSE.
- (5) Application for Principle Licensing in the context of PMDN as referred to in paragraph (1) with a total investment value of less than Rp.500.000.000,00 (five hundred million rupiah) the licenses can be processed using SPIPSE.



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- (6) The licensing process as referred to in paragraph (4) and (5) can be processed manually for provincial BPMPTSP, Regency /City BPMPTSP, PTSP KPBPB, PTSP KEK, which has not been used SPIPISE.
- (7) Application for Principle Licensing for the purpose of PMA is processed online to Central PTSP at BKPM, PTSP KPBPB, PTSP KEK.
- (8) Application for Licensing online for investor must first have access rights and complements to the company folder.
- (9) Investors who submit online or manual application in parallel can apply for various licenses throughout the obligations contained in the previous licensing have been complied.
- (10) For companies that already have the Company Folders may upload additional original documents in accordance with the type of submitted application.

Paragraph 2

Access Rights

Article 32

- (1) Rights of access are confidential and attached thereto as long as the company still performs its operation, so the



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company must be able to maintain confidentiality by appointing a trusted person.

- (2) The access right as referred to in paragraph (1) may be obtained by registering an account through online investor service at the website: online-spipise.bkpm.go.id.
- (3) Other provisions regarding access rights specified in the Chairman of BKPM on SPIPISE.

Paragraph 3

Company Folder

Article 33

- (1) Company Folder as referred to in Article 1 figure 24 contained in the Online menu of Company SPIPISE.
- (2) Companies whose investments are the authority of central PTSP at BKPM shall upload the entire documents into the company folder made available through Online of Company SPIPISE.
- (3) All documents of legal entity as referred to in paragraph (2) are as follows:
 - a. Deed of the Company and approval of the Minister of Justice and Human Rights;
 - b. Company Tax Identification Number;



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- c. Valid Company Domicile;
- d. Valid Company Registration (TDP);
- e. Identity of the shareholders, in the form of:
 - 1. governments of other countries, attaching a letter from the government agencies of the countries concerned or a letter issued by the Embassy/representative offices of the countries concerned in Indonesia;
 - 2. foreign individual, attaching a recording sheet of valid passport which includes the name and signature of the owner clearly;
 - 3. foreign business entities, attaching copy of the articles of association/incorporation) in English or translated into Indonesian by a sworn translator and equipped with document of the last composition of the board of directors;
 - 4. for Indonesian participants:
 - a. Indonesian individual, attaching a copy of valid ID card and copy Tax Identity Number (can be excluded for Indonesian individuals who live abroad, but he/she shall attach Passport and/or Permanent Residence



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legalized by local Indonesian Embassy);
and/or

- b. Indonesian legal entity, attaching a copy of the deed of establishment and its amendments following with the complete ratification of the Company's Articles of Association and the approval / notification of the Ministry of Justice, copy of Tax Identification Number of the companies and copy of company licenses.
- f. Letter of Approval / Registration of Investment / Principle License and Business License and amendments of the company issued by BKPM;
- g. Operational licensing owned by the company is issued the technical ministries or local government;
- h. Recommendations of ministry;
- i. Legality of Company Position and location of the project (the Sale and Purchase Deed / Certificate of Building Utilization Rights /Lease agreement);
- j. Disturbance Licensing (HO);
- k. Location permit / location allotment permit;
- l. Environmental permit;



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- m. Environmental Document (Statement of Environmental Management (SPPL), Environmental Management Effort (UKL) / Environmental Monitoring Effort (UPL) / Environmental Impact Assessment (EIA) / Environmental Impact Analysis (EIA) and Recommendation;
- n. Import Documents (Customs Identity Number (NIK), Import Declaration (PIB), Import Identity Number (API));
- o. LKPM and receipts;
- p. others as deemed necessary.

Part two

Principle Licensing for Specific Service Sector

Paragraph 1

Principle Permit Guidelines for Specific Services Sector

Article 34

- (1) Application for Principle Licensing / Expansion Principle Licensing / Principle Licensing for Amendment / Principle Licensing of Company Merger for the purpose of PMA for specific services sector as listed in Appendix 1 which is an integral part of this Regulation, shall be made a presentation before the application is accepted.



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- (2) Areas of specific services sector as referred to in paragraph (1) shall submit the material and exposure of presentation with the following details:
- a. Description on business activities, including among others: work plan, compliance with laws and regulations, Indonesian Standard Industrial Classification (ISIC) and the List of Closed and opened Business Fields following with the requirements;
 - b. Service Products, including among others: the added value, uniqueness, conformity with the expertise of experts of the company, compliance with laws and regulations;
 - c. Human Resources, including among others: competence, experience and company background and transfer of knowledge to the human resources in the domestic country;
 - d. Business Opportunities include among others: strategies to achieve the capacity and profit;
 - e. Target of Clients, including among others: the commitment to have a target or required by the target of client; and



Authorized Translation

- f. The value of investments, including among others:
the company's financial ability.

