| **Individual Action Plan Update for Indonesia for 2014** |
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| ***Highlights of recent policy developments which indicate how [economy] is progressing towards the Bogor Goals and key challenges it faces in its efforts to meet the Goals.***  |
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| IAP Chapter (and Sub-Chapter and Section Heading, if any) | **Improvements made since 2012 IAP**  | **Further Improvements Planned** |
| --- | --- | --- |
| Tariffs | **Minister of Finance Regulation no. 133/PMK.011/2013 FMD.** Indonesia has implemented a tariff system based on HS 2012 wich covers 10,025 tariff lines (previously it covered 8,755 tariff lines). The implementation is based on Minister of Finance Regulation (PMK) no. 213/PMK.011/2011 and amended by Minister of Finance Regulation no. 133/PMK.011/2013 FMD. The tariff commitments in several free trade agreements have been converted from HS 2010 to HS 2012. Those agreements are as follows:1) ASEAN Trade in Goods Agreement (ATIGA) (PMK 208/PMK.011/2012)2) ASEAN-China FTA (PMK 117 / PMK.011/2012)3) ASEAN-Korea FTA (PMK 118/PMK.011/2012)4) ASEAN-India FTA (PMK 221/PMK.011/2012)5) Indonesia-Japan Economic Partnership Agreement (PMK 209/PMK.011/2012)6) Indonesia-Pakistan Preferential Tariff Agreement (PMK26/PMK.011/2013)7) ASEAN-Australia-New Zealand FTA (PMK208/PMK.011/2013) |  |
| Website for further information:  | [www.tarif.depkeu.go.id](http://www.tarif.depkeu.go.id)  |  |
| Contact point for further details: | <http://www.tarif.depkeu.go.id/ContactUs/?contact>  |  |
| ***Non-Tariff Measures*** | **Minister of Trade Regulation no. 54/M-DAG/PER/8/2012 on Procurement, Circulation, Sales, Monitoring, and Control of Alcoholic Beverages.**Objective: to regulate the imports of alcoholic beverages.The regulation comes into force on October 1, 2012. | NA |
|  | **Minister of Trade Regulation no. 08/M-DAG/PER/2/2012 on the Import of Iron or Steel**Objective: to improve the importing process of iron or steel so to support the implementation of ASEAN Harmonized Tariffs Nomenclature. Iron or steel may only be imported by Producer Importer (IP) Iron or Steel; or Registered Importer (IT) Iron or Steel. The regulation comes into force on January 1, 2011 until December 31, 2015. |  |
|  | **Minister of Trade Regulation no. 61/M-DAG/PER/9/2013 on the Import of Certain Products** Objective: to improve the importing process of certain products such as food and beverages products, traditional medicine dan herbal products, cosmetic products, garment, footwear, electronics and children’s toys.Those certain products may only be imported by Registered Importer (IT).The seaports for the importation of Certain Products are Belawan in Medan, Tanjung Priok in Jakarta, Tanjung Emas in Semarang, Tanjung Perak in Surabaya, Soekarno Hatta in Makassar, Dumai in Dumai, Jayapura in Jayapura; Tarakan in Tarakan, Krueng Geukuh in North Aceh and/or The airports for the importation of Certain Products are Kualanamu in Deli Serdang, Soekarno Hatta in Tangerang, Achmad Yani in Semarang, Juanda In Surabaya, and Hasanuddin in Makassar. While seaports of Dumai, Jayapura and Tarakan are only for food and beverage products, Krueng Geukuh serves only for food and beverage products, apparel, footwear and electronics. |  |
|  | **Minister of Trade Regulation no. 84/M-DAG/PER/12/2012 on Importer Identity Number (API).**Objectives: to provide business certainty, create conducive business climate, and increase effective implementation of the provisions on the Importer’s Identity Number (API). The regulation comes into force on March 31, 2013.  |  |
|  | **Minister of Trade Regulation no. 23/M-DAG/PER/9/2011 on the Procurement, Distribution and Control of Hazardous Materials.**Objectives: to improve the effectiveness of supervision of hazardous materials, especially imported materials by stipulating designated ports of entry and conducting technical verification of imported hazardous materials at the port of loading.The seaports for the importation of hazardous materials are Belawan in Medan, Tanjung Priok in Jakarta, Tanjung Emas in Semarang, Tanjung Perak in Surabaya, and Soekarno Hatta in Makassar; and/or all international airports. This regulation comes into force on November 1, 2011. |  |
|  | **Minister of Trade Regulation no. 46/M-DAG/PER/8/2013 about The Provisions on the Import and Export of Animals and Animal Products.**Objectives: to increase the consumer protection, to ensure the sustainability of bio-diversity, business certainty, transparency and simplification of licensing procedure and to improve import administration. The regulation comes into force on September 2, 2013. |  |
| *Website for further information:*  | [www.kemendag.go.id](http://www.kemendag.go.id) |  |
| *Contact point for further details:* | Directorate General for International Trade Cooperation<http://ditjenkpi.depdag.go.id> |  |
| *Services* | **BUSINESS SERVICES: LEGAL**As in 2012 IAP |  |
| **BUSINESS SERVICES: ACCOUNTING**To further elaborate and implement the Guidelines of the Public Accountant Law Number 5 Year 2011, two government regulations have been enacted, as follows:**Government Regulation Number 84 Year 2012 on Public Accountant Profession Committee (**<http://www.sjdih.depkeu.go.id/fullText/2011/84~PMK.02~2011Per.HTM> )Objective: to improve the effeftiveness and representativeness of the profession’s disciplinary systems. The committee’s main functions are: 1. to act as a professional appellate body, to whom public accountants may address any appeal on the Finance Minister’s decision of the results of the examination and/or.
2. to give advice to the Finance Minister on matters concerning public accountant professional regulation.

