SWITZERLAND GLOBAL ENTERPRISE

INDONESIA
Legal Provisions

PROVISO: Due to the on-going Corona Virus Situation, all information mentioned in this document are subject to final confirmation

Swiss Business Hub Indonesia
Jakarta, April 2020

GENERAL REMARKS

The current Indonesian law is only partially codified. Old customary law, religious law, old Dutch and later Indonesian law exist side by side. In Indonesia, civil, religious, military and administrative courts exist simultaneously. Of importance are the district court (*Pengadilan Negeri*), high court (*Pengadilan Tinggi*) and supreme court (*Mahkamah Agung*) where civil disputes and criminal cases are judged. In addition there is the commercial court which deals with bankruptcy and with intellectual property right matters.

The jurisdiction depends on the residence of the defendant or the place of offence. In all cases the district court (*Pengadilan Negeri*) receives evidence and hears testimony. The higher courts (high and supreme court) decide on procedural errors. Since 1977 it is possible to bring trade disputes before an arbitration panel (Indonesian National Board of Arbitration). In a commercial dispute, extra-judicial arbitration or out of court-settlement are more likely to succeed.

CUSTOMS

Indonesia is a member of the World Trade Organization and adopts the Harmonized System Code for Customs Tariff. Import duties generally vary between 0% and 100%. Some equipment may incur tariffs of up to 225%. The tariffs are calculated based on the CFR or CIF value, net of the specific weight or volume-averages.

For the calculation of import tariff, the CIF value serves as the basis for this assessment, provided that the insurance with a foreign insurance company has been completed. The following links could be use: http://www.beacukai.go.id/?page=apps/browse-tarif-dan-lartas.html

IMPORT AND EXPORT REGULATIONS

Tariff Classification and Import/Export Duties

Indonesia adopts the Harmonised System (HS) and custom duties are levied on both imports and exports. Imports are also subject to VAT and/or STLG. VAT is levied on imports at a standard rate of 10%, or at a reduced rate between 0% and 5% calculated on the sum of the CIF value and duty.

Import Duties

The applicable import duties depend on the type of product to import to Indonesia. The total tax of imported goods is also known as the PIB (*Pemberitahuan Impor Barang* – Declaration of Imported Goods).

Three main types of taxes apply when importing goods to Indonesia:

Tax	**Tax rate**
Import Duty	Rates vary - depending on the HS Code of the goods
Value-Added Tax (VAT)	10%
Income Tax	2.5% or higher for specific products

Committed to trade liberalisation, the Indonesian government has progressively cut import duty rates on most products. Most imported items attract duties in the range of 0% to 15%. The rates applicable vary with where the goods are originated, where certificate of origins need to be presented. Rates are put into three categories:

- Special preferential rates – applicable if there is a special preferential trade agreement (e.g. ASEAN member states). Under the ASEAN FTA, duties on imports from ASEAN countries generally range from 0% to 5% and the aim is to reduce duty rates between ASEAN countries to 0%.
- Preferential rates – applicable if the country has a Most Favoured Nation (MFN) status with Indonesia. In 2014, Indonesia's average MFN applied tariff was 6.9% (World Trade Organisation, 2016).
- Ordinary rates – for any other country

Import

Imported goods may be subject to import duty, sales tax, luxury and income tax. If imported products are considered luxury goods, they are also subject to Luxury Tax, which rate depends on the type of product. For example: luxury cars (150% – 200%), yachts (75%), luxury motorcycles (60%-125%), alcohol beverages (5%-20%), and branded shoes (40%).

(*Source: Emerhub, How to Calculate Customs Duty and Import Tax in Indonesia, 2019)*

Companies may only import with an import license issued by the Ministry of Trade. Import of goods without a license for non-commercial purposes may be permitted only with special permission from the Ministry. Companies without import license may appoint an import representative.
The import licensing requirement is exempted for the import of goods of which values do not exceed US$ 100, and goods from the "master list" of approved investments. These include goods which cannot be produced in Indonesia or expensive capital goods (machinery), equipment, raw materials and consumer goods. The inclusion of goods into the "master list" done on request at the Indonesian Investment Coordinating Board (BKPM). Thanks to this facility, import tariff savings of 50% to 100% can be achieved. Import of goods as gift items to the Indonesian government and recognized non-profit organizations, samples, advertising material, as well as imports of warehousing (bonded warehouses) are also exempt from the licensing requirement.