Paragraph 2

Implementation Mechanism for Presentation

Article 35

Implementation mechanism for the application presentation in the context of FDI as referred to in Article 34 is as follows:

- a. Application is submitted online through SPIPSE following with additional requirements of the original document of experts (if any) that will be employed by attaching CV, Diploma, Certificate of Competency which has been legalized by the Embassy of the Republic of Indonesia (Embassy) / Consulate General of the Republic of Indonesia (Consulate) / Indonesia Investment Promotion Center (IIPC) in the country concerned.
- b. Invitation for presentation will be delivered online by officers of verifier to the applicant if all conditions are completely declared.
- c. Applicant shall submit materials of presentation in softcopy power point no later than 1 (one) day prior to the presentation to the email: dit_aplikasi@bkpm.go.id.



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- d. Presentation shall be made by a prospective shareholders / directors of the company and may be accompanied by a consultant or a translator.
- e. Presentation will be held at the office of BKPM / KEK / KPBPB on the appointed day with a presentation group in IT and Non IT.
- f. Prospective Investors / Applicant carry out a presentation to the assessment team consisting of officials of BKPM / KEK / KPBPB, Expert of the elements Academics / Associations and the Ministry / technical institutions concerned.
- g. In terms of presentation is attended only by the assessment team of representatives from BKPM / KEK / KPBPB, then the presentation cannot be held.
- h. Results of the presentation will be sent to email of the applicant.
- i. Especially for the application with the sector of services are processed at PTSP KEK/PTSP KPBPB of application and presentation materials submitted manually and presentation schedule will be communicated by the front office of KEK / KPBPB.

Part Three



Authorized Translation

Notification of Application

Article 36

- (1) For an application that has been verified and there is still a lack of data, the notification will be sent automatically via email of the applicant and the detailed record results of verification can be found in the online application system.
- (2) For application declared as complete and correct, then the notice will be sent automatically by email of the applicant and the applicant can print a receipt in the online application system.

Part Four

Licensing Requirements of Foreign Investment

Paragraph 1

Requirements for PMA Principle Licensing

Article 37

- (1) Application for PMA Principle Licensing for companies that have not been incorporated in Indonesia, upload the data as follows:



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- a. identity documents of shareholders in Company Folder as referred to in Article 33 paragraph (3) letter e;
 - b. description of planned activities:
 1. for the industry, such as flow chart of production comes with a detailed explanation of the production process by stating the type of raw material to the final product;
 2. for the service sector, such as description of activities to be performed, the details of investment (if necessary), and product information services; and
 - c. The original power of attorney if the processing of the application is not done directly by the applicant and the documents of authorized person, the provisions regarding the power of attorney and documents of the authorized person specified in this Regulation.
- (2) Application for PMA Principle Licensing for companies that have incorporated under the Law of Indonesia, upload the data as follows:
- a. complete documents on the corporate entity in the Company Folder;



Authorized Translation

- b. identity documents of new shareholders if there is a change of ownership of shares. The provisions concerning identity of the shareholders as referred to in Article 33 paragraph (3) letter e;
- c. description of planned activities:
 - 1. for industry, such as flow diagram of production comes with a detailed explanation of the production process outlines the types of raw materials up to the final product;
 - 2. for service sector, such as description of the activities to be performed, the details of investment (if necessary), and product information services produced.
- d. Circular Resolution of the Shareholders / General Meeting Shareholders / Deed signed by all shareholders as well as in-waarmmerking by a notary public in the event of any changes of stock that result in the change of company of status into a foreign investment, it shall agree on at least:
 - 1. changes in the status of the company into foreign investment;



Authorized Translation

2. composition of the shareholders after the transfer and expressly lists the nominal value of shares (no certificate of shares); and
 3. business sector that will be held after the change of company status; and
- e. Original power of attorney if the processing of application is not performed directly by the applicant and the documents of proxy, the provisions regarding the power of attorney and documents of proxy as specified in this Regulation.

Paragraph 2

Requirements for PMA Expansion Principle Licensing

Article 38

Application for PMA Expansion Principle Expansion includes the following requirements:

- a. complete the company documents in the Company Folder;
- b. in the event of a change in the company's capital investments shall be accompanied by:
 1. Circular Resolution of the Shareholders / General Meeting of Shareholders / Deed signed by all shareholders as well as in-waarmmerking by a notary



Authorized Translation

- and expressly lists the nominal value of shares (no certificate of shares);
2. An attestation of a notary (covernote) which states that the GMS / Circular Resolution is in the process of making a deed If Circular Resolution of the Shareholders / General Meeting of Shareholders that have exceeded more than 30 (thirty) days from the date of the last signature;
 3. An attestation of a notary (covernote) which states that the Deed is in the process of ratification in the Ministry of Justice and Human Rights if the deed has exceeded more than 30 (thirty) from the date notarized;
 4. Proof of identities of new shareholders, as referred to in Article 33 paragraph (3) letter e;
- c. Description of planned activities:
1. for industry, such as flow diagram of production comes with a detailed explanation of the production process by stating the type of raw material to the final/finished product;
 2. for service sector, such as description of the activities to be performed, the details of investment



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(if necessary), and product information services produced;

- d. Data recapitulation of all projects / activities of the company;
- e. Results of field inspection, in the case as referred to in Article 22 paragraph (4) letter a;
- f. Balance sheet for the companies that use financing from reinvestment profits; and
- g. Original power of attorney if the processing of application is not performed directly by the applicant and documents of the authorized persons, the provisions regarding the power of attorney and documents of the authorized persons specified in this Regulation.