**Government Regulation Number 1 Year 2013 on Tariff Rates and Type of Non Tax Revenue Applicable in The Ministry Of Finance** ([www.ppajp.depkeu.go.id/remository/downloads/uuap5-2011bt.pdf](http://www.ppajp.depkeu.go.id/remository/downloads/uuap5-2011bt.pdf))Objective: to list all chargeable fees to obtain necessary licenses and approvals for practicing public accountant. | 1. The Government of Indonesia is planning to issue another Government Regulation on Public Accountants’ code of conducts in order to further elaborate professional practice matters.
2. An effort is also underway to consolidate and integrate the existing 55,000 registered accountants into Indonesia’s professional accountant landscape by granting an exclusive right to the registered accountants in opening non-assurance accounting firms as well as its supporting professional systems.
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| **BUSINESS SERVICES: ARCHITECTURAL**As in 2012 IAP |  |
| **BUSINESS SERVICES: ENGINEERING**As in 2012 IAP |  |
| **BUSINESS SERVICES: OTHER PROFESSIONAL SERVICES**As in 2012 IAP |  |
| **BUSINESS SERVICES: OTHER**As in 2012 IAP |  |
| **COMMUNICATION SERVICES: POSTAL**As further elaboration and implementation guidelines of Law Number 38 Year 2009, Indonesia has issued the following regulations: 1. **Minister of Communication and Information Technology Regulation Number 01/PER/M.KOMINFO/01/2012 on Formula of Tariff of Comercial Postal Services**

Objective: to create fair and competitive business among commercial postal operators. 1. **Minister of Communication and Information Technology Regulation Number 21 Year 2012 on Postage Stamp**

Objective: to optimise the role of postage stamp in promoting Indonesia’s tourism and culture.1. **Government Regulation Number 15 Year 2013 on the Implementation of Law No 38 Year 2009 on Postal Services**

Objective: to govern, among others, licensing requirements and procedures as well as universal postal services.  |  |
| **COMMUNICATION SERVICES: EXPRESS DELIVERY**Indonesian Government recognizes express delivery services as part of postal services. Existing laws and regulations on postal services can be also applied to this services, as follows:1. **Government Regulation Number 82 Year 2012 on the Operation of Electronic System and Transaction.**

Objective: to ensure every component and integration throughout the Electronic Systems works properly. Electronic Systems Components include Hardware, Software, experts, governance, and security. This Government Regulation also regulates the obligation of Electronic Systems Operator in general and Electronic Systems Operator for public services. Electronic System Operator for public services is required to place the data center and disaster recovery center in Indonesia, to obtain airworthiness Certification of Electronic Systems from the Minister, and shall be registered to the Ministry that is related to the communication and information fields.1. **Minister of Communication and Information Regulation Number 10 Year 2013 on Organisation and Work Procedure of Provider Center and Telecommunication and Information Financing Manager.**

Objective: to provide and manage the Telecommunication and Information Financing that is related to the implementation of universal obligation based on laws and regulations. |  |
| **COMMUNICATION SERVICES: TELECOMMUNICATIONS**As in 2012 IAP  |  |
| **COMMUNICATION SERVICES: AUDIO VISUAL**As in 2012 IAP  | It is planned to revise the investment negative list regarding foreign capital participation on audio visual services. |
| **CONSTRUCTION RELATED ENGINEERING SERVICES**As in 2012 IAP  |  |
| **DISTRIBUTION SERVICES**1. **Minister of Trade Regulation Number 53/M-DAG/PER/8/2012 concerning Franchise Operation**

 Objective: to govern the minimum distance between modern market and traditional market.1. **Minister of Trade Regulation Number 68/MDAG/PER/10/2012 concerning Franchise for Modern Store**

Objective: to govern the ownership limitation of modern store.1. **Minister of Trade Regulation Number 07/M-DAG/PER/2/2013 concerning the Franchise Partnership Development for Food and Beverage**

Objective: to govern the number of ownership limitation for restaurant outlet/bar/cafe of their own.1. **Minister of Trade Regulation Number 60/M-DAG/PER/9/2013 on the Obligation on the Usage of Franchise Logo**

Objective: to govern the obligation on the usage of logo as an identity of the Franchisor and Franchisee.1. **Minister of Trade Regulation Number 70/M-DAG/PER/12/2013 on the Guidelines of Structure and Maintenance of Traditional Market, Shopping Center, and Modern Store**

Objective: to govern the number and distance of Traditional Market, Shopping Center, and Modern Store Establishment.  |  |
| **EDUCATION SERVICES**Educational activities employing international system shall comply with existing regulations, as follows:1. **Government Regulation No. 19/2005 and No. 32/2013 on National Standard of Education;**
2. **Government Regulation No. 55/2007 on Religious Education;**
3. **Government Regulation No. 47/2008 on Compulsory Education;**
4. **Government Regulation No. 48/2008 on Educational Budgeting;**
5. **Law Number 43 Year 2007 on Library to support the operational of legal entities of education;**
6. **Law Number 14 Year 2005 on Teacher and Lecturer;**
7. **Law Number 24 Year 2009 on Flag, Language, National Symbol, and National Anthem;**
8. **Government Regulation Number 17 Year 2010 on Education Management and Implementation;**
9. **Government Regulation Number 66 Year 2010 on Management and Provision of Education;**
10. **Law Number 12 Year 2012 on Higher Education and;**
11. **Law Number 20 Year 2013 on Medical Education.**
 |  |
| **ENVIRONMENT SERVICES**As in 2012 IAP  |  |
| **FINANCIAL SERVICES**1. **Law Number 21 Year 2011 on Financial Services Authority of Indonesia (Otoritas Jasa Keuangan or “OJK”)**

Objective: to regulate and supervise the functions of the Indonesian capital market and non-banking financial institutions (NBFI) that was previously under the purview of the Capital Market and Financial Institution Supervisory Agency (BAPPEPAM-LK) which have been effectively transferred to the OJK by 31 December 2012.  | With the inclusion of banking sector under the authority of the OJK as of 31 December 2013, OJK will work towards establishing an integrated supervision, regulation and consumer protection framework of the entire Indonesian financial sector.All regulations regarding financial services (banking, capital market, insurance, pension fund, leasing, and other financial services) remain valid as long as they are not contradicted with the OJK Law. |
| **FINANCIAL SERVICES: FINANCE COMPANIES**As in 2012 IAP |   |
| **FINANCIAL SERVICES: BANKING**1. **Bank of Indonesia Regulation Number 14/25/PBI/2012**