Temporary import

Indonesia is not a member of the ATA Convention. For temporary import of goods, the Indonesian importer must sign an undertaking with the competent customs office and provide a reclaimable guarantee equivalent to the amount of the good with customs and tax duties factored in. This is not necessary when participating in exhibitions because larger fair warehousing (bonded warehouse) would declare the goods.

Indonesia Regulation for Import Shipments through Courier Service Companies (Regulation PMK 182/PMK.04/2016)

A new import regulation, PMK 182/PMK.04/2016, was rolled out in Indonesia in 2017. The key changes introduced by the new regulation are as follows:

1. There are now 3 clearance classifications, based on the value of the shipment:
    a. Shipments with values not exceeding USD 100;
    b. Shipments with values more than USD 100 but not exceeding USD 1,500; and
    c. Shipments with values more than USD 1,500.
2. Limitation of the exemption value of goods (de minimis) will change from USD 50 to USD 100. If a shipment’s value is greater than USD 100, duty tax will be applied to the full value of the shipment;
3. Shipments with a value more than USD 100 but not exceeding USD 1,500 can be processed using one of the following methods:
    a. Consignment Note with flat 7.5% import duty (except for textbooks - a 0% import duty); or
    b. Formal entry (PIB) for business entities or simplified formal entry (PIBK) for personal shipments.
4. Shipments with a value more than USD 1,500 can be processed using PIB for business entities or PIBK for personal shipments.

E-commerce

Indonesia's internet economy experiences rapid growth with over 10 percent of Indonesia's 270 million population indulging in online shopping.

In late November 2019, Indonesia issued Government Regulation 80 of 2019 (GR 80, 2019) to improve the governance of internet-based and electronic trading activities in addition to ensuring tax compliance among e-commerce businesses. This would mean that online businesses classified as small or medium enterprises (SMEs) must pay 0.5 percent in income tax while large companies pay the 25 percent corporate tax rate. Additionally, individual taxpayers who are earning at least US$342,000 from their online business must charge their customers value-added tax (VAT).

From January 2020, the government impose import taxes on consumer goods sold via e-commerce to just $3 from the threshold was previously at US$75, to control purchases of cheap foreign products and protect small domestic firms. Additionally, there will be different tariff rates for imported textiles, shoes, and bags. Textiles will be subject to 15-20 percent in import duties, as are bags, while shoes will be subject to a 25-30 percent rate. This is also before applying the 10 percent VAT and 7.5 percent in income tax. For other products, the import taxes will be lowered from 27.5%-37.5% of their value to 17.5%, as applicable to any goods worth $3.

(*Source: Asean briefing, Indonesia's Law on e-commerce, January 2020*)

Exports

The export of ramin timber, certain fish species, certain varieties of rice, certain categories of rubber, and culturally valuable antiques is prohibited. Special licenses are required for the export of products such as gold, silver, certain categories of rubber, certain types of fish, oil and natural gas. Exports of certain goods are also quantitatively and qualitatively restricted or liable for export taxes.

CURRENCY REGULATIONS

Bank Indonesia Regulation No. 17/3/PBI/2015 regarding the Mandatory Use of the Rupiah in Indonesia (henceforth BI Regulation No. 17) requires the use of the rupiah in cash and non-cash transactions (for example check, giro order, credit card, debit card, ATM card or electronic money) conducted within the territory of Indonesia.

This involves:

- Transactions conducted in Indonesia for the purpose of a payment;
- Transactions conducted in Indonesia for the settlement of other obligations that must be fulfilled with money; and/or
- Other financial transactions conducted in Indonesia.

The transfer of foreign currency to abroad is allowed at any time. The export of local currency abroad, however is prohibited.