Paragraph 3

Requirements for PMA Amendment Principle Licensing

Article 39

Application for PMA Amendment Principle Licensing includes the following requirements:

- a. complements the corporate entity documents in the company folder;
- b. in the event of a change in the company's capital investments shall be accompanied by:



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1. Circular Resolution of the Shareholders / General Meeting of Shareholders / Deed signed by all shareholders as well as in-waarmerkening by a notary and expressly lists the nominal value of shares (no certificate of shares);
 2. An attestation of a notary (covernote) which states that the GMS / Circular Resolution is in the process of making a deed If Circular Resolution of the Shareholders / General Meeting Shareholders who have exceeded more than 30 (thirty) days from the date of the last signature;
 3. An attestation of a notary (covernote) which states that the Deed is in the process of ratification in the Ministry of Justice and Human Rights if the deed has exceeded more than 30 (thirty) from the date of notarized;
 4. Identity of new shareholders, as referred to in Article 33 paragraph (3) letter e;
- c. in the event of any changes of business line / types of production / services, description of planned activities:
1. for industry, such as flow diagram of production comes with a detailed explanation of the production



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- process by stating the type of raw material to the final/finished product;
2. for service sector, such as description of the activities to be performed, the details of investment (if necessary), and product information services produced;
- d. in the event of any changes of period of the project plan, attach:
1. Progress of activities that have been undertaken by the company;
 2. Detailed reason of the application for the period of the project;
 3. Time table / plan of activities to be carried out by the companies related to the estimated period to be applied for;
 4. Report of the results of field inspection set forth in the Minutes of Inspection, if the company filed an application for extension of Project Completion Period for the second time.
- e. in the event of any other changes, including:
1. Company name, attach a deed of amendment or decision of the GMS and the proof of booking the



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- name from the Ministry of Justice and Human Rights;
2. Tax Identification Number, attach a new Tax Identification Number;
 3. office Address, attaches:
 - a) Company domicile certificate; and/or
 - b. Valid lease agreement.
 - f. project location:
 1. fill reason for changing location;
 2. Certificate of land allocation from the relevant authorities for industrial sector companies that have incorporated under the Law of Indonesia.
 - g. investment plans, filling the reason for changing investment plans;
 - h. shareholder name, attaching a certificate change of name or the like or the Deed of Amendment of name and Decree of the Minister of Law and Human Rights and other documents of the name change from shareholders whose names are changed;
 - i. sources of financing:
 1. filling the reason for the change of financing sources; and



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2. The balance sheet if the source of financing comes from the reinvestment of profits;
- j. land area, filling the reason for changing the detailed land use;
- k. Indonesian workers, filling the reason for changing the use of Indonesia Labor;
- l. Original power of attorney if the processing of application is not performed directly by the applicant and the documents of authorized persons, the provisions regarding the power of attorney and documents of authorized persons as specified in this Regulation;
- m. in the case of application for adjustment as referred to in Article 23 paragraph (7), companies simply attach Principle Licensing / Expansion Principle Licensing/ Principle Licensing of Company Merger / Amendment Principle Licensing of which amendment will be proposed.

Paragraph 4

Requirements for Principle Licensing of PMA Merger

Article 40

Application for Principle Licensing of Foreign Company Merger includes the following requirements:



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- a. of each company that will merge, upload:
 1. complement the Company Folder;
 2. company merger agreement as outlined in the form of Circular Resolution of the Shareholders / General Meeting of Shareholders / Statement Deed of Meeting Resolution;
 3. An attestation of a Notary (covernote) which states that the GMS / Circular Resolution is in the process of making a deed If Circular Resolution of the Shareholders / General Meeting of Shareholders that have exceeded more than 30 (thirty) days from the date of the last signature;
 4. An attestation of a notary (covernote) which states that the Deed is in the process of ratification in the Ministry of Justice and Human Rights if the deed has exceeded more than 30 (thirty) from the notarized date.
- b. company merger agreement / Merger Plan are signed by all parties (the surviving company and the merging company);
- c. recapitulation of project data before and after the incorporation of the company in accordance with the



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attached application for principle licensing of Company Merger;

- d. Original power of attorney of the board of directors of the surviving company, if the arrangement of application is not performed directly by the applicant and the documents of authorized persons, the provisions regarding the power of attorney and documents of authorized persons as specified in this Regulation.

