Appendix I: Investment facilitation – menu of actions and measures
(Voluntary submission by member economies: Indonesia)

IFAP Principle 1: Promote accessibility and transparency in the formulation and administration of investment-related policies			
Specific Actions	**Time Table**	**Details of implementation**	**Expected outcomes**
▪ Publish laws, regulations, judicial decisions and administrative rulings of general application, including revisions and up-dates.	Already implemented.	Available through: - BKPM website at www.bkpm.go.id - Bureau of Legislation and Public Relations BKPM	Make all investment-related laws and regulations widely available for public.
▪ Adopt centralised registry of laws and regulations and make this available electronically.	Already implemented.	General laws and regulations of the Republic of Indonesia is available at the State Secretariat website: www.setneg.go.id Applicable laws and regulations related to investment are available at BKPM website.	Make all investment-related laws and regulations widely available for public.
▪ Establish a single window or special enquiry point for all enquiries concerning investment policies and applications to invest	One-Stop-Shop has been implemented since 2009. Investor Relations Unit (IRU) has been running since 2010.	Investors can reach BKPM Investor Relations Unit (IRU) by phone +6221-52921334 or email info@bkpm.go.id during office hours for all investment enquiries. For further consultation & application process enquiries, investors may also consult with BKPM's One-Stop-Shop officers at BKPM front office.	Investors receive direct and comprehensive assistance on investment policies and application procedures.
▪ Make available all investment-related regulations in clear simple language, preferably in languages commonly used by business	Already implemented.	Investment guide in simple and clear steps as well as information on investment-related regulation are available at BKPM website www.bkpm.go.id both in English and Indonesian Language.	Make all investment-related laws & regulations widely available for public.
▪ Following establishment of an Investment Promotion Agency (IPA), or similar body, and make its existence widely known	Already implemented.	BKPM actively promotes itself and investment potentials in Indonesia. This task is carried out by the Deputy of Investment Promotion. It carries out	- Wider dissemination of information on BKPM as Indonesia's IPA as well as investment potentials in

			promotional and investment marketing activities such as promoting investment potentials through BKPM international representatives (or IIPC, Indonesia Investment Promotion Centres) in 7 economies; targetted promotion by sector and by area; integrated investment promotion activities; rebranding through media and global economic meetings and business associations; investment mission facilitation and matchmaking; bilateral promotion; global seminar and exhibitions.	the country, both domestically and worldwide. - Comprehensive investment promotion and facilitation.
▪	Make available to investors all rules and other information relating to investment promotion and incentive schemes	Already implemented.	Available at BKPM website www.bkpm.go.id	Make all investment-related laws & regulations widely available for public.
▪	Allow investors to choose their form of establishment within legislative and legal frameworks.	Since 2007	Foreign investors must establish a limited liability company (PT, or Perseroan Terbatas) in order to invest in Indonesia, as stated in Law No. 25/2007 on Investment. Further regulations on limited liability company is stipulated in Law No. 40 of 2007 on Limited Liability Company. On the other hand, in oil and gas upstream sector, foreign companies may take their home country's form of establishment.	-
▪	Ensure transparency and clarity in investment-related laws	Already implemented	Every new policies related to investment will be disseminated to all stakeholders both in central and local government.	
▪	Improve upon the APEC-wide website (e-portal) to replacing the hard copy publication of the APEC Investment Guidebook (IEG)	In progress	Continuously update APEC Investment Guidebook for future updates when the portal is ready.	

