



# New Labor Services Regulations

by Pratiwi Widyastuti



Image source: <https://www.linkedin.com>

In order to streamline business licensing in Indonesia, in 2018, the government introduced the Online Single Submission system (the **OSS**). With the introduction of the OSS, business licences can now be applied for, and processed, online. Since 2018, legislation has been amended to reflect the introduction of the OSS including the **2019 Regulations**<sup>1</sup> relating to labor services, which were issued by the Minister of Manpower on 1 August 2019.

Together with previous regulations on the same subject, the 2019 Regulations specify that the using of labor services, must be done through a written agreement between the service provider and the company taking on the services, which must be registered with the Ministry of Manpower. In addition, the 2019 Regulations and previous regulations specify the provisions that such a contract must contain including details of the workers' rights and the details of the scope of work.

As **Indonesian Manpower Law**<sup>2</sup> does not allow any company to use outsource workers for its main business activities, The 2019 Regulations limits the using of them for these following areas:

- a. cleaning;
- b. catering;
- c. security;
- d. mining and oil support; and
- e. transportation.

The 2019 Regulations also introduces the requirement that all companies providing labor services must first obtain a business licence through Indonesia's new online single submission system (the OSS). The 2019 Regulations introduces administrative sanctions for breach of its provisions and remove sanctions such as licence revocation.

<sup>1</sup> Minister for Manpower of Republic of Indonesia Regulation No. 11 of 2019 on the Second Amendment of Minister for Manpower of Republic of Indonesia Regulation No. 19 of 2012 on the Requirements for Transfers of Partial Work to Other Companies

<sup>2</sup> Law No. 13 of 2003 regarding Manpower.

# Auction Houses: New Regulations

by Troivanji Wasistha

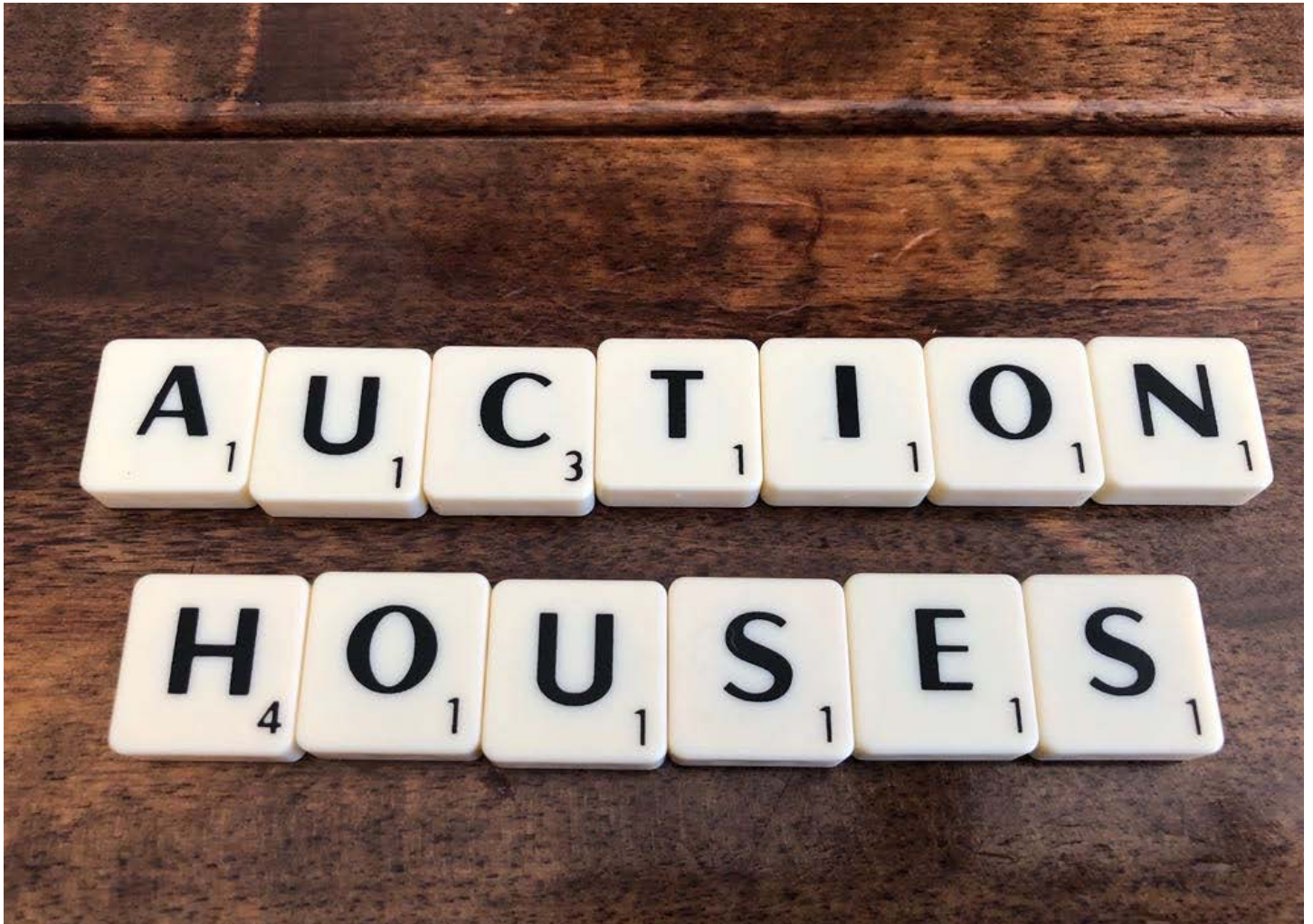


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On 5 August 2019, the Ministry of Finance issued new regulations concerning the operation of auction houses (**Regulation 113**).\*