Part Five

Requirements for Applying Domestic Investment Licensing

Paragraph 1

Requirements of PMDN Principle Licensing

Article 41

1. Application for PMDN Principle Licensing for an applicant who has not been incorporated in Indonesia, is equipped with the following requirements:
 - a. Any Proof of identity of shareholders, in which case shareholders are:
 1. Indonesian Individual, attaching a copy of valid ID card and copy of Tax Identification Number (exempted for Indonesia Individuals who live abroad, but she/he shall attach copy of



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- Passport and/or Permanent Residence legalized by the local Indonesian Embassy); and/or
2. Indonesian legal entity, attaching a copy of the complete amendment of the Company's Articles of Association and its amendment following with the approval of the Company's Articles of Association and approval/notification of the Ministry of Justice, copy of Tax Identification Number and copy of company licenses.
 - b. Application form in accordance with Appendix II, which is an integral part of this Regulation that has been signed, the provisions regarding the signature of application shall further be regulated in this Regulation;
- (2) Application for PMDN Principle Licensing for an applicant who has an Indonesian legal entity in the form of a Limited Liability Company, attaching the following documents:
- a. Copy of the Deed of Incorporation and amendments equipped with ratification of the Company's Articles of Association and approval / notification of changes, if any, of the Minister of Justice and



Authorized Translation

Human Rights and copy of Company Tax Identification Number;

b. Proof of identity of shareholders, in which case shareholders are:

1. Indonesian Individual, attaching a copy of valid identity Card and copy of Tax Identification Number (exempted for Indonesia Individuals who live abroad, but she/he shall attach copy of Passport and/or Permanent Residence legalized by the local Indonesian Embassy); and/or

2. Indonesian legal entity, attaching a copy of Company establishment deed and its amendments following with the legalization of the Company's Articles of Association and the approval and consent / notification of the Ministry of Justice, copy of Company Tax Identification Number and copy of company licenses.

(3) description of planned activities:

a) for industry, such as flow diagram/chart of production) comes with a detailed explanation of



Authorized Translation

- the production process by stating the type of raw material to the final/finished product;
- b) for service sector, such as description of the activities to be performed, the details of investment (if necessary), and product information services to be produced;
- (4) Recommendation of the Ministry / promoting Agency if required in accordance with the business field.
- (5) Original power of attorney if the arrangement of application is not performed directly by the applicant and the documents of authorized person, the provisions regarding the power of attorney and documents of authorized person as specified in this Regulation.

Paragraph 2

PMDN Expansion Principle Licensing

Article 42

Application for Expansion Principle Licensing includes the following requirements:

- a. application form in accordance with Appendix II, which is an integral part of this Regulation that has been signed, the provisions regarding the signature of application further regulated in the Regulation;



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- b. copy of Principle Licensing / Expansion Principle Licensing / Business License and amendments if any;
- c. copy of the Deed of Incorporation and amendments equipped with ratification of the Company's Articles of Association and approval / notification of changes, if any, of the Minister of Justice and Human Rights and copy of Company Tax Identification Number;
- d. description of planned activities:
 - 1. for industry, such as flow diagram/chart of production is equipped with detailed explanation of description of the production process by stating the type of raw materials;
 - 2. for service sector, such as description of the activities to be performed, the details of investment (if necessary), and product information services to be produced.
- e. in case of any change in the company's capital investments shall be accompanied by:
 - 1. Circular Resolution of Shareholders / General Meeting of Shareholders / Deed signed by all shareholders as well as in-waarmmerking by a notary and expressly lists the nominal value of shares (not certificate of shares);



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2. An attestation of a notary (covernote) which states that the GMS / Circular Resolution is in the process of making a deed If Circular Resolution of the Shareholders / General Meeting of Shareholders who have exceeded more than 30 (thirty) days from the date of the last signature;
3. An attestation of a notary (covernote) which states that the statement deed of meeting resolution are in the process of ratification in the Ministry of Justice and Human Rights if the deed has exceeded more than 30 (thirty) from the notarized date;
4. Any proof of identity of new shareholders, in which case shareholders are:
 - a) Indonesia Individual, attaching a copy of valid ID card and copy of Tax Identification Number (excluded Indonesia Individuals who live abroad, but she/he shall attach copy of Passport and/or Permanent Residence legalized b the local Indonesian Embassy);
 - b) Indonesian legal entities, attaching a copy of the Establishment Deed of Company and its amendments following with the ratification and approval / notification from the Minister of Law



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and Human Rights and Company Tax Identification Number;

5. Statement Deed of the last position of the company's capital which has been approved by the Minister of Law and Human Rights.
- f. recommendations of the Ministry / promoting Agency if required in accordance with the business field;
- g. data recapitulation of all projects / activities of the company;
- h. Company balance sheet that use financing from the reinvestment of profits;
- i. delivery receipt of LKPM from Central PTSP at BKPM, Provincial BPMPTSP, Regency/City BPMPTSP, PTSP KPBPB, or PTSP KEK, and LKPM of the last period;
- j. the results of field inspection, in the case as referred to in Article 22 paragraph (4) letter a; and
- k. Original power of attorney if the arrangement of application is not performed directly by the applicant and the documents of the authorized persons, the provisions regarding the power of attorney and documents of authorized persons as specified in this Regulation.