▪	Encourage on-line enquiries and on-line information on all foreign investment issues	Refer to IRU stated above.		
▪	Maintain a mechanism to provide timely and relevant advice of changes in procedures, applicable standards, technical regulations and conformance requirements	Already implemented.	Available through: - BKPM website at www.bkpm.go.id - Investor Relations Unit (IRU)	Make all investment-related laws & regulations widely available for public.
▪	To the extent possible, provide advance notice of proposed changes to laws and regulations and provide an opportunity for public comment	-	-	-
▪	Explore the possibility of using the international benchmarks on a voluntary basis as a reference point for peer dialogue and measuring progress	-	-	-
Other voluntary actions in addition to the above: ▪ _____ ▪ _____				
IFAP Principle 2 Enhance stability of investment environments, security of property and protection of investments				
Specific Actions		**Time Table**	**Details of implementation**	**Expected outcomes**
▪	Establish timely, secure and effective systems of ownership registration and / or property use rights for land and other forms of property	Since 1960 by Law No. 5 of 1960 on Basic Regulations on Agrarian Principles, regulated further by Government Regulation No. 40 of 1996 on Right to Exploit, Right to Build, and Right to Use.	a. Right to Exploit (*Hak Guna Usaha*) may be granted for 35 years, and can be extended for a maximum of 25 years. After that, the right can be renewed (Art. 8 PP 40/1996). b. Right to Build (*Hak Guna Bangunan*) may be granted for 30 years, and can be extended for a maximum of 20 years. After that, the right can be renewed (Art. 25 PP 40/1996). c. Right to Use (*Hak Pakai*) may be granted for 25 years, and can be extended for a maximum of 20 years. After that, the right can be renewed (Art. 45 PP 40/1996).	Provide legal certainty to right holders, government and third parties.
▪	Create and maintain an effective register of public or state owned property.	Already implemented.	Stipulated in Government Regulation No. 24 of 1997 on Land Registration.	- Provide legal certainty and protection to rights

				holder. - Maintain land administration well-ordered.
▪	Ensure costs associated with land transactions are kept to a minimum including by fostering competition.	Already implemented.	Costs in registering property are governed by Directorate General of Tax, Ministry of Finance, and National Land Office, which includes: - Land certificate examination at National Land Council (Rp50,000 or around $5) - Transfer Tax (5% of the property price) - Tax on Acquisition on Land & Building (5% of property price minus Rp 80 million or around $8,416 which is tax-free) - Execution of sale and purchase of Land Deed by a PPAT official (1% of the property value) - Registration of the Land Deed at the local Land Office (1/1000 of the property value + Rp50,000 administrative fee + Stamp duty of Rp6,000 per document (2 required)) - Registration of the Land Deed at the Tax on Land and Building Office (PBB) at no cost.	Provide transparancy and legal certainty to related parties.
▪	Foster the dissemination of accurate market reputation information including creditworthiness and reliability	Already implemented.	BKPM website publicly displays Indonesia's credit rating by Fitch, S&P, and Moody's. Fitch was the first to boost Indonesia to investment grade in December 2011, followed by Moody's in January 2012. S&P has yet to give an investment grade. However, it stated that Indonesia remains the largest	- Endorse the country's economic progress. - Encourage more investment to the country.

			potential rising star in emerging and developing markets, which reflects a positive outlook for the likelihood of investment grade. www.bkpm.go.id	
▪	Explore the possibility of using the World Bank Doing Business indicator "Enforcing Contracts" as the basis for peer dialogue and benchmarking and measuring progress across APEC.	-	-	
▪	Encourage or establish effective formal mechanisms for resolving disputes between investors and host authorities and for enforcing solutions, such as judicial, arbitral or administrative tribunals or procedures	Already implemented.	When investors have problems with government (central & local), local partners or communities in realizing their investment, they may first contact Controlling & Implementation Unit in regional (PDPPM/PDKPM) and central (BKPM). The facilitation of problem solving will be done by stages from regional up to central institution. If an investor wants to raise an objection to an administrative decision issued by the government (central and local), disputes can be settled through PTUN (administrative tribunal) court of justice or arbitration in accordance with the rules of law.	Assistance and facilitation on solving problems facing by investors in realizing their investment activities.
▪	Encourage and facilitate the use of arbitration and other means of alternative dispute resolution for the settlement of international commercial disputes between private parties	Already implemented.	In case of the dispute between private parties, conflicting parties may contact BANI (*Badan Arbitrase Nasional Indonesia*, or Indonesia National Board of Arbitration), which provides a range of services in arbitration, mediation, binding opinion and other forms of dispute resolution.	Disputing investors will receive further services for dispute settlement through arbitration or other forms of alternative dispute resolution, such as negotiation, mediation, conciliation and binding opinion in accordance with the Rules of Procedures of BANI or other rules as opted by the parties concerned.