The aim of Regulation 113 is to enhance and improve the quality of auction services and the performance of auction houses. An auction house must be established in a form of limited liability company. Regulation 113 introduces new requirements for the paid-up capital of companies operating auction houses depending on the operating area of the auction house, including, for auction houses located:

- in the greater Jakarta area, referred as zone I, the minimum paid-up capital is Rp 10 billion;

- in certain areas on the island of Madura and the island of Java, outside zone I, referred as zone II, the minimum paid-up capital is Rp 5 billion; and
- outside zones 1 and 2, referred as zone III, the minimum paid-up capital is Rp 3 billion.

Regulation 113 introduces new requirements that in any 3 year period, an auction house must:

- carry out at least 10 voluntary auctions; and
- provide pre-auction and/or post auction services.

\*Regulation of Minister of Finance No. 113/PMK.06/2019 Concerning Auction Houses, which revokes Regulation of Minister of Finance No. 176/PMK.06/2010 Concerning Auction Houses.

# The Utilization and Management of Oil and Gas Data

by Shaskia Putri Ramadhani



Image source: [https://www.rigzone.com/news/wire/legal\\_battle\\_looms\\_over\\_russian\\_gas\\_pipeline\\_to\\_europe-08-may-2019-158784-article/](https://www.rigzone.com/news/wire/legal_battle_looms_over_russian_gas_pipeline_to_europe-08-may-2019-158784-article/)

The oil and gas data collected by the Indonesian Government are confidential and proprietary. The data includes, among other things, facts, interpretation and links made through processing. The processing and handling of this data has been governed by regulation.\* However, given technological advances these regulations have become increasingly unfit for purpose. Consequently, the Minister for Energy and Minerals has issued new regulations to replace the previous ones in order to boost the exploration and exploitation of oil and gas in Indonesia.\*\*

The regulations state that data can be used for:

- the identification of appropriate areas for exploitation;
- the formulation of policies;
- exploration; and
- research and development.

Under the regulations, the Government may collect the data from surveys, studies, exploration, exploitation and data received from contractors.

Once the mining companies or contractors have collected the data, it shall be submitted to the Data Centre for Information on Mineral Resources, which is the representative of the Indonesian Government. The Government may use and process the data. The public may apply to the Minister for Energy and Minerals for access to data that is not classified as confidential.

The new regulations set out detailed provisions relating to the transfer of data overseas, data exchange and data destruction. The regulations have revoked certain penalties including for the submission of data to the Government or the transfer for data to another entity without authority.

\*The Minister for Energy and Mineral Resources No. 27 of 2006 concerning Management and Use of Data Obtained from General Survey, Exploration and Exploitation of Oil and Gas.

\*\*The Minister for Energy and Mineral Resources No. 7 of 2019 concerning Management and Use of Oil and Gas Data, issued on August 2, 2019.



# Regional Securities Companies: New Regulations

by A. A. A. Reditha Saras



Image source: <https://www.investopedia.com>

The Financial Services Authority of Indonesia (*Otoritas Jasa Keuangan* or **OJK**) has issued new regulations relating to the operation and conduct of regional securities companies (**Regulation 18**).<sup>\*</sup> The purpose of Regulation 18 is to ensure that securities companies make an increasing positive economic impact on regional economies and broaden access for people in regional areas to invest in the capital markets sector.

Regulation 18 requires regional securities companies to obtain a business license from the OJK in order to operate. Further, Regulation 18 states that regional securities companies may only open regional offices in the province where the head office is located and may only service customers domiciled in the same region. Further, Regulation 18 requires a regional securities company to include the word “securities” and the relevant region in its name.

Under Regulation 18, regional securities companies may carry out, among other things:

- securities transactions for its own, and other parties’, interests;
- marketing for other securities companies; and
- funding securities transactions.

In order to fund securities transactions, Regulation 18 requires that regional securities companies must apply to the OJK for approval. Securities transactions permitted under Regulation

18 may be carried out in cooperation, based on a contract, with companies listed on the Indonesia Stock Exchange and with Clearing Members.

Regulation 18 states that regional securities companies must have a clear organisation structure including job descriptions, procedures and operating standards, as set out in its licences and in accordance with capital market regulations.

Regulation 18 also states that a regional securities company is legally and financially responsible for the actions taken for, and on behalf of, the company by its directors, commissioners, representatives, employees and any other parties that work for the company.

A regional securities company’s business licence may be revoked by the OJK:

- because it has been voluntarily returned to the OJK;
- as a result of a verdict of the judicial board;
- because the company has been dissolved; and/or
- because the company has not carried out business for 2 consecutive years.

Regional securities companies that return its business license to the OJK must:

- make a newspaper or website announcement including details on how it will settle its rights and obligations to its clients;
- obtain prior approval from a general meeting of the shareholders;
- settle its obligations to its clients, Stock Exchange Members, and Clearing members; and
- settle its financial obligations to the OJK.

After a regional securities company’s business license is revoked, the company must not use its name and logo for any purpose other than its liquidation.

<sup>\*</sup>POJK No. 18/POJK.04/2019.