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Paragraph 3

PMDN Amendment Principle Licensing

Article 43

Application for Amendment Principle Licensing includes the following requirements:

- a. application form in accordance with Appendix II, which is an integral part of this Regulation that has been signed, the provisions regarding the signature of application is further regulated in this Regulation;
- b. copy of Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing;
- c. copy of company establishment Deed and amendments equipped with ratification of the Company's Articles of Association and approval / notification of changes, if any, of the Minister of Justice and Human Rights and Company Tax Identification Number;
- d. supporting data for the change of :
 1. Company name, attaching a deed of amendment or resolution of GMS and the booking of name;
 2. Company address, attaching the domicile of company / lease agreement / Deed of Sale and Purchase / Certificate of HGB;



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3. Tax Identification Number, attaching a new Tax Identification Number;
4. Provision of business, attaching a flow chart of production / description of business activities;
5. Participation in the company's capital and the capital, accompanied by:
 - a) Circular Resolution of the Shareholders / General Meeting of Shareholders / Deed of Meeting Resolution, signed by all Shareholders as well as in-waarmaking by a notary and expressly lists the nominal value of shares (no certificate of shares);
 - b) An attestation of a notary (covernote) which states that the GMS / Circular Resolution is in the process of making a deed If Circular Resolution of the Shareholders / General Meeting of Shareholders that have exceeded than 30 (thirty) days from the date of the last signature;
 - c) An attestation of a notary (covernote) which states that the Deed is in the process of ratification in the Ministry of Justice and Human



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Rights if the deed has exceeded more than 30 (thirty) from the notarized date;

- d) proof of identity of new shareholders, as specified in Article 42 letter e 4.
6. Investment plan, attaching a reason for the change of board of directors / management of the company;
7. Sources of financing, attaching:
 - a) the reason for changing the sources of financing;
 - b) the balance sheet if the source of financing comes from the reinvestment of profits;
8. Land, attaching the reason for the change and land use planning in details from the board of directors / management of the company;
9. Indonesia labor, attaching the reason for the change of board of directors / management of the company;
- e. delivery receipt of LKPM from central PTSP I BKPM, Provincial BPMPSTSP, Regency/City BPMPSTSP, PTSP KPBPB, or PTSP KEK, and LKPM of the last period;
- f. results of field inspection (if necessary);



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- g. Original power of attorney if the processing of application is not performed directly by the applicant and the documents of authorized persons, the provisions regarding the power of attorney and documents of authorized persons as specified in this Regulation;
- h. In the case of application for adjustment as referred to in Article 23 paragraph (7), the company is quite attaching Principle License / Expansion Principle License / Principle License of Company Merger / amendment principle license of which adjustment will be proposed.

Paragraph 4

Principle License of PMDN Company Merger

Article 44

Application for Principle Licensing of Company Merger of PMDN includes the following requirements:

- a. application form in accordance with Appendix XII which is an integral part of the Regulation is already signed, the provisions regarding the signature of application shall be further regulated in the Regulation;
- b. from each company that will merge:
 - 1. copy of Principle Licensing and Business Licenses and/or amendment;



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2. copy of the Deed of Incorporation and amendments equipped with ratification of the Company's Articles of Association and approval / notification of changes, if any, of the Minister of Justice and Human Rights and Company Tax Identification Number;
3. company merger agreement contained in a *Circular Resolution of the Shareholders / General Meeting of Shareholders / Statement Deed of Meeting Resolution*;
4. an attestation of a notary (*covernote*) which states that the GMS / Circular Resolution is in the process of making/preparing a deed if *Circular Resolution of the Shareholders / General Meeting of Shareholders* which have exceeded more than 30 (thirty) days from the date of the last signature;
5. an attestation of a notary (*covernote*) which states that the statement deed of meeting resolutions are in the process of ratification in the Ministry of Justice and Human Rights if the deed has exceeded more than 30 (thirty) from the notarized date;



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6. delivery receipt of Central PTSP at BKPM, Provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, or PTSP KEK, and LKPM of the last period.
- c. company merger agreement (*merger plan*) approved by the parties (*merging company and surviving company*);
- d. recapitulation of project data before and after incorporation of the company in accordance with attached application form of Principle Licensing of Company Merger;
- e. original Power of Attorney if the arrangement of applications is not performed directly by the applicant and documents of authorized person, the provisions regarding the power of attorney and documents of authorized person in the Regulation.

Part Six

Application Submission Mechanism

Paragraph 1

Signing of Manual Application

Article 45

- (1) Manual applications for companies that have not been incorporated in Indonesia are signed on satisfactory



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- stamp-duty by all prospective shareholders or their proxies;
- (2) Manual applications that have been incorporated in Indonesia are signed on satisfactory stamp-duty by board of directors / management of the company and the company stamp as the applicant;
 - (3) Signing of application that was not performed directly by the applicant as referred to in paragraph (1), shall be equipped with a power of attorney affixed with satisfactory stamp-duty, as specified in the Regulation.