REGISTRATION PROCEDURE FOR PRODUCTS

Different products would require registration with different government agencies:

- Pharmaceuticals, food and skincare can be distributed only after the issue of registration numbers by National Agency of Drugs and Food Controls (BPOM)
- Medical devices including its registration and distribution are under the domain of Ministry of Health (MOH)
- Dairy products is regulated by the Ministry of Trade (MOT), Indonesia National Agency of Drug and Food Control (BPOM), and National Agriculture Quarantine, Ministry of Agriculture (MOA)

It is mandatory that product registration to be done through local experts or counterpart in Indonesia.

STANDARDS, TECHNICAL RULES, LABELLING REGULATIONS

Standards

Indonesia is applying its own national standard called SNI (Standard National Indonesia) which applies for certain products that produced locally or imported. SNI is issued by Badan Standardisasi Nasional (National Standardization Agency of Indonesia), http://www.bsn.go.id/

Relevant technical institutions or agency could impose a mandatory SNI for products that relate to safety, public health, environment, and/ or with economic considerations. Examples of products that are mandatory for SNI include toys for kids, tires, cement, bottled drinking water, helmet, etc.

Labelling

Labelling is required for Food and Non-Food Products:

- Food Law No.18/2012, Government Regulation No.69 of 1999 on Food Labelling and Advertisement, BPOM Regulation No. HK.00.05.52.4321 of 2003 on Guidelines of Labelling of Food Products require all producers, importers and/or distributors of food products to attach labels on food products before entering Indonesia customs area.
- Minister of Trade regulation no. 22/2010 require producers and importers to attach labels written in Bahasa Indonesia on non-food products before entering Indonesia customs area.

The recent regulation no.67/2013 describe the recent development on labelling that would need to be complied by domestic and foreign companies.

Pre-shipment inspection

Pre-shipment inspection is required for over 800 products, based on the Ministry of Trade Regulation no.61/2013. Companies need to check the list of seaports and airports for entrance of certain kind of products in the list of pre-shipment inspections. Exemptions are also applied for certain condition of importation.

HALAL REGULATION

The Indonesia Ministry of Religious Affairs and Indonesian Ulama Council (MUI) issued Halal Product Assurance Law UU JPH No. 33 / 2014 on 17th October 2014. Under this law, the government has the obligation to provide legal certainty for a product that is proven halal (Halal Product Guarantee) with halal certificate.

In 2019, the Government issued an implementing regulation of Halal Product Assurance Law PP JPH No. 31 / 2019. Since the enactment of Government Regulation, The Ministry of Religious Affairs (MoRA) has then stipulated on a new Implementation of Halal Product Assurance PMA No.26/2019, issued on 17th October 2019. Badan Penyelenggara Jaminan Produk Halal (BPJPH) under the Indonesia Ministry of Religious Affairs (MoRA) is the authorized institution to operationalize this Halal Product Guarantee law. The regulation sets several mechanisms of international cooperation, which include the cooperation in the field of technology development, human resources and Halal Product Guarantee infrastructure. The detailed implementation of new halal Product Assurance Law supported by the following decrees:

- Ministry of Religious Affairs (MoRA) Decree on Halal Certification Service KMA No. 928/2019 on 12th November 2019.
- Head of BPJPH Decree on Stipulation of the Assessment Institute for Foods, Drugs and Cosmetics of the Indonesian Council of Ulama (LPPOM MUI) as Halal Examination Agency SK BPJPH No. 177/2019 on 19th November 2019.

