



Efficiency in the New Regime of Bonded Zone

by Melisa Kristian



On 26 November 2018, the Directorate General of Customs and Excise enacted a new Regulation* relating to bonded zones, intended to streamline and stimulate Indonesian exports and investment. A bonded zone is an area that is used to store goods to avoid import duties.

The Regulation requires that in order to obtain licences related to bonded zones, those eligible must have a business identification number (*nomor induk berusaha*). Applications for a bonded zone licence must now be carried out online through the Indonesian National Single Window, which has been integrated with the OSS system.

In accordance with the Regulation, valid licence applications can be issued within 3 days and 1 hour after the application has been submitted. The application process includes the submission and examination of documents and an applicant presentation.

Under the Regulation, licenses will remain valid until they are revoked by the chief of the relevant regional office (*kepala kantor wilayah*) or the chief of the primary service office (*kepala kantor pelayanan utama*) on behalf of the Minister of Finance. Licences can be revoked if the licencees breach their obligations under the Regulation.

To increase the investment and efficiency of the operation of bonded zones, licence holders will be assisted by the authorities. An appointed representative of each licence holder must actively communicate with the officer appointed by the authorities.

The Regulation allows licence holders access to different facilities and resources based on the licence holder's intended activities. The Regulation allows the Head of Customs to grant an export licence directly to a qualifying subcontractor without the contractor having a licence. The Regulation also allows the Head of Customs to assign certain autonomous tasks (*pelayanan mandiri*) to a licence holder, for example, setting up safety signs.

*Regulation No. Per-19/BC/2018.



Goods Terminals: A Regulatory Overhaul

by A.A.A. Reditha Saras



The Minister for Transport has enacted a regulation relating to the organization of Goods Terminals* (*Regulation No. 102*). Regulation No. 102 deals with the construction, development, operation, supervision and control of goods terminal facilities. Goods terminals are used for the loading and parking of trucks, storage and other related activities. There are two types of goods terminals; public and private.

Public goods terminals can be used for the organization of goods destined to be sold to the public. Private goods terminals are to be used for the organization of goods destined to be used by private interests.

All goods terminals are administered by the Central Government through the General Director of Land Transport or the Head of the Jabodetabek Transport Management Body. The Central Government will also provide guidance to the operators of goods terminals. Such guidance can include corrective action, technical suggestions and the imposition of sanctions. Goods terminals may also be administered by a third party cooperating with the Central Government.

The Minister for Transport determines all public goods terminal locations. All use of goods terminals will be charged to the Central Government and those charges will be considered non-taxable revenue.

The General Director of Land Transport or the Head of the Jabodetabek Transport Management Body will assess the operation of goods terminals and make recommendations including corrective action, suggestions for better operation and for the closure of the facility.

Private interest goods terminals are administered by private parties. Approval to set up a private goods terminals must be sought from the Minister for Transport and the application must be made online through the OSS system.

Any organization administering a private good terminal must provide monthly reports to the General Director of Land Transport or the Head of the Jabodetabek Transport Management Body. All organizations that administer private goods terminals for any export and import activities must have certain staff including customs officers, quarantine officers and immigration officers.

* Minister for Transport Regulation No. 102 of 2018 concerning the Organization of Goods Terminals.

The Telecommunications Regulatory Agency: New Regulations

by Alexander Josua Hutagalung



The Minister for Communication and Information recently issued a new regulation relating to telecommunications* (**Regulation 15**).

Regulation No. 15 states that the purpose of the Indonesian Telecommunications Regulatory Agency or Badan Regulasi Telekomunikasi Indonesia (**BRTI**) is to establish the proper governance of the telecommunications sector including ensuring that it is run on the principles of transparency, accountability and fairness. Under Regulation 15, the telecommunications sector includes broadcasting, the internet and the digital economy.

The Minister has the authority to develop telecommunications policy and law and to carry out supervision and control. The Minister has delegated some of its authority to BRTI including the right to issue regulations.

Regulation 15 has defined BRTI's membership to include Directorate Generals and the Telecommunications Regulatory Committee, which comprises both government officials and members of the public.

**The Minister for Communication and Information's Regulation No. 15 of 2018 relating to the Indonesian Telecommunications Regulatory Agency.*

Technical Consideration: A Guidance for Land Affairs Office

by Shaskia Putri Ramadhani



- ensure that land is used in accordance with government land plans;
- ensure that rural land is used in a harmonious manner; and
- ensure that urban land is used in a way that optimizes the health of the population.

Indonesian citizens and legal entities, including state-owned entities, regional and public companies, may apply for technical considerations if they wish to obtain, renew, receive a recommendation, or to change the:

- location permits;
- land rights;
- land tenure; and
- the use of land.

Technical considerations will be given if it:

- does not harm the public interest;
- does not negatively affect the use of surrounding land;
- promotes sustainability;
- promotes justice; and
- complies with the regulatory requirements.

All applications must be done through the OSS system. Once it has been received, an officer will be sent to conduct a site review that will include meetings, compiling maps and finally, an opinion. This process should take no longer than 10 days after the application has been received.

On July 13, 2018 the Minister for Agrarian Affairs and Spatial Layout / Chairperson of the National Land Agency issued a Regulation concerning Technical Considerations for Land Affairs * (**Regulation No. 15**). Regulation No. 15 revokes a number of previous relevant regulations.**

Technical considerations means consideration that the government make, which contains terms and conditions relating to the control, ownership, and the utilization of land. The government forms an opinion on specific issues and then provides input or guidance to the applicant to ensure that the land use complies with government policy, priorities and regulation. The purpose of Regulation No. 15 is to:

- stimulate investment;
- improve the ease of doing business
- ensure that land is used efficiently, effectively and sustainably;
- ensure fairness in granting ownership of land;

* *Regulation of the Minister of Agrarian Affairs and Spatial Layout / Chairperson of the National Land Agency No. 15 Year 2018 concerning Technical Considerations for Land Affairs.*

** *Regulations of the Chairperson of the National Land Agency No. 1 Year 2010 concerning Land Services and Regulation Standards and Regulations of the Chairperson of the National Land Agency No. 2 year 2011 concerning Guidelines for Land Technical Considerations in Issuing Location Permits, Location Determinations and Land Use Change Permits.*