Paragraph 2

Application Submission Mechanism to be the
Government Authority

Article 46

- (1) Application for Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing / Principle Licensing of Company Merger of PMDN / PMA to be authority of Central PSTP in BKPM is submitted through *Online* SPIPISE through the website: online-spipise@bkpm.go.id.
- (2) Investors who submit the application online as referred to in paragraph (1) shall upload all the original



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documents in the Company Folder as the completeness of the requirements according to the type of submitted application.

- (3) Investors who have already uploaded the original document as specified in paragraph (2) do not need to show the original documents when taking the documents of licensing.
- (4) Investors who apply for application online in parallel for various licenses as long the obligations set forth in the license had previously been complied with.

Paragraph 3

Application Submission Mechanism to be the
Regional Authority

Article 47

- (1) For provincial BPMPTSP or Regency / City BPMPTSP which has implemented online application licensing, application for Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing / Principle Licensing of Company Merger of PMDN through *Online* SPIPISE via the website: online-spipise@bkpm.go.id.



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- (2) For provincial BPMPTSP or regency / City BPMPTSP that have not implemented the application for online licensing then the application for Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing / Principle Licensing of Company Merger of Domestic Investment to be the authority of provincial BPMPTSP/Regency /City BPMPTSP District / City is filed manually.
- (3) Investors who submit the application manually as referred to in paragraph (2) shall show the original documents to the officer of *Front office*, except for the arrangement of Principle Licensing that has not been incorporated.
- (4) The original documents for companies having legal entity as referred to in paragraph (2) are all required documents in the arrangement of Investment Licensing.
- (5) Investors may apply for in parallel for various licenses as long as the obligations set forth in the licensing had previously been complied with, and submit one file of requirements for submission of manual application (*hardcopy*).



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- (6) For PTSP in the area of Investment which has been connected with the SPIPISE, is obligated to use SPIPISE in the process of issuing Licensing.

Paragraph 4

Application Submission Mechanism to be
the Authority of KEK / KPBPB

Article 48

- (1) Application for Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing / Principle Licensing of Company Merger of PMA and PMDN in the area under the authority of government and has been delegated to KEK / KPBPB is filed manually.
- (2) Application submission mechanism of Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing / Principle Licensing of manual Merger for the licensing under the authority of KEK and KPBPB refers to the provisions contained in Article 47 paragraph (3), (4) and (5).
- (3) Requirements to apply for Principle Licensing / Expansion Principle Licensing / Amendment Principle Licensing / Principle Licensing of PMA Merger refer to the requirements of licensing under the authority of Government.



CHAPTER VII

MISCELLANEOUS

Part One

Refusal and Signature

Paragraph 1

Letter of Refusal

Article 49

- (1) Application for Licensing that are not in accordance with the provisions of applicable legislation, it cannot further be processed and will be refused.
- (2) The application as referred to in paragraph (1) shall be issued a letter of refusal.
- (3) Form of a letter of refusal is set out in Appendix V, Appendix VI and Appendix XV which is an integral part of the Regulation.

Paragraph 2

Signature of Principle Licensing

Article 50



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Issuance of Principle Licensing as referred to in Article 4 paragraph (3) letter a shall be signed by the Deputy Public Service of Investment on behalf of the Chairman of BKPM.

Article 51

Issuance of Principle Licensing based delegation and mandate of the authority as referred to in Article 6, signed by the Chairman of Provincial BPMPTSP or Head of Organizing Agencies of Provincial PTSP.

Article 52

Issuance of Principle Licensing is based on delegation of the authority and assignment as referred to in Article 7, signed by the Head of Regency/city BPMPTSP or Head of Organizing Agencies of Regency / City PTSP.

Article 53

Issuance of Licensing in KPBPB as referred to in Article 8 carried out by PTSP KPBPB based Legislation related to KPBPB by referring to the Regulation, is signed by the head of PTSP KPBPB.

Article 54



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Issuance of Licensing in KEK as referred to in Article 8 carried out by PTSP KEK based on legislation related to KEK by referring to the Regulation, is signed by Head of PTSP KEK.

Part Two

Numbering Standard of Licensing and Non-Licensing

Article 55

- (1) For the purpose of equaling the numbering on Investment Licensing issued by central PTSP at BKPM, provincial BPMPTSP, Regency / city BPMPTSP, PTSP KPBPB, or PTSP KEK, is necessary to regulate the format of numbering.
- (2) The format of numbering as referred to in paragraph (1), includes the numbering of company as well as the numbering of product of licensing.
- (3) The numbering of company is assigned automatically by SPIPISE.
- (4) The numbering of product of Licensing includes the following components, among others:
 - a. serial number of the letter;
 - b. area code of organizing agency for PTSP issuing the Licensing and Non-Licensing;



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- c. the issued code type of Licensing;
 - d. type code of company equity; and
 - e. issuing year of Licensing,
- which each component is separated by a slash.