Objective: to enhance the quality of statistics on export-import data and to monitor foreign currency flow, Indonesia has issued this regulation that requires exporters to receive export proceeds through foreign exchange banks in Indonesia at the latest, 3 months after the Export Declaration Form (PEB) date. With this regulation, the reporting requirements is further relaxed in terms of timing and amount. Reporting is only required for export proceed that reported in PEB more than USD 10,000 (before: every amount), at the latest on the 5th of the following month upon receipt (before: 3 working days upon receipt). |  |
| **FINANCIAL SERVICES: INSURANCE**As in 2012 IAP |  |
| **FINANCIAL SERVICES: CAPITAL MARKET**As in 2012 IAP |  |
| **HEALTH RELATED SOCIAL SERVICES**1. **Minister of Health Regulation Number 67 Year 2013 on the Empowerment of Health Workers and Citizens**

Obejctive: to syncronize and integrate all domestic regulations related to foreign health services professionals. |  |
| **TOURISM TRAVEL RELATED SERVICES** As in 2012 IAP | It is planned to revise the investment negative list regarding foreign capital participation on tourism travel related services. |
| **RECREATIONAL CULTURAL SPORTING SERVICES**As in 2012 IAP |  |
| **TRANSPORT SERVICES: MARITIME**1. **Minister of Transportation Regulation No. PM 8 year 2012 on multimodal transport management and enterprise**

Objective: to administer Multimoda Regulation and how enterprise/foreign services provider could administer and register its multimoda.1. **Minister of Transportation Regulation No. PM 6 year 2013 on Harboring services tariff type, structure and category**

Objective: to govern the type of tariff and structure as well as port services category.1. **Minister of Transportation Regulation No. PM 7 year 2013 on the Obligation of Indonesian flagged vessels to register its classification at the Classifying Board/Agency**

Objective: to govern the obligation clasifications for Indonesian vessel including its sanction, if there is any violation.  |  |
| **TRANSPORT SERVICES: AIR**As in 2012 IAP |  |
| **TRANSPORT SERVICES: RAIL**As in 2012 IAP |  |
| **TRANSPORT SERVICES: ROAD**1. **Government Regulation Number 79 Year 2013 on traffic network and road transport.**

 Objective: to govern the implementation of freight terminals that can be held by the government and third parties.  | It is planned to revise the investment negative list regarding foreign capital participation on road transport services  |
| **TRANSPORT SERVICES: OTHERS**As in 2012 IAP |  |
| **ENERGY SERVICES**1. **Minister of Energy Regulation No. 2013 Year 2013 on Provisions and Procedures for the use of foreign labor and workforce development in Oil and Gas business activities**

Objective: to govern the areas that open to foreigners, submission procedures, and qualifications procedures.1. **Ministry of Energy Regulation Number 35 Year 2013 on the Electricity Business Licensing Procedures**

Objective: to govern, among others, business licensing procedures for power auxiliary service (consulting services, construction and installation, inspection and testing, maintenance, operation, research and development, training, and laboratory testing)1. **Minister of Energy Regulation Number 32 Year 2013 on special permit granting procedures in the field of Mining, Minerals, and Coal**

Objective: to govern the terms and procedures for filing a special business license including mining support services. |  |
| **OTHER SERVICES**As in 2012 IAP |  |
| *Website for further information:*  | **Accounting Services** [www.ppajp.depkeu.go.id](http://www.ppajp.depkeu.go.id) [www.iapi.or.id](http://www.iapi.or.id)**Communication Services**[www.postel.go.id](http://www.postel.go.id)www.kominfo.go.id**Financial Services (Banking)**[www.bi.go.id](http://www.bi.go.id) **Financial Services (Insurance, Capital Market and Finance Companies)**[www.ojk.go.id](http://www.ojk.go.id) **Distribution Services**[www.ditjenpdn.kemendag.go.id](http://www.ditjenpdn.kemendag.go.id) **Health Services**<http://www.depkes.go.id>[www.inamc.or.id](http://www.inamc.or.id)**Communication Services (Audio Visual)**<http://www.parekraf.go.id>**Tourism Travel Related Services** <http://www.parekraf.go.id>**Recreational and Entertainment Services** <http://www.parekraf.go.id>**Transport Services (Road)**[http://www.hubdat.web.id](http://www.hubdat.web.id/) **Transport Services (Air)**<http://hubud.dephub.go.id/>**Transport Services (Rail)**http://www.dephub.go.id/ **Transport Services (Others)**<http://www.dephub.go.id/>**Educational Services**<http://www.kemdikbud.go.id> http://litbang .kemdikbud.go.id<http://dikti.kemdikbud.go.id/> <http://www.bsnp-indonesia.org>**Labor Issues:**<http://www>. depnakertrans.go.id |  |
| *Contact point for further details:* | **Accounting Services** ppajp@depkeu.go.idinfo@iapi.or.id **Communication Services** ikhba@postel.go.id**Health Services** pusat.ksln@gmail.com**Communication Services (Audio Visual)**nwadnyani@gmail.com **Tourism Travel Related Services** nwadnyani@gmail.com **Recreational and Entertainment Services** nwadnyani@gmail.com**Educational Services**sekretariat.kabalitbang@gmail.cominfo@bsnp-indonesia.org |  |
| ***Investment*** | **INVESTMENT APPLICATION****Chairman of the Investment Coordinating Board Regulation No. 5 of 2013 on Guideline and Procedure of Investment License and Non-License Services** * + This regulation revokes and replaces CIICB Regulation No. 12 of 2009 on Guideline and Procedure of Investment Application.
	+ It further simplifies investment application procedure by eliminating “Registration” step, so investors only need to apply for Principal License and Business License.
	+ Foreign direct investment must fulfill the following requirements (unless stipulated differently):
		- Total investment must be higher than IDR10,000,000,000,- (or its equivalent in USD), excluding land and property.
		- Issued/subscribed capital in equal amount as paid-up capital (at least IDR2,500,000,000,- or its equivalent in USD).
		- Each shareholder to have at least IDR10,000,000,- share subscription or its equivalent in USD. Ownership percentage will be calculated from the amount of owned share in IDR.