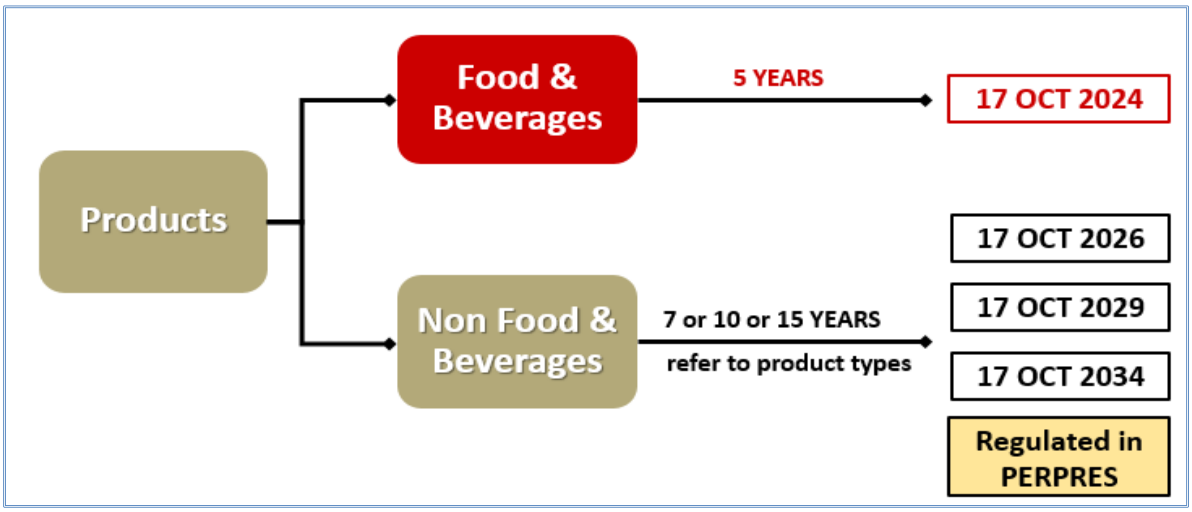
Highlighted articles of the new Halal Law

- **Products** are goods and/or services related to food, beverages, drug, cosmetic, chemical product, biological product, genetically engineered product, as well as consumer goods that are worn, used, or utilized by the public.
- Products that enter, circulate, and traded in the territory of Indonesia **must be halal certified**.
- Product that originated from haram material excluded from Halal Certification.
- **The obligation of halal certification come into force after 5 years** since the law was enacted.

Exemption clause

Medicines, biological products, and medical devices that are life-saving, which use non-halal raw material and/or does not meet halal process, still can be distributed and traded until its halal substitution is found.

Phasing Period of the new Halal Law



(*Source: Presidential Decree, Article 33, PMA No.26/2019*)

Regarding halal certification, halal products from other countries do not have to register halal certificates if they already have from the local country. However, this halal certificate must be issued from halal institutions that have the cooperation with Halal Product Guarantee Agency (BPJPH).

Item	**Previous Regulation**	**Current Regulation***
Type of Products	Facility and Product	Product
Product scope	Product Group, refer to LPPOM MUI	UU JPH No.33/2014, Article 1
Validity of Certificate	2 years	4 years
Institution	LPPOM MUI (Islamic Institution)	BPJPH (Halal Agency under MoRA)
Halal Audit done by	LPPOM MUI	Halal Examination Agency (LPH)
Halal label	**Halal MUI**	**Halal Indonesia**
Halal Certificate recognition	45 Halal Foreign Institution	The recognition scheme is still under development process

***The implementing regulation is however still not clear. At this stage, many companies are doing collective efforts in discussions for halal assurance with the government.**

TAXES

Indonesia imposes a range of taxes on individuals and corporate taxpayers. These are summarized below:

- Income Tax, which includes:
    a) Corporate Income Tax
    b) Individual Income Tax;
    c) Withholding Tax on employees' remuneration;
    d) Withholding Tax on various payments to third parties
- Value Added Tax (VAT) and Luxury Goods Sales Tax (LGST), subject to certain criteria.

Generally, a flat rate of 25% (twenty-five percent) applies for corporate income. However, public companies that satisfy a minimum listing requirement of 40% (forty percent) and other conditions are entitled to a tax cut of 5% (five percent) off the standard rate.