Article 56

- (1) The area code of PTSP as referred to in Article 55 paragraph (4) letter b, arranged as follows:
- a. the area code to PTSP BKPM is number 1 (one);
 - b. the area code for provincial BPMPTSP or Regency / City BPMPTSP or PTSP KPBPB or PTSP KEK reference to the provisions of the area code is regulated by the Central Bureau of Statistics;
 - c. writing of area code for provincial BPMPTSP or Regency / City BPMPTSP, starting with the provincial area code followed by the area code of Regency / City refers the provisions of the area code is set by the Central Bureau of Statistics;
 - d. writing of area code for PTSP KPBPB, followed by the area code where KPBPB is located;
 - e. writing of area code for PTSP KEK, followed by the area code where the SEZ is located.



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- (2) Type Code of Licensing as referred to in Article 55 paragraph (4) c, is set as follows:
- a. code for Principle Licensing is as follows:
 1. Principle Licensing is IP (letters in capitals);
 2. Expansion Principle Licensing is IP-PL (letters in capitals);
 3. Amendment Principle Licensing is IP-PB (letters in capitals);
 4. Principle Licensing of Company Merger is IP-PP (letters in capitals).
 - b. type code of company equity as referred to in Article 55 paragraph (4) letter d is as follows:
 1. code for Investment containing foreign capital is PMA (letters in capital);
 2. code for Investment which the total capital is domestic investment is PMDN (letters in capitals).
- (3) Example for writing numbering format of Licensing listed in Appendix XVI which is an integral part of the Regulation.

Part Three

Copies



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Article 57

In case the application for principle licensing / Expansion Principle Licensing/ Amendment Principle Licensing / Principle Licensing of Company Merger is approved, central PTSP at BKPM, Provincial BPMPTSP, Regency / city BPMPTSP, PTSP KPBPB, or PTSP KEK, in accordance with the authority issue Principle Licensing with a copy submitted to:

- a. Minister of Home Affairs;
- b. Minister of Finance;
- c. Minister of Justice and Human Rights for the attention the Director-General of General Law Administration;
- d. Ministry of Environment and Forestry;
- e. Minister supervising the business fields of Investment concerned;
- f. Minister of Cooperatives and Small and Medium Enterprises (for the business fields required to have partner);
- g. Minister of Agrarian and Spatial Planning / Head of National Land Agency;
- h. Governor of Bank Indonesia;
- i. Representative Head of the Republic of Indonesia in the country of origin of investor (especially for PMA);



Authorized Translation

- j. Chairman of the Business Competition Supervisory Commission (the Principle Licensing for the purpose of mergers or acquisitions);
- k. Director General of Taxation;
- l. Director General of Customs and Excises;
- m. Director General of Technical concerned;
- n. Governor concerned;
- o. Regents / mayors;
- p. Head of BKPM (specifically for the Principle Licensing issued by provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, or PTSP KEK,);
- q. Head of provincial BPMPTSP (specifically for the Principle Licensing issued by central PTSP at BKPM, Regency / City BPMPTSP, PTSP KPBPB, or PTSP KEK,);
- r. Head of Regency / city BPMPTSP (specifically the Principle Licensing issued by central PTSP at BKPM, Provincial BPMPTSP, PTSP KPBPB, or PTSP KEK;
- s. official of Indonesian Investment Promotion in the country of origin of investors (especially for PMA).

Part Four

Authorization of Application

Article 58



Authorized Translation

- (1) Application for Investment Licensing filed before having the legal status of Indonesia and is the authority of Provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, or PTSP KEK, signed by all prospective shareholders or other parties who are authorized.
- (2) Application for Investment Licensing filed after having the legal status of Indonesia and is the authority of provincial BPMPTSP, Regency / City BPMPTSP Regency, PTSP KPBPB, or PTSP KEK, shall be signed by the board of directors / management of company.
- (3) Application for Principle Licensing filed before having the legal status of Indonesia and is the government authority submitted through *Online* SPIISE by one of the prospective shareholders or other persons who are duly authorized.
- (4) Application for Investment Licensing filed after having the legal status of Indonesia and is the government authority submitted through *Online* SPIISE by the director of company or other party who is duly authorized.
- (5) The submission of application as referred to in paragraph (1) and (3) can be performed by all



Authorized Translation

prospective shareholders of the company or one of parties below based on a power of attorney from all prospective shareholders of the company, without the right of substitution, namely by:

- a. One prospective shareholders of the company;
- b. Individual Advocate;
- c. Advocate established a civil partnership as legal counsel;
- d. Notary;
- e. Representative of Chamber of Commerce and Industry of the country of the prospective shareholders of the company; or
- f. Indonesian Legal Entity with Domestic Investment engaging in the field of business as consulting services.

(6) The submission of application as referred to in paragraph (2) and (4), carried out by the Board of Directors / Management of the Company or one of the parties below are based on a letter of authorization (power of attorney) from the Board of Directors / Management of the Company, without the right of substitution, namely by:

- a. Employees of the company;



Authorized Translation

- b. Individual Advocate;
- c. Advocate established a civil partnership as a legal consultant;
- d. Notary;
- e. Representative of the Chamber of Commerce and Industry of the country of prospective shareholders of the company; or
- f. Indonesian Legal Entity with Domestic Investment engaging in the field of business as consulting services.

Equipped with documents of power of attorney.