**Chairman of Investment Coordinating Board Regulation No. 12 of 2013 on the Amendment of CICCB Regulation No. 5 of 2013 on Guideline and Procedure of Investment License and Non-License Services*** + This regulation amends previous obligation to retain divestment share to Indonesian as regulated in Article 108 point (5) in CIICB Regulation No. 5 of 2013. The divested share is transferable to foreign investors on a commercial basis, subject to the Negative Investment List.

 A capital venture company (CVC, or PMV, *Perusahaan Modal Ventura*) is allowed to become a shareholder of any investing company in Indonesia. These subscription shares from CVCs, either domestic or foreign capital share, are treated as national share*.* It is limited to 10 years and could be extended to the next 5 years. | *Provide brief points only* |
|  | **INVESTMENT FACILITATION*** 1. **One-Stop Shop Service in Investment**

**Chairman of Indonesia Investment Coordinating Board Regulation No. 7 of 2013 on One-Stop Shop Implementation*** + OSS is dedicated to provide easy, fast, precise, accurate, transparent and accountable Licensing and Non-licensing services. This regulation aims to organise the implementation of OSS.
	+ Among the regulated aspects of OSS include OSS service coverage, OSS personnel and their duties, and The Online Tracking System for investment has been officially launched since October 24th, 2013. This service is accessible worldwide through BKPM portal <http://www.bkpm.go.id> It aims to provide transparency and certainty to investors about the status of their investment application.

 Types of licenses that can be accessed through the online tracking system are: Principle License, Approval for Machinery, Goods and Material Import Facilities, and Business License.  | In the near future, online tracking system will be developed to enable investors track their application status in Provincial or Regional One-Stop Service Agencies throughout Indonesia. |
|  | **INVESTMENT INCENTIVES**1. **Tax Allowance**

 As in 2012 IAP.1. **Tax Exemption/Reduction**

 As in 2012 IAP.1. **Import Duties**

**Minister of Finance Regulation No. 76/PMK.011/2012*** + This regulation amends Minister of Finance Regulation No. 176/PMK.011/2009 concerning the Exemption of Import Duty on Imported Machines, as well as Goods and Materials for the Building or Development of Industries In the Framework of Investment.
	+ By these two regulations, Indonesia has eliminated import duties on machinery, goods and materials used in vehicles assembling and components industries.
	+ Exemption for import duties are given for two years.
	+ For goods and materials, exemption may be granted for 4 years, with requirement of at least 30% of the total value of machines used must have been locally purchased as approved by Ministry of Industry. This exemption may be extended for another one year, especially for goods and materials included in commodity list under import regulation.
1. **Tax Facilities**

 As in 2012 IAP.1. **Bonded Zones**

**Minister of Finance Regulation No. 120/PMK.04/2013*** + This regulation is the third amendment of Minister of Finance Regulation No. 147/PMK.04/2011 on Bonded Zones.
	+ It is a part of new fiscal policy package aimed to curb the widening current account deficit and to promote economic growth by focusing on the domestic market.
	+ Permission to raise domestic sales portion from the production in the bonded zones may be granted, subject to the approval of the Minister of Industry.
	+ Companies within bonded zones are also allowed to subcontract its core activities to local companies.

**Minister of Finance Regulation No. 44/PMK.04/2012** * + This regulation is the second amendment of the Minister of Finance Regulation No. 147/PMK.04/2011 on Bonded Zones.

**Minister of Finance Regulation No. 255/PMK.04/2011**, * + This regulation is the first amendment of Minister of Finance Regulation No. 147/PMK.04/2011 on Bonded Zones.
1. **Special Economic Zone**

 As in 2012 IAP.1. **Industrial Estate**

 As in 2012 IAP. |  |
|  | **RELEVANT INVESTMENT LEGISLATION**None**PROMOTED AREAS / SECTORS FOR FOREIGN INVESTMENT**1. **Priority / Promoted Sectors Or Industries**

**Presidential Regulation No. 16 of 2012 on General Plan on Investment** This regulation underlines three priority sectors in investment, as follows: 1. Food Commodities, consisting of (i) rice; (ii) corn; (iii) soybean; (iv) sugar; and (v) CPO.
2. Energy, focusing on (i) optimizing the renewable source of energy as an attempt to reduce the use of fossil energy; (ii) balancing exports with domestic needs for energy in oil and gas sector; (iii) bridging electricity gap across the nation; and (iv) developing coal activities in certain coal producer locations.
3. Infrastructure, a strategic domain of which the main priorities are (i) harbors; (ii) power plants; (iii) transportation; (iv) public roads; and (v) soft infrastructure in health and education sectors.