▪	Facilitate commercial dispute resolution for foreign investors by providing reasonable cost complaint-handling facilities, such as complaint service centres, and effective problem-solving mechanisms	-	-	
▪	Take steps to accede to an arbitral convention	-	-	
Other voluntary actions in addition to the above: ▪ _____ ▪ _____				
IFAP Principle 3 Enhance predictability and consistency in investment-related policies				
Specific Actions		**Time Table**	**Details of implementation**	**Expected outcomes**
▪	Increase use of legislative simplification and restatement of laws to enhance clarity and identify and eliminate inconsistency.	-	-	
▪	Provide equal treatment for all investors in the operation and application of domestic laws and principles on investment	Already implemented.	Equal treatment is guaranteed as stated in Investment Law No. 25 of 2007. This assurance is applicable with respect to post-establishment (management, conduct, and operation).	- Encourage conducive business climate for investors. - Guarantee legal certainty, business certainty, and business security to investors. - Encourage re-investment.
▪	Reduce the scope for discriminatory bureaucratic discretion in interpreting investment-related regulations	Already implemented.	Reducing the bureaucratic discretion in interpreting regulation by providing a clear, transparant and detailed mechanism of implementation regulation.	
▪	Maintain clear demarcation of agency responsibilities where an economy has more than one agency screening or authorising investment proposals or where an agency has regulatory and commercial functions	Already implemented.	For FDI companies, approval or licencing is given by the central authority, ie. Indonesia Investment Coordinating Board (except for KPBPB Batam and Sabang/SEZ).	
▪	Establish and disseminate widely clear definitions of	Already implemented.	Foreign investment proposal can be	

	criteria for the assessment of investment proposals		approved as long as the business sector is open and all requirements such as percentage of foreign equity, minimum investment value, etc, are fulfilled.	
▪	Establish accessible and effective administrative decision appeal mechanisms including where appropriate impartial "fast-track" review procedures	-	-	
Other voluntary actions in addition to the above: ▪ _____ ▪ _____				
IFAP Principle 4: Improve the efficiency and effectiveness of investment procedures				
Specific Actions		**Time Table**	**Details of implementation**	**Expected outcomes**
▪	Simplify and streamline application and, registration, licensing and taxation procedures and establish a one-stop authority, where appropriate, for the lodgement of papers	1. PTSP One-stop-shop system (or *Pelayanan Terpadu Satu Pintu*)		
		Established in 2009.	Streamlining and consolidation of approvals of business permit from 16 ministries, all carried out under BKPM's authority.	Reduced bureaucratic layers and shorter days to obtain business licenses.
		2. NSWi (National Single Window for Investment) portal and SPIPISE (Information and Investment Licence Electronic Service System, or *Sistem Pelayanan Informasi dan Perizinan Investasi Secara Elektronik*)		
		Established in January 2010.	An integrated portal and service system which enable investors to submit business permit application, trace their documents' statuses, and obtain relevant information.	Easier application method for investors to obtain investment licence. Shorter days for business permit issuance, from previously 60 days to only 10 days.
▪	Simplify and reduce the number of forms relating to foreign investment and encourage electronic lodgement	As in PTSP and NSWi.		
▪	Shorten the processing time and procedures for investment applications.	As in PTSP and NSWi.		

▪	Promote use of “silence is consent” rules or no objections within defined time limits to speed up processing times, where appropriate	-	-	
▪	Ensure the issuing of licences, permits and concessions is done at least cost to the investor	As in PTSP and NSWi.		
▪	Simplify the process for connecting to essential services infrastructure	-	-	
▪	Implement strategies to improve administrative performance at lower levels of government.	Since 2009.	Based on Presidential Regulation No. 27 of 2009 on PTSP and Chairman of BKPM Regulation No. 6 of 2011 on the Procedure of Implementation, Assistance and Reporting of One-Stop-Shop System in Investment, since 2009 BKPM has been continuously assessing as well as assisting PDPPM (Provincial Investment Agency), PPTSP Provinsi (Provincial One-Stop-Shop Agency), PDKPM (Regency/ Municipal Investment Agency), PPTSP Kabupaten/Kota (Regency/Municipal One-Stop-Shop Agency), PTSP KPBPB (Free Trade Zone and Free Port One-Stop-Shop Agency) and PTSP KEK (Special Economic Zone One-Stop-Shop Agency) nationwide to meet the benchmarks, criteria, and qualifications for One-Stop-Shop System as stated in Article 5 Clause 2 of the above Presidential Regulation. In 2010, BKPM has assessed and gave qualifications to 130 One-Stop-Shop agencies in provinces, regions, and cities.	
▪	Facilitate availability of high standard business services supporting investment	Ongoing.	As mentioned above.	
Other voluntary actions in addition to the above: ▪ _____				