(7) Document of powers of attorney as referred to in paragraph (6) is as follows:

- a. Company: Decision of appointment as an employee / employment contract with the company or a certificate as an employee;
- b. Individual Advocate: cards of advocate (cannot be assigned to the *associate* / office employee / company);
- c. office of Legal Counsel: deed of firm establishment or deed of civil partnership, decision as an employee or a contract of employment with the



Authorized Translation

- office of legal consultant or a certificate as an employee;
- d. Notary office: Notary Decree of the Ministry of Justice and Human Rights, and decision as an employee or a contract of employment with the office of Notary;
 - e. Representatives of chambers of commerce and industry of the country of the prospective shareholders of the company (*Chamber of Commerce*): decision as an employee or *contract of employment* with the company; or
 - f. Consultant office established under Indonesian Law (100% Domestic): Business License / SIUP (consulting services of business management/ arrangement of documents), decision as an employee of the company.
- (8) The power of attorney for arrangement of applications, shall be equipped with sufficient stamp-duty and the company stamp (for companies incorporated under the Law of Indonesia), and copy of clear identity from the authorizer.

Article 59



Authorized Translation

- (1) The power of attorney as referred to in Article 58 paragraph (1), paragraph (2), and (8) shall use the format / form of power of attorney as regulated by the Chairman of BKPM.
- (2) The form of the power of attorney to sign the application as referred to in Article 58 paragraph (1) and (2), listed in Appendix XVII which is an integral part of the Regulation for Indonesian Language and Appendix XVIII for English.
- (3) Forms of the power of attorney for arranging the application as referred to in Article 58 paragraph (8) listed in Appendix XIX which is an integral part of the Regulation for Indonesian Language and Appendix XX which is an integral part of the Regulation for English.

Article 60

Prospective shareholders, the Board of Directors / Management of the Company or Licensing applicant shall understand the statement as stated in the form of licensing application, which states, guarantees and is responsible for:

- a. the authenticity of all submitted documents;
- b. the suitability of all submitted records / data with photocopies of original documents; and



Authorized Translation

- c. the authenticity of all signatures contained in the application.

Part Five

Sanctions

Article 61

- (1) The Board of Directors / Management of the Company and/or applicant for Principle Licensing that provide information and/or false data, cannot perform the arrangement of Principle Licensing to Central PTSP at BKPM, Provincial BPMPTSP, Regency / city BPMPTSP, PTSP KPBPB, PTSP KEK, in accordance with its authority, for at least one (1) year and will be announced publicly.
- (2) The Board of Directors / Management of the Company and/or applicant for Principle Licensing that provide information and/or false data which has been proven in the application of Investment presented at central PTSP at BKPM, provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, PTSP KEK, under the appropriate authority, shall be sanctioned in accordance with applicable legislation.



CHAPTER VIII

TRANSITIONAL PROVISIONS

Article 62

- (1) Principle Licensing which has been issued before the enactment of the Regulation shall remain valid until the expiry of Principle Licensing of the Period of Project Completion contained in Principle Licensing.
- (2) Principle Licensing for the Company located in the specific industrial area which have been issued before the enactment of Regulation, may act as investment licensing by first applying for the central PTSP at BKPM.
- (3) Application for principle licensing which has been completely and correctly accepted and declared before the enactment of the Regulation and still in the process of completion will be processed in accordance with the provisions of Regulation.
- (4) For the companies that already have registration of Investment before the enactment of the Regulation and require fiscal and non-fiscal facilities, shall apply for the Principle Licensing in accordance with the provisions of the legislation.
- (5) If the companies have Registration of Investment and yet have the deed of the Company approved by the



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Ministry of Justice and Human Rights, if the company still wishes to continue their business activities, shall submit new Principle Licensing in accordance with laws and regulations.

- (6) The company that has/holds the Principle Licensing issued before the enactment of this Regulation and the period of the project completion ended may propose changes as referred to in Article 23, extension of the period referred to in Article 24 or the Business License, no later than one (1) year from the enactment of this Regulation.

CHAPTER IX

FINAL PROVISIONS

Article 63

With the enactment of the Regulation then the regulation of Investment Coordinating Board Number 5 of 2013 on Guidelines and Procedures for Application Licensing and Non-licensing of Investment as amended by Regulation Number 12 of the Regulation of BKPM of 2013 revoked and declared null and void.



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Article 64

This Regulation comes into force:

- a. to the Central PTSP at BKPM on October 26, 2015; and
- b. for the provincial BPMPTSP, Regency / City BPMPTSP, PTSP KPBPB, and PTSP KEK not later than 90 (ninety) days from the date of enactment.



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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 1478

Certified true copy

Senior Secretary of BKPM

Head of Legislation Bureau,

Public Relation and Administration of Chairman

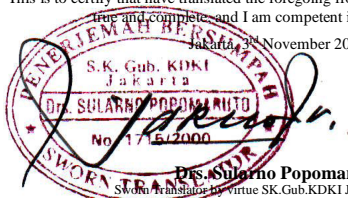
Stamped and signed

Ariesta R. Puspasari

AFFIDAVIT

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

Jakarta, 30 November 2015



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