Although the priorities have been set, it is still subject to the Presidential Regulation No. 36 of 2010 on List of Lines of Business Closed and Open, with Conditions, to Investment (known as the Negative Investment List).  | * Presidential Regulation No. 36 of 2010 on List of Lines of Business Closed and Open, with Conditions, to Investment (known as the Negative Investment List) is currently under the process of amendment.
* At least 5 sectors that used to be opened to only domestic investors are considered to be opened to foreign investors, such as those related to airport and seaport transportation services; vehicle roadworthy testing services; and eco-tourism management.
* The openings of transport related sectors are aimed to attract private investors to participate in infrastructure projects that are carried through Public Private Partnership (PPP) scheme.
* In addition, Indonesia would also povide flexibility to more than 10 lines of business, including pharmaceuticals, financial services, in particular venture capital, as well as telecommunication sector related to multimedia integration and cellular network.
 |
| Website for further information:  | [www.bkpm.go.id](http://www.bkpm.go.id)  |  |
| Contact point for further details: | * Director of Investment Deregulation, Indonesia Investment Coordinating Board
* Director of Regional Cooperation, Indonesia Investment Coordinating Board
* Head of Subdirectorate of Law at the Bureau of Legislation, Public Relations and Secretary to the Chairman, Indonesia Investment Coordinating Board
 |  |
| ***Standards and Conformance*** | **Standards**As of October 2013, 9624 standards (9363 standards are voluntary and 261 SNIs are mandatory) has been approved as the National Standards of Indonesia (SNI).The National Standardization Agency of Indonesia (BSN) has continued to the alignment of national standards to international standards. The objective is that all national standards comply with international standards. | As in 2012 IAP |
|  | **On Drugs and Foods** As in 2012 IAP | As in 2012 IAP |
| Website for further information:  | **For Standards:**[www.bsn.go.id](http://www.bsn.go.id) For foods and drugs:[www.pom.go.id](http://www.pom.go.id)  |  |
| Contact point for further details: | Centre for Cooperation on Standardization – BSNkerj\_int@bsn.go.id |  |
| ***Customs Procedures*** | **Paperless Trading**1. Improvement of the implementation of the National Single Window (NSW): currently 18 government agencies are participating in the importation process, and all government agencies are participating in the exporting process.
2. Making NSW mandatory for all importers, exporters, and customs brokers
3. Implementing NSW at 5 main ports (Tanjung Priok, International Airport of Soekarno-Hatta, Tanjung Emas, Belawan, Tanjung Perak)
 | Implementation of the National Single Window with broader scope and more participation of government agencies. |
|  | Implementation of Harmonised System ConventionThe Harmonized System 2012 has been utilized since January 1, 2012.  | To maintain and update the HS Goods Classification through active participation and involvement in the HS Technical Committee Session of the WCO and any related regional level technical meeting (ASEAN). |
|  | **Adoption of Kyoto Convention**Completed a review on the conformance of existing customs laws, rules and procedures with the principles of Revised Kyoto Convention. | Accession to the Revised Kyoto Convention through ratification. |
|  | **Development of Authorized Economic Operator (AEO) programs and Mutual Recognition Arrangement (MRA)**1. Issuance of Minister of Finance Regulation No. 219/PMK.04/2010 on AEO
2. Completed a feasibility study on the implementation of AEO
3. Conducting a Pilot Project for the implementation of AEO Program, by involving 9 exporters which have been granted priority channel for importation.
4. Launched the AEO program on 17 December 2013
 | 1. Issuance of DG of Customs and Excise Regulation on the implementation of AEO Program
2. Starting to develop an MRA in 2016
 |
|  | **Adoption of Systematic Risk Management Techniques** * + Passenger Information System (PNRGOV)
1. Raising the initiative of Passenger Name Record (PNR) Implementation in APEC SCCP I and APEC SCCP II 2013
2. Conducting a survey within APEC to identify the needs and obstacles in the implementation of PNRGOV
3. Holding APEC PNR Workshop to enhance capacity and to set up a commitment to implement PNRGOV between APEC member economies and airlines operating in Asia Pacific.
	* Revising regulation on bonded-warehouse
 | Starting consultation period for the implementation of PNRGOV in Indonesia in the first quarter of 2014Implementation of risk management on bonded-warehouse |
|  | **Implementation of TRIPs Agreement**Enacting Director General Regulation concerning the implementation of Supreme Court Regulation on IPR | Implementing Supreme Court Regulation on IPR |
|  | **Integrity**1. Establishing the Ministry of Finance Corporate Values, namely Integrity, Professionalism, Synergy, Services and Perfection
2. Collaborating with Corruption Eradication Commission in controlling the integrity of all customs officers
3. Launching embedded control program and internal control system
4. Launching work performance management program
 | Consistently enforcing and disseminating the Ministry of Finance Corporate Values to further improve customs officials’ awareness and compliance |
|  | **Provision for Temporary Importation**The Implementaion of ATA/CPD Carnet is subject to President’s approval |  |
|  | **Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings provided to Business Sector on an ongoing basis**Establishing Call Center (a single point of contact) | Improvement of Indonesian Customs’ website in 2014 |
|  | **Other issues (this includes other customs activities which facilitate trade which are not part of the SCCP)** 1. Transforming all customs offices to modern customs offices, identified by customs clients / stakeholders’ satisfaction orientation, establishment of internal compliance system, and balanced level of customs control delivered by optimizing risk-management system
2. Implementing Auto Gate System at Temporary Storage, KPPT (Integrated Customs Service Zone), Integrated Cargo Release System (i-Cares), and TPFT (Integrated Physical Examination Area) to expedite flow of goods in Tanjung Priok sea port
 |  |
| Website for further information:  | [www.beacukai.go.id](http://www.beacukai.go.id)  |  |
| Contact point for further details: | International Affairs Directorate(APEC Desk), Directorate General of Customs and Excise, Ministry of Finance.ariadiwidia@gmail.comkasubditregional.ina.customs@gmail.com |  |
| ***Intellectual Property Rights*** | Indonesia is a contracting party to the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled. The Treaty was signed on 24 September 2013. | Indonesia is now in the process of amending its IPR Laws namely Copyright Law, Patent Law, and Trademark Law. Many improvements, including revised and/or new provisions, are introduced in the bills. |
| Website for further information:  | [www.dgip.go.id](http://www.dgip.go.id)[**www.timnaspphki.dgip.go.id**](http://www.timnaspphki.dgip.go.id) |  |
| Contact point for further details: | Director of Patent, Ministry of Law and Human RightSecretariat of National Task Force on IPR, Director of Cooperation and Promotion |  |
| ***Competition Policy*** | **Law Enforcement**The enactment of Government Regulation No. 17 Year 2013 on the Implementation of the Law No. 20 Year 2008 on Micro, Small, and Medium Enterprises (MSMEs). **Mergers and Acquisitions** Related to merger and acquisition (M&A), in 2013, there has been an amendment in KPPU Regulation No. 13/2010 on M&A Guidance through the KPPU Regulation No. 2/2013. The amendment introduce new limitation, where the M&A assessment only can be done when all necessary data needed in the assessment is deemed completed, including those related to market data and structure. Therefore, the preparation for notification by the merging parties to the competition authority will take longer than usual, if they are not prepared to such information.Number of M&A’s notification is increased every year since the enactment of Government Regulation No. 57/2010 on mergers and acquisitions. The number was only declined in 2012 due to European crisis (which become important market by the enterprises aimed at M&A actions). In 2013, the notification is increased to 71 notifications. From that number, 25% of it is mergers by foreign enterprises. **Coordination between regulators/ministries**From inter-institutional perspective, there has been an increased in cooperation between competition authority and its stakeholders. Intensive cooperation (memorandum of understanding) has been established between competition authority and five public universities on the adaptation of the competition law curriculum. Cooperation in law enforcement also received positive signal by the presence of cooperation between competition authority with the Attorney General and Ministry of Justice and Human Rights. In the context regulatory reform, cooperation was made between competition authority and the Ministry of Home Affairs and the two local Governments, to support of regional policies that adapt the sound competition principles.**Cooperation with Other Economies and Regions**In 2013, Indonesia was the Chair of APEC. In the field of competition policy, Indonesia has contributed to the start of regional program as part of the initiative for APEC 's New Strategy for Structural Reform (ANSSR) to reduce differences and development of competition law and policy across APEC region.At the regional level, Indonesia has consistently demonstrated its role in assisting the process of adaptation of competition law in various economy in ASEAN, particularly Malaysia and Laos. To support this, Indonesia and other ASEAN economies has managed to put together a guideline for core competencies in the field of competition law and policy to serve as reference by competition regulatory bodies in that region.At the bilateral level, Indonesia has made a formal cooperation (memorandum of understanding) with Korea in the field of competition law enforcement. The cooperation is carried out by competition authorities in the two economies. Meanwhile, competition policy itself has become negotiated aspects in many international trade negotiations, particularly those of EFTA states, European Union, Australia, and Korea. | Currently Indonesia is in the process of amending its competition law. The draft is being discussed at the Parliament. It is expected that the amendment is concluded in 2014. |
| Website for further information:  | <http://www.kppu.go.id> or <http://eng.kppu.go.id>  |  |
| Contact point for further details: | **Secretary General**Komisi Pengawas Persaingan UsahaPhone. +62-21-3507015/16/49Fax. +62-21-3507008E-mail. international@kppu.go.id  |  |
| ***Government Procurement*** | Under Presidential Regulation no.70/2012, from 2011, every ministry should announce its procurement on centralized government procurement website. Furthermore, government sector agencies are obliged to implement the Electronic Procurement (e-procurement) by 2012 up to 100%, and to set up permanent Procurement Service Units by 2014. The Regulation also provides more opportunity to SMEs to participate in government procurement, with SME being given priority for procurement valued below 2,5 billion IDR. Developing and improving e-procurement system with e-tender and e-purchasing (e-direct purchase and order methods) |  |
| Website for further information:  | [www.lkpp.go.id](http://www.lkpp.go.id) |  |
| Contact point for further details: |  humas@lkpp.go.id orHelpdesk : 021 - 7918 1153Fax : 021 - 797 3548Email : helpdesk-lpse@lkpp.go.id |  |
| ***Deregulation/Regulatory Review*** | Law no. 12/2011 on the Formulation of Laws and Regulations revokes Law no. 10/2004 on the same subject. It expand the obligation for the forward planning of new regulations beyond laws and sub-national regulations to include government and presidential regulations. In addition, this law requires *ex ante* assessment and public consultation for bills and draft of regulations. As regulated in the previous Law (no. 10/2004), law no 12/2011 also stipulated principles in rule making process, such as:* Clarity of purpose (of regulatory instruments);
* Appropriate authority (for regulatory decision making);
* Appropriate (regulatory) instrument (for purpose);
* Implementable;
* Outcome-oriented;
* Clear wording (of regulatory instruments); and
* Openness (of regulatory decision making).