A good reference for Taxes applied in Indonesia at the following URL:
https://www.pwc.com/id/en/pocket-tax-book/english/ptb-2017.pdf

COMMERCIAL LAW

Indonesia's parliament on 11th February 2014 passed into law the country's first over-arching trade bill in a move that provides the government with the legislative foundation from which to exert greater control over exports and imports. The new trade law (UU no.7, 2014) could be seen in the following link:
http://www.kemendag.go.id/files/regulasi/2014/03/11/7-tahun-2014-id-1398758805.pdf

SETTING UP COMPANIES

PMA - Limited liability company (*Perseroan Terbatas* (PT) with foreign ownership

The most common option for an overseas company as a foreign investor to establish a presence in Indonesia is by setting up a limited liability company (*Perseroan Terbatas* (PT)) with foreign ownership (PT PMA). The first step in establishing a PT PMA is to determine whether the PT PMA can be wholly foreign owned or only partially foreign owned.

There are several key matters that foreign investor has to be well aware of prior to establishing PT PMA:

- **Indonesian Standard Business Field Classification ("KBLI")**

Business sectors/activities in Indonesia are classified into different categorizations as regulated under the Head of Center Statistic Body Regulation No. 95 of 2015 as amended with the Head of Center Statistic Body Regulation No. 19 of 2017 on the Indonesian Standard Business Field Classification (Klasifikasi Baku Lapangan Usaha Indonesia or KBLI).

Foreign investor has to be specific in its business sectors/activities, since the details of business sectors/activities will be reflected in the KBLI code, and will further be used to determine investment limitations, establish PT PMA, and obtain licenses.

- **The Negative Investment List**

There are investment limitations on certain business sectors/activities for PT PMA. Presidential Regulation No. 44 of 2016 on List of Business Fields that are Closed and Business Fields that are Conditionally Open for Investment (known as the Negative Investment List) regulates such foreign investment limitations on certain business sectors/activities, including certain licenses that have to be obtained by PT PMA:
https://www3.bkpm.go.id/images/uploads/prosedur_investasi/file_upload/Perpres_44_2016.pdf

Please be informed that the Government of Indonesia is currently reviewing the Negative Investment List, in order to provide a better investment climate in Indonesia. There is probability that foreign investment restrictions and limitations in some business fields might be changed.

- **Capital Requirement for PT PMA**

The Indonesian government set a high requirement in order to attract large-scale companies and investors, while protecting smaller sized local businesses. Issued and paid up capital PT PMA is generally set at 25 percent of the minimum capital requirement hence IDR 2,500,000,000 (two and a half billion Rupiah), while investment value has to exceed IDR 10,000,000,000 (ten billion Rupiah) excluding land and building. Please note that each shareholder has to hold at least IDR 10,000,000 (ten million Rupiah) for its share.

Foreign Company Trade Representative Office (KP3A)