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IFAP Principle 5: Build constructive stakeholder relationships			
Specific Actions	**Time Table**	**Details of implementation**	**Expected outcomes**
▪ To the extent possible, establish a mechanism to provide interested parties (including business community) with opportunity to comment on proposed new laws, regulations and policies or changes to existing ones prior to their implementation	Already implemented.	In principle, the government has a mechanism to hold a dialogue with business community, international business chambers and associations in discussing proposed new regulations which might have the potential to affect business in various sectors.	
▪ Continue to share APEC member economies' experiences of successful stakeholder consultative mechanisms	-	-	
▪ Promote the role of policy advocacy within IPAs as a means of addressing the specific investment problems raised by investors including those faced by SMEs	Already implemented.	BKPM also takes a role in advocating and facilitating problems faced by business community.	
▪ Continue to share APEC member economies' experiences of successful public private dialogue to take advantage of the information on successes and problems encountered by established investors	Ongoing.	Dialogues between public and private sector has been carried out between government and various institutions such as Chamber of Commerce, industry associations, exporters, and investors.	- Improve understanding between public and private sector. - Establish clearer policy direction and improve economic performance.
▪ Promote backward investment linkages between businesses, especially between foreign affiliates and local enterprises including through the promotion of industry clusters	Ongoing.	Policy on partnership scheme between investors and SMEs, including but not limited to automotive industry and agriculture.	Integrated industry, clustering product base.
▪ Encourage high standards of corporate governance through cooperation aimed at promoting international concepts and principles for business conduct, such as APEC's programs on corporate governance and anti-corruption.	Since 1999.	The first Indonesia's Code on Good Corporate Governance was published in 1999 and revised several times in 2001 and 2006.	Propagate the acceptance and application of Good Corporate Governance principles nationwide.
▪ Examine and share APEC member economies' experience with responsible business conduct instruments	-	-	
Other voluntary actions in addition to the above:			

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IFAP Principle 6: Utilise new technology to improve investment environments			
Specific Actions	**Time Table**	**Details of implementation**	**Expected outcomes**
▪ Promote the introduction and use of new technologies aimed at making the investment process simpler and faster	Please refer to PTSP and NSWi in "*IFAP Principle 4: Improve the efficiency and effectiveness of investment procedures*".		
▪ Maintain adequate and effective protection of technology and related intellectual property rights	Already implemented.	Indonesia has issued a number of laws and regulations on intellectual property rights. The protection of IPR in Indonesia is carried out by the Directorate General of Intellectual Property, Ministry of Law and Human Rights www.dgip.go.id	- Provide legal certainty and protection for innovators. - Encourage conducive business climate.
▪ Where possible, give effect to international norms for property protection	-	-	
Other voluntary actions in addition to the above: ▪ _____ ▪ _____			
IFAP Principle 7: Establish monitoring and review mechanisms for investment policies			
Specific Actions	**Time Table**	**Details of implementation**	**Expected outcomes**
▪ Conduct periodic reviews of investment procedures ensuring they are simple, transparent and at lowest possible cost	Ongoing.	Simplify procedures and speed up services.	Better service for investors.
Other voluntary actions in addition to the above: ▪ _____ ▪ _____			

IFAP Principle 8: Enhance international cooperation			
Specific Actions	**Time Table**	**Details of implementation**	**Expected outcomes**
▪ To the best extent possible, accede to, or observe, multilateral and/or regional investment promotion and facilitation conventions	Ongoing.	Active participation in World Economic Forum, World Investment Forum, and WAIPA.	Network expansion.
▪ Make use, where appropriate, of international and regional initiatives aimed at building investment facilitation and promotion expertise, such as those offered by the World Bank, UNCTAD and OECD	Ongoing.	Participate in PFI-OECD review, and World Bank's Global Investment Promotion Benchmarking.	Maintain the improvement of investment facilitation processes on track.
▪ Ensure measures exist to ensure effective compliance with commitments under international investment agreements	-	-	
▪ Review existing international agreements and treaties to ensure their provisions continue to create a more attractive environment for investment.	-	-	
Other voluntary actions in addition to the above: ▪ _____ ▪ _____			