  | * The implementing regulation of the Law No. 12/2011 is currently drafted and planned to be enacted on 2014.
* The National Mid-term Development Plan 2015-2020 which is currently drafted, covers a comprehensive regulatory reform plan.
 |
| Website for further information:  | [www.bappenas.go.id](http://www.bappenas.go.id)[www.bphn.go.id](http://www.bphn.go.id) [www.kemenkumham.go.id](http://www.kemenkumham.go.id) |  |
| Contact point for further details: | Mrs. Diani SadiawatiDirector for Analysis of Law and Regulations Ministry of National Planning and Development diani@bappenas.go.idMr. Subianta MandalaDeputy DirectorNational Law Development Agency subianta\_mandala@yahoo.com   |  |
| ***Implementation of WTO Obligations/ROOs*** | During 2012, Indonesia has submitted 60 notifications related to the implementation of the Multilateral Agreements on Trade in Goods. Notifications cover 11 areas under in Committee on Safeguard, 21 areas under Technical Barriers to Trade (TBT), 8 areas under Import Licensing, 14 areas under SPS, 1 area under Agriculture, 1 Area under TRIPs, and 4 under Commitee Anti Dumping Practices.During 2013, Indonesia has submitted 38 notifications related to the implementation of the Multilateral Agreements on Trade in Goods. The notifications cover 7 areas in Committeee on Safeguard, 14 areas under TBT, 6 areas under Import Licensing, 7 areas under SPS and 4 areas under agriculture.  | *Provide brief points only* |
| Website for further information:  | [www.kemendag.go.id](http://www.kemendag.go.id)  |  |
| Contact point for further details: | <http://ditjenkpi.kemendag.go.id> Directorate for Multilateral CooperationPhone: (6221) 3840139Fax: (6221) 3847273 |  |
| ***Dispute Mediation*** | As in 2012 IAP | *Provide brief points only* |
| *Website for further information:*  | http://[www.bani-arb.org](http://www.bani-arb.org) |  |
| *Contact point for further details:* | **The Indonesian Arbitration Center** **(BANI)**Wahana Graha, 2nd Fl.Jl. Mampang Prapatan No. 2, Jakarta SelatanPhone: + (62 21) 7940542Fax: + (62 21) 7940543Email: bani-arb@indonet.net.id |  |
| *Mobility of Business People* | **Government Regulation No. 31/2013 to implement Law No. 6/2011 on Immigration**The regulation stipulates among others improvement in facilitating foreign investors, such as:Investor can be granted a Limited Stay Permit up to the maximum of 2 (two) years length of stay.The Limited Stay Permit can be converted into a Permanent Stay permit for the investors who stay in row of at least 3 (three) years in Indonesia. Previously it requires 5 (five) years.The Permanent Stay Permit is valid for 5 (five) years and could be extended for another five years, and unlimited stay for the third extension. However, Permanent Stay Permit holders must re-register to Immigration office every 5 years.Automated Gate for E-Passport Immigration Clearance has been Installed at Soekarno-Hatta International Airport since 2012. Elimination of Embarkation and Debarkation Cards since 2012 for Indonesians who leave and enter Indonesia through Immigration Checkpoints that are equipped with Border Control Management (BCM) System.The Indonesian Immigration has launched the utilization of electronic passport (e-passport) on January 26th, 2011 at 3 (three) designated Immigration offices in Soekarno-Hatta, Central Jakarta, and West Jakarta. | * To Install more automated gates for immigration clearance in several airport, such as in Ngurah Rai Airport Bali in the first quarter of 2014.
* To Increase the number of immigration check points;
* To add more countries to be eligible for visa on arrival and visa exemption.
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|  | **Visa Regulation**:* *Visa on Arrival (Voa):*
1. Updated Visa on Arrival (VoA) as stipulated in the Minister of Law and Human Rights Regulation no. M.HH-01.GR.01.06 Year 2010.
2. VoA is now granted to 62 (sixty five) countries.
3. VoA is valid for 30 (thirty) days and can be extended only once for another 30 (thirty) days.
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|  | **Border Control Management (BCM) System**:* BCM System has been applied in 44 (fourty four) Immigration checkpoints in Indonesia, in which 30 (thirty) checkpoints are permanent and 14 (fourteen) are mobile.
 |  |
|  | **Technical Cooperation and Training:** As in 2012 IAP |  |
| Website for further information:  | [**www.imigrasi.go.id**](http://www.imigrasi.go.id) |  |
| Contact point for further details: | Tel: (62-21) 522 4658 (Hunting) Fax: (62-21) 522 5037 /522 5033**humas@imigrasi.go.id****dit\_lbkln@imigrasi.go.id** |  |
| *Official websites that gather economies’ information* | **Indonesia Investment Coordinating Board (BKPM):**www.bkpm.go.id**Agency in charge of Statistics in Indonesia or BPS-Statistics Indonesia (BPS)**[www.bps.go.id](http://www.bps.go.id) **Indonesia National Single Window**www.insw.go.id **Ministry of Trade of Indonesia**[www.kemendag.go.id](http://www.kemendag.go.id)**Coordinating Ministry for Economic Affairs** [**www.ekon.go.id**](http://www.ekon.go.id) |  |
| Website for further information:  |  |  |
| Contact point for further details: | Sub Directorate Statistical Promotion and ServicesStatistics Indonesia (BPS)Jl. Dr. Sutomo No. 6-8, Jakarta 10710, IndonesiaTelp: +62 21 350-7057 , ( +62 21 381-0291 ext. 3230 )Fax: +62 21 386-3740Public Relations Center of Indonesia’ s Ministry of TradeBuilding I, 2nd Floor, Jl. M. I. Ridwan Rais No. 5 Jakarta Pusat 10110Ph : (021) 3860371, (021) 3858171 ext. 1321Fax: (021) 3508711Bureau of Law and Public Relation A.A. Maramis II Building Jln. Lapangan Banteng Timur no. 2-4 Jakarta Pusat 10710 Ph. +62 21 3521835 |  |
| ***Transparency*** | **Enforcing the Public Access to Information Law****Presidential Regulation No. 1/2013 on preventing and combating corruption.** This regulation requires all ministries and government institutions to enforce Law No. 14/2008 on access to public information, with the objective to increase transparency and accountability. The Law ensures that government agencies provide access of public information, such as: disclosure of information in the investigation of criminal cases (including corruption case), government’s planning and budgetary system and providing each applicant to obtain public information**Clean Election Campaigns and Programs**As part of corruption prevention in the electoral process, the Corruption Eradication Comission (KPK) conducts verification on the candidate’s wealth/assets report. The wealth report is then published so that the public can have a reference on public officials’ accountability. The candidate is also required to sign a pact of Integrity to express its commitment to run a clean elections. KPK launched and conducted a program titled “Clean Election” to support transparent, clean and accountable legislative and presidential election in April 2014. As part of the program, KPK has conducted several activities including:* Research on “how to strengthen Indonesian political system”
* Focus Group Discussion with political parties
* Public awareness program and campaign