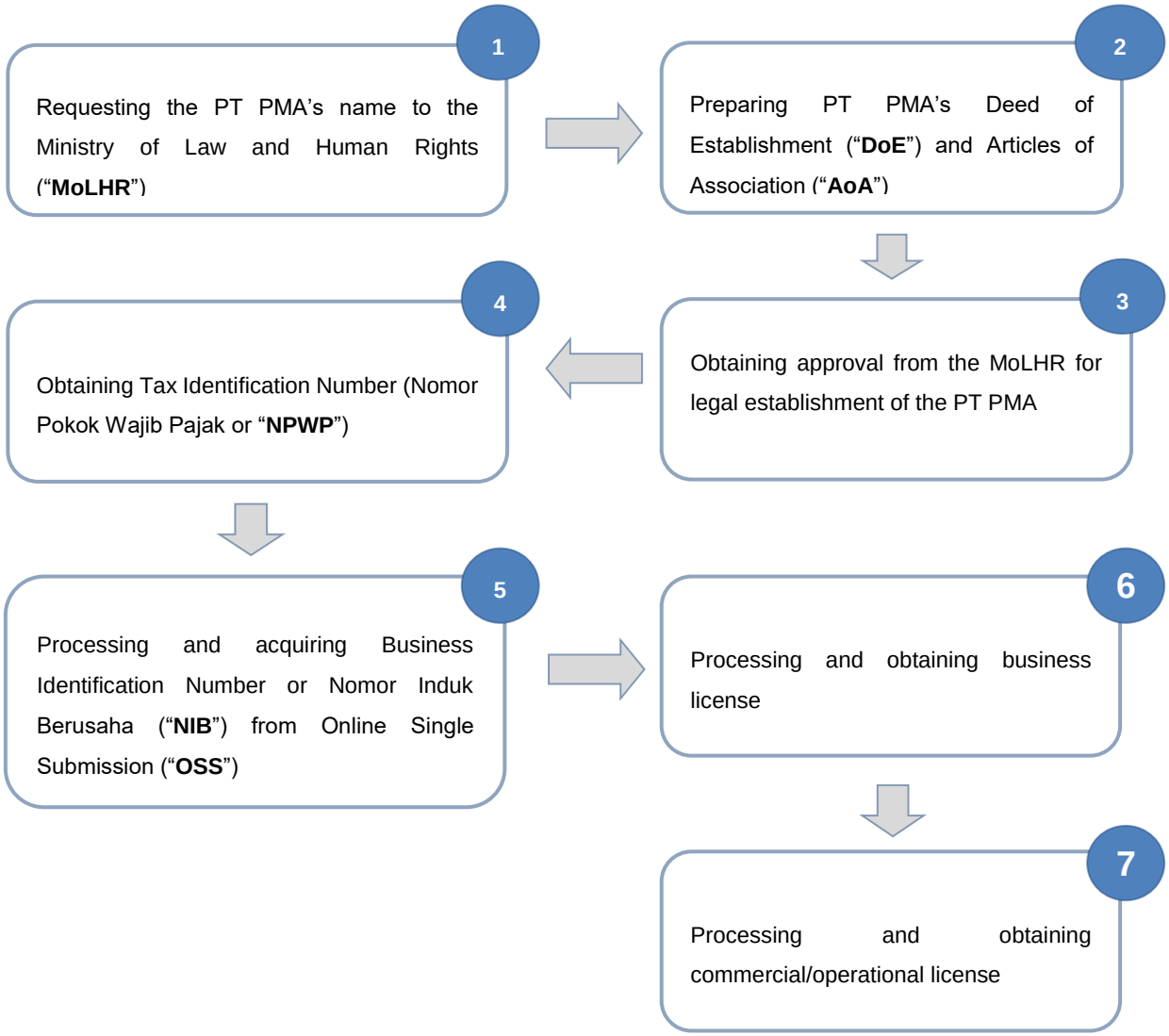
With this type of entity, the company is not allowed to carry out any trading activities and sales transaction such as submitting tenders, signing contract, settling claims etc.

The functionality of KP3A is limited to:

- Introduce, promote and market the goods produce by a parent company
- Conduct market research and surveillance for domestic sales of goods produce by a parent company, as well as providing information about the terms of the export of goods to companies in Indonesia
- Closing contract for and on behalf of the company that is appointed by the parent company in Indonesia for export of goods.

This type of company does not need to comply a minimum capital of IDR 10,000,000,000 (ten billion Rupiah).

Flowchart: PT PMA establishment



(*Source: Bahar, PMA establishment, Oct 2019*)

Online single submission

As part of the Indonesian Government's commitment to improve the ease of doing business in Indonesia, the Government has issued Regulation No. 24 of 2018 on Electronic Integrated Business Licensing Services ("PP 24/2018"). This regulation establishes electronic integrated business licensing services system, called the **Online Single Submission (OSS).**

Managed by the Indonesia Investment Coordinating Board (BKPM), OSS will handle various licenses, including business licenses, or commercial or operational licenses, of various sectors, including electricity, healthcare, drugs and food, financial services, trade and employment.

There is no specific timeline regarding the activation of licenses. OSS will activate after the company fulfills all required license/commitments. Please note that, although most licenses issued by OSS, Ministry/Institution/Local Government outside OSS may still issue certain licenses.

ENTRY CONDITIONS, WORK PERMITS, RESIDENCE PERMITS, LABOUR LAW

Holders of national passport issued by 169 countries or special regions as listed below do not require visa for traveling to Indonesia and to stay for not more than 30 days.