**Anti Grafts Measures**The launch of “Gratification e-Module” in 2013 is intended to enhance the awereness of public officials and civil servants about gratuities, kickbacks, facilitation payment and other illegal gifts/benefits. **Integrity and Transparancy in the Judicial System**KPK in cooperation with the Supreme Court records judicial proceedings in corruption courts throughout Indonesia. The records of judicial proceedings can be accessed by the public (with due regard for the protection of privacy and personal data).**Anti-corruption Prevention and Enforcement Policies and Practices*** Establish “KPK Roadmap 2011-2023” as a guidance to its working plan toward the implementation of National Integrity System
* The enactment of Presidential Regulation No. 55/2012 on “National Strategy on Combating Corruption”
* The implementation of Presidential Instruction No.1/2013 on National Action Plan on Prevention and Eradication of Corruption 2013. This is to ensure the adoption of “Strengthening Institutional Mechanisms” in law enforcement institutions.
 | 1. Implementation and adoption of Presidential Regulation No. 55/2012 on National Strategy on Anti Corruption and President Regulation No.1/2013 on Preventing and Combating Corruption
2. Continuous implementation of “KPK Roadmap 2011-2023” to enforce transparency and accountability in public sector and good governance.
3. Implementing the “Clean Election” programs and activities nationwide.
4. To work intensively with Indonesia Finance and Development Supervisory Agency (BPKP) in enforcing KPK’s coordination and supervision strategies and work program. KPK sets target to intensify the respective program throughout 33 provinces. The program will be covering strategies and action plans to achieve transparency, the application of good practice principles and governance in key areas such as: public services, budget planning and implementation, procurement, food security and mining.
5. To support the continous implementation and adoption of: (1) Internal Fraud Control and Oversight System in respective Ministries/Instititutions, (2) Anti Graft Measures/Handling (Graft Control and Report), (3) close cooperation and synergy with Indonesia judiciary, BPKP and other related agencies/institutions.