The terms and conditions of the visa exemption are as follow:
1. The visa exemption is only valid for tourism, family visit, social visit, art & cultural activity, official government visit, giving lecture or attending seminar, attending meeting held by head office or representative office in Indonesia, attending international exhibition, and transiting to continue journey to other country.
2. The allowed duration of stay of the visit is 30 days maximum and cannot be extended nor be upgraded into other type of stay permit.
3. The visa exemption is only valid if travelers enter and exit Indonesia through designated Immigration Checkpoints as listed below.
4. Travelers' passport must be valid at least 6 months upon the date of arrival in Indonesia
5. Travelers must have round-trip ticket.
6. Holders of an emergency or temporary passport are not eligible for the exemption.

A Business Visa is usually granted to business travellers for up to 60 days (single entry), or 3 months (multiple entry); however, this is discretionary and can vary depending on country of origin and the purpose of the visit.

The Process of Getting a Work Permit in Indonesia

Based on the Indonesian Ministry of Law and Human Rights (MOLHR) Regulation Number 16 of 2018, there are two types of employment visas available for foreign workers planning to work and live in Indonesia:

- ITAS (Izin Tinggal Terbatas), a limited stay permit, issued by the Indonesian Immigration Directorate General through the local immigration office
- KITAP (Kartu Izin Tinggal Tetap), a permanent stay permit that is available for application to only those foreign workers who have held ITAS for a minimum of three consecutive years.

While ITAS is a limited stay permit, VITAS (Visa Izin Tinggal Terbatas) is the limited stay permit visa, a prerequisite to the issuance of the ITAS. The application for Work Visa ITAS is carried out by the employer on behalf of their foreign employee and involves the following procedures:

1. Foreign Manpower Employment Plan approval (RPTKA)	A document approving your company's proposal to use foreign employee for the issuance of limited stay permit (ITAS), issued by the Indonesian Ministry of Manpower. [Update: *Presidential Regulation No. 20/2018*] RPTKA is not required for companies applying for the working permit approval. As well as for shareholders who are also the Director and Commissioner of the Company.
2. Pre-IMTA/Pre-working permit	Once the RPTKA approved, companies must submit an application for IMTA and foreign candidate's data information. Under the new regulations, the relevant official or minister will process the foreign worker's information and approve IMTA for a maximum period of one year. It may, however, be extended in accordance with the validity period of the RPTKA, each for the period of maximum two years.
3. Payment of the monthly development funds to the Indonesian Ministry of Manpower (DKP-TKA)	The amount your company should pay comes from your length of stay. You receive notification about it during the previous procedure. The charge for the DKP-TKA is at $US 100/month and paying in advance is a must. E.g. $US 600 for a 6-month working period and $US 1,200 for a 12-month working period.
4. Working permit (IMTA)	You can now legally work in Indonesia.
5. Limited stay permit (VITAS)	Your IMTA will be the basis of the Indonesian Immigration to issue you the Limited stay permit/ VITAS. The validity of your VITAS will adjust to the maximum duration of stay granted for your position. Calculation starts from the day you enter Indonesia. VITAS approval takes place at the immigration in Indonesia. Also, note that the issuance of VITAS itself takes place abroad. You must visit an Indonesian embassy.
6. Limited stay permit (ITAS)	As soon as you enter Indonesia with a VITAS, you must convert it into KITAS, valid for as long as your

	VITAS is. During this process you will also have to go to the Immigration office to record your biometric data. Under the new regulations, an applicant may simultaneously apply for the ITAS through a common application for both VITAS and ITAS at an Indonesian embassy or consulate. The overall cost to the company for obtaining an ITAS is approximately between US$1000 and US$1200.
7. **Permanent stay permit (KITAS)**	After ITAS obtained, foreigners can apply for a KITAS. KITAS grant permit for a stay up to two years and can be extended for up to two years each time with a maximum stay of six years.

(*Source: Asean briefing, Employment Permits for Foreign Workers in Indonesia, Nov 2018)*

As the processes and requirements for the Indonesian work visa continue to evolve and revised regulations are issued from time to time, it is advisable to seek professional advice before applying for the employment permits.

PROCEDURES FOR COLLECTING PAYMENT

In Indonesia, non-residents are normally subject to a 20% withholding tax on the remittance of interest, dividends, royalties and other payments outside the country. Double tax treaties offer a lower withholding tax rate, usually 10% to 15%. In addition, most treaties provide for an exemption from withholding tax, where interest is paid to the government or other specified authorities in other countries. The treaties also provide a “time test” for determining when a permanent establishment is deemed to exist. Indonesia and Switzerland has a tax treaty signed in 1990: http://www.treatypro.com/treaty_tables/switzerland.asp

OMBNIBUS LAW

In order to strengthening the Indonesian economy, increasing competitiveness and creating jobs according to the new 2020–2024 National Medium Term Development Plan (RPJMN), the government of the Republic of Indonesia is preparing a new law containing several provisions on various industry sectors. The new law is known as the Omnibus Law (Draft). In its National Legislation Program 2020, the Indonesia House of Representatives (DPR) approved to focus on four Omnibus Bills: Job Creation, Taxation, Pharmacy, and the State Capital.

Omnibus Bill on Job Creation

The Omnibus Bill on Job Creation submitted on 12 February 2020 to the Indonesia House of Representatives and to modifying of 79 regulations. Some significant economic reforms proposed are:

a) Business Permit

- Centralized business permits process: Rearrangement of regional authority by Government Regulation (PP).
- Ease of business permit: removal of several administrative requirements in Building Permit (IMB), 'scaling down' the conditions in investment and business permit activities.
- Opening of more sectors to foreign investment

b) Labour Sector

- Changes of the minimum wage provisions: the removal of district/city minimum wages and sectoral wages to only provincial minimum wages.
- Ambiguity in granting leave for workers: ‘no work no pay’ regulation is still unclear.
- Change in the concept of employment termination: the decreasing role of labor unions in layoffs. Besides, there is also an elimination of several detailed calculations in severance pay.
- The existence of 'sweetener' article and other awards: incentives for workers and national social security programs that are still difficult to implement because the rules are unclear.

c) Agriculture

- Modernization of agriculture through the ease of foreign investment and innovation: ease of business permit for horticultural and plantation sector. Indonesian agriculture is expected to utilize more capital and technology transfer to encourage effectiveness and efficiency.
- Liberalization of imports: imports are now considered as a source of food availability, apart from domestic food production and national production reserves.

d) Government Administration:

- Amendment of the Regional Government Law: The bill gives the president the authority to revoke local regulations by issuing a presidential regulation. This amendment raises a fundamental debate about the concept of a Unitary State of Indonesia (NKRI) and regional autonomy.

Omnibus Bill on Taxation

The Omnibus Bill on Taxation’s aims to harmonize seven laws, including the laws on value-added tax (PPN), on income tax (PPh), and on regional taxes and levies. The Bill proposes to introduce more tax incentives, including a gradual corporate income tax reduction from 25 percent to 20 percent by 2023. The Bill also proposes to collect taxes also from foreign digital companies without a legal entity in Indonesia.

(*Source: Eurocham, Policy Updates, Dec 2019*)

The Omnibus Bill on Job Creation has received much criticism from interest groups and legal experts. Labor unions are protesting against the revision of the labor law, including the reduction of the severance pay, which actually is one of the highest in the world and keeps companies from investing. Experts also criticize the rush with which the Government has prepared and submitted the Bill, without prior consultation of interest groups or the public, and that it contradicts the constitution in several aspects, including in reducing excessively the constitutionally guaranteed regional competences. Businesses however, have welcomed the bill due to the focus on streamlining business licenses, making Indonesia more open to foreign investment and a more flexible labor market.

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SOURCES OF INFORMATION AND LINKS

- Indonesia Investment Coordinating Board: https://www.bkpm.go.id
- Import procedures and Tariffs: http://www.beacukai.go.id/?page=apps/browse-tarif-dan-lartas.html
- Taxation and Investment in Indonesia : https://www.pwc.com/id/en/pocket-tax-book/english/ptb-2017.pdf
- Ministry of Trade: http://www.kemendag.go.id/en
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