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| Website for further information:  | <http://kpk.go.id/id/>  |  |
| Contact point for further details: | Directorate of Fostering Networks between Commission and InstitutionsEmail: informasi@kpk.go.id |  |
| **RTAs/FTAs**  |
| ***-*** ***Description of current agreements*** | 1. **ASEAN Trade in Goods Agreement (ATIGA)**

As in 2012 IAP1. **ASEAN Framework Agreement on Services (AFAS)**

As in 2012 IAP1. **ASEAN-China Free Trade Agreement (ACFTA)**

As in 2012 IAPImprovement planned:* Protocol to Amend the ACFTA Trade in Goods concerning the Operational Certification Procedures;
* The Second Package of Trade in Services Agreement;
* Tariff for Sensitive List will be reducing 0 – 5% on 2018.
* Protocol to Incorporate TBT and SPS, Sensitive Track (ST) Tariff became maximum 20% by 1 January 2012
1. **ASEAN-Korea Free Trade Agreement (AKFTA)**

As in 2012 IAPImprovement planned:* Impact study is planned to assess the actual level of utilization of AKFTA by business. Further work programme will be based on the findings of the study in 2011.
* Tariff for Sensitive List will be reducing 0 – 5% on 2016.
* Sensitive Track (ST) Tariff became maximum 20% by 1 January 2013
1. **ASEAN-Japan Comprehensive Economic Cooperation (AJCEP)**

 As in 2012 IAP 1. **ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)**

As in 2012 IAPImprovement planned:* Has finalized the First Protocol to Amend the Agreement AANZFTA final draft, ready to be signed in AEM Retreat Meeting on February 2014.
* Indonesia has implemented tarif based on HS 2012 in AANZFTA based on Minister of Finance Regulation No.208/PMK.11/2013 dated 31 December 2013 and effectively implemented on 1 January 2014.
1. **ASEAN-India Free Trade Agreement (AIFTA)**

As in 2012 IAP Improvement planned:* Has finalized Trade in Services and Trade in Investment Agreement final draft, ready to be signed in AEM Retreat Meeting on February 2014.
1. **Indonesia – Japan Economic Partnership Agreement (IJ-EPA)**

As in 2012 IAPImprovement planned:* Indonesia currently under the process of review in 2014
1. **Indonesia – Pakistan Preferential Tariff Agreement (IP-PTA)**

IP-PTA has concluded and both countries has signed the agreement on 3 February 2013. Meanwhile the entry into force of the agreement is on 1 September 2013.1. **ASEAN Framework Agreement on Services 8 (AFAS 8)**

Indonesia has ratified the *Protocol to Implement the Eight Package of Commitments under the ASEAN Framework Agreement on Services* (AFAS) through Presidential Regulation in January 2012. The 8th Package of AFAS that has been agreed by Members of ASEAN in 2012 gave mandates to the Members to increase the number of services sectors as commitments for liberalization, and to increase the share of foreign capital (foreign equity participation) for both priority sectors and non-priority sectors. |
| ***- Agreements under negotiation*** | *Please provide information on agreements that are currently under negotiation eg issues being covered in the negotiation and the status of the negotiation.*  |
|  | ***Agreement #1*** | **ASEAN-Japan Comprehensive Economic Partnership (AJ-CEP)**Trade in Services and Investment are still under the negotiation process |
| ***Agreement #2*** | **Indonesia-European Free Trade Association Comprhensive Economic Partnership Agreement (IE-CEPA)**The 8th round of negotiation of IE-CEPA was held on October 2013 in Norway, the next round negotiation schedule on May 2014 in Indonesia. |
| ***Agreement #3*** | **Indonesia-Australia CEPA (IA-CEPA)**The 3rdround negotiation of IA-CEPA schedule to be held in March 2014. |
| ***Agreement #4*** | **Indonesia-India Comprehensive Economic Cooperation Agreement (II-CECA)**The 1st round negotiation of II-CECA schedule to be held in March 2014. |
| ***Agreement #5*** | **Indonesia-Iran Preferential Tariff Agreement (II-PTA)**The 1st round of Trade Negotiating Committe has been held in November 2010. The next round negotiation schedule on 2014 |
| ***Agreement #6*** | **Indonesia-Korea CEPA (IK-CEPA)**The 6th round of negotiation was held on 4-8 November 2013, and the seventh round of negotiation schedule to be held in 2014. |
| ***Agreement #7*** | **Regional Comprehensive Economic Partnership (RCEP)**Regional Comprehensive Economic Partnership (RCEP) is a regional FTA developed among 16 countries, 10 members of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam) and the six countries with which ASEAN has existing Free Trade Agreements (FTAs) – Australia, China, India, Japan, Korea, and New Zealand. In this regard, the six non-ASEAN countries are known as the ASEAN Free Trade Partners (AFPs).The chapters in the RCEP are still in negotiations. Trade in goods, trade in services, investment, economic and technical cooperation, are among the chapters that has been agreed to be developed. Other issues are to be identified during the course of negotiations.The first round of RCEP negotiations was held from 9-13 May 2013 in Brunei Darussalam. The second round of negotiations was held in Brisbane from 23-27 September 2013 and the third round was held in Kuala Lumpur, Malaysia, 20-24 January 2014. The fourth and fifth round will be held in Naning, China and Singapore, respectively.  |
|  | ***Agreement #8*** | **ASEAN Framework Agreement on Services 9 (AFAS 9)**Schedules of Specific Commitment (SoC) are still under the negotiation process especially in priority sectors. |
| ***-*** ***Future plans*** | **Indonesia-Peru PTA**A Joint Study Group (JSG) Meeting is to be held on March 2014**Indonesia-Chile CEPA**The negotiation will be conducted in 3 stages. At the first stage is Trade in Goods, which is scheduled to be held on February 2014**Indonesia-European Union CEPA (IEU-CEPA)**Currently is in the process of developing a scoping study**Indonesia-Tunisia FTA**The third round of JSG meeting is to be held**Indonesia-Turkey FTA**The Joint Study Group (JSG) recommends a Comprehensive Trade Economic Partnership for this FTA **Indonesia –Egypt FTA**The first round of JSG meeting is to be held |
| Website for further information:  | [www.kemendag.go.id](http://www.kemendag.go.id) |
| Contact point for further details: | http:ditjenkpi.kemendag.go.id |

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| ***Other voluntary reporting areas*** | *NA* | *NA* |
| Website for further information:  | www.kemendag.go.id |  |
| Contact point for further details: | cti.indonesia@kemendag.go.id or ctiindonesia@gmail.com  |  |